PRIME FOCUS
LIMITED

STRONGER
TOGETHER

ANNUAL REPORT 2020-21

INTRODUCTION

STRONGER TOGETHER

During these uncertain times employees, shareholders, and friends and family have demonstrated strength and leadership by coming together and helping each other and the community.

Successfully completing 24 years in the industry, Prime Focus has positioned itself to be one of the go -to companies for Indian and International clients around the globe. From providing creative production to shooting equipment to shooting floors and to complete post production and sound/music facilities, Prime Focus promises to be a one-stop solution for all. Being the first company in India to offer a high-end post production finishing system; film scanning and recording system; and first in South Asia to offer a 4K DI Facility, we continue to scale new heights in innovation and offerings.

Jam8 Studio reached new milestones and has achieved impeccable growth this year. Despite the challenges, we have delivered multiple hits in the Indian Film & Advertising industry. Jam8 is marking its footsteps across various OTT platforms like Netflix, MX Player, Sony Liv, Disney etc.

The company over the years has made strategic mergers and acquisitions with Tier one VFX house DNEG, a global company with studios in London, Vancouver, Mumbai, Los Angeles, Chennai, Montréal, Chandigarh, Bangalore and Toronto. In the last few years the talented artists at DNEG have received 6 Academy Awards, 6 BAFTA Awards and 11 Visual Effects Society Awards, and we salute both the winners and the teams behind them.

As part of the DNEG family of companies, ReDefine leverages the benefits of access to DNEG's market-leading technology infrastructure while bringing an agile and bespoke service to each market. ReDefine provides creative visual effects and animation services, both to expanding international markets as well as independent filmmakers.

The company has won 6 Academy Awards in the last decade, increasing revenue and ever-expanding list of workforce and facilities, and maintaining a sustained growth over the years.

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CHAIRMAN'S MESSAGE

I always start this letter by sharing with you all the operational and financial achievements made by Prime Focus throughout the year. But the past year has been a challenging concern to the world. The COVID-19 pandemic has caused disturbance to everyday life and damage to the economic growth of the nation. Due to the pandemic, the healthcare infrastructure of the nation was under tremendous pressure and was responsible to save lives and reduce the impact of the virus to the people.

In these challenging times, the employees and everyone associated with the company came together as a family and helped each other in need. We got all our employees, friends and families from the industry vaccinated by organizing an in-house vaccination drive within all the Indian sites. Along with this we also provided ration kits and oxygen concentrators to the Government of Maharashtra to help them fight against the novel coronavirus.

Even during these unprecedented times Prime Focus has had a tremendous year of growth in creativity, technology and its people. The rise of content creation on digital platforms translated into an opportunity for us to contribute across all formats.

In the last 24 years, Prime Focus has grown and excelled in its strategic partnership with DNEG which has positioned us as the world's leading integrated media service group This transformational partnership has helped bag five Oscars since then and has established the importance of in collaboration and consolidation to enable progressive growth in our industry.

With the launch of 'ReDefine', (a company registered under DNEG) last year, we expanded our arm into the Asian and independent filmmakers' across the globe to provide VFX and Animation with top international creative standards.

Our goal is to creatively grow and provide the best quality work to our customers. Prime Focus as a powerhouse has not only grown in innovation and technology but also from a financial standpoint as a top-tier entity that has consistent earnings and long-term prospects for its employees who are a lot more secure, stable and successful in their careers.

While the war against COVID-19 is far from over, we are confident that in the end we will prevail and come out stronger, better and healthier. We care for each one of our stakeholders including employees, shareholders, vendors, clients and local communities.

Every year we grow strong and more successful, and as we look into the future, we are confident that we have best positioned ourselves for the challenges to come. Since the beginning, we've set goals and have always been successful in achieving them.

NARESH MALHOTRA

Chairman and Whole-time Director
Prime Focus Limited

HIGHLIGHTS OF THE YEAR

24

YEAR OF CONSISTENCY

DNEG - INTERNATIONAL CREATIVE SERVICES

DNEG is a market leader in the International Creative Services industry. A bouquet of diversified services, crafted to meet needs of projects across genres, defines the ethos of DNEG. It is one of the largest independent Tier one Visual Effects players globally. DNEG has offices in London, Vancouver, Mumbai, Los Angeles, Chennai, Montréal, Chandigarh, and recently opened in Bangalore & Toronto.

In a continually changing VFX landscape, made even more difficult by COVID-19 pandemic and subsequent lockdown, DNEG has continued to focus on improving performance whilst delivering world class VFX work on projects. For the 6th time in the last 10 years, DNEG brought home the Academy Award for Best Visual Effects for its work on 'TENET', as well as BAFTA Awards earlier this year.

PRIME FOCUS TECHNOLOGIES
GLOBAL CLOUD TECHNOLOGY BUSINESS

PFT is a valued cloud technology and media services partner for some of the world's biggest broadcasters, studios, brands, OTT platforms and service providers. The company's AI-enabled Enterprise Resource Planning software CLEAR™ was created as the world's first Media ERP Suite, with the vision to provide ONE software for the enterprise, bringing together departments, vendors, suppliers and distributors across the supply chain. 14 years after inception, CLEAR remains as relevant as ever and continues to witness growing adoption by content creators across the globe. PFT's transformational solutions and services help customers enhance workflow efficiencies, realize new monetization opportunities and reduce Total Cost of Operations (TCOP) on the back of automation.

2020 was both a challenging and incredible year – a year like no other. As the pandemic unfolded in all its fury, businesses of all kinds were impacted leading to revenue loss and jobs. But as the world grew accustomed to remote collaboration and working from home, there has never been a better time to discuss and drive digitization. PFT demonstrated the value of its products and services, and brought innovation to clients to address their most pressing problems, during the pandemic. It is to the credit of our employees and their families that we were able to continue to deliver work for our global customers and drive transformations and business continuity during such unprecedented times.

In spite of the pandemic, we had an action packed year with exciting product launches, international expansion, strategic partnership with clients, and multiple awards and patents. We were also able to participate in numerous prestigious trade forums and industry reports.

PRIME FOCUS LIMITED
INDIA FILM & MEDIA SERVICES

During the unprecedented times, Prime Focus Limited (PFL) stood strong in assisting the film makers and directors to release their projects on the OTT platforms instead of the cinema halls considering the Covid19 situation around the world. In 2020 PFL was able to deliver more than 25 projects across platforms like Netflix, Amazon Prime, Hotstar & Disney+ and MX Player.

Prime Focus Delivered Hit projects like Gunjan Saxena & Roohi for Netflix, Dil Bechara & The Legends of Hanuman for Hotstar, Chhalaang & Coolie No. 1 for Amazon Prime and many others. Taking the Digital approach has helped PFL to establish a good foothold in the OTT industry.

The company's future pipeline looks promising by having projects like 83, Chehre, Radhe, Gangubai Kathiawadi, Jayesh Bhai Jordar, Prithviraj, Maidaan, Bell Bottom and the most awaited mythology thriller; Brahmastra still under production.

Jam8 in association with Pritam has been part of the major TV shows, brand commercials and feature film to provide quality sound and sonic requirements. Jam8 delivered title track for the all-time hit TV series "Yeh Rishta Kya Kehlata Hai" aired on StarPlus and the track "Yaadon Ki Baarat" for Pandya Store aired on StarPlus & Disney+ Hotstar.

AWARDS

- DNEG won its 6th Oscar and 6th BAFTA for TENET
- DNEG won the Emmy Award for 'Outstanding Special Visual Effects in a Supporting Role' for 'Chernobyl'
- Subhadeep Mitraa won the award for the 'Engineer of the Decade' at the MirchiMusic Awards - Bangla 2020
- PFT got listed in the top 50 in Nimdzi Insights' Top 100 LSPs 2021 Report
- PFT's AI platform, CLEAR Vision Cloud won AWS ISV Innovation Cup

PRODUCT LAUNCHES

- PFT Launched CLEAR Vision Cloud; a combination of technology and consulting to make AI work for M&E
- PFT announced new features and advanced security enhancements of CLEAR™ to help customers embrace the virtual work environment during the global COVID-19 lockdown.
- Prime Focus Technologies added new functionalities and enhancements to CLEAR™ in August 2020.

PATENTS

- PFT secured a patent (U.S. Patent No. 10,783,375) for its Machine Wisdom - AI technology, the "secret sauce" of its media recognition AI platform, CLEAR Vision Cloud.
- PFT secured a patent for its Just-in-Time Watermarking solution within CLEAR™

DEALS

- Disney-owned video streaming service Disney+ Hotstar signed a multi-year deal with PFT for CLEAR Production Cloud to enable secure and collaborative production workflows for their Originals content
- Prime Focus Technologies helped Notting Hill Carnival 2020 go digital by offering remote post production for its maiden online edition.
- Prime Focus Technologies researched, developed, and produced the 2nd season of the innovative multi-part series, Mega Icons, for National Geographic India.
- Prime Focus Technologies (PFT), signed a multi-year strategic deal with A+E Networks® UK to automate and manage compliance operations workflows.
- Prime Focus Technologies delivered a digital commercial for the rebranding campaign of India's leading online fantasy gaming sports platform, PlayerzPot during the IPL 2021.
- PFT researched, developed and executed, 'India From Above' for National Geographic.

PARTNERSHIPS

- DNEG and multi-award winning studio Dimension Studios announced a virtual production partnership aligning Dimension's revolutionary volumetric and real-time development capabilities and DNEG's industry-leading creative talent, technology teams and entertainment industry relationships. The partnership will enrich the service that DNEG offers to its filmmaking partners and broaden Dimension's relationships across film, episodic and animation projects.
- Prime Focus Technologies and Whip Media Group announced a Strategic Supply Chain Partnership Program.
- PFT has a strategic partnership with Amazon Web Services to strengthen CLEAR Media ERP. CLEAR uses Amazon Rekognition for multiple AI use cases involving vision and speech. Our Content Moderation Action Toolkit is built on top of AWS APIs. We also use Amazon speech to text and text to speech known as Poly for transcript and speech synthesis solutions. We will be gradually migrating Vision Cloud to AWS Cloud infra to support customers already on AWS.
- PFT has also partnered with Microsoft and Google to bring alive its native media recognition AI platform, CLEAR Vision Cloud.

ANNOUNCEMENTS

Prime Focus Technologies launched a Hybrid-Cloud Media Centre in Leeds, UK, employing over 70 professionals PFT opened a new facility in the heart of Hollywood. PFT's media services, including its proprietary Academy® Award-winning Lowry Digital, are being serviced from its Hollywood hub.

EVENTS

IN CONVERSATION WITH FORBES ONE CEO CLUB
Ramki Sankaranarayanan, Founder and Global CEO, PFT spoke about 'Democratisation of Technology in the New Normal' at the virtual panel discussion hosted by One CEO Club – a Forbes India initiative in partnership with Google Cloud India.

DISCUSSION AT FORBES CXO SPEAK
Ramki also spoke at CXO Speak hosted by Forbes India and shared his views on adoption of new technologies to drive seamless work from home (WFH) during the pandemic.

DPP INNOVATION WEEK: AI & ANALYSIS
Muralidhar Sridhar, VP, AI & Machine Learning, OVP & Analytics, delivered an insightful pitch on AI-based Video Comparator that offers near 100% automation of content mastering and re-versioning operations for the content owners, at DPP Innovation Week.

HPA TECH RETREAT 2021
Muralidhar also spoke at HPA Tech Retreat about Artificial Intelligence and how M&E companies can adopt AI to extract the desired value out of their businesses, be it cost savings, time savings, or accuracy of data.

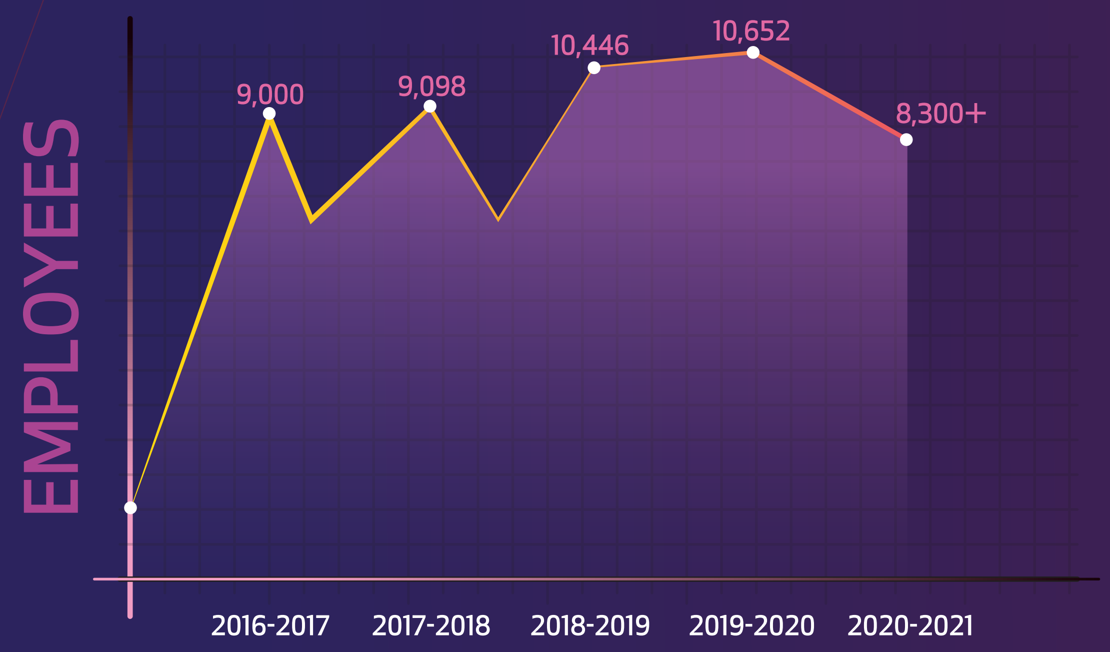
WEBINAR: CASE STUDY WITH HEARST TELEVISION
PFT organised a webinar in association with IABM which focussed on how we made AI work for Hearst Television by rendering their processes cost-effective and fully automated.

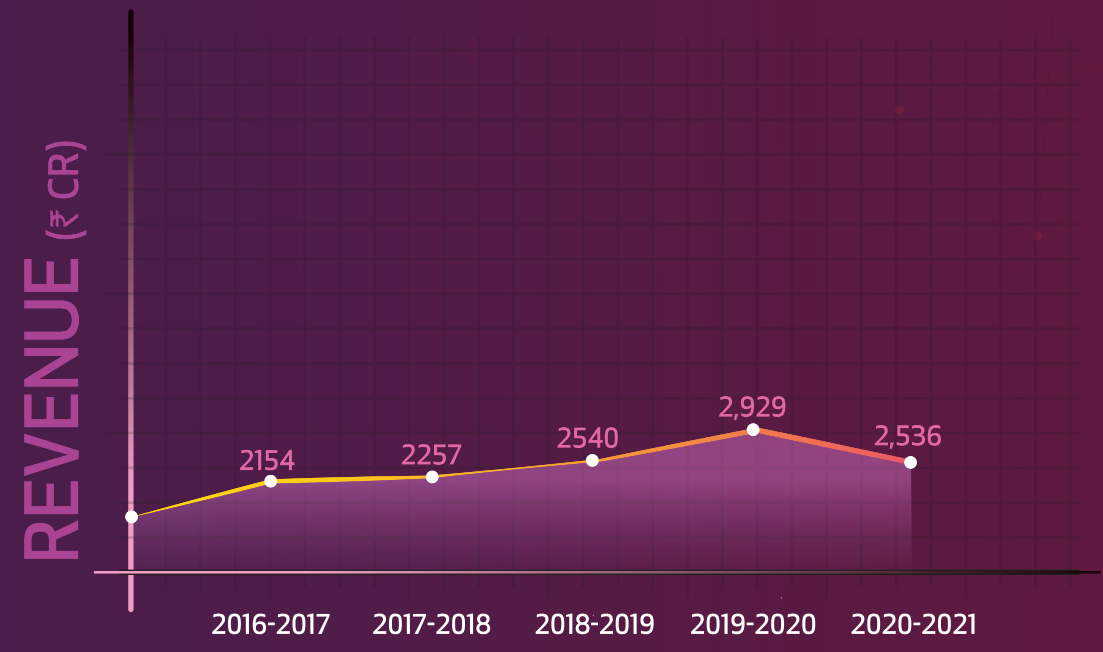
IABM FUTURE TRENDS CHANNEL – DATA WEEK
Muralidhar Sridhar spoke on IABM Future Trends Channel about how our media recognition AI platform, CLEAR Vision Cloud, makes AI work for M&E companies.

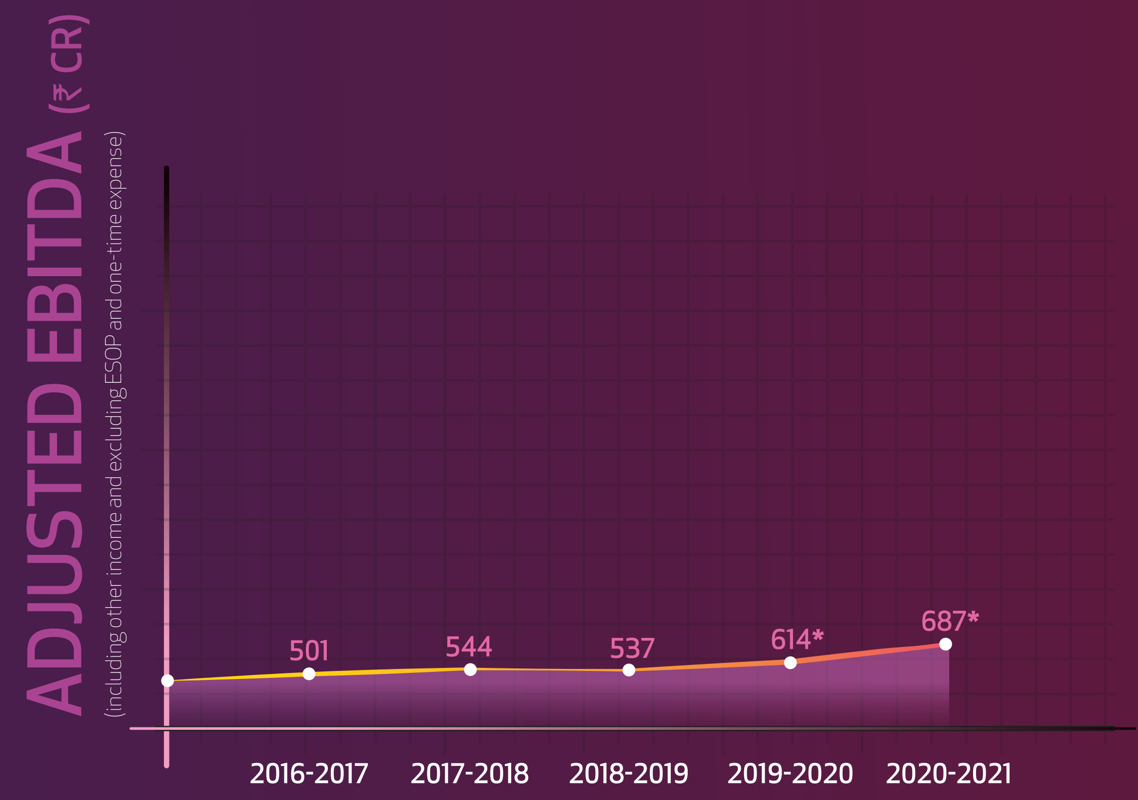
HPA LEAGUE HONORS
PFT's VP and Global Head of Marketing and Communications T Shobhana is a member of the HPA board. She led the conceptualization and launch of a new initiative – HPA League Honors – to recognize and reward under-represented executives in the M&E industry who have made a difference during the COVID-19 pandemic. Shobhana is also part of the jury along with major M&E content enterprises.

- Prime Focus Limited opened its new DI facility at Andheri, Mumbai
- We have maintained our position of 432 out of the 'Fortune India 500' list

FINANCIAL HIGHLIGHTS



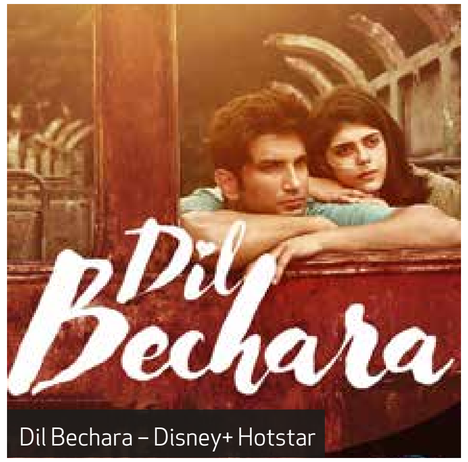




*Not comparable with previous years due to adoption of INDAS 116

PROJECT HIGHLIGHTS

Roohi – Netflix



Dil Bechara – Disney+ Hotstar

Coolie No. 1 – Amazon Prime

BOLLYWOOD

Gunjan Saxena – Netflix

The Legend of Hanuman – Disney+ Hotstar

Chhalaang – Amazon Prime

HOLLYWOOD

The Eight Hundred - $472 mn

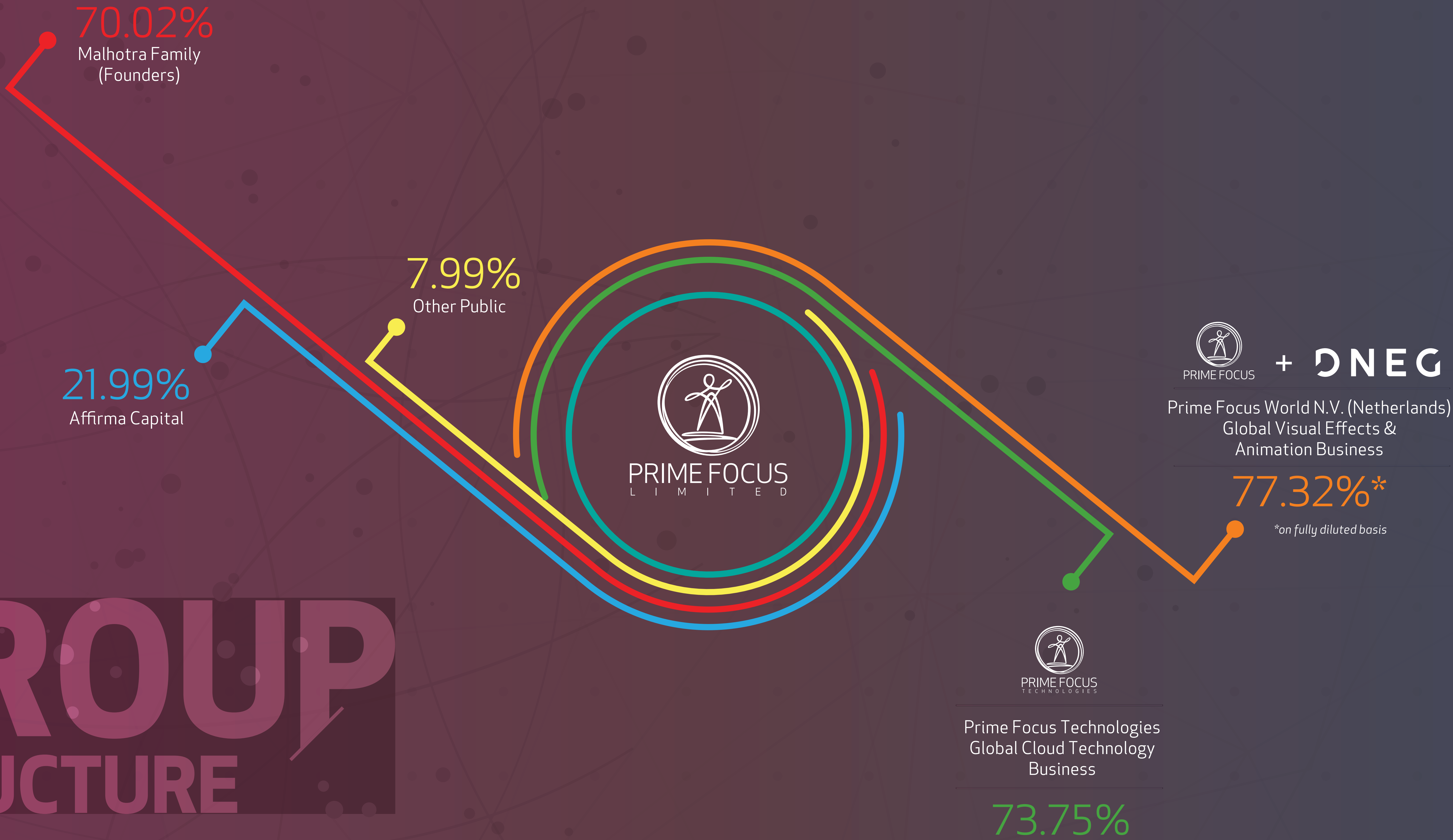
The New Mutants - $46.1 mn

TENET - $363 MN

Godzilla Vs Kong - $440.9 mn

Wonder Woman - $166.5 mn

GROUP STRUCTURE



GLOBAL **PRESENCE**

4 CONTINENTS

7 TIME ZONES

17 CITIES

BANGALORE
BURBANK
CAPE TOWN
CHENNAI
HYDERABAD
JOHANNESBURG
KOLKATA
LONDON
LOS ANGELES
MOHALI
MONTREAL
MUMBAI
NEW YORK
NOIDA
SINGAPORE
TORONTO
VANCOUVER

INTERNATIONAL **CREATIVE SERVICES**

Visual Effects - Introduction

DNEG began the year by winning the Emmy Award for 'Outstanding Special Visual Effects in a Supporting Role' for its work on the critically acclaimed series 'Chernobyl' for HBO/Sky. Followed up with another win for 'Chernobyl' by winning the 'Best VFX Project' title at the Broadcast Tech Innovation Awards in London along with winning and a VES award for 'Chernobyl' in the 'Outstanding Supporting Visual Effects in a Photoreal Episode' category. The awards season culminated with DNEG bringing home the Lumiere Award for 'Best 3D Scene or Sequence in a Feature Film' for its work on Disney's 'Aladdin'.

This year, 2021 started with bringing home the Oscar and BAFTA Award for 'Best Visual Effects 'for its work on 'TENET'. Its sixth Oscar win in total, including five in the last 7 years.

In early 2021, DNEG decided to expand its wings in India by opening a new facility in Bangalore. DNEG's expanded global network of facilities ensures that it remains responsive to the needs of its clients, providing tax advantages, increased scale and reduced costs without compromising the highly creative, award-winning work that the company is known for. The future pipeline of work for DNEG is strong, with work in production on some of the year's biggest upcoming films such as: 'The Matrix 4', 'Dune', 'Uncharted' and 'F9: The Fast Saga'; and TV shows such as 'Jupiter's Legacy' and 'The Wheel of Time'. DNEG Feature Animation's projects include 'Ron's Gone Wrong' (Disney) and 'Under The Boardwalk' (Paramount), and a brand-new animated adaptation of F. Scott Fitzgeral's classic American 'The Great Gatsby' with Oscar-winning director William Joyce.

Film VFX

As of March 2021, DNEG had provided creative services on the 2nd highest grossing film of 2020 – The Eight Hundred: $472 mn DNEG continues to enjoy strong working relationships with the major Hollywood studios and to nurture partnerships with some of the most creative and well-respected directors working in Hollywood today, including:

- Christopher Nolan: Batman Begins, The Dark Knight, Inception, The Dark Knight Rises, Interstellar, Dunkirk, TENET
- Denis Villeneuve: Blade Runner 2049, Dune
- Lana Wachowski: Matrix 4
- Andy Serkis - Venom: Let There Be Carnage
- Colin Trevorrow: Jurassic World: Dominion
- Ruben Fleischer: Uncharted and Venom
- Jason Reitman: Ghostbusters: Afterlife
- Kenneth Branagh: Death on the Nile
- Patty Jenkins: Wonder Woman, Wonder: Woman 1984
- Justin Lin: Fast & Furious 6, Star Trek Beyond, F9: The Fast Saga
- Cary Joji Fukunaga: No Time to Die
- Aaron Schneider: Greyhound
- Anthony and Joe Russo: Captain America: Civil War, Avengers: Infinity War, Avengers: Endgame
- Edgar Wright: Shaun of the Dead, Hot Fuzz, Scott Pilgrim Vs The World, Grindhouse, World's End, Baby Driver, Last Night In Soho
- David Yates: Harry Potter and the Half-Blood Prince, Harry Potter and the Order of the Phoenix, Harry Potter and the Deathly Hallows Parts 1 and 2, Fantastic Beasts and Where to Find Them, Fantastic Beasts: The Crimes of Grindelwald
- Paul Greengrass: United 93, The Bourne Ultimatum, Greenzone, Captain Phillips, Jason Bourne
- Joe Cornish: Attack the Block, The Kid Who Would Be King
- Robert Rodriguez: Grindhouse, Sin City: A Dame To Kill For, The Limit, Alita: Battlefield Angel
- Francis Lawrence: The Hunger Games: Catching Fire, The Hunger Games: Mockingjay – Part 1 & 2, Red Sparrow

TV VFX

DNEG TV VFX, launched in May 2013, to enable creators of episodic content worldwide to access DNEG's talent, technical innovation and infrastructure through a bespoke offering. The company's dedicated television VFX department continued on its path of growth and success by dedicated team of VFX supervisors, producers and artists bringing in extensive experience and understanding of episodic content to every project they undertake, and their work has been rewarded with 2 Primetime Emmys and a BAFTA TV Craft Award, among other honours. Over the course of the year, DNEG TV acquired an even larger share of the high-end TV drama market, delivering work for, Netflix ('Shadow and Bones', 'Cursed', The Irregulars', 'The Serpent', 'Zero Chill', 'Away' and 'Jupiter Legacy'), Hulu ('The Great'), Disney+ (The Right Stuff), Apple TV+ ('Defending Jacob') and the BBC ('Doctor Who') amongst many other clients.

INTERNATIONAL
CREATIVE SERVICES

Feature Animation

DNEG's Feature Animation team works in tandem with IP creators and filmmakers to create high-end animated features. The Feature Animation team delivered its first animated feature film, 'Ron's Gone Wrong', working in partnership with animation studio Locksmith Animation and Twentieth Century Fox.

REDEFINE

ReDefine provides creative visual effects and animation services, both to expanding international markets and to independent filmmakers everywhere for films and episodic content for streaming. It operates alongside DNEG, offering creative visual effects and animation services to expanding international markets, as well as other global independent productions. ReDefine brings in local experience, top-end creative supervision, and scale to these rapidly growing markets while leveraging the benefits of access to DNEG's market-leading technology infrastructure.

VFX

As of March 2021, ReDefine has delivered projects like The Undoing, The 100, Coolie No.1, Detective Chinatown 3, The White Tiger. ReDefine is currently in production on the biggest Bollywood blockbuster 'Brahmastra' starring Amitabh Bachchan, Alia Bhatt and Ranbir Kapoor. Other projects include 'Kung Fury 2' starring Arnold Schwarzenegger and Michael Fassbender, 'Cry Macho' for legendary filmmaker Client Eastwood, '83' starring Ranveer Singh and many more.

Animation

Last year, ReDefine delivered stellar work on some of the biggest animation projects such as 100% Wolf and The Legend of Hanuman - Season 1. Currently in production is 'Silk Road Rally' directed by Ross Venokur, 'Heroes in Training' and 'Jack Stalwart' - an adaptation of the award-winning author Elizabeth Singer Hunt's book series for young readers.

STRONG
PIPELINE

PRIME FOCUS **TECHNOLOGIES**

This year, our global cloud technology business, Prime Focus Technologies (PFT), along with its cutting-edge solutions and services to M&E enterprises, also added new features to its media recognition AI platform, CLEAR Vision Cloud, to make AI work for M&E companies. The platform helps solve real world business problems of TV Networks, Studios and Direct to Consumer businesses. Vision Cloud now combines Technology with bespoke strategic Consulting Services to ensure AI works for the customer, taking into consideration their specific business challenges and unique content.

We also added new features and advanced security enhancements to CLEAR™ to help customers embrace the virtual work environment during the global COVID-19 lockdown. We bolstered CLEAR with powerful security & ease of use features conducive to a remote, work from home environment.

A major milestone this year was the launch of a new hybrid-cloud media centre in Leeds, UK employing over 70 professionals.

PFT Leeds supports Channel 4's operations, including receipt and delivery of content, quality control, edit & remastering, archiving, live simulcast of linear channels and transcoding, along with packaging and delivery of non-linear services.

We also opened another facility in the heart of Hollywood, anchoring next-generation remastering services. PFT's media services, including its proprietary Academy® Award-winning Lowry Digital, are being serviced from its Hollywood hub.

Another landmark was securing 2 patents from the United States Patent and Trademark Office; one (U.S. Patent No. 10,904,595) for our Just-in-Time embedded watermarking solution of streaming proxies within CLEAR™ and another (U.S. Patent No. 10,783,375) for its Machine Wisdom - AI technology, the "secret sauce" of its media recognition AI platform, CLEAR Vision Cloud.

We also signed numerous major deals with new customers and renewed a host of existing contracts. We signed a multi-year strategic deal with A+E Networks® UK, to automate and manage compliance operations workflows for them. We researched, developed and produced another season of the innovative multi-part series Mega Icons for National Geographic India. We also partnered with Notting Hill Carnival, one of the world's largest street festivals celebrated every year since 1966 on the streets of the Notting Hill area of Kensington, UK and offered them remote post production to keep the spirit of the festival alive, online amidst COVID -19.

We also partnered with National Geographic to create and produce 'India From Above' – the gravity-defying visual masterpiece, our nation's story, both modern and mystic, told over two powerful episodes.

Recently, we signed a multi-year deal with Disney-owned video streaming service Disney+ Hotstar for CLEAR Production Cloud to enable secure and collaborative production workflows for their Originals content.

We also partnered with Whip Media Group and joined their New Strategic Supply Chain Partnership Program. PFT's CLEAR™ integrated with Whip Media Group's Content Value Management (CVM) platform to provide media companies better transparency into their content workflows to maximize revenues, reduce costs, increase efficiencies, and get complete visibility and control over where and how television and movie titles are being distributed, both on a global scale and in real-time.

PRODUCT LAUNCHES

CLEAR VISION CLOUD: MAKING AI WORK FOR YOU

PFT's CLEAR Vision Cloud is a Media Recognition AI platform that integrates best-of-breed AI engines like Microsoft, Google, Amazon Web Services, IBM Watson, and home-grown AI models along with a unique Machine Wisdom layer that is focused on harnessing the best quality data. Along with Technology, PFT offers bespoke strategic Consulting Services to ensure AI works for the customer, taking into consideration their specific business challenges and unique content.

The data delivered by CLEAR Vision Cloud can be utilized as XML output or through an API that we publish. However, certain Action Toolkits are bundled with the Data Packs so that users can easily visualize, do QC, audit and validate the data. Basic Metadata Data Pack comes bundled with Segmentation Action Toolkit, Advanced/Premium Metadata Data Pack with Discovery Action Toolkit, Video Comparison Data Pack with Video Comparator Action Toolkit, Compliance Data Pack with Content Moderation Action Toolkit and Transcript Data Pack with Languages Action Toolkit.

With a decade of experience in the M&E industry, nobody understands the unique business requirements of content enterprises – broadcasters, studios, production houses and D2C players – like we do. PFT is working round the clock to solve real world M&E business problems and build additional use cases to showcase how it can deliver AI-led business outcomes.

Accurate data and actionable data are the hallmarks of CLEAR Vision Cloud. While other AI models available today in the market can offer data accuracy to some extent, none are capable of presenting accurate data that is actionable too.

CLEAR Vision Cloud has numerous successful use cases relevant to broadcasters, studios, production houses and D2C players. For example, in Segmentation – identifying physical segments, barter segments, content segments & ads in Broadcast, DTC & eSports. In Discovery – archive tagging & search; quick tagging of incoming content; or promos. In Video Comparator – comparing masters; conforming source to master; or retiming subtitles. In Content Moderator – auto compliance edits; auto moderation of UGC; and compliance review. And in Language Tools – same language and different language subtitling; splitting subtitle based on speaker; or applying profanity mask as mandated. PFT's internal project delivery teams also extensively use CLEAR Vision Cloud and document outcomes to better the product on an ongoing basis.

NEW FUNCTIONALITIES AND ENHANCEMENTS IN CLEAR

With our endeavour to make CLEAR better for our customers with additional functionalities whilst enabling ease of use, we added some power-packed features across the product line focussed on making micro-tasks in the content supply chain, faster and easier for the users. We expanded our product integration portfolio to support 11 more partner products.

THE LATEST ENHANCEMENTS TO CLEAR SPAN ACROSS

PRODUCTION

- Apple TV App Enhancements
- Faster Downloads

ACQUISITION

- Enhanced Package Ingest
- LIVE Events Support

DISTRIBUTION

- Download-driven Distribution
- BOTS
- Subtitle Processing for Distribution

LOCALIZATION & MASTERING OPERATIONS

- Multi-format Export
- Script Import
- Enhanced Compliance Review

ASSET MANAGEMENT OPERATIONS

- Asset Preview
- DR Enablement
- System Integration Support
- Partner/Vendor Onboarding
- BI Reports

SUSTAINABILITY INITIATIVE & PLANS

PFT is committed to managing the business of content in ways that allow the people and the planet to flourish.

PFT drives Sustainability in everything we do — Environmental (issues around climate change & pollution), Social & Economical (issues around workplace practices and human capital), and Governance (issues such as executive pay, accounting & ethics). Sustainability is not an afterthought at PFT – it is deeply embedded in our thinking, the way we work and the products & services we deliver.

Profits with Purpose is how PFT defines its Sustainability Vision. Our founders felt that no sustainability initiative could self-sustain if it's not linked to the organization's business prospects. Our leadership, employees, and service providers are committed to rethinking traditional systems and shifting towards more sustainable models. PFT has the talent and resources to navigate a fresh set of opportunities, challenges, and risks that will define organizations of the future.

SUSTAINABILITY GOALS 2020-20

- Working towards the reduction of carbon footprints
- Reduction and management of waste and helping towards reduction of pollution and global warming by various methods stated in the policy
- Increase productivity and profits through water, energy and resources conservation
- Developing culture within PFT for employees to get actively involved in sustainability initiatives
- Enabling customers to contribute to sustainability by using our products i.e., AI, Digitization services, Data centres
- Continue developing responsible products and services
- Create a healthy, collaborative, and uplifting environment
- Diversity, inclusion and equality
- Ensuring the health and safety of our people Overall Governance

THE ROADMAP AHEAD

Over the years, PFT has continued to invest in its flagship offering, CLEAR Media ERP, adding new features and functionalities to serve M&E customers. Our product roadmap is powered by visibility and insights gathered from the world's leading M&E organizations through hundreds of active projects.

Last year as the world was ravaged by an unprecedented pandemic which sent production schedules into a tailspin, PFT's CLEAR Media ERP, CLEAR Vision Cloud and Cloud Media Services enabled M&E organizations to remotely create and deliver content to audiences more than ever hungry for content especially on OTT platforms as they stayed put at homes.

At PFT we are ever-focused on enhancing our offerings based on what we hear from our customers. Our mandate is to consistently solve for our customers' pain points and deliver measurable business value. In that spirit we are working to enrich our QC and Compliance workflows with end-to-end capability, visibility and control for enhanced efficiencies.

The pandemic has also underlined the need to repurpose content as production schedules got cancelled, impacting the ability to generate fresh content. Localization saw a huge uptake as content owners competed to make existing content available to audiences in different language markets. PFT is already a trusted Indian Regional Localization (IRL) leader with unmatched scale. We will continue to invest in building this capability across core IRLs like Hindi, Tamil, Telugu, Marathi, Kannada, Gujarati, Malayalam, Oriya and Bengali. PFT is also building use cases for AI-enabled localization services.

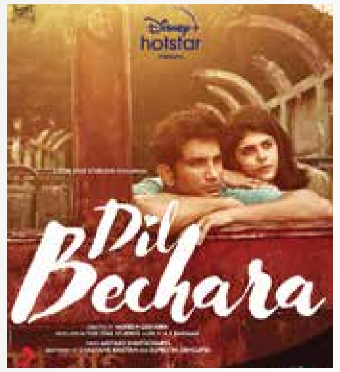
Also on the cards in the immediate future are plans to grow our VFX embedded global re-mastering pipeline powered by AI and to take our award winning Techno-Creative Services international and offer on-air and digital promo services and post production at scale.

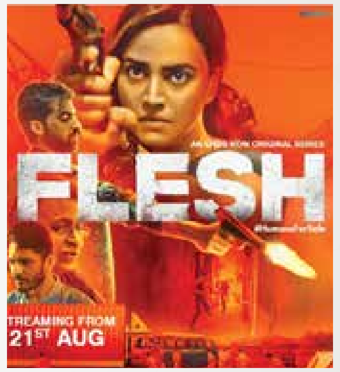
INDIA FILM AND MEDIA SERVICES
DIGITAL INTERMEDIATE/ COLOR GRADING

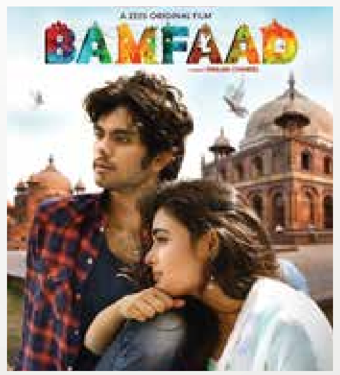
The Digital Intermediate division successfully completed and delivered 80% of its projects for OTT platforms like Disney+ Hotstar, Amazon Prime and Netflix. This year has also seen a tremendous increase in digital films and shows.

This year also brought with it some challenging yet hit projects like Gunjan Sexena and The Legend of Hanuman that raised the bar for the technology and vision being incorporated in Bollywood. Some of our other highlights for the year were Dil Bechara, Flesh (MX Player), Chhalaang, Coolie No. 1 and Mrs. Serial Killer.

Our future pipeline looks promising by having projects like 83, Gangubai Kathiawadi, Jayeshbhai Jordaar and the most-awaited mythology thriller; Brahmastra still under-production.







INDIA FILM AND MEDIA SERVICES

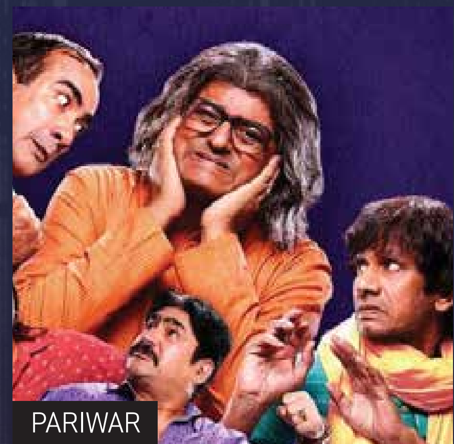
ADVERTISING SERVICES

The Advertising division has always been leading from the front in terms of creativity, technology and execution. The division not only delivered post production projects during the difficult times of Covid19 but also contributed in producing few of the famous and well known TVC's for Swift – Maruti Suzuki, Cadbury Perk – Ghana, Punjab Kings IPL Logo and many more.

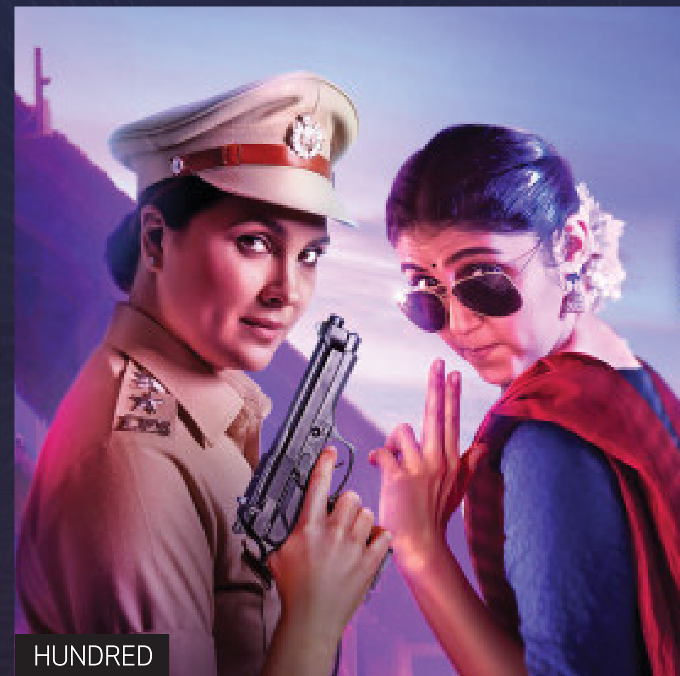
The division holds a strong position in the OOT industry by successfully delivering projects like High – MX Player, PariWar – Hotstar, Chakravyuh – MX Player, What the Love with Karan Johar – Netflix, Hundred - Hotstar


CHAKRAVYUH

WHAT THE LOVE WITH KARAN JOHAR


PARIWAR

PUNJAB KINGS IPL LOGO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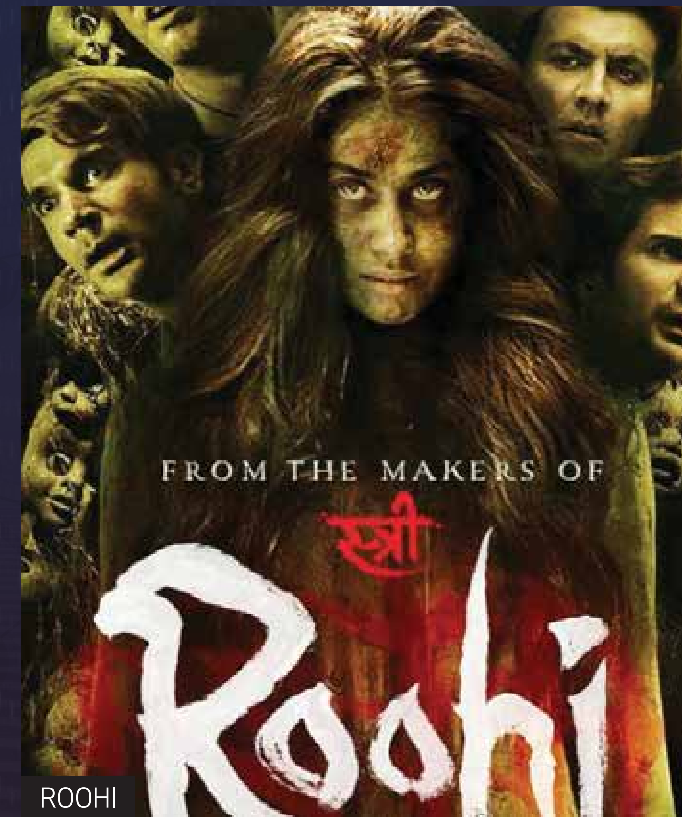
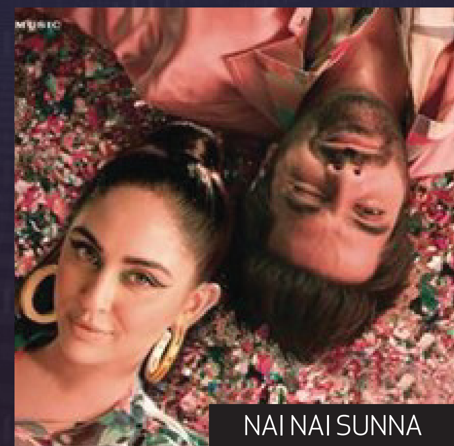


ROOHI

HIGH

SWIFT


NAI NAI SUNNA

PERK

INDIA FILM AND MEDIA SERVICES

EQUIPMENT RENTAL

With a wide range of more than 40 high-end feature film cameras, the division serves a large universe of clients from independent filmmakers, large production houses delivering high-budget projects, live sporting events and projects made for digital platforms.

The EQR pipeline also saw a rise in projects for OTT platforms by delivering EQR services for projects like Sadak 2, Hostage 2, Serious Men, Chhalaang, A Suitable Boy.

INDIA FILM AND MEDIA SERVICES

just · about · music

Jam8 Studio has reached new milestones and has achieved impeccable growth this year. We are proud to have worked on a wide variety of challenging projects and have successfully delivered to our clients the best music in the industry, all thanks to our immensely talented & creative team.

Despite the challenges we faced this year, we have delivered multiple hits. Jam8 is making its mark across various OTT platforms like Netflix, MX Player, SonyLIV, and Disney. We delivered the title track for the all-time hit TV-series "Yeh Rishta Kya Kehlata Hai" aired on StarPlus and the track "Yaadon Ki Baarat" for Pandya Store aired on StarPlus & Disney+ Hotstar.

Our creative head, who has delivered multiple hits, Subhadeep Mitra, won 'Engineer of the Decade' at the Mirchi Music Awards Bangla 2020.

We are proud to be a part of Reliance Jio's "Dhan Dhana Dhan" song starring Ranveer Singh and Deepika Padukone. The official Jio Fibre IPL 2020 anthem was designed and created by Jam8.


RELIANCE JIO

ZINDAGI IN SHORT

ZEBRONICS

SONY MUSIC

MX PLAYER


HEY PRABHU-2

SAREGAMA

PANDYA STORE

YEH RISHTA KYA KEHLATA HAI


BHANGRA PAA LE

INDIA FILM AND MEDIA SERVICES

BROADCAST AND OTT

TECHNO-CREATIVE SOLUTIONS

PFT works with the biggest broadcasters and OTT platforms, delivering cutting-edge Techno-Creative Solutions to them by providing award-winning genre & geo agnostic long and short form content backed by AI technology.

PFT's creative projects for leading broadcasters, studios and OTT platforms have won more than 90 excellence awards and established new records in engagement and conversion ratios.

From creating breath-taking promos to support content campaigns, compelling shorts from long-form content, 360-degree post production, versioning and distribution to mass scale promotional content – thumbnails, e-mailers, banners, gifs, print media adverts, etc., PFT has been doing it all on a global scale for all the major M&E enterprises.

Today, we are delivering over 20K unique audio video assets monthly and over 30 hours of premium original content annually for broadcasters and OTT platforms. We are also delivering more than 1700 promos monthly in more than 15K versions.

Since 2013, we have been delivering over 140,000 assets annually for 37 channels under our OAP engagement with STAR India – India's largest broadcast network owned by Walt Disney. We have also been delivering over 85K assets to Star Sports and Disney+ Hotstar.

In September 2020, in spite of challenges due to COVID-19, we delivered more than 60,000 audio video assets to Disney SEA – from ideation to scripting, to production and post of all promotional content for their broadcast and digital channels of all genres namely, kids, GEC, movies, sports and factual.

Going forward, we will continue to deliver creative excellence anchored by our Techno-Creative Solutions powered by artificial intelligence that drives measurable business outcomes for our M&E customers.

BRANDS

As a full-service digital native creative agency, we have been providing innovative, engaging and out-of-the-box creative solutions for leading brands in India and abroad. We have been creating compelling content for more than 300 brands. We are delivering content based on specific business needs or strategic marketing objectives, helping brands / products / corporates transform into digital content destinations that build loyalty.

During the year we have delivered numerous ad films for television as well as digital platforms for brands like ICICI, Vicks, PlayerzPot, Grofers, Tata Motors, Ralco and many more. We also created innovative digital films for Axis Bank in a shoot-from-home format during the lockdown.

Content is king and it will remain so always. In the future, we will continue to deliver data-driven, persuasive and engaging content for our customers be it shoot-based or animated films for television as well as digital platforms. We have multiple films in our pipeline for customers like Garena Free Fire, Diageo, Reckitt Benckiser (Dettol), Jockey, and ICICI Bank, among many others.

Creative collaboration will continue to be the model of engagement in the media industry. Remote content production or broadcasts and cloud-based production models will be the focus again. Professional content producers and content owners are looking to adopt smarter, faster and more scalable technologies, and our creative solutions backed by technology are perfectly positioned to partner innovative content creators in realizing their vision from script to screen, in 2021 and beyond.

MAJOR MILESTONES

BEGINNING (1997-2008)

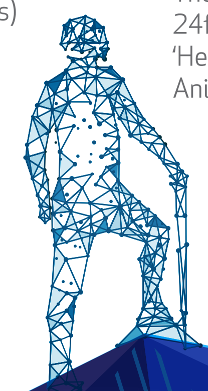
- Prime Focus Limited founded by Namit Malhotra in a garage in Mumbai
- Offered India's first scanning and recording system
- Offered India's first DI system
- First visual effects company in India to operate a motion control rig
- Entry into UK market via acquisition of AIM listed company
- IPO of Prime Focus Limited on NSE and BSE
- Entry into USA through acquisition of Post logic and Frantic Films
- Prime Focus launches new technology arm – Prime Focus Technology (PFT)

EXPANSION (2009-2014)

- Prime Focus launches View-D™ and CLEAR™
- PFT deploys the World's first Hybrid Cloud Platform
- PFW becomes first company to convert entire Hollywood film into 3D
- PFT's CLEAR™ Media ERP recognized as best of IBC
- PFT digitizes Star TV's content operations through CLEAR™
- PFW delivers 3D Conversion of Star Wars: Episode I for Lucas film
- Prime Focus Animation launched
- Prime Focus raises investment from Standard Chartered Public Equity
- Prime Focus raises US$38 MN investment from Macquarie Capital & US$10 MN from AID Partners Public Equity
- PFW wins Advanced Imaging Society 3D Award for 'Gravity'
- PFT launches world's largest digital media services cloud
- PFT wins Aegis Graham Bell Award 2013 for Innovation in Cloud-based Solution
- PFT acquires DAX® (creators of Primetime Emmy® award-winning Digital Dailies®) and Academy® Award winning Lowry Digital
- PFW and Double Negative merge their Hollywood-facing VFX businesses
- PFW secures U.S. Patent for View-D stereo conversion technology
- Reliance Capital picks up 30.2% in Prime Focus; Prime Focus merges Film & Media Services business of Reliance MediaWorks
- PFT-restored Associated Press Archive Digitization wins FOCAL International Award

LEADERSHIP (2015-2021)

- Double Negative wins Academy Award, BAFTA and VES Award for Interstellar
- PFW and Gener8 sign Technology Licensing Partnership
- PFT honoured with Two MarCom Awards for DIGITAL NEXT Campaign
- Prime Focus wins Best VFX Awards for 'Kick' (IIFA Awards) and 'Sin City: A Dame To Kill For' (Apollo Asia Awards)
- PFT honoured with Frost & Sullivan's 2015 Global Growth Excellence Leadership Award
- Double Negative wins Academy Award and British Independent Film Award for 'Ex Machina'
- Prime Focus wins 'Best VFX' for 'Bajrangi Bhaijaan' at 24FPS International Awards
- PFW's 'DeepGen' Stereo Technology recognised with AIS Lumiere Technology Award



- PFT picks up two awards at 2016 CMO Asia Awards, including 'Marketing Campaign of the Year'
- Prime Focus divests 30% stake in Digital Domain-Reliance, LLC; to form Virtual Reality and Advertising JV in India; Total Deal Value at US $55 million
- Prime Focus Technologies secures investment from Ambit Pragma Private Equity
- Prime Focus delivers post-production services for 12 National Award-winning films
- Advertising division delivered post-production services for the World's Best Advertisement of 2016
- Prime Focus limited enters 'Fortune India 500' companies
- Advertising division delivered post production services for 4 ABBY award winners
- DNEG wins academy award, BAFTA and VES award for Blade Runner:2049
- DNEG wins an Oscar under the category 'Best Visual Effects' category for 'First Man'
- Ashirwad Hadkar gets awarded 'Best Colorist' at the 49th Kerala State Awards for the film 'Carbon'
- The Animation Department won FICCI BAF Award and 24fps MAAC Award for their phenomenal work for the film 'Here Comes the Grump' under the category of 'Best Animated Film – International
- PFT won TVB Europe's 'Best of Show' Award at IBC 2019
- Prime Focus Ltd. has collaborated with the Music Producer and Composer, Pritam Chakraborty to set foot into the music industry with their new venture – JAM8
- The Film Equipment Division (EQR) won the best National Equipment Rental Company at the 4th Annual Digital Studio Awards 2019
- Mr. Gowrishankar was awarded in the Hall of Fame at the 4th Annual Digital Studio Awards 2019
- Kamalkar Rao won the Editor's Choice Award at the 4th Annual Digital Studio Awards 2019
- PFT won two prestigious awards at the Dadasaheb Phalke Film Festival 2019 - Best Cinematography for the Mega Icons episode on His Holiness
- PFT announced the rebranding of its patented DAX® Digital Dailies to CLEAR™ with transformational new features in Feb 2020
- As part of the DNEG family of companies, ReDefine was launched to leverage the benefits of access to DNEG's market-leading technology infrastructure
- DNEG wins its 6th Oscar and 6th BAFTA for 'TENET'
- Subhadeep Mitraa won the award for the 'Engineer of the Decade' at the Mirchi Music Awards - Bangla 2020
- PFT got listed in the top 50 in Nimdzi Insights' Top 100 LSPs 2021 Report
- PFT's AI platform, CLEAR Vision Cloud won AWS ISV Innovation Cup
- Prime Focus Technologies researched, developed, and produced the 2nd season of the innovative multi-part series 'Mega Icons' for National Geographic India.
- PFT has also partnered with Microsoft and Google to bring alive its native media recognition AI platform, CLEAR Vision Cloud.

CORPORATE **INFORMATION**

BOARD OF DIRECTORS

Executive Director
Mr. Naresh Malhotra
Chairman and Whole-time Director

Non-Executive Directors
Mr. Ramakrishnan Sankaranarayanan

Mr. Namit Malhotra

Mr. Udai Dhawan

Mr. Jai Anshul Ambani
(Resigned w.e.f. October 30, 2020)

Mr. Kodi Raghavan Srinivasan
Independent Director

Mr. Rivkaran Singh Chadha
Independent Director

Mr. Padmanabha Gopal Aiyar
Independent Director

Mrs. (Dr.) Hemalatha Thiagarajan
Independent Director

Mr. Samu Devarajan
Independent Director

Chief Financial Officer
Mr. Nishant Fadia

Company Secretary
Ms. Parina Shah

Statutory Auditors
M/s. Deloitte Haskins & Sells Chartered Accountants LLP
(Registration No. 117364W/ W100739)

Bankers
Yes Bank Limited

Registrar & Share Transfer Agents
Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli West,
Mumbai - 400 083 Tel: +91 22 49186000
Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Registered Office
Prime Focus House, Opposite Citi Bank,
Linking Road, Khar (West), Mumbai - 400052
Tel: +91 22 6715 5000 Fax: +91 22 6715 5001
Email: ir.india@primefocus.com
Website: www.primefocus.com

Corporate Identity Number (CIN)
L92100MH1997PLC108981

Directors' Report

To
The Members of
Prime Focus Limited

Your Company's Directors are pleased to present the Twenty-Fourth Annual Report together with the Audited Financial Statements for financial year ended March 31, 2021.

1. FINANCIAL PERFORMANCE SUMMARY

The Consolidated and Standalone Audited Financial Results for the financial year ended March 31, 2021 are as follows:

(₹ In Crores)

Particulars	Consolidated		Standalone	
	2020-21	2019-20	2020-21	2019-20
Income from services	2530.00	2887.67	61.36	119.63
Other operating income	6.49	41.57	14.64	12.26
Total revenue from operations	2536.49	2929.24	76.00	131.89
Less: Expenses	2375.23	2910.18	113.42	155.19
Add: Other income	73.79	84.00	123.94	20.31
Less: Finance costs	251.02	231.40	59.34	63.32
Less: Exceptional items	22.61	67.56	-	(200.27)
Less: Tax expense	17.56	(42.02)	-	(32.71)
Less: Minority interest	(12.74)	(22.38)	-	-
Profit / (Loss) for the year	(43.40)	(131.50)	27.18	166.67

2. OPERATIONS AND PERFORMANCE REVIEW

Consolidated

During the year under review, total revenue from operations of the Company and its subsidiaries stood at ₹ 2536.49 crores as compared to ₹ 2929.24 crores in the previous year. Loss before tax during the year was ₹ (38.59) crores as compared to ₹ (195.90) crores in previous year. The Net Loss after tax was ₹ (43.40) crores as compared to ₹ (131.50) crores in previous year.

Standalone

Total revenue from operations of the Company during the year was ₹ 76 crores as compared to ₹ 131.89 crores in the previous year. Profit before tax during the year was ₹ 27.18 crores as compared to ₹ 133.96 crores in the previous year. The Net profit after tax was ₹ 27.18 crores as compared to ₹ 166.67 crores in the previous year. A detailed analysis on the Company's performance, both Consolidated & Standalone, is included in the "Management Discussion & Analysis" Report which forms part of this Annual Report.

3. DIVIDEND

In order to conserve the resources of the Company, the Directors do not recommend any dividend for its equity shares for the financial year 2020-21.

4. DIVIDEND DISTRIBUTION POLICY

In compliance with the listing regulations, your board had formulated a dividend distribution policy. A copy of the said policy is available on the website of the company: http://www.primefocus.com/sites/default/files/pdf/Dividend-Distribution-Policy.pdf

5. TRANSFER TO RESERVES

Your Company has not transferred any amount to Reserves for the financial year under review.

6. SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2021 was ₹ 29,92,48,978 (Rupees Twenty Nine Crore Ninety Two Lakh Forty Eight Thousand Nine Hundred Seventy Eight) comprising of 29,92,48,978 equity shares of ₹ 1/- each. The Company has neither issued share with differential voting rights nor sweat equity. As on March 31, 2021, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

During the year under review, A2R Holdings, Promoter of the Company had made an open offer for acquisition of 8,23,71,046 fully paid-up equity shares having a face value of ₹ 1/- each at a price of ₹ 44.15/- per equity share representing 26.00% of the Share Capital of the Company by making public announcement dated December 5, 2020, detailed public statement dated December 24, 2020, draft Letter of Offer dated January 8, 2021 and Letter of Offer dated February 9, 2021 in compliance with the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 as amended from time.

The said acquisition was completed on March 19, 2021.

7. SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and approved by the Central Government under Section 118 (10) of the Companies Act, 2013 (the 'Act') for the Financial Year ended 2020-21.

8. EMPLOYEE STOCK OPTION SCHEME (ESOP)

The Company has implemented 'PFL-ESOP Scheme 2014' compliant with the SEBI (Share Based Employee Benefits) Regulations, 2014 to reward and retain the qualified and skilled employees and to give them an opportunity to participate in the growth of the Company, these schemes are administered by the ESOP Compensation Committee of the Company.

A certificate from the Auditors of the Company as required under Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014 shall be available electronically for inspection by the Members at the ensuing Annual General Meeting. The disclosures as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular dated June 16, 2015 are accessible on Company's website at http://www.primefocus.com/sites/default/files/pdf/ESOP_disclosure_2020_21.pdf. The details of Employee Stock Options form part of the Notes to accounts to financial Statements in this Annual Report. No employee of the Company received grant of options during the year amounting to 5% or more of the options granted or exceeding 1% of issued capital of the Company.

9. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of financial year of the Company to which the Financial Statements relate and the date of this Report. There has been no change in the nature of business of the Company.

10. IMPACT OF PANDEMIC COVID-19

For details on the impact of COVID-19, please refer to the Report on Management Discussion and Analysis and Note No. 40 of the standalone financial statements.

11. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the financial year under review, there were no significant or material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operation.

12. RISK MANAGEMENT

The Company is exposed to inherent uncertainties owing to the sectors in which it operates. A key factor in determining a Company's capacity to create sustainable value is the risks that the company is willing to take (at strategic and operational levels) and its ability to manage them effectively. Many risks exist in a Company's operating environment and they emerge on a regular basis. The Company's Risk Management processes focuses on ensuring that these risks are identified on a timely basis and addressed. The Board in compliance with the SEBI Circular dated May 5, 2021, has constituted a Risk Management Committee of Directors.

The Company is well aware of the above risks and as part of business strategy has a robust risk management framework to identify, evaluate and mitigate business risks with timely action. This framework seeks to enable growth, create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage by undertaking effective steps to manage risks.

13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. For further details, please refer to the Management Discussion and Analysis Report which forms a part of the Annual Report.

14. HUMAN RESOURCES

Human Resource is considered as one of the most critical resource in the business which can be continuously smoothened to maximize the effectiveness of the organization. Human Resource build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. All personnel continue to have healthy, cordial and harmonious approach thereby enhancing the contributory value of the Company. The Company has generally enjoyed cordial relations with its personnel. Further, the total number of permanent employees of the Company as on March 31, 2021 is 246.

15. PREVENTION OF SEXUAL HARASSMENT

The Company has zero tolerance for sexual harassment at workplace and has a mechanism in place for prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder. The Company is committed to provide equal opportunities without regard to their race, caste, sex, religion, color, nationality, disability, etc. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological. All employees (permanent, contractual, temporary, trainees) are covered.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment at workplace. During the year under review, Company has not received any complaints on sexual harassment and as such the Company has not disposed of any complaints. There are no complaints pending as on the end of the Financial Year 2020-21 on sexual harassment.

16. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public falling within the ambit of Section 73 and 76 of the Act read with the Companies (Acceptance of Deposits) Rules, 2014.

17. ANNUAL RETURN

In compliance with the provisions of Section 92 of the Companies Act, 2013, the Annual Return of the Company for the financial year ended March 31, 2021 has been uploaded on the website of the Company and the web link of the same is http://www.primefocus.com/sites/default/files/pdf/Form_MGT_7_Annual_Return_20-21.pdf.

18. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Act, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2020-21, together with the Auditors' Report form part of this Annual Report.

19. SUBSIDIARY COMPANIES, JOINT VENTURE AND ASSOCIATE COMPANIES

Financial Performance:

A statement containing the salient features of financial statements of subsidiaries/joint venture companies of the Company in the prescribed Form AOC – 1 forms a part of Consolidated Financial Statements (CFS) in compliance with Section 129 (3) and other applicable provisions, if any, of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014.

The said Form also highlights the financial performance of each of the subsidiaries included in the CFS of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

In accordance with Section 136 of the Act, the financial statements of the subsidiary and associate companies are available for inspection by the members at the Registered Office of the Company during business hours on all working days upto the date of the Annual General Meeting of the Company i.e, September 30, 2021. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company. The financial statements including the CFS, and all other documents required to be attached to this report have been uploaded on the website of the Company at www.primefocus.com.

The company has 41 subsidiaries as on March 31, 2021. As on the date of signing this report the following changes have taken place in subsidiary companies:

a. Companies which have become subsidiary Company:

1. Prime Focus Media UK Limited became subsidiary of the Company w.e.f September 7, 2020
2. Prime Focus Technologies PTE. LTD. became subsidiary of the Company w.e.f September 18, 2020

b. Companies which ceased to be Subsidiary Company:

1. DNEG Creative Services Limited and Double Negative India Private Limited ceased to be subsidiaries of Prime Focus Limited w.e.f April 01, 2020 pursuant to Amalgamation with DNEG India Media Services Limited (formerly known as Gener8 India Media Services Limited).
2. DAX PFT LLC got merged with Prime Focus Technologies, INC . and ceased to be subsidiary of Prime Focus Limited w.e.f April 08, 2020.
3. Prime Focus VFX USA Inc. was dissolved w.e.f April 14, 2020 and ceased to be Subsidiary of the Company.
4. Prime Focus (HK) Holdings Limited was dissolved w.e.f March 5, 2021 and ceased to be subsidiary of the Company

*During the year under review the company disposed off 100% equity shares of its wholly owned direct subsidiary PF Overseas Limited, incorporated in Mauritius to PF World Limited, incorporated in Mauritius, wholly owned direct subsidiary of the Company for a consideration of USD 100, subject to closing adjustments, if any.

c. Joint Venture / Associate Companies:

During the financial year under review, there are no Companies which has become or ceased to be Associate / Joint Venture except the below Joint Venture Company.

1. INCAMERA Limited became Joint Venture of the Company w.e.f. February 10, 2021

20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO

A. CONSERVATION OF ENERGY

i. The steps taken to or impact on conservation of energy–

Although the Company is not engaged in manufacturing activities, as a responsible corporate citizen, we continue to pursue and adopt appropriate energy conservation measures. The Company makes every effort to conserve energy as far as possible in its postproduction facilities, Studios, Offices, etc. The Company also takes significant measures to reduce energy consumption by using energy efficient computers and by purchasing energy efficient equipment. The Company purchases PCs, laptops, air conditioners etc. that meet environment standards, wherever possible and replace old equipment with more energy-efficient equipment.

ii. The Steps taken by the Company for utilizing alternate sources of energy – Not applicable.

iii. The capital investment on energy conservation equipment's – The Company constantly evaluates new developments and invests into latest energy efficient technology.

B. TECHNOLOGY ABSORPTION

i. The efforts made towards technology absorption –

The Company adopts the latest trends in the technology development and introduces the same so as to ensure reduction in cost with best quality output.

ii. The benefits derived like product improvement, cost reduction, Product development or import substitution – Not applicable.

iii. IMPORTED TECHNOLOGY

(a) The details of technology imported - Not Applicable

(b) The year of import - Not applicable

(c) Whether the technology has been fully absorbed - Not applicable

(d) If not fully absorbed - Not applicable

iv. Expenditure incurred on Research and Development (R&D) - Your company is predominantly a service provider and therefore has not set up a formal R&D unit, however continuous research and development is carried out at various development centers as an integral part of the activities of the Company.

(C) PARTICULARS OF FOREIGN CURRENCY EARNINGS AND OUTGO:

(₹ In Crores)

Particulars	March 31, 2021	March 31, 2020
Foreign exchange earned in terms of actual inflow	55.04	57.15
Foreign exchange outgo in terms of actual outflow	1.10	3.54

21. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the financial year ended March 31, 2021 as stipulated under Regulation 34 of SEBI Listing Regulations, is included as a separate section forming part of this Annual Report.

22. CORPORATE GOVERNANCE REPORT

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Practicing Company Secretary confirming compliance of Corporate Governance norms as stipulated in Regulation 34 read along with schedule V of SEBI Listing Regulations is included in the Annual Report for the Financial Year 2020-21.

23. DIRECTORS

As per the relevant provisions of the Act and SEBI Listing Regulations, during the financial year under review, the following changes in Directors are detailed as follows:

i) Appointment/ Re-appointment of Directors:

The term of Mr. Naresh Mahendranath Malhotra (DIN: 00004597) as a Chairman and Whole-time Director expired on March 31, 2020. Upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors in their meeting held on March 11, 2020 and the Members vide Special Resolution passed on April 18, 2020 through postal ballot, approved the appointment of Mr. Naresh Mahendranath Malhotra as Chairman and Whole-time Director, for a period of 3 (three) years w.e.f, May 1, 2020 on the terms and conditions as recommended by the Nomination and Remuneration Committee. Mr. Naresh Mahendranath Malhotra continued to be Non-Executive Director of the Company from April 1, 2020 until April 30, 2020.

ii) Change in designation

Mr. Ramakrishnan Sankaranarayanan (DIN: 02696897), Managing Director and Key Managerial Personnel (KMP) of the Company ceased to be the Managing Director and KMP of the Company on expiration of his term of 3 years with effect from close of business hours on June 24, 2020. However, he continued to be Non- Executive Director of the Company with effect from June 25, 2020.

Mr. Jai Anshul Ambani (DIN 08054558), was appointed as an Additional Non-Executive Director of the Company effective from November 14, 2019. His appointment was approved by the Members at the 23rd Annual General Meeting of the Company held on September 30, 2020.

iii) Resignation of Director

Mr. Jai Anshul Ambani (DIN 08054558) resigned as Non-Executive Director w.e.f. October 30, 2020 due to pre-occupancy. The Board placed on record its appreciation for the services rendered by him during his tenure with the company.

iv) Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with Companies (Management & Administration) Rules, 2014, Mr. Namit Malhotra (DIN: 00004049), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

The Board recommends for the above appointment / reappointment. Items seeking your approval on the above are included in the Notice convening the Annual General Meeting. Brief resume and other requisite details as stipulated under SEBI Listing Regulations and Secretarial Standard - 2 on General Meetings of the directors being appointed / re-appointed / forms part of the Notice of the ensuing Annual General Meeting.

v) Re-appointment of Independent Director:

The term of office of Mr. Samu Devarajan (DIN: 00878956), Independent Director, will expire on December 13, 2021. Mr. Samu Devarajan being eligible and seeking re-appointment, has consented to act as Independent Director of your Company, in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing his candidature in the ensuing Annual General Meeting for another term of 5 years w.e.f. December 14, 2021 to December 13, 2026. The Board has recommended his re-appointment pursuant to the recommendation of Nomination and Remuneration Committee.

24. DECLARATION BY INDEPENDENT DIRECTORS

Every Independent Director, at the first meeting of the Board after appointment and thereafter at the first meeting of the Board in every financial year or whenever there is change in the circumstances which may affect his status as the independent director, is required to provide the declaration that he/she meets the criteria of independence as provided under Section 149(6) of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations.

In accordance with the above, the Company has received necessary declaration from each independent director under Section 149(7) of the Act, that he/she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations. Further, all the Independent Directors have affirmed that they have adhered and complied with the Company's Code of Conduct for Independent Directors which is framed in accordance with Schedule IV of the Act. In the opinion of the Board, all the Independent Directors fulfills the criteria of independence, integrity, expertise and has required experience as provided under the Act, Rules made thereunder, read with the SEBI Listing Regulations and are independent of the management.

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, ('IICA'). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose. In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of two (2) years from the date of inclusion of their names in the data bank. The Independent Directors to whom the provisions of proficiency test are applicable will take the said online proficiency self-assessment test in due course.

25. RECEIPT OF REMUNERATION OR COMMISSION FROM HOLDING COMPANY OR SUBSIDIARY COMPANY

Mr. Ramakrishnan Sankaranarayanan, Director of the Company is in receipt of ₹ 7,942,135 (107,296 USD) as remuneration in his capacity as a CEO of Prime Focus Technologies Inc., a Subsidiary Company

*Mr. Ramakrishnan Sankaranarayanan (DIN: 02696897), ceased to be the Managing Director of the Company on expiration of his term of 3 years with effect from close of business hours on June 24, 2020.

26. KEY MANAGERIAL PERSONNEL (KMP)

The following Directors / Executives are KMPs as on March 31, 2021:

→ Mr. Naresh Malhotra, Chairman and Whole- Time Director*

→ Mr. Nishant Fadia, Chief Financial Officer

→ Ms. Parina Shah, Company Secretary and Compliance Officer

*Mr. Naresh Malhotra (DIN:00004597), Chairman and Whole-time Director was designated as Key Managerial Personnel of the Company by the Board of Directors in its meeting held on September 15, 2020.

** Mr. Ramakrishnan Sankaranarayanan (DIN: 02696897), ceased to be the Managing Director of the Company on expiration of his term of 3 years with effect from close of business hours on June 24, 2020. However, he continues to be Non-Executive Director of the Company with effect from June 25, 2020.

27. BOARD EVALUATION

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI Listing Regulations, annual evaluation of the performance of the Board, its Committees and of individual directors has been made.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors were carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure, effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of Committees, effectiveness of Committee meetings etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition the Chairperson was also evaluated on the key aspects of his role. The criteria for performance evaluation of Independent Directors included aspects like Invests time in understanding the company and its unique requirements; Brings in external knowledge and perspective to the table for discussions at the meetings; Expresses his / her views on the issues discussed at the Board; and keeps himself/herself current on areas and issues that are likely to be discussed at the Board level.

Criteria for Determining Qualifications, Positive Attributes and Independence of a Director

In terms of the provisions of Section 178(3) of the Act and Regulation 19 of the SEBI Listing Regulations, the Nomination and Remuneration Committee (NRC) has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- Qualifications – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- Positive Attributes - Apart from the duties of Directors as prescribed in the Act the Directors are expected to demonstrate high standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.
- Independence - A Director will be considered independent if he / she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations.

Familiarization Programme for Independent Directors

Pursuant to Regulation 25(7) of the SEBI Listing Regulations and the requirement of Securities and Exchange Board of India vide Circular no. CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the Company has in place a programme for familiarisation of the Independent Directors, details of which are available on the website of the company: http://www.primefocus.com/sites/default/files/pdf/Familiarisation_programme_for_Independent_Directors.PDF.

28. NOMINATION AND REMUNERATION POLICY

The Company has in place a Nomination and Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other Employees pursuant to the provisions of the Act and Regulation 19 of the SEBI Listing Regulations.

The salient features and objectives of the Nomination and Remuneration policy are as follows:

- To formulate the criteria and terms to determine qualifications, attributes and independence of Directors;
- To identify the qualification, key attributes and profile required of persons who may be appointed in Senior Management and Key Managerial positions;
- To determine remuneration of the Directors, Key Managerial Personnel and Senior Management employees and other employees based on the Company's size of business, financial position and trends and practices prevailing in similar companies in the industry;
- To devise mechanism and carry out evaluation of the performance of Directors;
- To devise and achieve diversity on the composition of Board, an essential element to support quality of performance;
- To retain, motivate and promote talent and create a sense of participation and ownership;
- To carry out such other functions as is mandated by Board of Directors and perform such other functions as may be necessary or appropriate for performance of duties.

Further, the Nomination and Remuneration policy of the Company is available on the website of the Company at http://www.primefocus.com/sites/default/files/pdf/Nomination_Remuneration_Policy.pdf.

29. BOARD MEETINGS

During the Financial Year 2020-21, your Board met four times and the intervening gap between the two Board Meetings was within the period prescribed under the Companies Act, 2013 and Regulation 17 of SEBI LODR Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/38 dated March 19, 2020 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/110 dated June 26, 2020 and MCA Circular No. 11/2020 dated March 24, 2020.

Details of the composition of the Board and its Committees along with the Meetings held, attendance of the Directors at such Meetings and other relevant details are provided in the Corporate Governance Report.

30. AUDIT COMMITTEE

The Audit Committee as on March 31, 2021 comprises of following members:

Name of the Members	Positions
Mr. Rivkaran Singh Chadha	Chairman
Mr. Kodi Raghavan Srinivasan	Member
Mr. Padmanabha Gopal Aiyar	Member
Mr. Samu Devarajan	Member

Mr. Jai Anshul Ambani resigned from the Company w.e.f. October 30, 2020 and therefore, ceased to be member of Audit Committee.

Further, details relating to the Audit Committee are provided in the Corporate Governance Report.

31. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who can avail the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Chairperson of the Audit Committee. The Audit Committee periodically reviews the functioning of this Mechanism. The policy of vigil mechanism is available on the Company's website at http://www.primefocus.com/sites/default/files/pdf/WHISTLE_BLOWER_POLICY.pdf.

The details of the Vigil Mechanism/ Whistle Blower Policy are given in the Report on Corporate Governance.

32. PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to the Report as **Annexure A.**

In terms of Section 136 of the Act, the Report and Accounts are being sent to the members, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on all working days upto the date of Annual General Meeting of the Company i.e, September 30, 2021. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

33. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE

The Company has constituted Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules 2014.

The Corporate Social Responsibility Committee as on March 31, 2021 comprises of following members:

Name of the Members	Positions
Mr. Rivkaran Singh Chadha	Chairman
Mr. Naresh Mahendranath Malhotra	Member
Mr. Samu Devarajan	Member

*Mr. Jai Anshul Ambani resigned from the Company w.e.f. October 30, 2020 and therefore, ceased to be member of Corporate Social Responsibility Committee.

The brief outline of the CSR Policy of the Company along with the Annual Report on CSR activities is set out in **Annexure B** of this report. The policy is available on the Company's website at http://www.primefocus.com/sites/default/files/pdf/CSR_Policy_Final.pdf.

34. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of Loans given, Investments made, Guarantees given and Securities provided during the financial year under Section 186 of the Act are stated in the Notes to Accounts which forms part of this Annual Report.

35. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/ transactions entered by the Company with the Related Parties during the financial period were on an Arm's length basis and were in compliance with the applicable provisions of the Act and the SEBI Listing Regulations. There were no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions were entered into only with prior approval of the Audit Committee, except transactions which qualify under Omnibus approval as permitted under the law. A statement of all Related Party Transactions entered is placed before the Audit Committee and Board for its review on a quarterly basis, specifying the nature, value and terms and conditions of the transactions.

Transactions of the Company with any person or entity belonging to the promoter/promoter group which hold(s) 10% or more shareholding in the company are stated in the Notes to Accounts which forms part of this Annual Report.

The policy on Related Party Transactions which is available on the Company's website at http://www.primefocus.com/sites/default/files/pdf/RELATED_PARTY_TRANSACTION_POLICY.pdf.

There are no transactions that are required to be reported in Form AOC-2 and as such do not form part of the Report.

36. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34(2)(f) of the SEBI Listing Regulations, the Business Responsibility Report (BRR) of the Company describes the initiatives taken by them on environmental, social and governance perspective, in the prescribed format is available as a separate section in the Annual Report.

37. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 and other applicable provisions, if any, of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, the Company transferred 9485 shares in respect of which dividend has not been paid or claimed for seven consecutive years or more to IEPF Authority including shares held in unclaimed suspense account on November 30, 2017. The balance number of shares lying with the IEPF Authority is 9285 shares as on March 31, 2021.

The members, whose unclaimed shares have been transferred to IEPF, may claim the same by making application to the IEPF authority in Form No. IEPF-5 available on www.iepf.gov.in for details of unclaimed shares transferred to IEPF please refer company's website viz. www.primefocus.com.

38. AUDITORS

Statutory Auditors

At the Annual General Meeting held on September 30, 2019, M/s Deloitte Haskins & Sells Chartered Accountants LLP (Registration No. 117364W), were re-appointed as Statutory Auditors of the Company for second term of 4 (Four) consecutive years to hold office from the conclusion of 22nd Annual General Meeting till the conclusion of Annual General Meeting of the Company to be held in the year 2023.

The Auditors Report for the Financial year 2020-21 does not contain any qualification, reservation or adverse remark.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of SEBI Listing Regulations, M/s. D. M. Zaveri & Co. (CP No. 4363), Practicing Company Secretaries has been re-appointed as Secretarial Auditor, to undertake Secretarial Audit of the Company for the financial year 2020-21. The report of the Secretarial Auditor in the prescribed Form MR-3 is annexed to this report as **Annexure C1.**

The Secretarial Auditors' Report for the Financial year 2020-21 does not contain any qualification, reservation or adverse remark except that the appointment of Independent directors in material foreign subsidiary is still pending as per Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board represents that they are in process of compliance of the same.

In accordance with the provisions of Regulation 24A of the Listing Regulations, Secretarial Audit Report of two material unlisted Indian subsidiaries of the Company namely, Prime Focus Technologies Limited and DNEG India Media Services Limited are provided as '**Annexure - C2**' and '**Annexure - C3**' respectively to this Report.

In accordance with the SEBI Circular No. CIR/CFD/ CMD1/27/2019 dated February 08, 2019, the Company has obtained the Annual Secretarial Compliance Report from the Secretarial Auditor for the financial year 2020-21. The same is also submitted to the Stock Exchanges.

39. COST RECORDS

Maintenance of Cost records as prescribed under Section 148 of the Act is not required by the Company.

40. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SECTION 143(12) OF THE ACT

During the year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Act.

41. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledge the responsibility for ensuring compliances with the provisions of section 134(3)(c) read with section 134(5) of the Act in the preparation of the annual accounts for the year ended on March 31, 2021 and to the best of their knowledge and ability, confirm that:

a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;

b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the March 31, 2021 and of the profit of the Company for that year on that date;

c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

d) the directors had prepared the annual accounts on a going concern basis;

e) the directors had laid down proper systems of internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;

f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

42. WHOLE-TIME DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

In terms of Regulation 17(8) of SEBI Listing Regulations, the Company has obtained compliance certificate from the Whole -Time Director and Chief Financial Officer.

43. INSOLVENCY AND BANKRUPTCY

The Company has not made any application or no proceeding is pending under the Insolvency and Bankruptcy Code, 2016 during the year and hence not being commented upon.

44. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation to its Members, financial institutions, bankers and business associates, Government authorities, customers and vendors for their co-operation and support and looks forward to their continued support in future. Your Directors also place on record, their deep sense of appreciation for the committed services by the employees of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Naresh Mahendranath Malhotra
Chairman & Whole-Time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Date : June 30, 2021
Place: Mumbai

ANNEXURE A

PARTICULARS OF EMPLOYEES

[Pursuant to Section 197(12) of the Companies Act, 2013, and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014]

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2020-21 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year:

(Amount in ₹)

Sr. No.	Names of Directors/Key Managerial Personnel	Designation	Remuneration	Ratio of Directors remuneration to Median remuneration	% increase in the remuneration
DIRECTORS					
1	Mr. Naresh Mahendranath Malhotra	Chairman & Whole – Time Director	88,96,178	29.03	NA
2	Mr. Ramakrishnan Sankaranarayanan*	Managing Director	Nil	NA	NA
KEY MANAGERIAL PERSONNEL					
1	Ms. Parina Nirav Shah	Company Secretary	20,13,335	N.A	N.A
2	Mr. Nishant Avinash Fadia	Chief Financial Officer	44,41,010	N.A	N.A

* Mr. Ramakrishnan Sankaranarayanan ceased to be the Managing Director of the Company on expiration of his term of 3 years with effect from close of business hours on June 24, 2020. However, he continues to be Non-Executive Director of the Company with effect from June 25, 2020.

Note:
Non-Executive Directors are paid remuneration only by way of sitting Fees.

2. The percentage increase in the median remuneration of employees in the financial year:

There is no increase in the in the median remuneration on employees in the Financial Year 2020-21.

3. The number of permanent employees on the rolls of Company;

The number of permanent employees on the rolls of Company as on March 31, 2021 was 246.

4. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

There have been no increase in the salaries of the employees as well as managerial remuneration as compared to last year.

5. Affirmation

It is hereby affirmed that the remuneration paid is as per the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Naresh Mahendranath Malhotra
Chairman & Whole-Time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Date : June 30, 2021
Place: Mumbai

ANNEXURE B

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. Brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs

CSR is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Prime Focus Limited to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders. The CSR policy of the Company can be viewed on website of the Company at http://www.primefocus.com/sites/default/files/pdf/CSR_Policy_Final.pdf.

2. Composition of the CSR Committee

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Rivkaran Singh Chadha	Chairman	1	1
2	Mr Naresh Malhotra	Member	1	1
3	Mr. Samu Devarajan	Member	1	1
4	Mr Jai Anshul Ambani*	Member	1	0

* Mr. Jai Anshul Ambani has resigned from the Board and Committees of the Company w.e.f. October 30,2020

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company

http://www.primefocus.com/sites/default/files/pdf/CSR_Policy_Final.pdf

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report).

NA

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

NA

6. Average net profit of the company as per section 135(5)

₹ (657,164,156)

7. (a) Two percent of average net profit of the company as per section 135(5)
   (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years.
   (c) Amount required to be set off for the financial year, if any
   (d) Total CSR obligation for the financial year (7a+7b7c)

Not Applicable in view of Loss

8. (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer

NOT APPLICABLE

(b) Details of CSR amount spent against ongoing projects for the financial year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.

NOT APPLICABLE

(c) Details of CSR amount spent against other than ongoing projects for the financial year:

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent for the project (in ₹).	Mode of implementation - Direct (Yes/ No)	Mode of implementation - Through implementing agency.	
				State	District			Name	CSR registration number

NOT APPLICABLE

(d) Amount spent in Administrative Overheads- NOT APPLICABLE

(e) Amount spent on Impact Assessment, if applicable- NOT APPLICABLE

(f) Total amount spent for the Financial Year (8b+8c+8d+8e) - NOT APPLICABLE

(g) Excess amount for set off, if any - NOT APPLICABLE

Sl. No.	Particular	Amount (in ₹)
(i)	Two percent of average net profit of the company as per section 135(5)	
(ii)	Total amount spent for the Financial Year	
(iii)	Excess amount spent for the financial year [(ii)-(i)]	
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	

9. (a) Details of Unspent CSR amount for the preceding three financial years:

Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under section 135 (6) (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in ₹)
				Name of the Fund	Amount (in ₹	Date of transfer.	
NOT APPLICABLE							

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

1	2	3	4	5	6	7	8	9
Sl. No.	Project ID.	Name of the Project	Financial Year in which the project was commenced	Project duration.	Total amount allocated for the project (in ₹)	Amount spent on the project in the reporting Financial Year (in ₹)	Cumulative amount spent at the end of reporting Financial Year. (in ₹)	Status of the project - Completed / Ongoing.
NOT APPLICABLE								

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details). - NA

    (a) Date of creation or acquisition of the capital asset(s).

    (b) Amount of CSR spent for creation or acquisition of capital asset.

    (c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.

    (d) Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - NA

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Naresh Mahendranath Malhotra
Chairman & Whole-Time Director
DIN: 00004597

Rivkaran Singh Chadha
Chairman - CSR Committee
DIN: 00308288

Date : June 30, 2021
Place: Mumbai

ANNEXURE C 1
SECRETARIAL AUDIT REPORT
FORM NO. MR-3

For the Financial year ended March 31, 2021

[Pursuant to Section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Prime Focus Limited

I have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Prime Focus Limited** (hereinafter called **'the Company'**). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Prime Focus Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on March 31, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('The SEBI'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not relevant / applicable during the year under review)**

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not relevant / applicable during the year under review)**

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **(Not relevant / applicable during the year under review)**

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that based on the explanation given by the management of the Company, there are no other laws that are specifically applicable to the company.

I have also examined compliance with the applicable clauses to the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India;

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

During the period under review the Company has complied with the applicable provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. including other specific laws to the extent applicable to the Company as represented by management mentioned above. However, the appointment of Independent directors in material foreign subsidiary is still pending as per Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As informed by the management, the Board is in process of compliance of the same.

I further report that, the Board of Directors of the Company is duly constituted with proper balance of Executive, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the directors to schedule the Board Meeting, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

I further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the period under review, there were following major actions which have been done in compliance with applicable statutory provisions;

- Approval from the shareholders obtained via Postal Ballot for Appointment of and remuneration payable to Mr. Naresh Malhotra (DIN: 00004597) as a Chairman and Whole-time Director of the Company.

For D. M. Zaveri & Co
Company Secretaries
Sd/-
Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363

Place: Mumbai
Date: June 30, 2021
ICSI UDIN: F005418C000525982

This report is to be read with my letter of even date which is annexed as Annexure A and forms an integral part of this report.

ANNEXURE A

To,
The Members,
Prime Focus Limited

My report of even date is to be read along with this letter.

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
7. Due to the pandemic caused by Covid–19 and prevailing lockdowns/ restrictions on movement of people imposed by the Government, for the purpose of issuing this report, we have conducted our audit remotely based on the records and information made available to us by the Company electronically.

For D. M. Zaveri & Co
Company Secretaries
Sd/-
Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363

Place: Mumbai
Date: June 30, 2021
ICSI UDIN: F005418C000525982

ANNEXURE - C2
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2021

[Pursuant to Regulation 24A of The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Prime Focus Technologies Limited
Mumbai

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Prime Focus Technologies Limited** (CIN: U72200MH2008PLC179850) and having its registered office at True North, Plot No. 63, Road No. 13, Opp. Hotel Tunga Paradise, MIDC, Andheri (E), Mumbai – 400093 (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder (Not applicable to the Company during the audit period);

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (Not applicable to the Company during the audit period);

(d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (Not applicable to the Company during the audit period);

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (Not applicable to the Company during the audit period);

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (Not applicable to the Company during the audit period);

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not applicable to the Company during the audit period); and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the company being unlisted and a material subsidiary of a listed company, only limited provision is applicable).

(vi) There are no laws that are specifically applicable to the company based on their sector/industry.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India;

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Standards etc. mentioned above.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings; agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting member's views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that the requirement of Secretarial Audit is applicable to the company pursuant to the provisions of Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as the company is a **material unlisted subsidiary** of its parent company viz., Prime Focus Limited.

We further report that during the audit period:

1. the board of directors vide their resolution passed at the meeting held on July 30, 2020 approved the setting up of wholly owned subsidiary of the company in Singapore; and
2. the company has converted $ 1,60,00,000 of loan given to Prime Focus Technologies Inc. (wholly owned subsidiary of the company incorporated in United States of America) into 32, 0% Optionally Convertible Preference Shares of face value $ 0.01 per Share.

We further report that during the period under review there were no events or action having a major bearing on the company's affairs.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For Manish Ghia & Associates
Company Secretaries
(Unique ID: P2006MH007100)

CS Pankaj Nigam
Partner
M. No. FCS 7343, C.P. No. 7979
PR 822/2020

Place: Ghaziabad
Date: June 29,2021
UDIN: F007343C000533627

'ANNEXURE A'

To,
The Members,
Prime Focus Technologies Limited
Mumbai

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.
7. On account of various restrictions imposed by the Government Authorities on opening of offices, travel and movement due to Covid19 pandemic during the year under review, we for the purpose of completion of our audit have relied on documents and papers provided in electronic form through email/other virtual means for verification of compliances.

For Manish Ghia & Associates
Company Secretaries
(Unique ID: P2006MH007100)

CS Pankaj Nigam
Partner
M. No. FCS 7343, C.P. No. 7979
PR 822/2020

Place: Ghaziabad
Date: June 29,2021
UDIN: F007343C000533627

ANNEXURE - C3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED March 31, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
DNEG INDIA MEDIA SERVICES LIMITED
(FORMERLY KNOWN AS GENER8 INDIA MEDIA SERVICES LIMITED)

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DNEG INDIA MEDIA SERVICES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2021 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2021 according to the provisions of the Companies Act, 2013 (the Act) and the rules made thereunder.

We have also examined compliance with the applicable clauses of the Secretarial Standards issued by The Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

We further report that, there were no events/actions in pursuance of:

(i) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(ii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;

(iii) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

(iv) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(v) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(vi) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

(vii) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(viii) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(ix) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

(x) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

requiring compliance thereof by the Company during the Audit Period.

We further report that the Board of Directors of the Company is duly constituted with proper balance of executive directors, non-executive directors and independent directors except that as per the Section 149 of the Companies Act, 2013 read with rules the Company has not appointed Woman Director during the period under review. There was no change in the composition of the Board of Directors during the period under review..

In the wake of COVID-19 pandemic the Ministry of Corporate Affairs vide its notifications dated March 19, 2020 and March 24, 2020 had allowed the Companies to hold the meetings of the Board of Directors through video conferencing or other audio-visual (VC or OAVM) means for all matters including the otherwise restricted matters mentioned in Rule 4 of the Companies (Meetings of Board and its Powers) Amendment Rules, 2020. The Company confirms that the pre-requisites for conducting meeting through VC or OAVM had been adhered to during the period under review wherever required. Adequate notice was given to all the directors to schedule the board meetings, agenda and detailed notes on agenda were sent at least seven days in advance. The Company confirms that the system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the respective meetings of the Board or Committee thereof.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

On January 10, 2020 NCLT (National Company Law Tribunal) sanctioned the order of amalgamation (hereinafter referred as the 'NCLT Order') of DNEG Creative Services Limited and Double Negative India Private Limited (hereinafter referred as the ' Transferor Companies') with the Company. Pursuant to the NCLT Order the Company issued shares to the shareholders of the transferor companies on 1st April,2020 (the effective date).

We further report that, during the Audit Period, no events occurred which had a bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations and guidelines.

For SHILPA RAY & ASSOCIATE
Company Secretaries

SHILPA RAY
Proprietor
FCS 5936 CP. No. : 5311

Place: Mumbai
Date: June 28, 2021
UDIN: F005936C000527578

Management Discussion & Analysis

Section 1
Company Profile
Prime Focus Limited (hereafter referred to as 'PFL' / 'the Company') is the largest independent and integrated media services provider in the world. The Company provides end-to-end creative services (visual effects, stereo 3D conversion and animation), technology products & services (CLEAR, Media ERP Suite and Cloud-enabled media services), production services (equipment rental) and post-production services (Digital Intermediate and picture post) to the media and entertainment industry. PFL has its operations spread across 17 cities in four continents covering seven time zones with a team of over 9,000 professionals.

Incorporated in 1997, PFL has a rich legacy of more than two decades in the Media and Entertainment (M&E) industry. The Company is one of the most preferred service provider amongst top global studios, broadcasters, advertisers and production houses. Over the years, PFL has established its strong foothold and leadership globally. The strong in-house technological capabilities and tools helps the Company in managing the workflows seamlessly across its global locations.

The Company is leveraging its groundbreaking technologies, which include View-D™ (stereoscopic 2D to 3D conversion), CLEAR™ (Hybrid Cloud technology-enabled Media ERP Suite) and Primetime Emmy® award winning DAX Digital Dailies®. PFL's pioneering World Sourcing Delivery Model provides a significant competitive advantage in delivering the most premium services globally at an unmatched scale and timelines while ensuring pricing efficiencies for its customers. In addition, the widespread global network enables PFL to gain location specific benefits and fastest time to market.

PFL's major clients include all leading Hollywood studios, OTT players, broadcasters, advertisers, production houses and media companies across the world. In order the ensure creative enablement along with maintaining highest quality, workflow efficiencies and cost optimization, the Company has partnered with professional content creators at every stage of the processes. PFL derives more than 85% of its revenue from Hollywood, with major contribution from leading Hollywood studios like Disney, Warner Bros, Marvel, Paramount, 20th Century Fox, Universal, Neflix, Apple+, Disney+ and Sony.

PFL's subsidiaries Prime Focus Technologies (Global Cloud Technology Business) and Double Negative -DNEG (International Creative Services) provide end-to-end services viz. creative services, technology product and services and high end production services. After the acquisition of Double Negative in July 2014, it has become one of the largest independent VFX service providers in the world. The Company continues to be recognized globally as one of the leading Tier-1 player in the highly fragmented VFX industry. In April 2021, DNEG was also privileged with its 5th coveted Oscar in last 7 years (6 overall) for 'Best Visual Effects' for its work on 'TENET, and continues to win various awards globally for its premium work across several leading OTT shows and film projects.

Section 2
Financial Year 2020-21 Highlights
Despite several challenges due to Covid-19 pandemic, PFL continues to deliver strong financial and operational performance during the year under review. The Company has accelerated the business turnaround plan on the back of pandemic and has shown promise by delivering positive EBITDA[1] (Adjusted for Non-Cash ESOP Charges) despite reduced revenue. The year saw decline in revenues by 13%, while improvement in operational efficiencies lead to steady Adjusted EBITDA margin[1] of 26.3%. The impact of revenues was limited due to strong client relationships. Workforce rationalization, government wage relief, temporary pay-cuts, shifting/closure of offices and tight control over discretionary spending led to reduction in operating cost. The Company continued to attract marquee clientele and worked on the biggest blockbusters & Hollywood film franchises for the year as well top OTT series during the year. The Company's order book continued to be robust and growing despite Covid-19 pandemic.

[1] Adjusted for Non-Cash ESOP Charges

Creative Services
- It was the most difficult year in the Company's history with Covid-19 causing big disruptions for live shoots which led to lot of uncertainty in work coming in from our customers
- The Company's operating performance continued to be strong despite Covid-19 disruptions. PFL continued to deliver projects in Film VFX, TV/OTT and Animation with almost all of the Company's global work force working from home. With shoots starting to recommence in phased manner, optimistic for the future
- Operations demonstrated high agility – enabled work flow transition to Work from Home
- PFL delivered first large scale Film Animation project Ron's Gone Wrong
- Continue to deliver work on marquee projects such as Dune, Infinite, Kong vs Godzilla, Fast and Furious 9 among others
- The Company resorted to dynamic cost management in a highly volatile business environment. Combination of proactive headcount & operational cost initiatives together with Government relief programs helped the Company navigate the challenges posed by Covid-19.
- PFL continue to win marquee contracts. The Company's Order Book looks promising with upcoming movies for FY 2021-22– Venom 2, Unchartered, Matrix 4, etc.
- Continued on its profitable growth path with Adjusted EBITDA growing at 24.8% year on year with healthy Adjusted EBITDA margins at 23.9+%

Tech/Tech-Enabled Services
- Fall in revenues by 8% due to COVID 19 restrictions and challenges.
- Product share in the revenue mix at 43% for product due to comparatively higher increase in Services revenue & drop in Tech revenue
- Significant efforts made towards cutting costs across the globe – shutdown of offices as well as downsizing – led to significant cash cost savings and a complete turnaround in performance at the EBITDA level
- Order Book remains promising

New Client Wins
- Warner Bros, A&E Networks, etc. in Tech enabled services.

New Contracts with Existing clients
India FMS Business
- FMS segment was heavily impacted due to Covid-19 pandemic. Revenue declined by 31.1% YoY while EBIDTA[1] declined by 15% YoY.
- Studio rental and equipment rental business have shown momentum largely on the back of OTT platform, although recovery still far away from pre-Covid levels.
- However, with easing of restrictions and lockdown, the fourth quarter FY 2020-21 showed better performance compared to previous three quarters.

Section 3
Economy Overview
Global Economy
Global economy is gradually recovering from the downfall triggered by Covid-19 pandemic as countries undertook measures, which severely constrained economic activity in 2020. However, sizable, swift and unprecedented fiscal, monetary and regulatory responses by most Governments helped prevent worse outcomes. The International Monetary Fund (IMF) has estimated global economic growth to have contracted by 3.3% in 2020 despite better-than-expected actual performance by key economies in the second half of 2020.

The beginning of 2021 has been characterized by massive vaccination drives, which are expected to lead improve recovery rate and gain momentum in economic activity. Consequently, the IMF projects global growth to recover sharply to 6.0% in 2021. The magnitude of recovery will vary across countries, depending upon the extent of the spread of virus, the stringency and duration of measures undertaken to avoid further spread of Covid-19 and the extent and type of stimulus provided. China, India and Turkey have progressed above pre-pandemic levels driven by strong fiscal measures and a recovery in manufacturing and construction. Additional fiscal support in some economies, especially the United States and Japan together with the unlocking of Next Generation EU funds, are seen providing further support to the global economy. However, new mutants of the Covid-19 virus, second/third waves of infections, re-imposition of lockdowns in many countries and uneven access to vaccines across world continue to weigh on the outlook.

World Economies: Performance at a Glance

World Economic output growth in %				
	2019	2020	2021P	2022P
World Output	**2.8**	**-3.3**	**6.0**	**4.4**
Advanced Economies	**1.6**	**-4.7**	**5.1**	**3.6**
United States	2.2	-3.5	6.4	3.5
Euro Area	1.3	-6.6	4.4	3.8
Japan	0.3	-4.8	3.3	2.5
United Kingdom	1.4	-9.9	5.3	5.1
Canada	1.9	-5.4	5.0	4.7
Other Advanced Economies	1.8	-4.2	4.7	4.0
Emerging Market and Developing Economies	**3.6**	**-2.2**	**6.7**	**5.0**
Emerging and Developed Asia	**5.3**	**-1.0**	**8.6**	**6.0**
China	5.8	2.3	8.4	5.6
India	4.0	-8.0	12.5	6.9
ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam)	**4.8**	**-3.4**	**4.9**	**6.1**

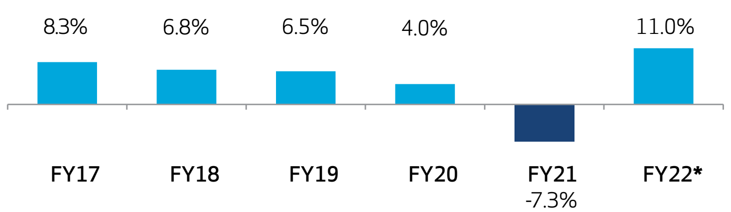
Source: IMF World Economy Outlook April 2021

Indian Economy
The Indian economy faced massive reduction in economic activity, job losses and plummeted demand scenario in the wake of pandemic-induced lockdowns especially in the first half of FY2020-21. Following a 24.4% contraction in the first quarter and 7.3% contraction in second quarter, the Indian economy recorded a marginal expansion at 0.4% in the third quarter of FY2020-21. The revival in third quarter was supported by continued normalization of economic activities, robust growth in the agriculture sector and restoration of manufacturing, construction, banking and real estate activities. The recovery continued

even in the fourth quarter as reflected in improvement in certain key economic indicators like power consumption, inter and intra state mobility, manufacturing capacity utilisation, business expectations and consumer confidence.

As per the provisional estimates released by the National Statistics Organisation (NSO), Indian economy is estimated to contract by 7.3% in FY2020-21. The Economic Survey 2020-21 estimated a 'V-shaped' recovery of the economy with India's real GDP estimated to record 11.0% growth in FY2021-22 – India GDP growth (%).

India GDP growth (%)



Source: National Statistics Office Provisional Estimates dated 31st May, 2021,

*Economic Survey – 2020-21

Outlook

Economic recovery, however, seem to have faltered beginning April 2021 in the wake of a more virulent second wave of Covid-19 and subsequent lockdown restrictions imposed by several states. Although the second wave has rapidly spread across states, regions and into rural areas, it is expected to be less disruptive than the first wave. With less stringent than a year ago and localized lockdowns, the movement of goods has not been stopped and industries are being allowed to function, which could significantly limit the economic loss. Certain sectors of the economy like manufacturing, agriculture and work-from-home and online-based services are expected to be resilient to the surge in infections. In addition, export performance is expected to improve given that the global economy is largely open compared to the first wave when exports had collapsed.

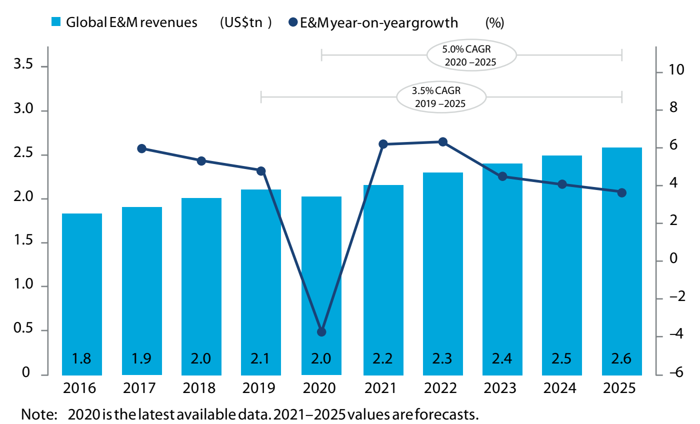
According to Moody's Rating Agency, GDP growth in India is estimated at 9.3% for FY 2021-22 mainly on the back of lower base and localized re-imposition of restriction measures for shorter durations as opposed to nationwide lockdown. Retail mobility, toll collection, GST e-way bills volume and railway freight loading will have significant impact on account of localised lockdowns. This may lead to rising income inequality, unemployment, sectorial impact, inflation and consumer confidence. Inflationary pressures are set to intensify, but monetary policy is likely to stay accommodative. Faster vaccinations, strong global growth lifting of lockdowns and easy financial conditions are likely tailwinds to the ongoing recovery of Indian economy.

Global Media & Entertainment (M&E) Industry Landscape

In media and entertainment, the Covid-19 pandemic has accelerated and amplified ongoing fundamental shifts in consumers' behaviour, pulling forward digital disruption and accelerated many trends that were already underway. Agile consumers, responding with eagerness to new conditions, are increasingly constructing their own bundles and media environments, paying directly for access to music, video and games. By a combination of design and circumstance, people are consuming more content and experiences at home and online. Over-the-top (OTT) video companies and multiplayer game providers were already well positioned to meet customers demand. Increasingly, Covid-19 has led many people regard their digital M&E spending—a Netflix subscription or mobile data allowance—as a utility on a par with water or electricity and therefore a non-discretionary expense. Movie theatre box office revenues fell 71% in 2020, even as Netflix attracted a record 37mn net additional subscribers, pushing its subscriber rolls past 200mn.

The Global Media and Entertainment (M&E) Industry is one of the largest in terms of market size and revenue. As per the Perspectives from Global Entertainment & Media Outlook 2021-2025 by PricewaterhouseCoopers (PwC), the Global M&E industry revenue is expected to reach US$2.6 trillion by 2025, registering a CAGR of 5.0% over 2020-2025. Global M&E growth has typically outpaced GDP in recent years, as media experiences have become ever more central to consumers' lives and this trend is likely to continue further. The unprecedented decline in global M&E revenues of 2020 will likely be followed by an impressive bounce-back in 2021 and beyond.

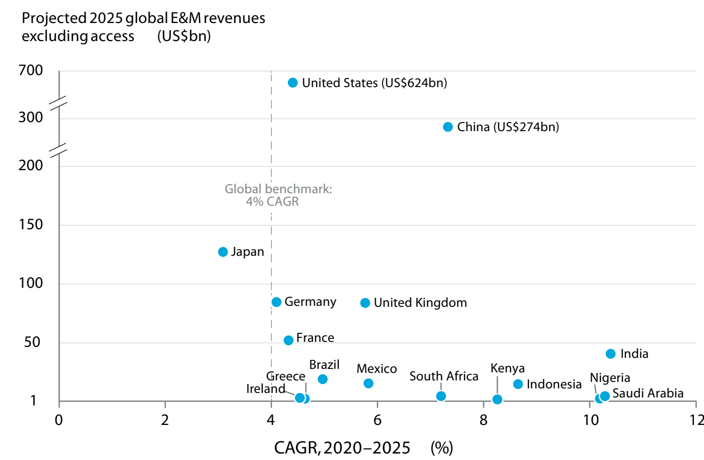
Global M&E Industry Revenue (US$ trillion)



Source: PwC Global Entertainment & Media Outlook 2021-2025

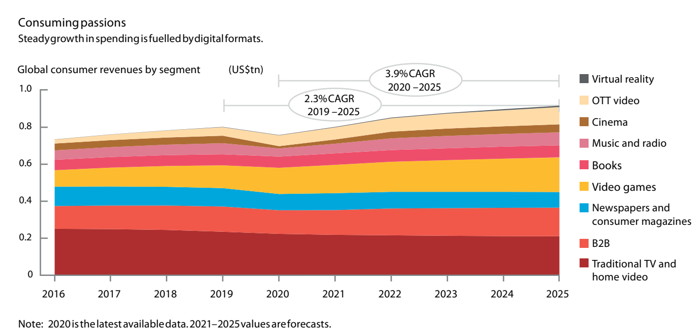
Over the coming five years, growth in E&M revenues will be the norm across territories, India, where consumer and advertising revenue fell just 0.2% in 2020, has the highest growth forecast to 2025, at a 10.4% CAGR. Despite the challenges it faces with Covid-19, India—which should surpass China in 2022 to become the world's most populous country—has immense potential for expansion. Other outliers include Saudi Arabia, whose market has been strengthened greatly by the lifting of a 35-year ban on cinemas in 2018, and Nigeria, where booming video games and TV subscription revenue will push the five-year CAGR to more than 10%.

Most of the world's best-performing M&E consumer markets are in developing countries.



Source: PwC Global Entertainment & Media Outlook 2020-2024

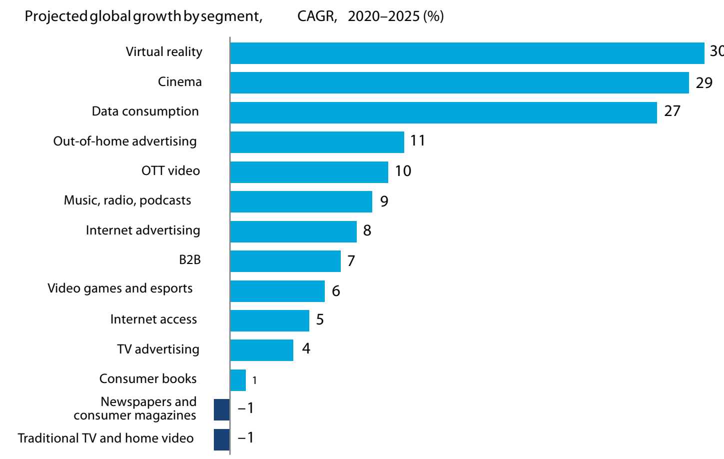
One of the signal impacts of the pandemic was that more people spent more time at home and more time online. The rapid move to digital content services during the pandemic was part of a wider migration. This shift fueled e-commerce, which in turn attracted more advertising—even if consumer activity overall was muted. Cross-currents were evident in the three main sectors into which E&M spending is divided: access, consumer spending and advertising. As internet access and data became a lifeline and a form of utility, access was the only one of the three main sectors that rose in 2020, up US$14bn, or 2.1%, and accounting for 34.1% of all spending. Consumer spending shrank 5.5%, making up 37.1% of total spending, and advertising was stable, at 28.7%



Source: PwC Global Entertainment & Media Outlook 2021-2025

Virtual reality (VR), over-the-top (OTT) video (including streaming services like Netflix and Amazon Video) Video games & Esports and Internet advertising are expected to witness higher annual growth in the upcoming years.

Segment-wise Growth



Source: PwC Global Entertainment & Media Outlook 2021-2025

The changing patterns of media consumption due to Covid-19 pandemic will transform the overall industry landscape. The shift in consumer demand for personalization is putting constant pressure on entertainment companies to drive innovation and embrace new technologies The industry is constantly innovating and bringing in new applications to the market. Businesses are creating new arrangements and combinations aimed at opening up new revenue opportunities. However, as the industry navigates into the post-pandemic world, many long-term growth opportunities are emerging such as.

- Offer convenience & accessibility, as consumers are likely to hold on to some of their newly acquired habits
- Data, Personalization of content & advertising, to capture a bigger share of wallet
- Digital Acceleration led by cloud to increase flexibility, lower costs and minimize disruptions
- Create new (digital) content propositions, realize new revenue streams
- Optimize revenue mix or pricing models to emerge more resilient
- Strategic investments & Alliances in search of scale and growth

Indian Media and Entertainment (M&E) Sector

2020 was a challenging year for the Indian M&E industry. Covid-19 pandemic has disrupted the already fast evolving M&E sector, with some changes having long-term implications. M&E as a sector normally grows and even outperforms India's nominal GDP, but being a discretionary spend, the M&E sector fell by over 2.5x India's nominal GDP fall of -8% in 2020. According to FICCI EY report - 'Playing by new rules - India's Media & Entertainment sector reboots in 2020', the Indian M&E sector revenues decreased by 24% YoY to ₹ 1.38 trillion (US$18.9 billion) in 2020. While television remained the largest segment, digital media overtook print, and online gaming overtook a disrupted filmed entertainment segment in 2020. Subscription revenues once again proved their spirit by holding up better than advertising revenues. With the improved performance of all segments in last quarter of 2020, the industry is expected to grow at a CAGR of 17% over 2020-2023 to reach ₹ 2.23 trillion (US$30.6 billion) by 2023.

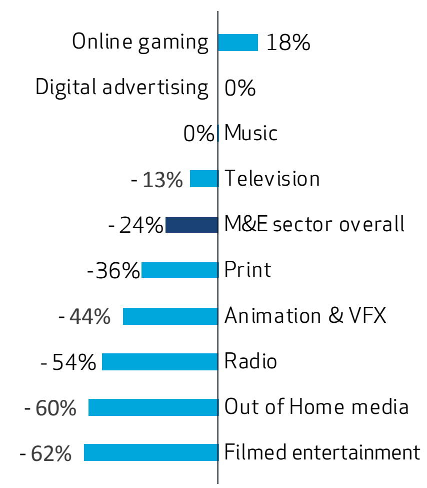
Indian M&E Industry: size and projections **(in ₹ billion)**

	2019	2020	2021E	2023E	CAGR 2020-23
Television	787	685	760	847	7%
Digital media	221	235	291	425	22%
Print	296	190	237	258	11%
Online gaming	65	76	99	155	27%
Filmed entertainment	191	72	153	244	50%
Animation and VFX	95	53	74	129	35%
Live events	83	27	53	95	52%
Out of Home media	39	16	22	32	27%
Radio	31	14	23	27	24%
Music	15	15	18	23	15%
Total	1,822	1,383	1,729	2,234	17%

The M&E industry in India saw a paradigm shift in demand patterns as consumers actively sought alternatives and had the time to try new things. Aided by the growth of digital infrastructure, digital media adoption accelerated in 2020. Consequently, consumption patterns shifted and increased across online news, gaming and entertainment.

The supply side transformed as M&E companies took the opportunity to reinvent themselves with the new distribution models and monetisation strategies. Appointment viewing on news television, gamification on e-commerce apps, circulation transformation in print companies, short video on OTT platforms, interactivity and brand solutions from radio companies were some of the various strategic shifts that were witnessed in 2020.

Digital and online gaming were the only segments which grew in 2020
Segment growth 2020 vs. 2019



Source: EY

Digital and online gaming were the only two segments which grew in 2020 adding an aggregate of ₹ 26 billion and consequently, their contribution to the M&E sector increased from 16% in 2019 to 23% in 2020. The share of traditional media such as television, print, filmed entertainment, OOH, radio, music stood at 72% of M&E sector revenues in 2020.

Online gaming continued as the fastest growing segment for the fourth year in a row. The segment grew 18% helped by work from home, school from home and increased trial of online multi-player games during the lockdown. It was further supported by 20% YoY growth of online gamers to 360 million in 2020 and 21% increase in revenues of transaction-based games.

Digital subscription revenues increased by 49% YoY as 28 million Indians (up from 10.5 million in 2019) paid for 53 million OTT subscriptions in 2020. Growth was led largely by Disney+ Hotstar, increased content investments by Netflix and Amazon Prime Video and launch of several regional language products. Digital advertising remained stable, led by increased allocation from traditional advertisers who accelerated their investments in digital sales channels.

VFX and post-production revenues contracted by 62% YoY due to pandemic induced shut down of television and film content production for several months in 2020. Inability to conduct live shoots led to increased demand for animated content, and consequently animation segment registered a growth of 10% YoY in 2020.

Indian Film Industry

Indian Film entertainment segment declined by 62% in 2020 as theaters were shut down, blockbusters movies were rescheduled and movie production ground to a halt due to Covid-19 pandemic. Around 441 films were released during the year 2020, as compared to 1,833 releases in 2019 on account of lockdowns and social distancing norms. Consequently, the theatrical revenues including domestic and overseas that forms major part of a film's earnings declined by 80% in 2020. Broadcast rights values fell 68% YoY due to fewer completed new films and business caution by broadcasters. Digital rights consequently grew 86% in 2020 to reach ₹ 35.4 billion as films were released directly on OTT platforms at rates which compensated producers for lost theatrical revenues to some extent.

Film entertainment gross of taxes **(in ₹ billion)**

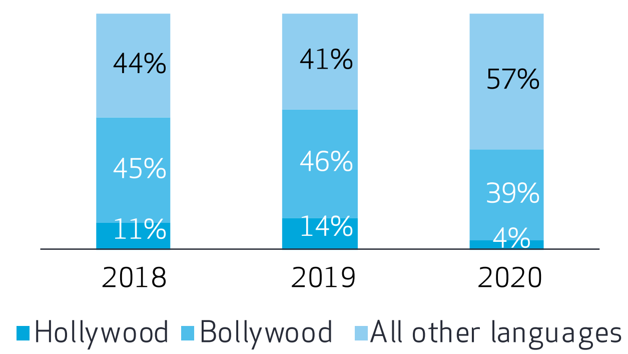
	2019	2020	2021E	2023E
Domestic theatricals	115.2	24.9	74.9	130.6
Overseas theatricals	27	3.1	16.2	29.2
Broadcast rights	22.1	7.1	18.9	23.4
Digital/OTT rights	19	35.4	37.8	52.1
In- Cinema advertising	7.7	1.7	5.4	8.3
ancillary revenue	0.1	0	0.1	0.2
Total	**191**	**72.2**	**153.3**	**243.8**

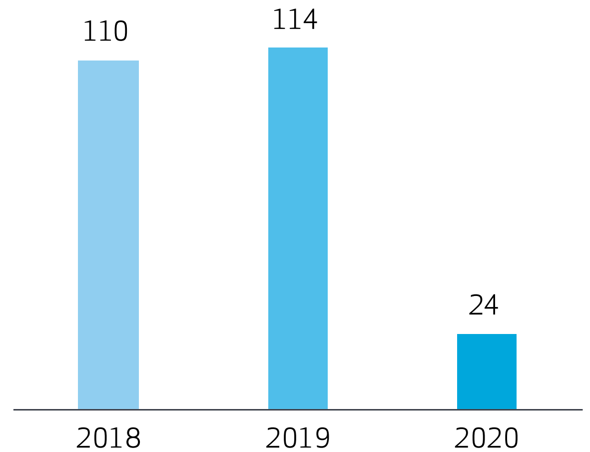
Source: EY

Indian film industry is expected to rebound from ₹ 72.2 billion in 2020 to ₹ 243.8 billion by 2023. The trend for direct to digital releases is likely to continue while producers realized the importance of theatrical releases for large scale film productions. The central government gave its nod to reopen cinemas for audiences from October 15, 2020 onwards with 50% seating capacity and subsequently at 100% capacity from February 2021. Based on the number of large star cast films awaiting release, theatrical revenues are expected to gain momentum and could cross ₹ 75 billion in 2021 subject to the pandemic.

Overall Gross Box Office Collection (GBOC) fall by 79% to ₹ 24 million in 2020. Hindi films contributed approximately 39% of the GBOC, with 74 films released during the year. Films in other regional languages contributed approximately 57% to the GBOC in 2020. 74 films were released abroad in 2020 as against 350 in 2019. Further there was 88% fall in overseas box office collections due to which the share of Hollywood has declined from 14% in 2019 to 4% in 2020.

Gross Box Office Collection (₹ billion) Language Composition of Domestic Theatricals

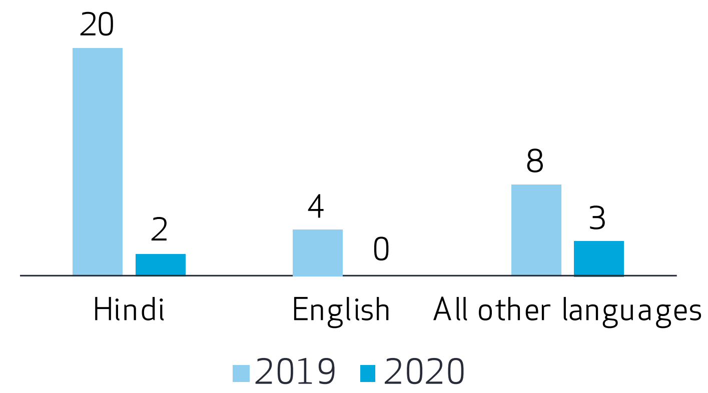




Source: EY

2020 started with the release of the blockbuster Bollywood film Tanhaji which grossed over ₹ 3.6 billion Subsequent releases such as Baaghi 3, Street Dancer 3D, Shubh Mangal Zyada Saavdhan and Malang also did well at the box office. In 2020 five films joined the coveted ₹ 1 billion or more GBOC club.

Number of films which grossed more than ₹ 1 billion

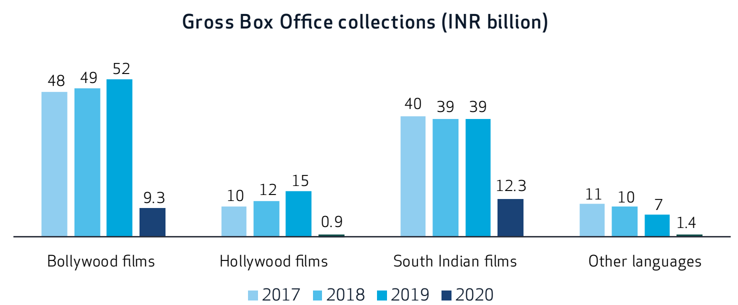


Source: EY

Among the regional languages, South Indian films generated higher box office collections than Hindi films in 2020 as it managed to fit in three hit films which grossed over ₹1 billion in domestic theatrical revenues. Two Telugu films Ala Vaikuntapuram Lo and Sarileru Neekaveru were able to clock ₹ 2.1 billion and ₹ 1.7 billion GBOC respectively in 2020. Tamil Film Darbar fetched ₹ 1.4 billion in 2020.

Gross Box Office Collection

(₹ billion)



Source: EY

The emergence of OTT platforms in 2020 has filled the void created by the absence of operational cinemas, growing the segment 86% to ₹ 35.4 billion in 2020, making digital rights the largest portion of the filmed entertainment segment for the year. It has made movie-watching convenient, accessible and affordable across a wider segment of the users. In India, explosive growth in OTT subscriptions has spurred production of short low-budget films made specifically for OTT platforms, sometimes repurposed from long-form movies whose production was halted. It started with the direct release of Bollywood star Amitabh Bachchan's Gulabo Sitabo on Amazon Prime Video. It is estimated that around 15 Bollywood movies originally scheduled for theatrical release were released directly on OTT platforms during the year, including Dil Bechara, Sadak 2, Laxmii and Coolie No.1. Netflix, Disney+ Hotstar and Amazon Prime Video had the biggest market share in India for the direct release of such movies.

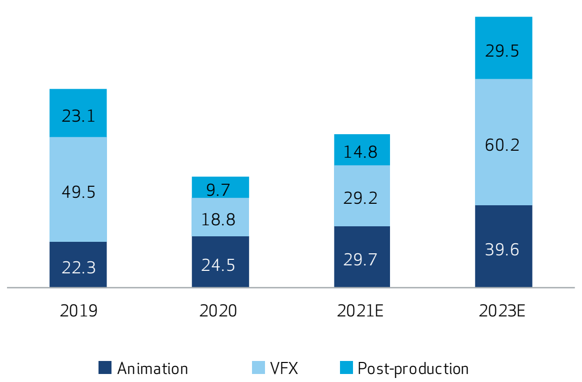
Film Industry has responded to challenging times by innovating and experimenting new business models and finding newer ways and means of reaching the audience through direct to digital. Digitalisation has played a great role in the growth of Indian film industry by accelerating more variety of content, talent and stories, investments in original regional content production and building regional propositions to reach the larger segment of audience.

Theatricals segment is expected to rebound once Covid-19 subsides. A strong content pipeline of big-budget and big star-cast movies is planned, which is expected to drive footfalls back to the big screen, further aided by the revival of economic activity and mass vaccination. Major Bollywood films in pipeline includes Sandeep Aur Pinky Faraar, Bunty Aur Babli 2, Akshay Kumar's Sooryavanshi, Salman Khan's Radhe, Ranveer Singh's 83 and John Abraham's Satyamev Jayate. 2021 will also see the release of highly awaited Hollywood films like No Time To Die (a James Bond film), Marvel's Black Widow, Tom Cruise starrer Top Gun: Maverick and F9, the ninth installment of the Fast & Furious franchise. Lower budget films which can be enjoyed on smaller screens may increase their direct-to digital releases and being more affordable for OTT platforms, can become a parallel source of revenue for production houses. Consequently, the quantum of films produced in India are expected to increase over the next few years.

Animation, VFX and Post-Production

Indian animation, Visual Effects (VFX) and post-production segment has deeply felt the impact of the pandemic in 2020. However, the animation segment successfully catered to the rising OTT demand by quickly adapting to the work from home model and managing a 10% growth in 2020 to reach ₹ 24.5 billion. VFX and post-production were heavily affected by disruption to the live action industry, especially during the first two quarters of 2020 owing to lockdowns and fell from ₹ 72.6 billion in 2019 to ₹ 28.5 billion in 2020.

Animation, VFX and post production revenue (gross of taxes in ₹ billion)



Source: EY

India has emerged as a major outsourcing destination for Animation & VFX due to large workforce, skilled professionals and world class post-production capabilities in VFX, 3D and animation. India is the world leader in VFX outsourcing of Roto and Prep, as well as a preferred destination for outsourcing VFX work. Today, up to 20-25% of the production cost on a movie is spent on visual effects as compared to less than 10% in the past. The main purpose of VFX and Animation in the film industry is to grow the demand of movies to make large number of VFX movies and TV shows which encourage the people and children to view the realistic experience. Today India is growing faster in producing good VFX and Animation movies on screen and spreading its arms worldwide.

Earlier, Indian animation studios were largely dependent on content sales to international markets but now, growth is being driven by domestic original content. Studios have transitioned from being content developers to IP owners. Covid-19 has contributed to a significant rise in children's consumption of animated content most famous being Motu Patlu, Shiva, Rudra and Chota Bheem. In 2020, global players such as Amazon Prime Video and Netflix signed exclusive content licensing deals with various studios in India.

Animation/VFX studios witnessed a surge in content demand for domestic shows, which is expected to rise further over the next few years. Animation studios are now replete with overseas and domestic work till 2022-23. The VFX segment displayed resilience and recovered in second half of 2020 as live shoots and feeds resumed and an effective work from home pipeline emerged. Some Popular VFX shows which uses the technology successfully are Naagin, Siyake Ram, Baal veer, Mahabali Hanuman etc. The pile up of VFX work over the past fiscal year will lead to lots of high volume work in 2021 and so on. Further, overseas developed countries are starting to shift outsourcing away from China, which could benefit Indian VFX. Consequently, with the growing demand, pile up work and technology adoption, the animation, VFX and post-production segment is expected to grow at a CAGR of 34.6% over the next three years, collectively expected to reach ₹ 129 billion by 2023. VFX and postproduction are set to recover to 2019 revenues by 2022. Virtual production and immersive technologies will continue to be adopted by more and more companies in the future.

Several initiatives have also been announced by the central government to boost the growth of the industry, In September 2020, the Government of India announced its plan to develop an Animation, Visual Effects, Gaming and Comic (AGVC) Centre for Excellence in collaboration with IIT Bombay. The centre is expected to launch in the next 1-2 years (2021-2022). Various states governments have also come out with initiatives - Maharashtra is allocating land for setting up the National Centre of Excellence for AGVC and Telangana is planning to set up an incubation centre for the animation and VFX industry.

Section 4

Company/Business Overview

Founded by Mr. Namit Malhotra in 1997, PFL has expanded from its modest beginnings in a Mumbai to its existent as one of the world's largest independent and integrated media services provider. In India, the Company has operations in Bangalore, Burbank, Cape Town, Chennai, Hyderabad, Johannesburg, Kolkata, London, Los Angeles, Mohali, Montreal, Mumbai, New York, Noida, Singapore, Toronto, Vancouver. The Company has established its strong presence in international market with its presence in Abu Dhabi, Cape Town, Johannesburg, London, Los Angeles, Montreal, New York, Toronto and Vancouver.

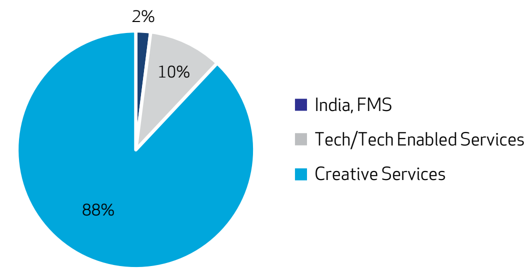
Products and Services

PFL is engaged in providing the following services which forms the three major business segments.

1. Creative services like visual effects, stereo 3D conversion and animation
2. Tech/Tech-Enabled Services like Media ERP Suite and Cloud enabled media services
3. India's Film & Media Services (FMS) - Production and Post-production services like equipment rental, digital intermediate, picture post, shooting floors and sound stages

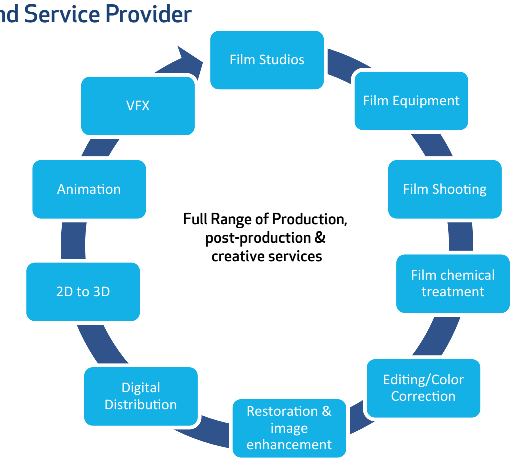
PFL is a global leader in all the three business segments it operates in due to robust business model, professionally skilled employees, stable balance sheet along with full back-up of reputed investors. The major investors include Standard Chartered Private Equity, Reliance Group, Horizon Coast and Ambit Pragma Private Equity.

Divisional Revenue Share FY2020-21



PFL provides comprehensive solutions of products and services to leading studios, broadcast and advertising industries worldwide. The Company delivers high-end franchise movies in association with top-tier studios.

End to end Service Provider



International Presence

PFL generates more than 90% of revenues from the international market. By leveraging technological strength and talent skills, PFL intends to offer holistic and complete solutions to its clients across geographies. The Company is further strengthening its sales team in order to win more overseas clients. The Global Digital Pipeline and pioneering 'WorldSourcing' delivery model assists the Company in connecting with content creators across all stages for creative enablement, deriving better efficiencies and optimizing the cost.

The Company is present across 5 continents, 7 time zones and 18 locations with projects execution happening 24*7 for 365 days. The Company has undertaken several mergers and acquisitions over the years to enhance its capabilities and strategically expanding its global footprints. These include

1. Operational merger of PFL's Creative Services arm with DNEG, a global leader in visual effects, in 2014
2. Operational merger operations with the film and media services business of Reliance MediaWorks in 2015
3. Strategic tie-up with Canada's Gener8 Media Corp, a significant player in stereo 3D conversion technology in 2015
4. Acquisition of DAX®, creators of Primetime Emmy® award-winning Digital Dailies® in 2014 and Academy Award®-winning Lowry Digital in 2015 (part of Reliance MediaWorks)
5. Divestment of 30% stake in Digital Domain – Reliance, LLC

Marquee Clientele

The Company has wide and strong client base spread across the entire media industry value chain and product lifecycle of media content. PFL's major clients include top Hollywood and Indian studios and media companies across the globe.

- **Studios –** Warner Bros, Disney, Marvel, Universal Studios, Netflix, Paramount, Sony, Twentieth Century Fox, Legendary Pictures, Lionsgate and DreamWorks
- **Broadcast networks –** Bloomberg, Disney, Star, Hearst, Associated Press, Sony, Colors and Zee
- **Others –** ICC, BCCI, Cricket Australia, JWT, Lowe Lintas, Netflix, Amazon and Sky

Creative Services

PFL is a leading creative provider of VFX services to the marquee Hollywood studios that produce high-end VFX, 3D and animation-based movies. In July 2014, PFL merged its operations with UK-based DNEG – one of the world's leading visual effects and animation companies for feature film and television. The Creative Services division also provides animation services by partnering with content creators across the production life-cycle to facilitate development of beautifully animated content. The Company leverages its experience, scale of operations and World Sourcing delivery model to cater high-end projects while ensuring high efficiencies, quality and cost optimization.

Creative Services: Selected FY2020-21 Hollywood Projects

1. Justice League
2. Unchartered
3. Matrix 4
4. Dune
5. Ron's Gone Wrong,
6. Infinite
7. Venom 2
8. Kong vs Godzilla
9. Fast and Furious 9

Production & Post-Production Services

PFL is India's largest organized and integrated production and post production service provider. The Company offers a complete range of media services across the spectrum which includes

- Production Services - studio rentals, equipment rental and line production
- Post-production Services - digital intermediate, colour grading and picture post
- Digital cinema distribution

PFL dominates the capacity of the Mumbai studio market by owning India's largest integrated studio. The Company acquired the film and media services business of Reliance MediaWorks Ltd. in 2015 with an objective to increase its market share and further strengthening its offerings.

PFL worked on many Bollywood blockbusters this year which include the following:

Production & Post-Production: Selected Projects FY2020-21

1. Gunjan Saxena(Netflix)
2. Angrezi Medium(Hotstar)
3. DilBechara(Hotstar)
4. Hundred(Hotstar)
5. CoolieNo.1
6. Chhalaang

Tech/Tech-Enabled Services

PFL, through its subsidiary Prime Focus Technologies (PFT) offers transformational applications in addressing the content delivery challenges across proliferating channels, especially the disruptive digital world through its Media ERP platform and digital content services. This has enabled media and entertainment sectors to drive creative enablement, enhance ecosystem efficiencies and sustainability, at a reduced cost and realize new monetization opportunities. The Company's ERP and tech business is a combination of media and IT skills, assisted by a deep knowledge of the global M&E industry. PFT can boast of some big-scale achievements

1. 1.5 million hours of content managed annually
2. 220 multi-cloud locations
3. 400 TV shows powered by CLEAR daily
4. VoD fulfilment of 10 million assets annually
5. 35,000 hours of Subtitling and Closed Captioning annually
6. 50% of US primetime scripted network television production use PFT's product
7. Powered events that delivered 25.3 million concurrent streams
8. 10,000 assets uploaded every day on CLEAR
9. More than 40,000 users on CLEAR

Business Arms

Double Negative (DNEG)

DNEG, the creative arm of PFL, is one of the largest independent premiere VFX player globally, having top-tier relationships with large studios and well diversified content across formats and geographies. PFL's merger with DNEG has strengthened DNEG's competitive position in the US post-production market, and also helped it become one of the largest independent and integrated VFX players in the world. DNEG has also expanded its service offering to cater to VFX requirements for mainstream Indian and Chinese M&E industry. At present, DNEG has studios in London, Vancouver, Mumbai, Los Angeles, Chennai, Montréal, and Chandigarh.

DNEG has a long standing and close working relationships with the largest Hollywood studios - (Marvel, Universal, Warner Bros, Paramount, Twentieth Century Fox, Sony, Disney and Lionsgate) and directors (Christopher Nolan, David Yates, Ron Howard, Zack Snyder and Steven Spielberg amongst others), having a roster of worked on few of the biggest global film & OTT franchises. DNEG has win 'Best Visual Effects' Oscar award six times in total, including five of the last seven awards.

The Company has successfully delivered bundled services for some of the biggest Hollywood blockbusters titles this year. Projects currently in production at DNEG include movies such as: 'The Matrix 4', 'Dune', 'Uncharted' and 'F9: The Fast Saga'; and TV shows such as 'Jupiter's Legacy' and 'The Wheel of Time'. DNEG Feature Animation's projects include 'Ron's Gone Wrong' (Disney) and 'Under The Boardwalk' (Paramount), and a brand-new animated adaptation of F. Scott Fitzgerald's classic American novel 'The Great Gatsby' with Oscar-winning director William Joyce.

Highlights: FY2020-21

- Won marquee contracts even during challenging times – Justice League, Unchartered with Sony, Matrix 4 with Warner Bros
- Continue to deliver work on marquee projects such as Dune, , Wonder Woman 1984, Infinite, Venom 2, among other
- Upcoming Movie Projects are Dune, F9: The Fast Saga, Jungle Cruiseetc.
- Upcoming TV / OTT Projects incudes Riviera Season 3, Away, Star Trek Discovery, Foundation etc.,

Awards & Accolades

- DNEG nominated for a Royal Television Society Award in the Effects Category for its work on BBC's 'World on Fire'
- DNEG's work on 'Devs' nominated for a 2020 Broadcast Tech Innovation Award in the Best VFX Project Category
- DNeg won Oscar and BAFTA for TENET. This is sixth Academy award in the last 10 years

Prime Focus Technologies (PFT)

PFT, the technological arm of PFL, is pioneer and leader in providing cloud solution for M&E industry. The Company owns and operates World's only hybrid cloud enabled Media ERP platform CLEAR™ which offers broadcasters, studios, brands and service providers transformational solutions that help them lower total cost of operations (TCOP) by virtualizing business processes around content and managing the business of content better. It also helps manage content digitally from the time it is produced to the time it is exhibited on various mediums like TV sets and OTT platforms. PFT acquired US-based DAX in Apr'14 to enter into the world's largest content market. PFT has strong revenue model in this segment with 90% Annuity contribution & 29% from International markets

Being a cloud solutions provider with a global delivery model and one of the world's largest digital media services cloud infrastructure at its disposal, PFT offers a wide range of technical, creative and new media services on cloud with defined Service Level Agreements (SLAs). These include Localization (Subtitling, Dubbing, Access Services and Text to Text Localization), Digital Packaging & Delivery, 4K Remastering & Up conversion, Quality Check (QC), Digitization services, Audio services, Live services, Metadata services and Creative services among others.

PFT works with major M&E companies like Turner, PBS, 21st Century Fox-owned Star TV, Disney, Hearst, CBS Television Studios, 20th Century Fox Television Studios, Lionsgate, Starz Media (a Lionsgate Company), Showtime, A+E Networks, Complex Networks, HBO, IFC Films, FX Networks, Miramax, CNBC Africa, TERN International, Sony Music, Google, YouTube, Novi Digital – Hotstar, Amazon, HOOQ, Viacom's Voot, Cricket Australia, BCCI, Indian Premier League and The Associated Press.

Highlights: FY2020-21 – below are previous year highlights

- Introduced powerful functionalities in CLEAR™ Media ERP. CLEAR, known for its interoperability, has been further expanded to support 11 more partner products in thistle latest release.
- Rebranded DAX Production Cloud to CLEAR Production Cloud, with a host of new features that revolutionize the post production processes
- Introduced CLEAR Vision Cloud, a Media Recognition AI platform that offers Technology and bespoke strategic Consulting to make AI work for our customers
- Strengthened its global presence by launching a Media Center in the UK which will act as the hub for Channel 4
- Secured the Trusted Partner Network (TPN) certification
- Listed in the top 40 in Nimdzi Insights' Top 100 Localization Services Providers (LSPs) 2020
- Hosted our very first CLEAR Connect (Annual User Group Event) in Los Angeles for CLEAR users and members of the M&E industry
- Researched, developed, and produced two episodic **India From Above** for National Geographic as part of their **From Above** series
- Partnered with Whip Media Group
- EBITDA impacted by one-time bad debt provision.

Awards & Accolades

Covid-19 Impact

The devastating second wave of the Covid-19 crisis in India and re-imposition of lockdowns in many states although in piecemeal fashion has halted the recovery of M&E industry to some extent, which was still reeling from the effects of last year's first wave of the pandemic. The duration of the lockdowns will depend on the path of the virus and vaccinations. Consequently, there has been subsequent deferral in release dates of multiple movies and delay in work delivery schedule. Digital revolution in India amidst Covid lock-downs led by smartphone penetration and cheapest data prices globally, enabling a shift to digital streaming platforms. Major productions are now looking at digital releases of movies on OTT platforms as box office revenues will no doubt shrink due to the strong likelihood of people avoiding crowding places for a while.

However, PFL's exposure to this risk is mitigated to some extent due to strong client relationships with its key customers, which include several large well capitalised studios. Despite the pandemic, PFL will have sustainable demand for OTT, Animation and VFX due to strong execution project pipelines by key credible studios. Further, the Company is experimenting all the potential means and revitalising itself by considering workforce rationalisation, temporary pay cuts, shift or closure of offices and significant and permanent cost control measures over discretionary expenditure.

Financial performance and highlights

PFL delivered stellar financial performance with significant improvement in profitability led by Creative Service. The Company reported Income from Operations of ₹ 2,610 crores in Financial Year 2020-21, with 88% and 10% contribution from Creative and Tech/ Tech- Enabled Services, respectively. Adjusted EBITDA margin[1] remained robust at 26.3% as revenue synergies realized in terms of cross-selling and execution from lower cost-centres, such as India and Vancouver, climbed. Further, work force rationalisation and cost reductions helped improving EBIDTA margins.

Financial Highlights of Financial Year 2020-21 (Consolidated Audited Financials):

- Total Income of the Company is at ₹ 2,610 crores, compared to ₹ 3,013 crores for the year ended March 31, 2020
- Adjusted EBITDA margin[1] is maintained at 26.3%
- Cash Profit (PAT + Depreciation + non-cash employee stock option expense) is at ₹ 396 crore; Cash Profit Margin at 15%.
- Creative Services revenue has decreased to ₹ 2,227 crores in FY2020-21. This business now contributes 88% to Group revenues and has an Adjusted EBITDA margin of 24% (as per Ind AS accounting standards).
- Tech/Tech-Enabled Services revenue at ₹ 279 crores in FY2020-21 as against ₹ 304crores in the year ended March 2020; Adjusted EBITDA Margin at 35%
- India FMS revenue at ₹ 103 crores in FY2020-21 from ₹ 152 crores in the year ended March 2020. Adjusted EBITDA Margin[1] is at 54.7% in the price-competitive Indian Market, a testimony to PFL's quality work.
- Net Debt (Debt – Cash) is at ₹ 2,680 crores as of March 2021 (after adjusting for additional leases liabilities recognised due to change in accounting standards, government grants and Convertible Preference shares issued by subsidiaries)
- The Company is undertaking constant efforts towards reducing high-cost India debt via refinancing with cheaper and longer-tenure debt.

Key Change in Financial Ratios

Ratios	Consolidated			
	March 31, 2021	March 31, 2020	Change	Remarks
Debtors Turnover	6.32	5.75	10%	Increase in debtors turnover due to collection efforts
Inventory Turnover	NA	NA	NA	Not Applicable
Interest Coverage Ratio	0.94	0.45	110%	Improved coverage ratio on the back of higher operating profit
Current Ratio	0.54	0.65	-17%	Decrease in current ratio is due to increase in current debt
Debt Equity Ratio	15.07	8.89	70%	Increase is due to reduction in equity due to current year net loss and increase in debt compared to previous year
Operating Profit Margin (%)	9.29%	3.57%	160%	Higher operating profit during the year contributed by cost reduction efforts and government incentives
Net Profit Margin (%)	-2.22%	-5.33%	-58%	Decrease in net profit due to exceptional cost of ₹ 22 crore during the year and tax expense of ₹ 17 crore
Return on Net worth – RoNW (%)	-21.04%	-39.21%	46%	Decrease in net profit due to exceptional cost of ₹ 22 crore during the year and tax expense of ₹ 17 crore

Section 5

Business Strategy

PFL is one of the largest end-to-end post production services companies in the world. The Company is a leading and well recognized Tier 1 player in the global Visual Effects market and provides cutting edge creative, technical and post production services. Over the years, the Company has been successful in strengthening its market position and expanding globally to become a leading independent services powerhouse through acquisition-led growth strategy. Going ahead, PFL aims to continue this pace of profitable growth led by following key drivers:

In Creative Services, the Company has strong leadership and is a preferred House of choice for visually enhanced services. PFL will continue to strengthen its global presence by diversifying the business across content formats and geographies. The Company will continue to increase cross selling through bundled VFX, 3D and high-end CG Animation offerings in order to drive revenue growth and optimising the cost. PFL's steadily improving client base from all over the world, strong network and deeper engagement with leading studios will help provide cross-selling opportunities and sustain growth through economies of scale.

In Tech/Tech-Enabled Services, the Company will continue to strengthen its customer base by signing contracts to cross-sell tech enabled services and increase revenue from existing clients. The Company also focuses on improving its product suite to include new modules and analytics.

PFL and its subsidiaries will continue to consider options to raise funding through equity (including through private placement and public offering) and debt to unlock value across the Group. The Company ensures enhancing growth and the efficiency of the business to increase shareholders' wealth.

Section 6

Outlook

The Indian and Global Media and Entertainment industry is on a transformational growth path. The outbreak of Covid-19 pandemic followed by multiple lockdowns has severely impacted the revenues of the domestic M&E industry, including film exhibition, print media and TV broadcasting segments. Digital and OTTs has become the prime source of content distribution, until normalcy resumes and theatres start functioning at full capacities.

The incessant demand for OTT videos will be the potential silver lining for a positive growth and will go on to expand to newer demographics and different locations. There will be an increased use of analytics in these digital platforms to understand user preferences in granular detail, which will serve as a guiding factor for new content creation. The rise of VFX and animation making are emerging as an integral part for growth of M&E industry. Rise in international animation films, especially 3D productions and the subsequent work for Indian production houses will help growth of this segment.

The Government of India (GoI) has supported the industry's growth by taking various initiatives such as the digitization of cable distribution and ease of institutional finance to improve profitability for the sector. M&E companies are adopting aggressive cost rationalization initiatives along with accelerating monetization opportunities via the integration of digital media and technological advances into their traditional businesses. Going forward, occupancies in theaters should improve with the successful vaccination rollout. This given a strong pipeline of content, the overall market size for movies would be large and broad based, which will have a favorable impact on the industry in the long run.

PFL, being one of the world's largest independent integrated media player and a Tier-1 VFX provider to Hollywood, is well placed to deliver work and sustain growth. The Company has robust order book to be executed over next 3 to 5 years. PFL will continue derive benefit on the back of strong order backlog, good momentum in ERP and tech business, access to cutting-edge technology and increasing effort to make the overall content supply chain more efficient across its widespread global network.

Section 7

Opportunities & Threats

The Indian Media & Entertainment (M&E) industry is witnessing unprecedented times induced with remarkable growth in future. The transformation phase of the industry has been fueled by Covid-19 pandemic and has led to the emergence of many new trends and opportunities across content, distribution, consumption and monetization.

The revolution around IoT (Internet of things) and personal consumption will trigger a massive opportunity for automated decision making, across all customer touchpoints. Smart connected TVs are expected to exceed 40 million by 2025, thereby ending the monopoly of broadcasters on the large screen and leading to around 30% of content consumed on large screens to be social, gaming, digital, etc. Demand for digital content is expected to rise with more technological advances. As these models are subscription-driven and not really dependent on advertisers, the media and entertainment segment will see a positive growth that will further help the industry gain more traction.

Owing to pandemic induced restrictions, digital consumption has gained traction across platforms as major chunk of population is working from home. Post-Covid, this trend will magnify. Hence, latest technological developments will play a pivotal role in providing consumers with outdoor entertainment. The future of film will be driven by immersive technology and VFX rich content experiences to drive theatrical footfalls. Overseas clients are starting to shift outsourcing away from China, which could benefit Indian VFX studios.

OTT platforms are facing challenges of fragmentation. Majority Indian audiences are still using the free or ad-supported model currently. Digital point of sale advertising provided measurable return on ad spend data is creating a new challenge for traditional advertisements. Devising a strategy for significant revenue growth will be a challenge as it requires altering current concepts and strengthening creativity. Going forward, the industry will witness greater innovation in content formats, means of dissemination, and business models.

Section 8

Risks and Concerns

Effective risk management has the potential to minimize the impact of risks and prepare the Company to face challenges and strengthen its processes. The Company is cognizant of the various risks inherent to the business and, hence, adopted a Risk Management Policy as a part of its Risk Management Framework. This framework is aimed at timely identification, evaluation and pre-emption of potential risks. Appropriate risk mitigation measures are established to overcome adverse situations, which may arise on account of foreseeable risks. A few inherent risks associated with the Company are discussed herein.

Covid-19 Risk: Covid-19 pandemic has created an extremely volatile macro-economic environment and also impacted the normal business operations. It led to disruption in content production and had a significant impact on the ways of working. The resurgence of Covid-19 cases and subsequent lockdowns could have an impact on the Company's ability to produce content and monetise them.

Mitigation: PFL has taken multiple steps towards safety of all the stakeholders. The Company's strong digital backbone has allowed the employees to manage most of the critical operations by staying safe from their homes. The Company has healthy pipeline of projects that are relatively less dependent on physical shoots. PFL, with its brand leadership is confident of managing the crisis and come out in a strengthened position. Further, the increased demand of content and industry's preferences towards virtual production, digital enhanced sets, green screen shoots, etc., will provide new sets of opportunities.

Industry risk: The Company is exposed to various external risks, which have a direct bearing on its sustainability and profitability. Any variations in the macro-environment, consumer preferences, and regulatory policies, may adversely impact the Company's operating and financial performance.

Mitigation Strategy: The Indian M&E industry is expected to continue its robust growth trajectory, with the adoption of digital technology and higher demand for digital content. The industry is witnessing higher demand, with increasing penetration in non-urban and regional user base particularly in rural regions. The Company is well positioned to reduce any risks resulting from macro-economic sluggishness due to its diverse portfolio, strong order book and global network.

Competition risk: The Company operates in a highly competitive environment and might receive stiff competition from its peers from domestic as well as international market.

Mitigation Strategy: PFL has competitive advantage of delivering high-quality work at a rapid turnaround time through its world sourcing delivery model. Over the years, the Company has established rich legacy in providing high quality services to leading Hollywood and Bollywood production houses. The Company has always been at the cutting edge of technology and the production of new proprietary inventions to launch path-breaking market initiatives. The Company stays ahead in competitive landscape owing to diversification, creativity and a long standing relation with studios and global media service providers.

Talent Risk: The loss of key personnel or the inability to identify, attract and retain qualified personnel could make the Company difficult to manage the business and could adversely affect operations and financial results.

Mitigation Strategy: The Company has ability to attract, develop and retain a diverse range of skilled people. The Company has strong HR policy in place which ensures that workers' personal ambitions are well integrated with organisation's objectives. The policy also aims at high retention rate by implementing best practices for its staff, competitive pay scale and delivering rigorous training across leadership levels to ensure organizational success.

Profitability risk: With production houses operating on tight budget, delay in new releases due to lockdowns, coupled with professional talent coming at exorbitant costs the companies operating in the M&E sector face profitability risk as they operate on thin margins.

Mitigation Strategy: The Company continuously invests in adopting new technology at appropriate time to introduce new products based on latest technology and at prices, which works for growth of all segments. The Company's wide geographical reach across five continents allows it to attract several diversified projects. Besides, Bollywood is piled with huge budget manufacturing houses looking to leverage VFX 's rising phenomenon, animation etc. The Company is well positioned to collaborate with the major directors as well as regional filmmakers (Tamil, Telugu and Kannada). PFL has proven track record of producing critically praised films, high public recognition and great filmmaker returns. This makes PFL a preferred Company for big production houses, enabling it to secure better margins in an otherwise competitive and low margin industry. The Company is also implementing cost control measures and rationalizing workforce in order to improve margin and sustain profitability.

Information and Cyber Security Risk: Covid-19 has forced companies to embrace remote working and new technologies. This has created an ideal situation for cyber criminals to attack IT infrastructure and launch a range of hacking strategies. Creative media and broadcasting companies are high targets of cyber breaches and fraud, with content being the king. Any security breach or disruption to IT infrastructure could lead to loss of sensitive data or information, legal and regulatory noncompliance, reputational damage as well as revenue loss.

Mitigation Strategy: PFL has a comprehensive risk-mitigation program in place and a response plan to react, learn and adapt in the event of an incident. It ensures that the network is routinely patched and backed up and an updated incident response plan is developed. To reduce the risks associated with employee breaches, the Company invests in informing them about common cyber security threats such as phishing campaigns and also has a fixed policy for using personal devices at work etc. The Company thrives in protecting its sensitive data and improving controls on a regular basis.

Section 9

Internal Control Systems and their Adequacy

PFL maintains adequate and effective internal control systems which commensurate with the nature, size and complexity of its business. The Company's strong internal control system aimed at providing assurance on the effectiveness and efficiency of operations, compliance with laws and regulations, safeguarding of assets and reliability of financial and management reporting. The Company is devoted to strong corporate governance practices and has clearly laid down policies, guidelines and frameworks that encompass all the roles and units of the business functions and units. Internal audits are conducted periodically to provide reasonable assurance over internal control effectiveness and advises on industry-wide, best practices. Timely and adequate measures are undertaken ensuring that the risk is mitigated appropriately with necessary rectification measures on a periodic basis.

Section 10

Human Resources

PFL believes that human resources are the most critical element responsible for the growth of the Company. It ensures a safe, conducive and productive work environment across its business operations. The Company is committed towards the well-being and development of employees through various initiatives such as performance and appraisal, learning management, talent management, internal and external training programmes etc. Nurturing people is a key organizational goal and leadership mandate.

The Company focuses to provide opportunity for the development and enhancing the skill sets of its employees at all levels of the business. It firmly believes that key to excellent business results is an excellent talent pool. Open door policy makes the work environment straightforward and encourages workers to independently share their views Its HR policies provide a work atmosphere that leads to employee satisfaction, determined motivation, and a high retention rate. Within the Company, the potential leaders are identified and consistent talent pool is maintained by constantly improving workforce capabilities and capacities to make them ready to tackle the ever-changing technology and environment. As of March 31, 2021 the Company had a workforce of 9,000+people on its rolls.

Section 11

Cautionary Statements

This report contains statements that may be "forward looking" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to the Company's future business developments and economic performance. While these forward- looking statements indicate our assessment and future expectations concerning the development of our business, a number of risks, uncertainties and other unknown factors could cause actual developments and results to differ materially from our expectations. These factors include, but are not limited to, general market, macroeconomic, governmental and regulatory trends, movements in currency exchange and interest rates, competitive pressures, technological developments, changes in the financial conditions of third parties dealing with us, legislative developments, and other key factors that could affect our business and financial performance. The Company undertakes no obligation to publicly revise any forward- looking statements to reflect future / likely events or circumstances.

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's corporate governance philosophy rests on the pillars of integrity, accountability, equity, transparency and environmental responsibility that conform fully with laws, regulations and guidelines. The company's philosophy on corporate governance is to achieve business excellence and maximizing shareholder value through ethical business conduct. The Company's philosophy also includes building partnerships with all stakeholders, employees, customers, vendors, service providers, local communities and government. The Company has always set high targets for the growth, profitability, customer satisfaction, safety and environmental performance and continues its commitment to high standards of corporate governance practices. During the year under review, the Board continued its pursuit of achieving its objectives through the adoption and monitoring of corporate strategies and prudent business plans.

2. BOARD OF DIRECTORS

The Board of Directors of the Company has an appropriate mix of Executive Directors, Non-Executive Directors and Independent Directors to maintain the Board's independence, and separate its functions of governance and management. As on March 31, 2021 the Board comprises of one (1) Executive Director, three (3) Non-Executive Non-Independent Directors and five (5) Independent Directors including one (1) Woman Independent Director. In the opinion of the Board, the Independent Directors fulfil the conditions specified in these regulations and are independent of the management. Except Mr. Naresh Mahendranath Malhotra and Mr. Namit Naresh Malhotra who are related to each other by way of father and son relationship, none of the other Directors are related to each other.

None of the Directors on the Company's Board is a Member of more than ten (10) Committees or Chairman of more than five (5) Committees [Committees being Audit Committee and Stakeholder Relationship Committee] across all the Indian public limited companies in which he/she is a Director pursuant to the Regulation 26 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations"). All the Directors have made necessary disclosures regarding Committee positions held by them in other companies and do not hold the office of Director in more than twenty (20) companies, including ten (10) public companies pursuant to the provisions of the Companies Act, 2013 (the "Act"). None of the Director holds directorship in more than 7 listed companies. The terms & conditions of the appointment of the Independent Directors are hosted on the Company's website. None of the Independent Directors (ID) of the Company serve as an Independent Directors in more than Seven (7) Listed Companies. The maximum tenure of the Independent Directors is in compliance with the provisions of the Act. All Directors except Nominee Director and ID are liable to retire by rotation.

The required information, including information as enumerated in Part A of Schedule II of the SEBI Listing Regulations is made available to the Board of Directors for discussions and consideration at Board Meetings. The Whole-Time Director ("WTD") and the Chief Financial Officer ("CFO") have certified to the Board upon inter alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting, in accordance with Regulation 17(8) of the SEBI Listing Regulations, pertaining to WTD and CFO certification for the Financial Year ended March 31, 2021.

In view of the Covid-19 outbreak, the Ministry of Corporate Affairs (the "**MCA**") and the Securities and Exchange Board of India (the "**SEBI**") vide their respective circulars had relaxed the requirement of having intervening gap of one hundred and twenty (120) days between any two (2) meetings of the board. In compliance with these circulars, during the year under review Four (4) Board meetings were held on July 31, 2020; September 15, 2020; November 11, 2020; February 12, 2021. The requisite quorum was present at all the meetings.

In case of business exigencies, the approval of the Board is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting. During the year under review one circular resolution was passed by the Board of Directors on February 2, 2021

The Board of Directors has, in the context of the Company's business, identified the following core skills/ expertise/ competencies required for it to function effectively which are currently available with the Board:

Media Business	Understanding of media business dynamics, across various geographical markets, industry verticals and regulatory jurisdictions.
Strategy and Planning	Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain environments
Governance	Experience in developing governance practices, serving the best interests of all stakeholders, maintaining board and management accountability, building long-term effective stakeholder engagements and driving corporate ethics and values.

The names and categories of the Directors on the Board, the number of directorships and committee positions held by them in other Public Limited Companies, attendance at the last Annual General Meeting and at the Board Meetings held during the year under review and their shareholding including skills /expertise/competencies are as under:

Sr. No.	Name of Director	Category of Director	Skills sets/ expertise/ competencies/ Practical Knowledge	No. of Directorship held in other Companies*	Name of other Listed entities where the Director of the Company is a Director including the category of Directorship	Membership held in Committees of other Companies**	Chairmanship held in Committees of other Companies **	No. of Board meetings attended during the year #	Attendance at last Annual General Meeting	Shareholding in the Company
1.	Mr. Namit Malhotra DIN: 00004049	Non-Executive Director (Promoter)	Media Business, Strategy and Planning	1	Nil	Nil	Nil	1	Absent	14,900,000 equity shares
2.	Mr. Naresh Malhotra DIN: 00004597[1]	Chairman and Whole-Time Director (Promoter)	Media Business, Strategy and Planning and Governance	3	Nil	Nil	Nil	4	Present	62,201,546 equity shares
3.	Mr. Ramakrishnan Sankaranarayanan[2] DIN: 02696897	Non-Executive Director	Media Business, Strategy and Planning and Governance	6	Nil	Nil	Nil	3	Present	50 equity Shares
4.	Mr. Jai Anshul Ambani [3] DIN: 08054558	Non-Executive Director	Strategy and Planning and Governance	NA				0	Absent	Nil
5.	Mr. Kodi Raghavan Srinivasan DIN: 00012449	Non- Executive Independent Director	Strategy and Planning and Governance	Nil	Nil	Nil	Nil	1	Absent	Nil
6.	Mr. Padmanabha Gopal Aiyar DIN: 02722981	Non- Executive Independent Director	Strategy and Planning and Governance	1	Nil	1	Nil	1	Absent	Nil
7.	Mr. Rivkaran Chadha DIN: 00308288	Non- Executive Independent Director	Strategy and Planning and Governance	6	Nil	2	2	4	Present	Nil
8.	Dr. (Mrs.) Hemalatha Thiagarajan DIN: 07144803	Non- Executive Independent Director	Strategy and Planning and Governance	Nil	Nil	Nil	Nil	1	Absent	Nil
9.	Mr. Samu Devarajan DIN: 00878956	Non- Executive Independent Director	Strategy and Planning and Governance	3	ADC India Communications Limited- Independent – Director	3	1	4	Present	Nil
10.	Mr. Udai Dhawan[4] DIN: 03048040	Non-Executive Director	Strategy and Planning and Governance	3	Redington (India) Limited – Nominee Director, Craftsman Automation Limited – Nominee Director	2	Nil	1	Absent	Nil

* Only Public limited companies (both listed and unlisted) are included in other directorships. Directorships in all other companies including private limited companies (which are not the subsidiary of Public Company), foreign companies and companies under Section 8 of the Act are excluded.

** Chairmanship/Membership of the Audit Committee and the Stakeholders' Relationship Committee are considered for the purpose of committee positions in all public companies, whether listed or not as per SEBI Listing Regulations

Meetings attended via video conference facility.

1. Mr. Naresh Mahendranath Malhotra was appointed as the Chairman and Whole-time Director of the Company w.e.f. May 01, 2020.
2. Mr. Ramakrishnan Sankaranarayanan, ceased to be the Managing Director of the Company on expiration of his term of 3 years with effect from close of business hours on June 24, 2020. However, he continues to be Non- Executive Director of the Company with effect from June 25, 2020.
3. Mr. Jai Anshul Ambani has resigned from the Board and Committees of the Company w.e.f. October 30,2020 .
4 Mr. Udai Dhawan is a Non-Executive Director (Nominee of Augusta Investments I Pte. Ltd., Augusta Investments Zero Pte. Ltd., Marina IV LP, Marina IV (Singapore) Pte. Ltd. and Marina Horizon (Singapore) Pte. Ltd.)

Further, none of the Directors holds any Convertible instruments.

Annual Independent Directors Meeting: In accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25 (3) and (4) of SEBI Listing Regulations and secretarial standards, a separate meeting of the Independent Directors was held during the year on February 12, 2021, to review the performance of the Non-Independent Director including the Chairperson of the Company and performance of the Board as a whole. All the Independent Directors were present at the meeting and the Non-Independent Directors and Management Personnel did not take part in the meeting.

Board Effectiveness Evaluation: Pursuant to Section 134 and Section 178 of the Act read with Regulation 17 and Regulation 34 of SEBI Listing Regulations, a formal Board evaluation involving evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman, was conducted during the year. For details kindly refer the Directors' Report.

Familiarization Programme for Independent Directors: The details of Familiarization Programme for all the Independent Directors are available on the website of the Company at http://www.primefocus.com/sites/default/files/pdf/Familiarisation_programme_for_Independent_Directors.PDF.

3. COMMITTEES OF THE BOARD

The Board Committees plays a crucial role in the governance structure of the Company and have been constituted to deal with specific areas/activities which concern the Company and need a closer review. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all Committees are placed before the Board for review. The Board Committees can request special invitees to join the meeting, as appropriate.

As on March 31, 2021, the Board has Six (6) committees, namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, ESOP Compensation Committee and Independent Directors Committee for open offer.

Independent Directors Committee for open offer was constituted on February 2, 2021 and the same was dissolved on June 11, 2021.

Since the Company falls into Top 1000 listed entities as per market capitalization as on March 31, 2021, the Board of Directors at its meeting held on June 11, 2021 has constituted a Risk Management Committee in line with SEBI LODR Regulations.

The brief description of committees are as follows:

A. Audit Committee:

The Audit Committee of the Company functions in accordance with the requirement of Section 177 of the Act and Regulation 18 of SEBI Listing Regulations. The composition of the Audit Committee is incompliance of Regulation 18(1) read with Schedule II of SEBI Listing Regulations. As on March 31, 2021, the Audit Committee comprises of Four (4) Directors, consisting of all Independent Directors. The Members of the Audit Committee possess financial/accounting expertise/exposure.

The meetings of the Audit Committee are also attended by the CFO, Representatives of the Statutory Auditors and other Senior Officials of the Company as special invitees. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

The minutes of each Audit Committee meeting are noted in the next meeting of the Board.

During the year under review, four (4) Audit Committee meetings were held on July 31, 2020; September 15, 2020; November 11, 2020; February 12, 2021. During the year SEBI had relaxed time gap between two meetings as required under Regulation 18(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the COVID-19 pandemic for the Financial Year 2020-2021. The necessary quorum was present for all the Meetings. The Chairman of the Audit Committee is an Independent Director and he had attended last year's Annual General Meeting to address the queries of the shareholders.

As on March 31, 2021 the Audit Committee comprises of the following members of the Board:

Name of the Member	Category	Position	Meeting attended #1
Mr. Rivkaran Singh Chadha	Independent & Non-Executive Director	Chairman	4
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	0
Mr. Padmanabha Gopal Aiyar	Independent & Non-Executive Director	Member	0
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	4
Mr. Jai Anshul Ambani*	Non-Executive Director	Member	0

Note:

* Mr. Jai Anshul Ambani resigned from the Board w.e.f October 30, 2020 and ceased to be member of Audit Committee of the Company

#1 Meetings attended via video conference facility.

Terms of Reference:

The broad terms of reference includes the following as is mandated in Part C of Schedule II of SEBI Listing Regulations and Section 177of the Act:

a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
b. Recommend to the Board, the appointment, re-appointment, terms of appointment, remuneration and, if required, replacement or removal of Statutory Auditors and fixation of Audit fees.
c. Approval of payment to statutory auditors for any other services rendered by them.
d. Reviewing, with the management the annual financial statement sand auditor's report thereon before submission to the Board for approval with particular reference to the matters stated under sub clause (a) to (g) of Part C of Schedule II of SEBI Listing Regulations.
e. Reviewing, with the management the quarterly financial results before submission to the Board for approval.
f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue,preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
g. Review and monitor the auditor's independence and performance and effectiveness of audit process.
h. Approval or any subsequent modification of transactions of the Company with related parties.
i. Scrutiny of inter-corporate loans and investments.
j. Valuation of undertakings or assets of the Company, wherever it is necessary.
k. Evaluation of internal financial controls and risk management systems.
l. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
n. Discussion with internal auditors of any significant findings and follow up there on.
o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
r. To review the functioning of the Whistle Blower mechanism.
s. Approval of appointment of Chief Financial officer after assessing the qualifications, experience & background, etc. of the candidate.
t. Examination of the financial statement and the auditors' report thereon
u. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
v. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
w. Review of Compliances of SEBI (Prohibition of Insider Trading) Regulations, 2015 once in a financial year and verification of internal control systems.
x. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders; and

M/s Deloitte Haskins & Sells Chartered Accountants LLP (ICAI Firm Registration No. 117364W), the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

B. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee ("NRC") of the Company functions in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, which are reviewed from time to time.

During the year under review, Two (2) meetings of the Committee were held on July 31, 2020 and September 15, 2020.

As on March 31, 2021, the NRC comprises of Four (4) Directors, all of them being Non-Executive Independent Directors.

The Composition of NRC and attendance at its meeting is as follows:

Name of the Member	Category	Position	Meeting attended #1
Mr. Rivkaran Singh Chadha	Independent &Non-Executive Director	Chairman	2
Mr. Kodi Raghavan Srinivasan	Independent &Non-Executive Director	Member	0
Mr. Mr. Padmanabha Gopal Aiyar	Independent & Non-Executive Director	Member	0
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	2
Mr. Jai Anshul Ambani *	Non-Executive Director	Member	0

Note:

* Mr. Jai Anshul Ambani resigned from the Board w.e.f October 30, 2020 and ceased to be member of NRC of the Company

#1 Meetings attended via video conference facility.

The Company Secretary of the Company acts as the secretary to the NRC. The Chairman of NRC is an Independent Director and has attended the last year's Annual General Meeting to address the queries of the Shareholders.

Terms of Reference:

The broad terms of reference of the NRC are as follows:

a. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;

b. formulation of criteria for evaluation of performance of independent directors and the board of directors;

c. Devising a policy on Board diversity;

d. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

e. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance valuation of independent directors.

f. recommend to the board, all remuneration, in whatever form, payable to senior management.

Nomination and Remuneration Policy

The Company adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees in accordance with the provisions of the Act and the SEBI Listing Regulations and the same is available on the company's website at http://www.primefocus.com/sites/default/files/pdf/Nomination_Remuneration_Policy.pdf.

Remuneration to Directors:

Non-Executive Director:

The Non-Executive Directors of the Company are paid sitting fees of ₹ 20,000/- per meeting for attending the meeting of the Board of Directors. No sitting fees were paid to the Directors for attending the Meeting of the Committees of the Board and attending the separate meeting of Independent Directors.

Details of the Remuneration paid to the Non-Executive Directors for the year ended March 31, 2021 are as follows:

(Amount in ₹)

Name of Director	Remuneration Paid	Sitting Fees	Total
Non-Executive Directors			
Mr. Padmanabha Gopal Aiyar	-	20,000	20,000
Mr. Rivkaran Singh Chadha	-	80,000	80,000
Mr. Kodi Raghavan Srinivasan	-	20,000	20,000
Dr. (Mrs.) Hemalatha Thiagarajan	-	20,000	20,000
Mr. Samu Devarajan	-	80,000	80,000
Mr. Udai Dhawan	-	20,000	20,000
Mr. Jai Anshul Ambani *	-	0	0
Mr. Namit Naresh Malhotra@	-	0	NA
Mr. Ramakrishnan Sankaranarayanan #@	-	0	NA

*Mr. Jai Anshul Ambani resigned from the Board and Committees of the Company w.e.f October 30, 2020.

Mr. Ramakrishnan Sankaranarayanan ceased to be the Managing Director of the Company on expiration of his term of 3 years with effect from close of business hours on June 24, 2020. However, he continues to be Non-Executive Director of the Company with effect from June 25, 2020.

@ Mr. Namit Naresh Malhotra & Mr. Ramakrishnan Sankaranarayanan , Non Executive Directors of the Company did not receive any sitting fees.

Executive Director:

The remuneration paid to the Executive Director is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them and is in consonance with the terms of appointment approved by the Members, at the time of their appointment.

Details of Remuneration paid to the Executive Chairman, Managing Director and Whole-time Director for the financial year ended March 31, 2021 are as follows:

(Amount in ₹)

Name of Director	Naresh Malhotra (Whole Time Director and Chairman)*	Ramakrishnan Sankaranarayanan (Managing Director till June 24, 2020)#
Remuneration	₹ 88,96,178/- p.a.	Nil
Service Contracts	3 years	3 years
Performance linked Incentives	Nil	Nil
Stock options	Nil	Nil

The notice period for termination of appointment of Mr. Naresh Malhotra is three months or salary in lieu thereof. There are no severance fees payable.

*Mr. Naresh Mahendranath Malhotra was appointed as the Chairman and Whole-time Director of the Company w.e.f. May 01, 2020.

Mr. Ramakrishnan Sankaranarayanan ceased to be the Managing Director of the Company on expiration of his term of 3 years with effect from close of business hours on June 24, 2020. However, he continues to be Non-Executive Director of the Company with effect from June 25, 2020.

The detailed evaluation criteria for Independent Directors forms part of Directors Report.

C. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee's composition and the terms of reference meet with the requirements of Regulations 20 of the SEBI Listing Regulations and provisions of Section 178 the Act. During the year under review, four (4) meetings were held on July 31, 2020; September 15, 2020; November 11, 2020 and February 12, 2021.

As on March 31, 2021 the Committee comprises of Four (4) Directors of which three (3) are Non-Executive Independent Directors and one (1) is Executive Director.

The Chairman of the Stakeholders' Relationship Committee is an Independent, Non-Executive Director and he had attended last year's Annual General Meeting to address the queries of the shareholders.

The Composition of Stakeholder Relationship Committee and attendance at the meetings are as follows:

Name of the Member	Category	Position	Meeting attended #1
Mr. Rivkaran Singh Chadha	Independent & Non-Executive Director	Chairman	4
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	0
Mr. Naresh Mahendranath Malhotra	Whole-time Director (Promoter)	Member	4
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	4
Mr. Jai Anshul Ambani*	Non-Executive Non Independent Director	Member	0

* Mr. Jai Anshul Ambani resigned from the Board w.e.f October 30, 2020 and ceased to be member of Stakeholders' Relationship Committee of the Company.

#1 Meetings attended via video conference facility.

Ms. Parina Nirav Shah, Company Secretary and Compliance Officer of the Company acts as a Secretary to the Committee and the designated e-mail address for investor complaints is ir.india@primefocus.com.

The Stakeholders Relationship Committee functions with the objective of looking into the redressal of Shareholders'/Investors' grievances.

The Stakeholders Relationship Committee is primarily responsible to:

a. Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.

b. Review of measures taken for effective exercise of voting rights by shareholders.

c. Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar& Share Transfer Agent.

d. Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

Complaints from Investors

The number of complaints received and resolved to the satisfaction of investors during the Financial year ended March 31, 2021 and their break-up is as under:

Particulars	Received	Resolved	Pending
No. of Complaints	2	2	0

Complaints or queries relating to the shares can be forwarded to the Company's Registrar and Transfer Agent- Link Intime India Private Limited at 'C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083', Tel: +91 22 49186000 Fax: +91 22 49186060.

D. Risk Management Committee:

The Company being in top 1000 listed entities as per market capitalization as on March 31, 2021 has constituted a Risk Management Committee ("RMC") on June 11, 2021 pursuant to the provision of Regulation 21 of the SEBI Regulations for identification of internal and external risks specifically in particular including financial, operational, sectoral, sustainability , information, cyber security risks.

The Composition of RMC and attendance at the meetings are as follows:

Name of the Member	Category	Position	Meeting attended#
Mr. Rivkaran Singh Chadha	Independent & Non-Executive Director	Chairman	NA
Mr. Naresh Mahendranath Malhotra	Chairman and Whole-time Director	Member	NA
Mr. Ramakrishnan Sankaranarayanan	Non-Executive Non Independent Director	Member	NA

Meeting of the Risk Management Committee was held on June 30, 2021

Terms of Reference:

The broad terms of reference of the RMC are as follows:

(1) To formulate a detailed risk management policy which shall include:

(a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.

(b) Measures for risk mitigation including systems and processes for internal control of identified risks.

(c) Business continuity plan.

(2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;

(3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee.

E. Corporate Social Responsibility (CSR) Committee:

The CSR committee has been constituted in accordance with Section 135 the Companies Act, 2013 to:

a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;

b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and

c) Monitor the CSR policy of the Company from time to time.

During the year under review, one (1) meeting of the CSR Committee was held on July 31, 2020. The composition of the CSR Committee and attendance at its meeting is given hereunder:

Name of the Member	Category	Position	Meeting attended #1
Mr. Rivkaran Singh Chadha	Independent & Non-Executive Director	Chairman	1
Mr. Naresh Mahendranath Malhotra	Whole-time Director (Promoter)	Member	1
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	1
Mr. Jai Anshul Ambani *	Non-Executive Non Independent Director	Member	NA

* Mr. Jai Anshul Ambani resigned from the Board w.e.f October 30, 2020 and ceased to be member of CSR Committee of the Company.

#1 Meetings attended via video conference facility.

F. ESOP Compensation Committee

Pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and provisions of the Act, the Board of Directors in its meeting held on July 02, 2014 constituted ESOP Compensation Committee. The composition of the ESOP Compensation Committee and attendance at its meeting is given hereunder:

Name of the Member	Category	Position
Mr. Rivkaran Singh Chadha	Independent & Non-Executive Director	Chairman
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member
Mr. Samu Devarajan	Independent & Non-Executive Director	Member
Mr. Jai Anshul Ambani *	Non-Executive Director	Member

* Mr. Jai Anshul Ambani resigned from the Board w.e.f October 30, 2020 and ceased to be member of ESOP Compensation Committee of the Company.

No ESOP Compensation Committee meeting was held during the year 2020-21.

The terms of reference of ESOP Compensation Committee include, inter-alia, granting of Stock Options to the eligible employees, ascertaining the detailed terms and conditions for such grants, administering the Employee Stock Option Schemes of the Company and exercising the powers and performing the duties as prescribed under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and/or any amendment or repealment thereto.

4. SUCCESSION PLANNING

The Company believes that sound succession plans for the Board members and senior leadership are very important for creating a robust future for the Company. The Nomination and Remuneration Committee and the Board, as part of the succession planning exercise, periodically review the composition of the Board to ensure that the same is closely aligned with the strategy and long-term needs of the Company.

5. DETAILS OF PREFERENTIAL ALLOTMENT OR QUALIFIED INSTITUTIONAL PLACEMENT AS SPECIFIED UNDER REGULATION 32 (7A) OF THE SEBI LISTING REGULATIONS

During the year under review, the Company has not raised funds through preferential allotment or qualified institutional placement.

6. RECOMMENDATIONS OF COMMITTEES OF THE BOARD

There were no instances during the financial year 2020-21, wherein the Board had not accepted recommendations made by any committee of the Board.

7. GENERAL BODY MEETINGS:

i. Annual General Meeting:

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location	on
2017-18	September 28, 2018	9th Floor, 'True North', Plot no. 63, Road no. 13, Opp. Hotel Tunga Paradise, MIDC, Andheri (East), Mumbai – 400093	10:30 a.m.
2018-19	September 30, 2019	9th Floor, 'True North', Plot no. 63, Road no. 13, Opp. Hotel Tunga Paradise, MIDC, Andheri (East), Mumbai – 400093	10:30 a.m.
2019-20	September 30, 2020	Through Video Conferencing (deemed venue means Prime Focus House, Opp Citi Bank, Linking Road, Khar (West) Mumbai- 400052)	03.00 p.m.

ii. Special Resolutions:

a. Details of special resolutions passed in the previous three Annual General Meetings are as follows:

Date of General Meeting	Number of Special resolutions passed	Details of Special Resolutions
September 28, 2018	4	1. Offer or invite for Subscription of Secured / Unsecured Non-Convertible Debentures and/or other Debt securities on private placement basis 2. Payment of Remuneration to Mr. Naresh Malhotra (DIN:00004597), Whole-time Director of the Company for the period of two years w.e.f. April 01, 2018 till March 31, 2020 3. Continuation of Directorship of Mr. Padmanabha Gopal Aiyar (DIN: 02722981), Independent Non- Executive Director who has attained the age of Seventy Five years 4. Approval of Extension of exercise period under PFL – ESOP Scheme 2014

September 30,2019	6	1. To re-appoint Mr. Srinivasan Kodi Raghavan (DIN: 00012449) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 2. To re-appoint Mr. Rivkaran Singh Chadha (DIN 00308288) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 3. To re-appoint Mr. Padmanabha Gopal Aiyar (DIN: 02722981), who has attained the age of 75 (Seventy five) years, as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 4. To re-appoint Dr. (Mrs.) Hemalatha Thiagarajan (DIN: 07144803) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 5. To consider and approve increase in the limits for investments, loans, guarantees and security of the Company under Section 186 of Companies Act, 2013 6. To consider and approve the Sale of VFX business undertaking of the Company
September 30, 2020	-	-

b. Details of special resolutions passed in the Extra-Ordinary General Meetings during the last three financial years are as follows:

Date of Extra-Ordinary General Meeting	Number of Special Resolutions passed	Details of Special Resolutions
January 5, 2018	2	1. Increase in the authorised share capital of the Company from 35,00,00,000/- to 45,00,00,000/- and alteration of the capital clause in the Memorandum of Association of the Company 2. Issue of Warrants, convertible into Equity Shares on a Preferential Basis to a member of the Promoter and Promoter Group and to a Non Promoter

Details of Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

During the year under review the Company has taken the member's approval by way of Postal Ballot on April 18, 2020 for the following business:

Appointment of and remuneration payable to Mr. Naresh Mahendranath Malhotra (DIN: 00004597) as a Chairman and Whole-time Director

Details of Special Resolution passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

Below are the details of Special Resolutions passed through Postal Ballot:

Date of Postal Ballot Notice	Date of Declaration of Postal Ballot Result	Special Resolution passed through Postal Ballot	Name of the Scrutinizer to Postal Ballot	Status of Resolution	Votes cast in favor (in %)	Votes cast against (in %)
March 11, 2020	April 18, 2020	Appointment of and remuneration payable to Mr. Naresh Malhotra (DIN: 00004597) as a Chairman and Whole-time Director	M/s Shilpa Ray and Associates	Resolution was passed with requisite Majority	99.9960	0.0040

PERSON WHO CONDUCTED THE POSTAL BALLOT PROCESS

Ms. Shilpa Ray, Proprietor of Shilpa Ray and Associates, Practicing Company Secretaries, (Membership No FCS 5936 and CP No 5311) was appointed as the Scrutinizer for carrying out the postal ballot and e-voting process for the above item in a fair and transparent manner. There is no proposal to conduct Postal Ballot for any matter till the ensuing Annual General Meeting.

PROCEDURE FOR POSTAL BALLOT

In compliance with the SEBI Listing Regulations and Sections 108,110 and other applicable provisions of the Act, read with applicable rules, the Company provided electronic voting facility to all its shareholders, to enable them to cast their votes electronically. The shareholders have the option to vote either by physical ballot or remote evoting. The Company engaged the services of Central Depository Services (India) Limited ("CDSL") for the purpose of providing e-voting facility to all its shareholders.

For conducting a Postal Ballot, Notice specifying the resolution proposed to be passed through Postal ballot alongwith explanatory statement, postal ballot forms alongwith postage prepaid business reply envelopes as sent User IDs and Passwords for the purpose of e-voting were dispatched /e-mailed to all the shareholders whose names appeared in register of members/ list of beneficial owners as on the cut-off date i.e. March 6, 2020.

The Shareholders were requested to send back the postal ballot forms duly filled and signed in the postage prepaid business reply envelopes so as to reach the Scrutinizer not later than the close of working hours, i.e. 05:00 p.m. on Saturday, April 18, 2020 or to cast their votes by e-voting using their User Ids and Passwords and as per the instructions mentioned in the Notice of Postal ballot.

The last date specified by the Company for receipt of duly completed postal ballot forms or e-voting is deemed to be the date of passing of the resolution.

The Scrutinizer submitted her report after the completion of scrutiny, and the consolidated results of the voting by postal ballot were then announced by the Company Secretary. The results are also displayed on the website of the Company besides being communicated to the Stock Exchanges.

8. DISCLOSURES:

a. Related Party Transactions

Details of the relevant related party transactions entered into by the Company are set out in the Notes to Accounts. During the year under review, materially significant transactions with related parties were on an arm's length basis and did not have potential conflicts with the interests of the Company at large. Suitable disclosures as required by IND AS24 have been made in the Annual Report. All transactions with related parties entered into by the Company were on an arm's length basis and were approved by the Audit Committee. Pursuant to the Regulation 23 of the SEBI Listing Regulations the Board of Directors has adopted the 'Related Party Transaction Policy' and the same is available on the Company's website at http://www.primefocus.com/sites/default/files/pdf/RELATED_PARTY_TRANSACTION_POLICY.pdf.

b. Compliances with regard to Capital Market

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities and Exchange Board of India or any other statutory authority relating to the capital markets during the last three years except of the following:

1. The Company has failed to comply with Regulation 30 to be read with Schedule III Part A(a)(4)(h) w.r.t. filing of Audited Financial Statements of the Company for the year ended March 31, 2018, within 30 minutes of the closure of the Board Meeting held on May 30, 2018. The above non-compliance was due to the technical error.

2. As per Regulation 24 (1) of the SEBI Listing Regulations, The Company is required to appoint one independent director of listed entity on the board of unlisted material subsidiary companies w.e.f April 1, 2019, the Company has already appointed Independent Director of the Company on the Board of unlisted material subsidiaries, incorporated in India. However, the Company is in the process of appointment of Independent Director of the Company on the Board of unlisted material subsidiaries, incorporated outside India.

c. Whistle Blower Policy/Vigil Mechanism

Pursuant to Regulation 18 and 22 of the SEBI Listing Regulations and the provisions of Section 177 of the Act, the Board of Directors has adopted a 'Whistle Blower Policy'/ 'Vigil Mechanism', which provides a formal mechanism for all Directors and employees of the Company to approach the Management of the Company and make protective disclosure to the Management about unethical behavior, actual or suspected fraud.

The said policy is available on the website of the Company at http://www.primefocus.com/sites/default/files/pdf/WHISTLE_BLOWER_POLICY.pdf. The Company affirms that no director or employee of the Company has been denied access to the Audit Committee.

No complaint has been received as at the Financial Year ended March 31, 2021 and no employee of the Company was denied access to meet the Chairman of the Audit Committee in this regard.

d. Whole-Time Director /Chief Financial Officer certification

In terms of requirements of Regulation 17(8) and 33(2) of SEBI Listing Regulations, the Whole-Time Director and Chief Financial Officer of the Company have certified to the Board in the prescribed format for the year under review that the Financial Statements represents true and fair view of the Company's affairs and do not contain any untrue/misleading statement and the same has been reviewed by the Audit Committee and taken on record by the Board.

e. Compliance with mandatory and non-mandatory requirements

The Company has complied with all the mandatory requirements of SEBI Listing Regulations. The details of these compliances have been given in the relevant sections of this report. The Company also incorporates certain non-mandatory recommendations and among the non mandatory requirements of SEBI Listing Regulations, the Company has complied with the following:

1. **The Board:**

   The Company has an Executive Chairman and the office provided to him for performing his executive duties is also utilised by him for discharging his duties as Chairman. No separate office is maintained for the Non-Executive Chairman of the Audit Committee but Secretarial and other assistance is provided to him whenever needed, in performance of his duties.

2. **Shareholder Rights:**

   Audited and Un-audited quarterly financial results are sent to the stock exchanges and published in the newspapers as per the SEBI Listing Regulations.

3. **Modified opinion(s) in audit report:**

   Company's financial statements are unqualified.

4. **Reporting of internal auditor:**

   The Internal Auditor reports directly to the Audit Committee.

f. **Reconciliation of Share Capital Audit**

Pursuant to Regulation 76 of Securities and Exchange Board of India(Depositories Participants) Regulations, 2018 (erstwhile : vide SEBI circular No. D&CC /FIT TC/CIR-16/2002 dated December 31, 2002 read with Securities and Exchange Board of India (Depositories Participants) Regulations, 1996). A Company Secretary in Practice carries out audit of Reconciliation of Share Capital on quarterly basis to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

The said report, duly signed by practicing company secretary is submitted to stock exchange where the securities of the company are listed within 30 days of the end of each quarter and this Report is also placed before the Board of Directors of the company.

9. CODE OF CONDUCT

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities.

The Code of Conduct is in consonance with the requirements of SEBI Listing Regulations. The Code of Conduct is available on the Company's website at http://www.primefocus.com/sites/default/files/pdf/pfl_code_of_conduct.pdf. The Code has been circulated to all the members of the Board and the Senior Management. The Directors and the Senior Management have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect duly signed by the Whole-Time Director of the Company.

10. MEANS OF COMMUNICATION

a. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the format prescribed by Regulation 33 of the SEBI Listing Regulations within prescribed time limits. Quarterly results are regularly submitted to the Stock Exchanges in terms of the requirements of Regulation 33 of the SEBI Listing Regulations.

b. The quarterly/half yearly and annual financial results are published in one English national daily newspaper circulating in the whole or substantially the whole of India i.e. either of Business Standard /Economic Times / The Free Press Journal and one Marathi daily newspapers i.e. either of Pudhari / Maharashtra Times / Navshakti.

The Company's website www.primefocus.com contains a separate dedicated section "investors" where shareholders information is available. Full Annual Reports are also available on the website in a user- friendly and downloadable format.

The Company posts its Quarterly / Half Yearly/Annual Results, Annual Report, official news releases, presentations made to investors and transcripts of the meetings with institutional investors/ analysts on its website i.e. www.primefocus.com. This website contains the basic information about the Company, e.g., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who is responsible for assisting and handling investor grievances and such other details as may be required under Regulation 46 of the SEBI Listing Regulations. The Company ensures that the contents of this website are updated at all times.

11. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 and other applicable provisions, if any, of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, the Company transferred 9485 shares in respect of which dividend has not been paid or claimed for seven consecutive year or more to IEPF Authority including shares held in unclaimed suspense account on November 30, 2017. The balance number of shares lying with the IEPF Authority is 9285 shares as on March 31, 2021.

The members, whose unclaimed shares have been transferred to IEPF, may claim the same by making application to the IEPF authority in form No. IEPF-5 available on www.iepf.gov.in for details of unclaimed shares transferred to IEPF please refer company's website viz. www.primefocus.com.

12. UNCLAIMED SHARES / AMOUNT

As on March 31, 2021, there are no unclaimed shares / amount lying in the suspense account. The same has been transferred to IEPF Authority.

13. SUBSIDIARY COMPANIES

The Company has adopted a Policy for Determining Material Subsidiaries of the Company, pursuant to the provisions of Regulation 16 of the SEBI Listing Regulations, which states the following:

i. Meaning of 'Material' Subsidiary

ii. Requirement of Independent Director in certain Material Non Listed Subsidiaries

iii. Restriction on disposal of a Material Subsidiary by the Company and

iv. Disclosure requirements, based on Regulation 23 of the SEBI Listing Regulations and any other laws and regulations as may be applicable to the Company.

This policy is available on the website of the Company at http://www.primefocus.com/sites/default/files/pdf/POLICY_ON_MATERIAL_SUBSIDIARIES.pdf

In terms of the provisions of Regulation 24 of the SEBI Listing Regulations, the minutes of the board meetings of subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies. The performance and summary of key decisions of the subsidiaries are also reviewed by the Audit Committee/ Board periodically.

14. PREVENTION OF INSIDER TRADING

The Company has instituted mechanism to avoid Insider Trading. In accordance with the SEBI Insider Trading Regulations as amended, the Company has established systems and procedures to restrict insider trading activity and has framed an Internal Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons & Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information in order to protect the interest of the shareholders at large. The said Code is available on the Company's weblink at http://www.primefocus.com/sites/default/files/pdf/PFL_Insider_Trading_Code_2021.pdf.

15. CERTIFICATION FROM PRACTISING COMPANY SECRETARY

A Certification from Practicing Company Secretary certifying that none of the Directors of the Company are disqualified or debarred being appointed or continuing as Directors of companies by Board/ Ministry of corporate Affairs or such statutory Authority from being appointed as Directors of the company forms part of this Report.

16. FEES PAYABLE TO STATUTORY AUDITORS

Total fees of ₹ 5.34 Crores (previous year: ₹ 5.25 Crores) for financial year 2020-21, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

17. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

During the year under review, Company has not received any complaints on sexual harassment.

1. Number of complaints filed during the financial year- Nil
2. Number of complaints disposed of during the financial year- Nil
3. Number of complaints pending as on the end of financial year- Nil

a. **GENERAL SHAREHOLDER INFORMATION**

1	Annual General Meeting Date, Time and Mode	Date: September 30, 2021 Time: 03.00 pm. Mode: Video conference and other audio-visual means as set out in the Notice of Annual General Meeting
2	Financial Year	2020-21
3	Dividend	In order to conserve the resources of the Company, the Directors do not recommend any dividend for its equity shares for the FY 2020-21.
4	Listing on Stock Exchanges	The equity shares of your Company are listed on: BSE Limited (BSE) Add:- P.J. Towers, Dalal Street, Fort, Mumbai - 400 001; & National Stock Exchange of India Limited (NSE) Add:- Exchange Plaza, Bandra-Kurla Complex, Bandra, Mumbai - 400 051. Listing fees as applicable have been paid to the above Stock Exchanges
5	Stock Code	For Equity Shares BSE Limited (BSE):- "532748" National Stock Exchange of India Limited (NSE):- "PFOCUS" ISIN Code : INE367G01038
6	Date of Book Closure	Friday, September 24, 2021 to Thursday, September 30, 2021 (both days inclusive)
7	Registrar to issue & Share Transfer Agents	Link Intime India Private Limited Unit: Prime Focus Limited Add: C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai -400 083 Tel: +91 22 49186000 Fax: +91 22 49186060 Website: www.linkintime.co.in; email: rnt.helpdesk@linkintime.co.in
8	Share Transfer System	In accordance with the proviso to Regulation 40(1) of the SEBI Listing Regulations, effective from April 01, 2019, transfer of shares of the Company shall not processed unless the shares are held in dematerialised from with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialised so as to be able to freely transfer them and participate in various corporate actions.
9	Commodity price risk or foreign exchange risk and hedging activities;	The Company seeks to minimize the effects of adverse exchange rate fluctuations on the financial positions of the Company by closely monitoring the Foreign Exchange Exposure and taking the adequate measures when needed.

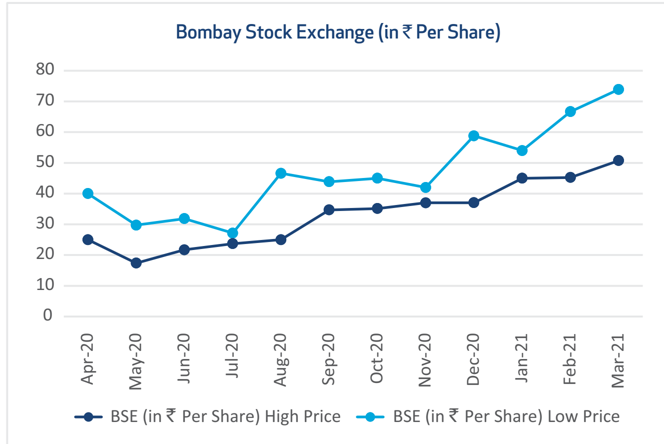
10	Plant Location	The Company is not a manufacturing unit and thus not having any Plant. Following are the Offices where the business of the Company is being conducted: **A. Goregaon-Film City Office** i. FC Main Building, Film City Complex, Dadasaheb Phalke Film City, Goregaon (East), Mumbai-400065. ii. 2nd, 3rd Floor, Mainframe, B Wing, Royal Palms, Aarey Colony, Goregaon (East), Mumbai - 400 065 iii. Groud Floor, Royal Palms, Master Mind - I, Aarey Colony, Goregaon (East), Mumbai – 400 065 iv. Recording & Dubbing Studio, Dadasaheb Phalke Film City Complex, Goregaon (East), Mumbai - 400065. v. Prime Focus Studios, Film City Complex, Dadasaheb Phalke Chitranagri, Goregaon (East), Mumbai - 400 065 vi. Unit 748, B Wing, Royal Palms, Aarey Colony, Goregoan (East), Mumbai - 400 065 **B. Santacruz office** i. 2nd and 3rd Floor, Anandkunj, North Avenue, Linking Road, Santacruz (West), Mumbai – 400 054. **C. Khar Office** i. Prime Focus House, Linking Road, Opposite Citibank, Khar (West) Mumbai-400052. ii. 201, Glacis, Linking Road, Above IndusInd Bank, Khar (West), Mumbai – 400 052. **D. Lower Parel Office** i. 2nd Floor, Raghuvanshi Mills Compound, SB Marg, Lower Parel (West) Mumbai - 400013. **E. Hyderabad Office** i. Rama Naidu Studios Complex, 79, Film Nagar, Jubilee Hills, Hyderabad - 500033, India. **F. Andheri West Office** i. 1st , 2nd and 4th Floor, Blue Wave, Off Link Road, Veera Desai Road, Andheri (West), Mumbai – 400 053.
11	Address for Correspondence	Ms. Parina Nirav Shah, Company Secretary and Compliance Officer Prime Focus Limited Registered Office: Prime Focus House, Linking Road, Opposite Citibank, Khar (West), Mumbai-400052, India. Phone: +91-22-67155000; Fax: +91-22-67155001 Website: www.primefocus.com ; email: ir.india@primefocus.com
12	Dematerialization of Shares and liquidity	As on March 31, 2021; 29,92,48,958 equity shares of the Company constituting 99.99% of the equity share capital are held in Dematerialized form. The equity shares of the Company are traded only in dematerialized form in the stock exchanges.
13	Electronic Clearing Services (ECS)	Members are requested to update their bank account details with their respective Depository Participants for shares held in the electronic form or write to the Company's Registrar and Share Transfer Agent M/s Link Intime India Private Limited for the shares held in physical form.
14	Investor Complaints to be addressed to	Registrar and Share Transfer Agent - M/s Link Intime India Private Limited at helpdesk@linkintime.co.in or to Ms. Parina Nirav Shah, Company Secretary at ir.india@primefocus.com.
15	SCORES	A centralised web-based complaints redressal system which serves as a centralised database of all complaints receive, enables uploading of Action Taken Reports by the concerned company and online viewing by the investors of actions taken on the complaints and its current status
16	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.	-
17	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	The details of Credit Ratings of your Company as on date are as follows.

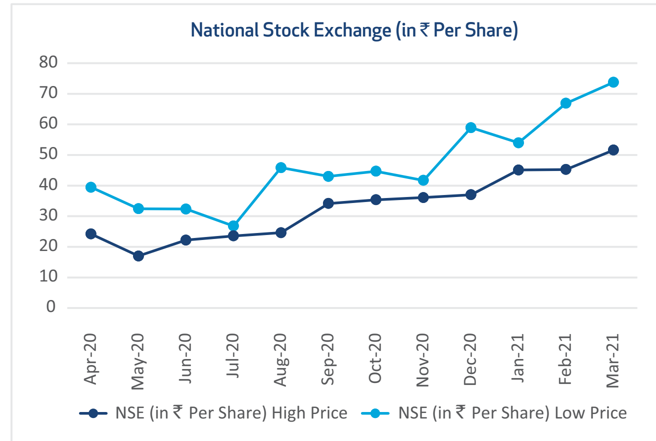
Name of the agency	Type of instruments	Size of Issue (million)	Rating / Rating Watch	Rating Action
Indian Ratings and Research (Ind-Ra)	Fund-based-working capital limits	INR 320	IND BBB/ Stable/IND A2	Affirmed; Off Rating Watch Negative
	Stand-by letter of credit(LC)	INR 1085	IND A2	Affirmed; Off Rating Watch Negative

b. **Market Price Data**

The price of the Company's Share-High, Low during each month in the financial year 2020-21 on the Stock Exchanges is given below in a tabular form:

Month	BSE Limited			National Stock Exchange of India Limited		
	High Price (₹)	Low Price (₹)	Volume (No. of Shares)	High Price (₹)	Low Price (₹)	Volume (No. of Shares)
April, 2020	40.00	25.00	39017	39.45	24.20	386306
May, 2020	29.75	17.40	271518	32.45	17.00	2323524
June, 2020	31.85	21.70	411906	32.35	22.20	3097168
July, 2020	27.15	23.70	102332	26.80	23.55	677872
August, 2020	46.60	25.00	346681	45.85	24.60	3331050
September, 2020	43.85	34.70	146868	43.00	34.15	1392528
October, 2020	45.00	35.15	89935	44.70	35.35	784597
November, 2020	42.00	37.00	71091	41.70	36.10	536557
December, 2020	58.8	37.05	991954	58.95	37.00	8376116
January, 2021	54.00	45.00	1316673	54.00	45.10	2025500
February, 2021	66.65	45.25	994516	66.90	45.25	6427722
March, 2021	73.90	50.75	3321639	73.75	51.60	5964218

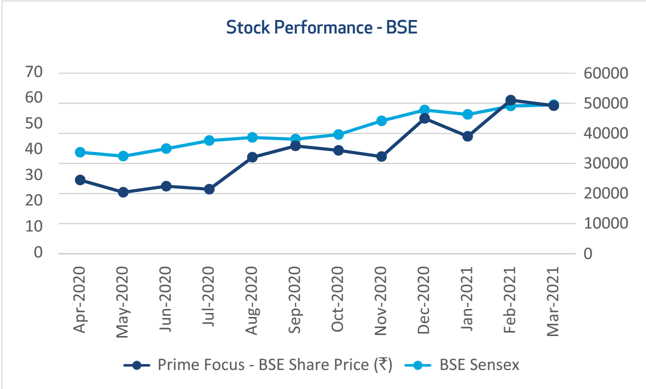


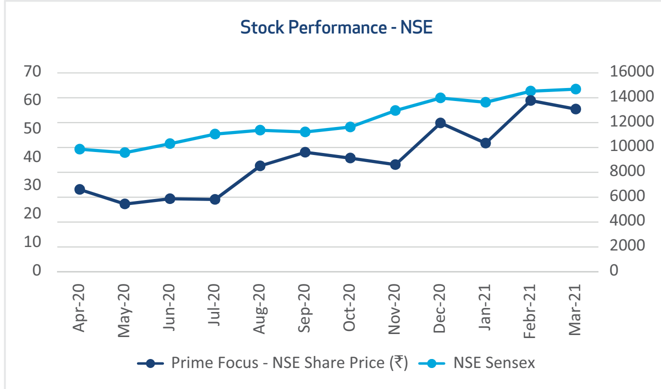


c. **Performance of share price of the Company in comparison with the broad based indices**

Prime Focus Share Price compared with BSE Sensex & NSE Nifty (Month-end closing):

Month	BSE Share Price (₹)	Sensex (₹)	NSE Share Price (₹)	NSE Nifty (₹)
April, 2020	28.55	33717.62	28.95	9859.90
May, 2020	23.80	32424.10	23.85	9580.30
June, 2020	26.15	34915.80	25.70	10302.10
July, 2020	25.00	37606.89	25.45	11073.45
August, 2020	37.40	38628.29	37.25	11387.50
September, 2020	41.80	38067.93	42.05	11247.55
October, 2020	40.05	39614.07	40.00	11642.40
November, 2020	37.65	44149.72	37.70	12968.95
December, 2020	52.45	47751.33	52.35	13981.75
January, 2021	45.50	46285.77	45.25	13634.60
February, 2021	59.55	49099.99	60.25	14529.15
March, 2021	57.40	49509.15	57.25	14690.70





d. **Distribution of Shareholding as on March 31, 2021**

The broad shareholding distribution of the Company as on March 31, 2021 with respect to categories of investors was as follows:

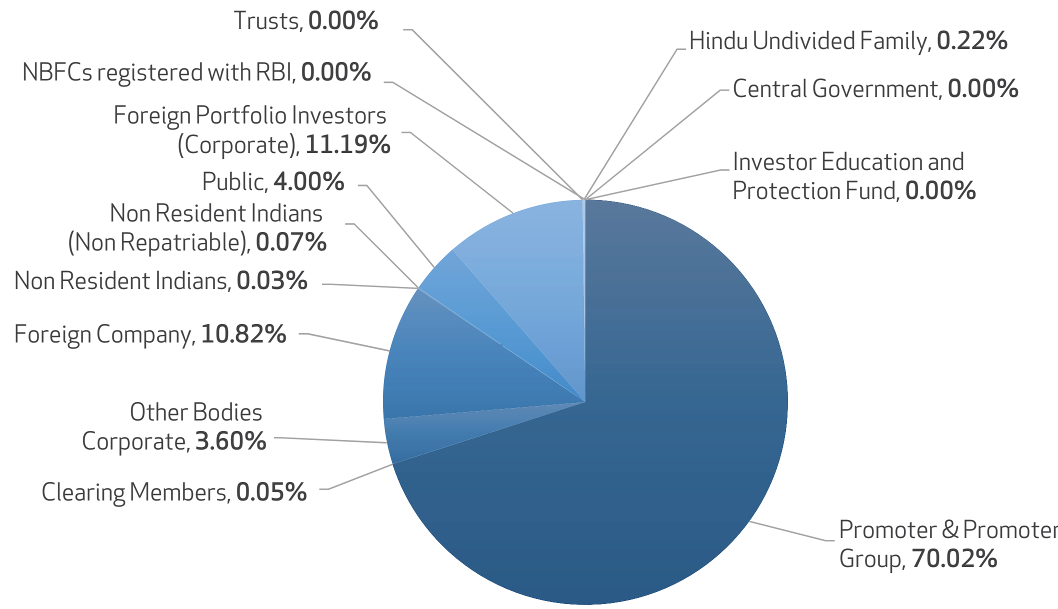
Sr. No.	Category	No. of Equity Shares	Percentage %
1	Promoter & Promoter Group*	209547528	70.02
2	Clearing Members	138100	0.05
3	Other Bodies Corporate	10763454	3.60
4	Foreign Company	32370029	10.82
5	Non Resident Indians	92461	0.03
6	Non Resident Indians (Non Repatriable)	219856	0.07
7	Public	11971398	4.00
8	Foreign Portfolio Investors (Corporate)	33471778	11.19
9	Trusts	100	0.00
10	Hindu Undivided Family	661608	0.22
11	NBFCs registered with RBI	2381	0.00
12	Central Government	1000	0.00
13	Investor Education and Protection Fund	9285	0.00
	Total	**299248978**	**100.00**

*A2R Holdings, Mauritius acquired 2,75,05,995 shares representing 9.19% of Prime Focus Limited (PFL) share capital on December 23, 2020 from Monsoon Studio Private Limited by way of inter-se transfer of shares between Promoters / Promoter group under Regulation 10(1) (a)(iii) of SEBI (SAST) Regulations, 2011. A2R Holdings, Mauritius thereafter acquired 10,49,39,887 shares representing 35.07% of PFL share capital, as follows:

a. 526 equity shares representing 0% of PFL share capital on March 12, 2021, from shareholders pursuant to an open offer;

b. 7,32,99,666 equity shares representing 24.49% of PFL share capital on March 17, 2021 from IDBI Trusteeship Services Limited (acting as debenture trustee for Credit Suisse AG, Singapore Branch); and

c. 3,16,39,695 equity shares representing 10.57% of PFL share capital on March 19, 2021 from IDBI Trusteeship Services Limited (acting as debenture trustee for Credit Suisse AG, Singapore Branch).



e. **The broad shareholding distribution of the Company as on March 31, 2021 with respect to/ holdings was as follows:**

Range	No. of Holders	Percentage %	Share Amount (₹)	Percentage %
1-500	8779	80.61	1222378	0.41
501-1000	967	8.88	814549	0.27
1001-2000	453	4.16	706671	0.24
2001-3000	168	1.54	435034	0.15
3001-4000	64	0.59	236397	0.08
4001-5000	97	0.89	463487	0.16
5001-10000	148	1.36	1147321	0.38
10001 and above	215	1.97	294223141	98.32
Total	**10891**	**100.00**	**299248978**	**100.00**

f. **Dematerialization of shares as on March 31, 2021:**

As per the directions of SEBI, the Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2021, 299248958 equity shares constituting nearly 100% of the total share capital of the Company were held in dematerialized form.

Status of Dematerialisation as on March 31, 2021

Particulars	Number of Shares of the face value of ₹ 1/- each	% of Total
National Securities Depository Limited	179685136	60.05
Central Depository Services (India) Limited	119563822	39.95
Total Dematerialized	299248958	100.00
Physical form	20	0.00
Grand Total	299248978	100.00

18. DISCLOSURES REGARDING COMMODITY RISKS

The Company does not deal in commodities and hence, the disclosure pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2018/0000000141 dated November 15, 2018 are not required to be given.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Naresh Mahendranath Malhotra	**Ramakrishnan Sankaranarayanan**
Chairman & Whole-Time Director	Director
DIN: 00004597	DIN: 02696897

Place: Mumbai
Date : June 30,2021

ANNUAL DECLARATION PURSUANT TO THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS), REGULATIONS, 2015

As per the requirements of Regulation 26(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I, Naresh Mahendranath Malhotra, Chairman and Whole-Time Director, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year ended March 31, 2021.

For and on behalf of the Board

Naresh Mahendranath Malhotra
Chairman and Whole-Time Director
DIN : 00004597

Place : Mumbai
Date : June 30, 2021

CERTIFICATE ON CORPORATE GOVERNANCE

To,
The Members of
PRIME FOCUS LIMITED

I have examined the compliance of conditions of Corporate Governance by Prime Focus Limited ('the Company'), for the Financial Year ended March 31, 2021, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the Listing Regulations).

The compliance of conditions of Corporate Governance is the responsibility of the management. My examination was limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on financial statements of the Company.

We have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

In my opinion and to the best of my information and according to our examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of the Schedule V of the Listing Regulations during the period ended March 31, 2021. However, the appointment of Independent directors in material foreign subsidiary is still pending as per Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As informed by the management, the Board is still in process of compliance of the same.

I further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D. M. Zaveri & Co.
Company Secretaries

Dharmesh Zaveri
(Proprietor)
FCS No. 5418
CP No. 4363

Place: Mumbai
Date: June 30, 2021
ICSI UDIN: F005418C000526048

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To,
The Members of,
Prime Focus Limited
Prime Focus House, Opp. Citi Bank, Linking Road, Khar (West)
Mumbai – 400 052

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **Prime Focus Limited** having CIN L92100MH1997PLC108981 and having registered office at Prime Focus House, Opp. Citi Bank, Linking Road, Khar (West) Mumbai – 400 052 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2021 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in the Company
1	Namit Naresh Malhotra	00004049	24/06/1997
2	Naresh Mahendranath Malhotra	00004597	24/06/1997
3	Ramakrishnan Sankaranarayanan	02696897	11/10/2011
4	Udai Dhawan	03048040	14/12/2016
5	Srinivasan Kodi Raghavan	00012449	19/02/2004
6	Rivkaran Singh Chadha	00308288	29/09/2006
7	Padmanabha Gopal Aiyar	02722981	03/07/2009
8	Dr. Hemalatha Thiagarajan	07144803	31/03/2015
9	Devarajan Samu	00878956	14/12/2016

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For D. M. Zaveri & Co.
Company Secretaries

Dharmesh Zaveri
(Proprietor)
FCS No. 5418
CP No. 4363

Place: Mumbai
Date: June 30, 2021
ICSI UDIN: F005418C000526103

Business Responsibility Report

(As per Regulation 34(2) (f) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015)

INTRODUCTION

Regulation 34 (2)(f) of LODR mandates top 1000 listed companies based on the market capitalisation to prepare the Business Responsibility Report (BRR) describing the initiatives taken by them from an environmental, social and governance perspective.

We are committed working towards achieving the sustainable success in line with the comprehensive Nine principles enshrined in this BRR.

Following are the 9 principles discussed in the National Voluntary Guidelines that govern the content of a Business Responsibility Report:

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L92100MH1997PLC108981
2. **Name of the Company:** Prime Focus Limited (PFL)
3. **Registered Address:** Prime Focus House Opp. Citi Bank, Linking road, Khar (West), Mumbai – 400052
4. **Website:** www.primefocus.com
5. **E-mail id:** brr.india@primefocus.com
6. **Financial Year reported:** 2020-2021
7. **Sector(s) that the Company is engaged in (industrial activity code wise):** 5912 – Services
8. **List three key products/services that the Company manufactures/ provides (as in balance sheet)**
   - Film, video camera, light equipment & accessories renting
   - Post Production – Advertisement, digital intermediation
   - Visual effects, animation and digital cinema packaging
9. **Total number of locations where business activity is undertaken by the Company**
   i. **Number of International Locations (Provide details of major 5)** - None
   ii. **Number of National Locations** – 12 offices including registered office and regional office.
10. **Markets served by the Company** – We serve the Domestic and International Markets

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** – ₹ 29.92 Crores
2. **Total Turnover (INR)** – ₹ 199.94 Crores
3. **Total profit after taxes (INR)** – ₹ 27.18 Crores
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** Nil, we take social responsibility as a paramount importance and have formulated our CSR policy. We did not spend on the CSR activities during FY 2020-21 considering the losses
5. **List of activities in which expenditure in 4 above has been incurred:** Not Applicable

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies?** Yes, we have 41 subsidiaries.
2. **Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)** Nil. None of our subsidiaries have been involved in our BR initiatives.
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]** None of the entities, we conduct business with, are involved in our BR initiatives.

SECTION D: BR INFORMATION

1. **Details of Director/Directors responsible for BR**

   a. **Details of the Director/Directors responsible for implementation of the BR policy/policies**

Name	DIN Number	Designation
Mr. Rivkaran Singh Chadha	00308288	Independent Director/ HOD CSR Committee

   b. **Details of the BR head**

Sr. No.	Particulars	Details
1	DIN Number (if applicable)	00308288
2	Name	Mr. Rivkaran Singh Chadha
3	Designation	Independent Director/ HOD CSR Committee
4	Telephone Number	022-61785555
5	e-mail id	brr.india@primefocus.com

2. **Principle-wise (as per NVGs) BR Policy/policies (Reply in Y/N)**

National Voluntary Guidelines (NVGs) on social, environmental and economic responsibilities of business prescribed by the Ministry of Corporate Affairs advocates the nine principles (detailed below) as P1-P9 to be followed:

Principle 1 (P1)	Businesses should conduct and govern themselves with Ethics, Transparency and Accountability.
Principle 2 (P2)	Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle.
Principle 3 (P3)	Businesses should promote the wellbeing of all employees.
Principle 4 (P4)	Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantaged vulnerable, and marginalized.
Principle 5 (P5)	Businesses should respect and promote human rights.
Principle 6 (P6)	Businesses should respect, protect, and make efforts to restore the environment.
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

S. No	Particulars	P1	P2	P3	P4	P4	P5	P6	P7	P8	P9
1	Do you have a policy/policies for#	Y	Y	Y	Y	Y	Y	Y	NA	Y	Y
2	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	Y	NA	Y	Y
3	Does the policy conform to any national /international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	Y	NA	Y	Y
4	Has the policy been approved by the Board? Is yes, has it been signed by MD/owner/CEO/appropriate Board Director?	Y	Y	Y	Y	Y	Y	Y	NA	Y	Y
5	Does the company have a specified committee of the Board/ Director/Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	Y	NA	Y	Y
6	Indicate the link for the policy to be viewed online?	For any queries related to the BR policies and the report, kindly reach out at brr@primefocus.com									
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	Y	NA	Y	Y
8	Does the company have in-house structure to implement the policy/policies	Y	Y	Y	Y	Y	Y	Y	NA	Y	Y
9	Does the Company have a grievance redressal mechanism related to the policy/policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	Y	NA	Y	Y
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	Y	NA	Y	Y

PFL has the following policies covering the nine principles: Code of Conduct for Directors and Senior Management, Vigil Mechanism / Whistle-Blower Policy, Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Insiders, Internal Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons & Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information, Human Resource Policies, Anti-Sexual Harassment Policy, Corporate Social Responsibility (CSR) Policy, Policy on Related Parties, Policy on Material Subsidiaries, Policy for Determining materiality of event and Policy for Preservation of Documents & Archival Policy.

2a. If answer to Sr. No. 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S. No.	Particulars	P1	P2	P3	P4	P5	P6	P7	P8	P9
1.	The company has not understood the Principles									
2.	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles									
3.	The Company does not have financial or manpower resources available for the task					N.A.				
4.	It is planned to be done within next 6 months									
5.	It is planned to be done within the next 1 year									
6.	Any other reason (please specify)									

3. GOVERNANCE RELATED TO BR

- **Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year**

  Our BR activities are overseen by the CSR committee and the BR performance is reviewed annually.

- **Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?**

  BRR is published as a part of our Annual Report and is available online at www.primefocus.com

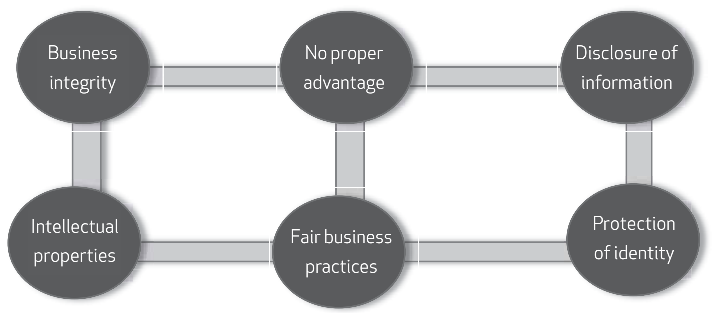
SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Businesses should conduct and govern themselves with Ethics, Transparency and Accountability

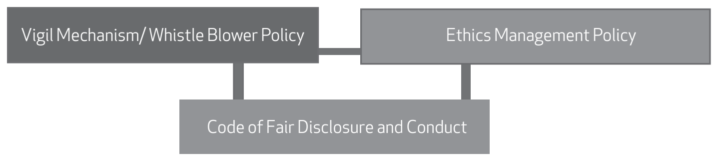
1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

   At Prime Focus Limited, our philosophy on Corporate Governance drives ethical and transparent business operations. The purpose is to achieve business excellence and maximize shareholder value through ethical business conduct. Our philosophy is supported on pillars of integrity, accountability, equity, transparency and environmental responsibility that conform fully with laws, regulations and guidelines.

   We ensure highest standards of business ethics in all our dealings with customers, suppliers, employees and other stakeholders for achieving success in the market place. We are committed to performing our business responsibly and following principles are ingrained into our operations:



Code of Conduct policy is approved by Board of Directors and is applicable to all the Directors on the Board and the Senior Management team. Apart from the code of conduct, we have also implemented the following policies which encompasses the Company as well as our suppliers:



2. **How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.**

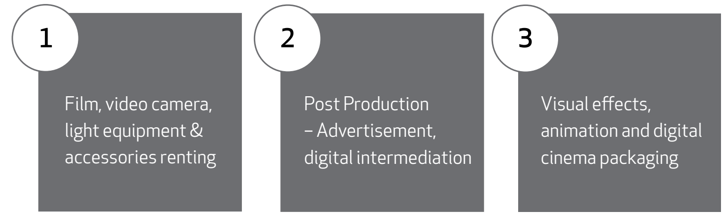
   Our Whistle Blower Policy/ Vigil Mechanism facilitates and provides a channel for employees and Directors to report on the management concerns about unethical behavior, actual or suspected fraud or violation of the Codes of Conduct or any Policy of the Company.

   The Company had received 2 complaints from its investors/ shareholders which have been satisfactorily resolved. No complaints were received under the Vigil Mechanism during the year.

Principle 2: Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

1. **List up to 3 products or services whose design has incorporated social or environmental concerns, risks, and/or opportunities.**

   Listed are our services whose design incorporates social or environmental concerns, risks and/or opportunities:



2. **For each such product, provide the following details in respect of resources use (energy, water, raw material etc.) per unit of product (optional)**

   Though the nature of our business does not encompass any manufacturing activity we understand our role in environmental sustainability. We undertake several energy conservation initiatives by implementing energy efficient measures and replacing old equipment with new energy efficient equipment wherever feasible. Continuous efforts are also exerted to conserve energy in our postproduction facilities and studio offices.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**

   Our policy on safety ascertains that all our goods and services are procured safely and sustainably. We develop and maintain a healthy working relationship with our vendors and suppliers and emphasize greatly on adherence to safe working conditions, prevention of child labour, business ethics and general housekeeping.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**

   We strive to contribute to the local economy by procuring services from suppliers in the vicinity of our operations. We acquire materials such as stationery, cleaning materials and manpower for facility maintenance and security from local agencies. Around 15-30% of our materials and services are procured locally. This serves two purposes, one being provision of regular source of income for local communities other being ready availability of resources for our operations.

   We also recognize the need to support local business and industry. To encourage local industry to tender/quote for the provision of our goods and services, we ask for quotes from local suppliers and the supplier is chosen on the basis of the price quoted, performance, quality and suitability.

   At some of our operations in Mumbai, over 50% of the staff employed on company's payroll & third party payroll are from the local vicinity. Some of our vendors & daily wage labourers (skilled / unskilled) are also from the vicinity.

5. **Does the company have mechanism to recycle products and waste? If yes, what is the percentage of recycling waste and products?**

   The waste generated at our premises is managed through adequate waste disposal process. We have developed systems to dispose waste through authorised e-waste dealers and receive a certification from E- waste Recyclers India for the same. 100% of the e-waste generated at our premises is disposed through authorised dealers. We also ensure that all the paper waste generated in our offices are sold to agencies that further utilize the same for recycling. We have also been undertaking initiatives for management of bio-degradable waste.

   Bio-waste management:

   We envision a world where the waste is transformed into utilizable resources without exploitation of the people or the planet. The current waste management system involves a non-cyclic process of extraction, production, consumption and dumping or land filling, resulting in greenhouse gas emissions, ground water pollution and an ever increasing strain on natural resources. We are endeavoring to transform this non-cyclic process into a cyclic process through a decentralized waste management system. This not only reduces the expenditure of a centralized process but also reduces the increasing strain on our natural resources.

   - We are waiting for final approvals from the Lessor (MFSCDCL) for setting up a 1TPD Bio Gas Plant in one of our complex to make it a zero waste generating zone.
   - We have partnered with Bisleri bottles for Change program to donate used plastics for recycle to empower the waste pickers with better income – better life.

   Water recycling

   - The grey water after treatment by our Sewage Treatment Plant (STP) is reused for watering plants in our gardens & also in our toilet flushing system.
   - We also undertake rainwater harvesting in one of our large complexes, through our well laid out Storm Water Drainage system.

Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the Total number of employees.**

   The total number of employees at our organization are 246.

2. **Please indicate the Total number of employees hired on temporary/ contractual/casual basis.**

   The total no of contractual employees recruited through third party agencies for various activities like Housekeeping, Office assistants, janitors, Security, Electricians, etc. are 37.

3. **Please indicate the Number of permanent women employees.**
The total number of permanent women employees at our organization are 23.

4. **Please indicate the Number of permanent employees with disabilities**
The total number of permanent employees with disabilities at our organization are 2.

5. **Do you have an employee association that is recognized by management?**
No. We do not have an employee association.

6. **What percentage of your permanent employees is members of this recognized employee association?**
NA

7. **Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.**
Our employment agreement highlights a clause that ensures recruitment of candidates only above 18 years of age to eliminate any cases of child labour, Sexual harassment is perceived with zero tolerance at PFL and we have a system in place to prevent, prohibit and redress cases of sexual harassment at workplace. These systems have been developed in line with the provisions under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. We have in place an Internal Complaints Committee (ICC) to redress complaints received with respect to sexual harassment at workplace.

S. No	Category	No of Complaints filed during the financial year	No of complaints pending as on end of this financial year
1	Child labour /forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. **What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?**

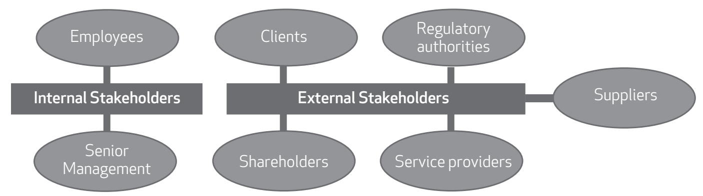
Category	Skill Up-gradation Training	Safety Training
Permanent Employees	100%	75%
Permanent Women Employees	100%	50%
Casual/ Temporary/ Contractual Employees	100%	100%
Employees with disabilities	100%	100%

We acknowledge that employees are most fundamental to our sustainable progress and we invest in several initiatives to promote an environment conducive to their growth. We provide them with several learning opportunities to enhance their skill-sets while also ensuring a safe working environment through workshops.

We consider it as our responsibility to educate and train our employees on matters that enhance safety at work place. We implement this through initiatives such as security fire drills, safety trainings for all our employees and an induction of our newly hired employees to train them on our code of conduct and business ethics.

Principle 4: Businesses should respect the interests of, and be responsive to the needs of all stakeholders, especially those who are disadvantage vulnerable, and marginalized.

1. **Has the company mapped its internal and external stakeholders?**
Yes, we have identified our internal as well as external stakeholder and they are as follows:



2. **Has the company identified the disadvantaged, vulnerable, and marginalized stakeholders?**
Yes. As a part of our CSR policy, we have identified children, women, orphans, senior citizens, war widows and differently abled individuals under the category of disadvantaged, vulnerable and marginalized stakeholders.

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so**
Our CSR policy provides an over-arching framework for undertaking initiatives to engage with the disadvantaged, vulnerable and marginalized stakeholders. These initiatives range between promoting education and employment of women and differently abled stakeholders, enhancing livelihood, and setting up of old age homes, day care centers, hostels etc. However, at present, we do not invest in any of the above activities in the view of losses.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?-**
We lay emphasis on protection of human rights and our activities are overlooked by governance policies, processes and monitoring systems to implement human rights in our operations. We assess solely on merit and ensure provision of equal opportunities to the meritorious without discriminating on the basis of race, caste, gender, religion, colour, nationality, disability, etc.

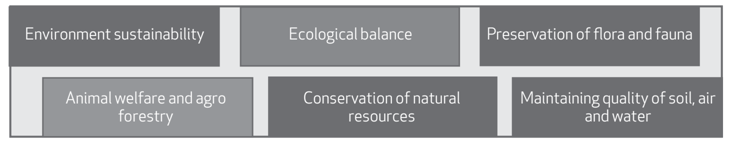
Our Code of Conduct dictates protocols that ensure conformance to human rights while our Whistle Blower Policy/ Vigil Mechanism provides a platform to report violation of human rights within the organization. In addition, we have also formulated and implemented the anti-sexual harassment policy and have a zero tolerance for sexual harassment at workplace. These policies are applicable to the Company and the Group.

2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
No stakeholder complaints were received during the FY 2020-2021 concerning to violation of human rights.

Principle 6: Businesses should respect, protect, and make efforts to restore the environment

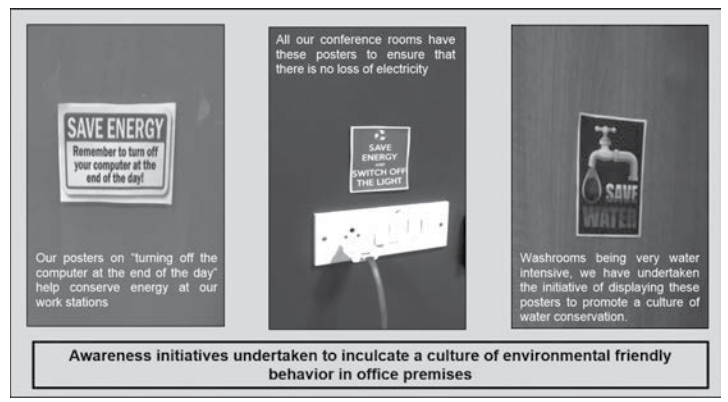
1. **Does the policy related to Principle 6 cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others?**

Our CSR policy extends to our Company and provides guidance on the following aspects of environmental sustainability



2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, give hyperlink for the webpage etc.**

Despite being a service provider, we recognize the impact of our operations on the environment and have implemented initiatives to mitigate these impacts. We understand that awareness is key to effective environmental protection and have undertaken measures to increase awareness among our employees. We have displayed posters and flyers to sensitize on the paper waste reduction, conservation of water and electricity at relevant locations.



Awareness initiatives undertaken to inculcate a culture of environmental friendly behavior in office premises

3. **Does the company identify and assess potential environmental risks?**
We have in place, a Risk Management Framework to identify and evaluate business and operational risks. However, currently, we have not identified any environmental risks.

4. **Does the company have any project related to Clean Development Mechanism? If so, provide details thereof. Also, if Yes, whether any environmental compliance report is filed?**
We currently do not have any projects related to Clean Development Mechanism.

5. **Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc.? Y/N. If yes, please give hyperlink for web page etc.**
We continue to adopt different energy conservation initiatives by taking energy efficient measures and replace old equipment with new energy efficient equipment wherever possible. We also continuously strive to conserve energy in our post-production facilities and studio offices. We have undertaken initiatives such as follows:

Roof top solar (RTS):
A rooftop photovoltaic power station, is a photovoltaic system that has its electricity-generating solar panels mounted on the rooftop of building. The various components of such a system include photovoltaic modules, mounting systems, cables, solar inverters and other electrical accessories. Installers have the right to feed solar electricity into the public grid and hence receive a reasonable premium tariff per generated kWh reflecting the benefits of solar electricity to compensate for the current extra costs of PV electricity. We are in process of setting RTS in one of our large complexes in Goregoan, with a power generation capacity of 850 KWp. As per our analysis, this arrangement is expected to generate an average of 85,000 units per month in the 1st year.

Procurement of power through renewable energy sources using open access system (wind and solar):
Open access has been envisaged in the Electricity Act, 2003 (EA 2003) as a framework for encouraging competition in the electricity sector and for enabling consumers to choose their suppliers. The Regulatory Authority has issued the Open Access permissions to the renewable Power Generators like Solar power generators to issue credit notes for the energy injected by the said generators and benefit both the generators and end users. Prime Focus Limited has implemented Open Access System in one of its largest Facility at Royal Palms, Goregoan East, Mumbai.

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?**
Since our business involves post production activities and we are not involved in manufacturing of any products, we collaborate with the municipal corporations who effectively manage our waste and effluents. Also, our facilities have DG Sets that are maintained as per the Pollution Control Board standards.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**
   We have not received any show cause notices from either CPCB or SPCB in the reporting year and we ensure that our emissions and waste generated at various operating locations are well below the limits prescribed by Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB).

Principle 7: Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with**
   We are a gold member of the following associations:
   1. Service Export Promotion Council for Software
   2. Electronic and Computer Software Council
   3. Indian Motion Picture Producers Association
   4. Association of Motion Picture Studios
   5. Industrial Entrepreneurs Memorandum (IEM)
2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**
   As a member of these associations, we contribute to the development and growth of the broadcasting industry across the globe through creation, coordination and dissemination of knowledge and information. This includes technology briefings, networking events, regular news bulletins and market intelligence.

Principle 8: Businesses should support inclusive growth and equitable development.

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**
   CSR is at the core of an organization's sustainability and we are equally responsible towards social well-being along with economic growth. Our CSR policy outlines the approach to implementation of initiatives for social upliftment. However, currently, we do not have any CSR activities being implemented in the view of losses.
2. **Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?**
   Not applicable
3. **Have you done any impact assessment of your initiative?**
   Not applicable
4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**
   Not applicable
5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
   Not applicable

Principle 9: Businesses should engage with and provide value to their customers and consumers in a responsible manner

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**
   As of March 31, 2021 no cases were pending against Prime Focus Limited.
2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)**
   Yes, the "Ethics Management Policy" outlines a protocol for factual and righteous display of information and truthful disclosure on our services to clients.

   A clear guideline on our approach to ethical advertising and promotions, equitable competition and winning customers by the virtue of the quality of our services has been provided in the "Fair Business Practices" section of this policy.
3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
   We understand that responsible business assures responsible advertising and marketing. We ensure our advertisements and promotions are not misleading.

   There have not been any cases filed against us either for unfair trade practices, irresponsible advertising, or anti-competitive behavior in the last year.
4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**
   We do not have a formal consumer survey mechanism in place, however, we do seek feedback from our clients on closure of engagements. We have received several informal positive feedbacks from our clients for our services.

   We have been recommended by our existing clients and reappointed by them for multiple assignments. We consider this to be a testimony of their appreciation.

Financial Statements

Independent Auditor's Report

To The Members of Prime Focus Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Prime Focus Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021 and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021 and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current year. We have determined that there are no key audit matters to communicate in our report.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibility for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit we report that:

   a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.

d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act.

e. On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164(2) of the Act.

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.

h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

   i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements;

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
(Partner)
(Membership No. 103999)
(UDIN: 21103999AAAAHD6971)

Chicalim, Goa, June 30, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Prime Focus Limited ("the Company") as of March 31, 2021 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
(Partner)
(Membership No. 103999)
(UDIN: 21103999AAAAHD6971)

Chicalim, Goa, June 30, 2021

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(i) (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification, which in our opinion provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us no material discrepancies were noticed on such verification.

(i) (c) According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deeds / transfer deeds / conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of building which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as Right-to-Use Assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the Order is not applicable.

(iii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies and Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

(iii) (a) The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

(iii) (b) The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.

(iii) (c) There is no overdue amount remaining outstanding as at the balance sheet date.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of the Order is not applicable.

(vii) According to the information and explanations given to us, in respect of statutory dues:

(vii) (a) The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Tax Deducted at Source, Goods and Service Tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(vii) (b) There were no undisputed amounts payable in respect of aforesaid dues in arrears as at March 31, 2021 for a period of more than six months from the date they became payable.

(vii) (c) There are no cases of non-deposit with the appropriate authorities of disputed dues of Sales Tax, Goods and Services Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess. Details of other dues which have not been deposited as on March 31, 2021 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (Rs. In crores)
The Mumbai Muncipal Corporation Act, 1888	Octroi Duty	Metropolitan Magistrate 42nd Court	FY 16-17	1.73

(viii) In our opinion and according to the information and explanations given to us, the Company has generally been regular in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures and there were no loans or borrowings from the Government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence reporting under clause (ix) of the Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

(xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of Order is not applicable to the Company.

(xv) In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its holding, subsidiary companies or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

(xvi) The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
(Partner)
(Membership No. 103999)
(UDIN: 21103999AAAAHD6971)

Chicalim, Goa, June 30, 2021

Balance Sheet as at March 31, 2021

₹ Crores

	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non-current assets			
(a) Property, plant and equipment	4	233.41	244.17
(b) Capital work in progress		10.17	12.72
(c) Intangible assets	5	0.47	0.58
(d) Right to use assets	6	280.67	319.81
(e) Financial assets			
(i) Investments	7	618.18	781.14
(ii) Other financial assets	9	5.46	5.30
(f) Deferred tax assets (net)	28 e	-	-
(g) Income tax assets (net)		75.64	80.84
(h) Other non-current assets	10	2.53	3.23
Total non-current assets		**1,226.53**	**1,447.79**
Current assets			
(a) Financial assets			
(i) Trade receivables	11	33.38	45.00
(ii) Cash and cash equivalents	12	22.31	0.18
(iii) Bank balances other than (ii) above	12	0.06	0.05
(iv) Loans	8	308.78	164.22
(v) Other financial assets	13	151.35	235.18
(b) Other current assets	10	82.27	73.34
Total current assets		**598.15**	**517.97**
Total assets		**1,824.68**	**1,965.76**
Equity and liabilities			
Equity			
(a) Equity share capital	14	29.92	29.92
(b) Other equity	15	1,262.40	1,235.07
Total equity		**1,292.32**	**1,264.99**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	221.02	323.23
(ii) Lease liabilities		31.55	45.41
(iii) Other financial liabilities	21	66.37	108.79
(b) Provisions	17	2.85	2.64
Total non-current liabilities		**321.79**	**480.07**

₹ Crores

	Notes	As at March 31, 2021	As at March 31, 2020
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	21.82	32.13
(ii) Lease liabilities		15.42	14.68
(iii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	20	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	20	24.63	23.12
(iv) Other financial liabilities	21	48.00	59.20
(b) Provisions	17	0.37	0.36
(c) Current tax liabilities (net)		15.95	15.95
(d) Other current liabilities	18	84.38	75.26
Total current liabilities		**210.57**	**220.70**
Total liabilities		**532.36**	**700.77**
Total equity and liabilities		**1,824.68**	**1,965.76**

See accompanying notes to the financial statements 1 to 42

In terms of our report attached.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
Partner

Place : Chicalim, Goa
Date : June 30, 2021

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-timeDirector
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Place : Mumbai
Date : June 30, 2021

Statement of Profit and Loss for the year ended March 31, 2021

₹ Crores

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	22	76.00	131.89
Other income	23	123.94	20.31
Total income		**199.94**	**152.20**
Expenses			
Employee benefits expense	24	11.77	23.98
Employee stock option expense	32	-	1.21
Technician fees		5.15	13.71
Technical service cost		5.99	10.08
Finance costs	25	59.34	63.32
Depreciation and amortisation expense	4 to 6	64.76	67.41
Other expenses	26	23.67	38.88
Exchange loss / (gain) (net)		2.08	(0.08)
Total expenses		**172.76**	**218.51**
Profit / (Loss) before exceptional item and tax		**27.18**	**(66.31)**
Exceptional items (gain) (net of tax of ₹ 60.83 crores)	27	-	(200.27)
Profit before tax		**27.18**	**133.96**
Tax expense	28		
Current tax		-	-
Deferred tax (credit)		-	(32.71)
		-	**(32.71)**
Profit for the year		**27.18**	**166.67**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans		0.15	(0.08)
Income tax relating to the above		-	0.02
Total other comprehensive income for the year		**0.15**	**(0.06)**
Total comprehensive income for the year		**27.33**	**166.61**

₹ Crores

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Earnings per equity share	29		
[Nominal value per share: ₹1]			
Before exceptional items (net of tax)			
Basic and diluted (₹)		0.91	(1.12)
After exceptional items (net of tax)			
Basic and diluted (₹)		0.91	5.57

See accompanying notes to the financial statements 1 to 42

In terms of our report attached.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
Partner

Place : Chicalim, Goa
Date : June 30, 2021

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-timeDirector
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Place : Mumbai
Date : June 30, 2021

Statement of Changes in Equity for the year ended March 31, 2021

A. Equity Share Capital

₹ Crores

	Total
As at March 31, 2019	**29.92**
Issue of equity shares under employee stock option plan (Refer note 32)*	0.01
As at March 31, 2020	**29.92**
Changes in Equity Share Capital during the period	-
As at March 31, 2021	**29.92**

* Issued, Subscribed and Paid up as at March 31, 2021 is amounting to ₹ 29,92,48,978 (March 31, 2020 ₹ 29,92,48,978) after addition of ₹ 66,666, during the previous year.

B. Other Equity

₹ Crores

	Reserves and Surplus					Total
	Capital Reserve	General Reserve	Securities Premium	Share Options outstanding account	Retained Earnings	
Balance as at March 31, 2019	**51.77**	**61.09**	**765.94**	**71.32**	**57.22**	**1,007.34**
Forfeiture of share warrants (Refer note 14.6)	82.50	-	-	-		**82.50**
Related to Employee stock options	-	-	-	1.21		**1.21**
Exercise of stock options	-	-	0.63	(0.29)		**0.34**
Adjustment on adoption of IND AS 116 (Refer note 2.5)	-	-	-	-	(1.11)	**(1.11)**
Loss on sale of investment in subsidiary (Refer note 33)	-	-	-	-	(21.82)	**(21.82)**
Profit for the year (net of tax)	-	-	-	-	166.67	**166.67**
Other comprehensive income for the year (net of tax)	-	-	-	-	(0.06)	**(0.06)**
Balance as at March 31, 2020	**134.27**	**61.09**	**766.57**	**72.24**	**200.90**	**1,235.07**
Profit for the year (net of tax)	-	-	-	-	27.18	**27.18**
Other comprehensive income for the year (net of tax)	-	-	-	-	0.15	**0.15**
Balance as at March 31, 2021	**134.27**	**61.09**	**766.57**	**72.24**	**228.23**	**1,262.40**

See accompanying notes to the financial statements 1 to 42

In terms of our report attached.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
Partner

Place : Chicalim, Goa
Date : June 30, 2021

For and on behalf of the Board of Directors

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DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Place : Mumbai
Date : June 30, 2021

Cash Flow Statement for the year ended March 31, 2021

₹ Crores

		Year ended March 31, 2021	Year ended March 31, 2020
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	27.18	133.96
	Adjustments for:		
	Depreciation and amortisation expense	64.76	67.41
	(Profit) on sale of property, plant and equipment (net)	(0.66)	(0.10)
	Property, plant and equipment written off / loss on account of fire	-	3.79
	Unrealized foreign exchange loss (net)	0.09	(0.11)
	Gain on sale of VFX business (Refer note 34)	-	(200.27)
	Gain on redemption of investment	(95.06)	-
	Investment written off	-	0.06
	Bad debts written off	0.54	21.98
	Provision for doubtful debts/ advances (net)	2.52	(23.34)
	Stock option expense	-	1.21
	Liabilities/provisions no longer required written back	(0.97)	(2.57)
	Interest income	(26.82)	(16.09)
	Finance costs	59.34	63.32
	Operating profit before working capital changes	**30.92**	**49.25**
	Changes in working capital:		
	Increase / (decrease) in trade and other receivables	1.32	(56.02)
	(Decrease) / increase in trade and other payables	(28.94)	47.39
	Cash Generated from Operations	**3.30**	**40.62**
	Refund / (paid) Income taxes (net)	6.18	(9.66)
	Net cash flow generated from operating activities (A)	**9.48**	**30.96**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment and other intangible assets (including CWIP)	(10.75)	(16.25)
	Proceeds from sale of property, plant and equipment (including CWIP)	4.50	0.18
	Consideration towards sale of VFX business (Refer note 34)	-	135.00
	Purchase of investment in subsidiary	(59.93)	(36.62)
	Sale of investment in subsidiaries	82.22	-
	Redemption of investment in subsidiaries	317.94	-
	Loans given to subsidiaries	(296.41)	(151.65)
	Loans repaid by subsidiaries	154.21	96.87
	*Margin money and fixed deposits under lien	(0.00)	0.00
	Interest received	23.10	14.81
	Net cash flow generated from investing activities (B)	**214.88**	**42.34**

₹ Crores

		Year ended March 31, 2021	Year ended March 31, 2020
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Repayment of long term borrowings	(150.46)	(21.23)
	Repayment of short term borrowings (net)	(33.91)	(0.07)
	Proceeds from issuance of shares	-	0.35
	Loans taken from subsidiaries	28.00	-
	Loans repaid to subsidiaries	(6.18)	-
	Payment of lease liability	(14.88)	(12.20)
	Interest costs paid on lease liability	(6.16)	(6.64)
	Finance costs paid	(18.64)	(34.02)
	Net cash (used in) financing activities (C)	**(202.23)**	**(73.81)**
	Net increase / (decrease) in Cash And Cash Equivalents (A+B+C)	**22.13**	**(0.51)**
	Cash and cash equivalents at the beginning of the year	0.18	0.69
	Cash and cash equivalent at end of year (Refer note 12a)	**22.31**	**0.18**

* The value 0.00 means amount is below ₹ 50,000/-

Notes:

a. During the year, the Company has completely sold of its entire shareholding of PF Overseas Limited to PF World Limited (Mauritius), another subsidiary for a consideration of $ 100 (equivalent to ₹ 7,400 only).

b. During the previous year, the Company has completely sold of its entire shareholding of PF Media Limited (Formerly known as Reliance Media Works (Mauritius) Limited to PF World Limited (Mauritius), another subsidiary for a consideration of $ 11 Million (equivalent to ₹ 82.22 crores). The Company booked a loss of ₹ 21.82 crores on account of the same and accounted the same in "Retained earnings", this being in the nature of common control business combination. The Company received ₹ 82.22 crores from PF World Limited (Mauritius).

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

₹ Crores

	Year ended March 31, 2021	Cash flow	Non Cash movement	Year ended March 31, 2020
Borrowing (refer note 16 and 21.1)	225.58	(150.46)	14.84	361.20
Borrowing - Current (Refer note 19)	21.82	(12.09)	1.78	32.13

See accompanying notes to the financial statements 1 to 42

In terms of our report attached.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
Partner

Place : Chicalim, Goa
Date : June 30, 2021

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-timeDirector
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Place : Mumbai
Date : June 30, 2021

Notes to the financial statements for the year ended March 31, 2021

1. GENERAL INFORMATION

Prime Focus Limited (the 'Company') is a public limited company incorporated and domiciled in India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The address of its registered office is Prime Focus House, Opp. Citi Bank, Linking Road, Khar (West) – Mumbai – 400 052. Maharashtra, India.

The Company is engaged in the business of post-production activities including digital intermediate, and other technical and creative services to the Media and Entertainment industry.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of compliance

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

2.2 Basis of preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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

The Company's financial statements are presented in Indian Rupees (₹), which is its functional currency and all values are rounded to the nearest crore (₹ 00,00,000).

2.3 Use of Estimates:

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of services. Revenue is shown net of applicable taxes.

2.4.1 Rendering of services

The Company provides a variety of post-production services including digital intermediate, and other technical services to its subsidiaries and to clients in the film, broadcast and commercial sectors.

Revenue on time-and-material contracts are recognized as the related services are performed and the revenues from the end of the last billing to the balance sheet date are recognized as unbilled revenues. Revenue from services provided under fixed price contracts, where the outcome can be estimated reliably, is recognized following the percentage of completion method, where revenue is recognized in proportion to the progress of the contract activity. The progress of the contract activity is usually determined as a proportion of efforts incurred up to the balance sheet date, which bears to the total days estimated for the contract. If losses are expected on contracts these are recognized when such losses become evident. Further, the company uses significant judgements while determining the transaction price allocated to various performance obligations in the revenue contract.

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

2.4.2 Dividend and interest income

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

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

2.4.3 Rental income

The Company's policy for recognition of revenue from operating leases is described in note 2.5.1 below.

2.5 Leasing

On April 1, 2019, the Company has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings. The Company had made use of the following practical expedients available in its transition to Ind AS 116 –

- The Company had not reassessed whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2019.
- The Company had applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company had recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-to- use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.
- The Company excluded the initial direct costs from measurement of the right-to-use asset;
- The Company does not recognize right-to-use assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

The weighted average rate of discount applied to lease liabilities accounted on transition to Ind AS 116 as at April 1, 2019 is 11.50 %.

On adoption of Ind AS 116,

a. The Company had recognized right-to-use assets ₹ 28.82 crores and corresponding lease liabilities ₹ 29.93 crores.

b. The net carrying value of assets procured under the finance lease ₹ 122.63 crores (gross carrying and accumulated depreciation value of ₹ 143.95 crores and ₹ 21.32 crores, respectively) have been reclassified from property, plant and equipment and intangible assets to right-to-use assets.

c. The obligations under finance leases of ₹ 27.99 crores (non-current and current obligation under finance leases ₹ 20.09 crores and ₹ 7.90 crores respectively) have been reclassified to lease liabilities.

d. Prepaid rent, which were earlier classified under "Other Assets" have been reclassified to right-to-use assets by ₹ 2.96 crores.

The adoption of the new standard has resulted in a reduction of ₹ 1.11 crores in retained earnings. The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

2.5.1 The Company as lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the right-to-use asset arising from the head-lease.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

2.5.2 The Company as lessee

The Company enters into an arrangement for lease of buildings, plant and machinery including computer software. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

a) control the use of an identified asset,

b) obtain substantially all the economic benefits from use of the identified asset, and

c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-to-Use asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-to-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received.

Subsequently, the right-to-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-to-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-to-use asset. The estimated useful life of right-to-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an right-to-use asset is impaired and accounts for any identified impairment loss. Refer 2.15 below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-to-use assets. Where the carrying amount of the right-to-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

2.6 Foreign currencies

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for further productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

2.7 Borrowing costs

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

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

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

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

2.8 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at below-market rate of interest is treated as a government grant measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.9 Employee benefits

2.9.1 Retirement benefit costs and termination benefits

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

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuation being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

A liability for termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.9.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.10 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in refer note 32.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.11 Taxation

Income tax expense represents the sum of current tax and deferred tax.

2.11.1 Current tax

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

2.11.2 Deferred tax

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

During the year, the Company has moved to the lower tax regime under section 115BAA of the Income Tax Act, 1961. Hence, MAT asset is no longer recognised.

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

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

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

2.11.3 Current and deferred tax for the year

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

2.12 Non-current assets held for sale

Non-current assets and disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.13 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation and impairment loss, if any. The cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standards of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

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

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

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

2.14 Intangible assets

2.14.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounting for on a prospective basis. Intangible assets with indefinite useful lives are acquired separately are carried at cost less accumulated impairment losses.

2.14.2 Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use it or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are separately acquired.

2.14.3 Useful lives of intangible assets

Software is amortised on straight line basis over the estimated useful life of up to six years.

2.14.4 De-recognition of intangible assets

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is de-recognised.

2.15 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest of the cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.16 Provisions and Contingencies

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flow (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

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

2.16.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.16.2 Restructurings

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

2.17 Financial instruments

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

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

2.18 Financial assets

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

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

2.18.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note 2.18.5

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

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, (refer note 2.18.5).

All other financial assets are subsequently measured at fair value.

2.18.2 Effective interest method

The effective interest is a method of calculating the amortised cost of debt instruments and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where applicable, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.18.3 Investments in equity instruments at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

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

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

2.18.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (refer note 2.18.3).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial measurement if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different basis. The Company has not designated any debt instruments at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.18.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses that represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-months expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

2.18.6 De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of financial asset other than its entirety (e.g. when the Company retains an option to repurchase part of the transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or losses if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair value of those parts.

2.18.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.18.8 Investments in subsidiaries

The Company has elected to recognise its investments in subsidiaries at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statement'.

2.19 Financial liabilities and equity instruments

2.19.1 Classification as debt or equity

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

2.19.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.19.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.19.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

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

2.19.4.1 Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that liabilities that are designated as at FVTPL, the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of the liability is recognised in other comprehensive income, unless the recognition of the effects of changes mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified in profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.19.4.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.19.4.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

2.19.4.4 Commitments to provide a loan at below-market interest rate

Commitments to provide a loan at below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

2.19.4.5 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.19.4.6 De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of a debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.20 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.20.1 Embedded derivatives

Derivatives embedded in non- derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

2.21 Offsetting

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

2.22 Cash and Cash equivalent

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

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

2.23 Segment reporting

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

2.24 Events after reporting date

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

2.25 New Accounting standards adopted by the Company effective from April 1, 2020:

Amendment to Existing Standard

The MCA has also carried out amendments of the following accounting standards.

i. Ind AS 103 – Business Combinations

ii. Ind AS 107 – Financial Instruments: Disclosures

iii. Ind AS 109 – Financial Instruments

iv. Ind AS 116 - Leases

The impact on account of applying the above Ind AS on the financial statements of the Company for the year ended and as at March 31, 2021 is insignificant except point number iv above wherein rent waivers received have been accounted in the Statement of Profit and Loss as envisage in the Standard.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1.1 Revenue recognition

The Company derives revenues from fixed price contracts. The revenue recognised on these contracts is dependent on the estimated percentage of completion at a point in time, which is calculated on the basis of the man days of work performed as a percentage of the estimated total man days to complete a contract. The actual man days and estimated man days to complete a contract are updated on a monthly basis.

The estimated man days remaining to complete a project are judgemental in nature and are estimated by experienced staff using their knowledge of the time necessary to the work.

If a contract is expected to be loss making, based on estimated costs to complete, the expected loss is recognised immediately.

3.1.2 Taxation

The Company makes estimates in respect of tax liabilities and tax assets. Full provision is made for deferred and current taxation at the rates of tax prevailing at the year-end unless future rates have been substantively enacted. These calculations represent our best estimate of the tax charge that will be incurred and recovered but actuals may differ from the estimates made and therefore affect future financial results. The effects would be recognised in the Statement of Profit and Loss.

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

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

3.1.3 Depreciation and useful lives of property, plant and equipment and intangible assets

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Intangible assets are amortised over its estimated useful lives. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is adjusted if there are significant changes from previous estimates.

3.1.4 Expected credit losses on financial assets

The impairment provision of financial assets are based on assumption about risk of default and expected timing of collection.

The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections, customer's creditworthiness, existing market condition as well as forward looking estimates at the end of each reporting period.

3.1.5 Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

3.1.6 Fair value measurements and valuation process

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Further, the Company has used valuation experts for the purpose of ascertaining fair value for certain assets and liabilities. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent that it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model.

3.1.7 Defined benefit obligations

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

3.1.8 Leases:

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right-to-use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

4 PROPERTY, PLANT AND EQUIPMENT

₹ Crores

Description of Assets	Buildings	Plant and equipment	Furniture and fixtures	Lease hold Improvement	Office equipments	Vehicles	Total
I. Gross block							
Balance as at March 31, 2019	**243.84**	**396.30**	**23.45**	**4.26**	**22.01**	**5.14**	**695.00**
Reclassification (Refer note 2.5)	(112.20)	(27.30)	-	-	(0.04)	(2.70)	**(142.24)**
Additions	-	10.18	4.26	0.99	1.73	0.08	**17.24**
Deduction*	-	(74.84)	(18.83)	(3.12)	(6.30)	(1.16)	**(104.25)**
Adjustment #	-	1.37	-	-	0.04	-	**1.41**
Balance as at March 31, 2020	**131.64**	**305.71**	**8.88**	**2.13**	**17.44**	**1.36**	**467.16**
Additions	-	13.44	2.28	0.45	1.05	-	**17.22**
Deduction	-	(7.16)	-	-	-	(0.67)	**(7.83)**
Adjustment #	-	2.95	-	-	-	0.74	**3.69**
Balance as at March 31, 2021	131.64	314.94	11.16	2.58	18.49	1.43	480.24
II. Accumulated depreciation							
Balance as at March 31, 2019	**22.37**	**253.75**	**16.50**	**3.55**	**9.06**	**2.05**	**307.28**
Reclassification (Refer note 2.5)	(13.75)	(6.13)	-	-	(0.01)	(0.64)	**(20.53)**
Depreciation for the year	2.34	20.62	2.65	0.37	3.16	0.21	**29.35**
Deduction*	-	(67.56)	(16.83)	(2.96)	(5.54)	(1.04)	**(93.93)**
Adjustment #	-	0.80	-	-	0.02	-	**0.82**
Balance as at March 31, 2020	**10.96**	**201.48**	**2.32**	**0.96**	**6.69**	**0.58**	**222.99**
Depreciation for the year	2.34	18.45	2.17	0.41	2.75	0.21	**26.33**
Deduction	-	(3.82)	-	-	-	(0.17)	**(3.99)**
Adjustment #	-	1.14	-	-	-	0.36	**1.50**
Balance as at March 31, 2021	13.30	217.25	4.49	1.37	9.44	0.98	246.83
Net block (I-II)							
Balance as at March 31, 2021	118.34	97.69	6.67	1.21	9.05	0.45	233.41
Balance as at March 31, 2020	120.68	104.23	6.56	1.17	10.75	0.78	244.17

Refer note 16 for assets pledged/ hypothecated.

* Deduction includes assets transferred on account of VFX division sale, discard on account of fire, assets written off & sale of assets in previous year.

Adjustment is on account of completion of lease term and assets getting transferred as owned assets.

5 INTANGIBLE ASSETS

₹ Crores

Description of assets	Goodwill	Film rights	Computer software	Total
I. Gross block				
Balance as at March 31, 2019	0.53	3.00	9.84	13.37
Reclassification (Refer note 2.5)	-	-	(1.71)	(1.71)
Additions	-	-	0.06	0.06
Deduction ##	-	-	(6.44)	(6.44)
Balance as at March 31, 2020	0.53	3.00	1.75	5.28
Additions *	-	-	0.00	0.00
Deduction	-	-	-	-
Adjustment #	-	-	1.19	1.19
Balance as at March 31, 2021	0.53	3.00	2.94	6.47
II. Accumulated amortisation				
Balance as at March 31, 2019	0.53	3.00	7.83	11.36
Reclassification (Refer note 2.5)	-	-	(0.79)	(0.79)
Amortisation for the year	-	-	0.37	0.37
Deduction ##	-	-	(6.24)	(6.24)
Balance as at March 31, 2020	0.53	3.00	1.17	4.70
Amortisation for the year	-	-	0.30	0.30
Deduction	-	-	-	-
Adjustment #	-	-	1.00	1.00
Balance as at March 31, 2021	0.53	3.00	2.47	6.00
Net block (I-II)				
Balance as at March 31, 2021	-	-	0.47	0.47
Balance as at March 31, 2020	-	-	0.58	0.58

* The value 0.00 means amount is below ₹50,000/-

\# Adjustment is on account of completion of lease term and assets getting transferred as owned assets.

\## Deduction includes assets written off in previous year.

6 RIGHT TO USE ASSETS

₹ Crores

Description of assets	Studio	Premises	Building	Plant and equipment	Office equipments	Vehicles	Software	Total
I. Gross block								
Balance as at March 31, 2019	184.84	-	-	-	-	-	-	184.84
Reclassification (Refer note 2.5)	-	-	112.20	27.30	0.04	2.70	1.71	143.95
Transition impact of Ind AS 116 implementation	-	31.78	-	-	-	-	-	31.78
Additions	0.61	2.93	-	20.08	-	-	0.15	23.77
Deduction *	-	-	-	(3.35)	-	-	-	(3.35)
Adjustment #	-	-	-	(1.37)	(0.04)	-	-	(1.41)
Balance as at March 31, 2020	185.45	34.71	112.20	42.66	-	2.70	1.86	379.58
Additions	-	1.76	-	0.25	-	-	-	2.01
Deduction	-	(1.72)	-	-	-	-	-	(1.72)
Adjustment #	-	-	-	(2.95)	-	(0.74)	(1.19)	(4.88)
Balance as at March 31, 2021	185.45	34.75	112.20	39.96	-	1.96	0.67	374.99
II. Accumulated depreciation								
Balance as at March 31, 2019	3.13	-	-	-	-	-	-	3.13
Reclassification (Refer note 2.5)	-	-	13.75	6.13	0.01	0.64	0.79	21.32
Amortisation for the year	21.59	6.27	3.44	5.75	0.01	0.32	0.31	37.69
Deduction *	-	-	-	(1.55)	-	-	-	(1.55)
Adjustment #	-	-	-	(0.80)	(0.02)	-	-	(0.82)
Balance as at March 31, 2020	24.72	6.27	17.19	9.53	-	0.96	1.10	59.77
Amortisation for the year	21.60	6.73	3.44	5.82	-	0.25	0.29	38.13
Deduction	-	(1.08)	-	-	-	-	-	(1.08)
Adjustment #	-	-	-	(1.14)	-	(0.36)	(1.00)	(2.50)
Balance as at March 31, 2021	46.32	11.92	20.63	14.21	-	0.85	0.39	94.32
Net block (I-II)								
Balance as at March 31, 2021	139.13	22.83	91.57	25.75	-	1.11	0.28	280.67
Balance as at March 31, 2020	160.73	28.44	95.01	33.13	-	1.74	0.76	319.81

* Deduction includes assets transferred on account of VFX division sale in previous year.

\# Adjustment is on account of completion of lease term and assets getting transferred as owned assets

7 INVESTMENTS

₹ Crores

	As at March 31, 2021		As at March 31, 2020	
	Units	Amount	Units	Amount
Non Current				
In Equity Shares of Subsidiary Companies				
Unquoted, fully paid up (at cost)				
Prime Focus Technologies Limited of ₹ 10/- each (Refer note (d) below)	16,01,466	33.46	16,01,466	33.46
Prime Focus Production Services Private Limited of ₹ 10/- each	9,999	0.01	9,999	0.01
De-fi Media Limited of British £ 1/- each	2,43,67,188	-	2,43,67,188	-
Prime Focus Motion Pictures Limited of ₹ 10/- each	50,000	0.05	50,000	0.05
GVS Software Private Limited of ₹ 10/- each	10,000	0.01	10,000	0.01
PF Investments Limited of $ 1/- each	43,000	0.22	43,000	0.22
PF World Limited of $ 1/- each (Refer note (d) below)	1,06,000	209.00	1,06,000	209.00
PF Digital Media Services Limited of ₹ 10/- each	50,000	0.05	50,000	0.05
PF Overseas Limited of $ 1/- each * (Refer note (e) below)	-	-	100	0.00
Lowry Digital Imaging Services Inc. of $ 1/- each (Refer note (b) below)	100	-	100	-
In Preference Shares of Subsidiary Companies				
Unquoted, fully paid up (at cost)				
GVS Software Private Limited	2,65,000	26.50	2,65,000	26.50
Redeemable Convertible Preference Shares of ₹ 10/- each				
PF World Limited	5,27,58,869	348.86	8,17,66,396	511.82
12% Optionally Convertible Preference Shares of $ 1/- each				
In Membership Share in LLP, Unquoted (at cost)				
Jam8 Prime Focus LLP	-	0.01	-	0.01
		618.17		**781.13**
Unquoted equity instruments - fully paid up (at FVTPL)				
Other Investment:				
The Shamrao Vithal Co-operative Bank of ₹ 25/- each	4,000	0.01	4,000	0.01
Mainframe Premises Co-Operative Society of ₹ 10/- each *	350	0.00	350	0.00
		0.01		**0.01**
		618.18		**781.14**
a) Aggregate amount of quoted Investments		-		-
Aggregate amount of unquoted Investments		**618.18**		**781.14**
b) These investments form part of net assets acquired on slump sale basis vide business transfer agreement dated November 19, 2014, recorded at fair value ₹NIL based on the valuation report obtained.				
c) The list of investment in subsidiaries, along with proportion of ownership held and country of incorporation are disclosed in note 1.1 of Consolidated Financial Statements.				
d) Refer note 16 (a) for pledge of shares in subsidiaries.				
e) During the year, the Company has sold of its entire shareholding of PF Overseas Limited to PF World Limited (Mauritius), another subsidiary for a consideration of $ 100.				

***** The value 0.00 means amount is below ₹ 50,000/-

8 LOANS (UNSECURED, CONSIDERED GOOD)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Current		
Loan to Subsidiaries (Refer note 8.a & 33)	308.78	164.22
Total	**308.78**	**164.22**

a. Loans given to Subsidiaries

₹ Crores

Name of the Company	As at March 31, 2021	Maximum outstanding balance during the year	As at March 31, 2020	Maximum outstanding balance during the year
PF Digital Media Services Limited	-	35.64	19.93	20.68
Prime Focus Technologies Limited	302.53	304.18	141.33	152.46
Jam8 Prime Focus LLP	6.25	6.25	2.96	2.97
	308.78	**346.07**	**164.22**	**176.11**

i Loans given to subsidiaries are considered under "Current Loans", are repayable on demand and management intends to receive the loan within the operating cycle.

ii All the above loans carry interest @12% per annum (previous year @12% per annum)

iii All loans are given for general corporate purpose.

9 OTHER FINANCIAL ASSETS (NON-CURRENT) (UNSECURED, CONSIDERED GOOD)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Security Deposits	4.60	4.49
Bank Deposits #	0.86	0.81
Total	**5.46**	**5.30**

Fixed deposits are provided as security against fund -based and non -fund based credit facilities and have maturity period of more than 12 months from balance sheet date.

10 OTHER ASSETS

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Other non-current assets (unsecured, considered good)		
Capital advances	2.41	3.13
Other loans and advances	0.12	0.10
Total	**2.53**	**3.23**
Other current assets		
Other loans and advances		
Considered good (Refer note 33)	82.27	73.34
Total	**82.27**	**73.34**

a. Other loans and advances includes prepaid expenses, loans and advances to employees and others, advances to suppliers, service tax, VAT receivables and Goods and Services Tax (GST).

11 TRADE RECEIVABLES (UNSECURED)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Trade receivable	43.61	52.98
Less: loss allowances	(10.23)	(7.98)
	33.38	**45.00**
The movement in allowance for bad and doubful debts is as follows:		
Balance as at the beginning of the year	7.98	26.32
Loss allowances made / (written back) during the year	2.25	(18.34)
Balance as at the end of the year	**10.23**	**7.98**

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivable are due and the rates as given in the provision matrix.

12 CASH AND BANK BALANCES

₹ Crores

	As at March 31, 2021	As at March 31, 2020
a. Cash and cash equivalents		
Cash on hand	0.01	0.02
Bank balances		
In current accounts	22.30	0.16
Total	**22.31**	**0.18**
b. Bank balances other than (a) above		
Other Bank balances		
In deposits *	0.06	0.05
Total	**0.06**	**0.05**

***** Fixed deposits are provided as security against fund -based and non -fund based credit facilities.

13 OTHER FINANCIAL ASSETS (CURRENT) (UNSECURED, CONSIDERED GOOD)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Security deposits	1.14	1.21
Advances to subsidiaries (Refer note 33)	2.11	1.86
Interest accrued on bank deposits *	0.00	0.00
Unbilled revenue	7.20	6.68
Receivable towards sale of VFX business (Refer note 33)	138.43	138.43
Receivable towards sale of Investment (Refer note 33)	-	82.22
Other receivable	0.51	2.46
Inter corporate deposits		
Considered good	1.96	2.32
Doubtful	0.27	-
	2.23	**2.32**
Less: loss allowances	(0.27)	-
	1.96	**2.32**
Total	**151.35**	**235.18**

* The value 0.00 means amount is below ₹ 50,000/-

14 EQUITY SHARE CAPITAL

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Authorised:		
45,00,00,000 Shares of ₹ 1/- each (Previous year 45,00,00,000 Shares of ₹ 1/- each)	45.00	45.00
Issued, Subscribed and Paid up:		
29,92,48,978 Shares of ₹ 1/- each (Previous year 29,92,48,978 Shares of ₹ 1/- each)	29.92	29.92
Total	**29.92**	**29.92**

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

Fully paid equity shares:

₹ Crores

	As at March 31, 2021		As at March 31, 2020	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	29,92,48,978	29.92	29,91,82,312	29.92
Additions during the year (Refer note 32) *	-	-	66,666	0.01
Balance as at the end of the year	**29,92,48,978**	**29.92**	**29,92,48,978**	**29.92**

* Issued, Subscribed and Paid up as at March 31, 2021 is amounting to ₹ 29,92,48,978 (March 31, 2020 ₹ 29,92,48,978) after addition of ₹ 66,666, during the previous year.

14.2

	As at March 31, 2021	As at March 31, 2020
Shares reserved for issue under options (Refer note 32) (nos)	1,75,62,734	1,75,62,734

14.3 Rights, preferences and restrictions attached to shares:

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

Details of shares held by each shareholder holding more than 5%

	As at March 31, 2021		As at March 31, 2020	
	Numbers	% of holding	Numbers	% of holding
A2R Holdings	13,24,45,882	44.26%	-	-
Naresh Malhotra	6,22,01,546	20.79%	6,22,01,546	20.79%
Reliance MediaWorks Financial Services Private Limited	-	-	3,16,39,695	10.57%
Marina IV (Singapore) Pte. Limited	2,33,90,875	7.82%	2,33,90,875	7.82%
Monsoon Studio Private Limited	-	-	2,75,06,095	9.19%
IDBI Trusteeship Services Limited	-	-	7,32,99,666	24.49%
Augusta Investments I Pte. Limited	2,92,41,817	9.77%	2,92,41,817	9.77%

14.5 Aggregate number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Equity shares allotted as fully paid up pursuant to business transfer agreement for consideration other than cash in financial year 2014-15	6,73,07,692	6,73,07,692

14.6 Share warrants

Pursuant to the special resolution passed by the shareholders of the Company at its Extra-Ordinary General Meeting held on January 5, 2018, the Board of Directors of the Company at its meeting held on February 14, 2018 have issued and allotted 3,11,32,076 warrants, convertible into the equal number of equity shares of the Company of face value of ₹ 1 each, at a price of ₹106/- per warrant to Monsoon Studio Private Limited (promoter) and Mr. Anshul Doshi (non-promoter), on a preferential basis.

The Company had received ₹ 82.50 crores, 25% of the total consideration for the aforesaid warrants in financial year 2017-18 as per the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended. Remaining 75% i.e., ₹ 247.50 crores was receivable by August 13, 2019, apparently the concerned warrant holders were not able to exercise their option for entitlement on the due date.

Hence the alloted 3,11,32,076 warrants stands cancelled and the application money received stands forfeited. The said forfeited application money was transferred to Capital reserve during the previous year.

15 OTHER EQUITY

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Securities premium		
As per last balance sheet	766.57	765.94
Add: Movement during the year	-	0.63
	766.57	**766.57**
Capital reserve		
As per last balance sheet	134.27	51.77
Add: Movement during the year (Refer note 14.6)	-	82.50
	134.27	**134.27**
General reserve		
As per last balance sheet	61.09	61.09
	61.09	**61.09**
Retained earnings *		
As per last balance sheet	200.90	57.22
Add / (less): Movement during the year	27.33	143.68
	228.23	**200.90**
Share options outstanding account		
As per last balance sheet	72.24	71.32
Add: Movement during the year	-	0.92
	72.24	**72.24**
Total	**1,262.40**	**1,235.07**

* Includes remeasurement of defined benefit obligations (net of tax), gain of ₹ **0.0**5 crores (March 31, 2020: loss of ₹ 0.10 crores).

16 BORROWINGS (NON-CURRENT)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Term loans (secured)		
From banks (Refer note (a) below)	-	100.88
From others (Refer note (b) below)	21.02	22.35
Term loans (unsecured)		
From others (Refer note (c) below)	200.00	200.00
Total	**221.02**	**323.23**

a. During the earlier year, the Company had availed a Term Loan facility aggregating to ₹ 191 crores at an interest rate based on one-year MCLR + 1.90% with a reset on yearly basis. This term loan was repayable in 84 months from date of the 1st disbursement (including 6 months moratorium) in 26 quarterly instalments (post 6 months moratorium). Considering the COVID-19 pandemic and Reserve Bank of India circular dated March 27, 2020, the Company had obtained moratorium period of up to June 2020 for payment of instalments due in Mar 2020. This term loan was secured by exclusive charge over present and future current assets and movable fixed assets, personal guarantees of promoters, pledge of shares of the Company held by promoters (refer note (d) below), Corporate Guarantee of Reliance Capital Limited of ₹ 100 Crores, exclusive charge by way of mortgage of immovable properties, pledge of 30% shares of subsidiaries viz; Prime Focus Technologies Limited, PF World Limited, Mauritius, Prime Focus 3D Cooperatief U.A., Prime Focus Luxembourg s.a.r.l and DNEG India Media Services Limited.

During the year, Company repaid the entire loan outstanding as on the repayment date. At the year end March 31, 2020, ₹ 100.88 crores (net of transaction fees) was disclosed as non-current and ₹ 33.18 crores was disclosed as current.

b. On August 13, 2014, the Company had entered into a long-term loan agreement with the lender to borrow ₹ 45 crores at an interest rate of 12.50% p.a., to repay the existing term loan and for general corporate purpose which includes working capital and advance payment for capital expenditure. The term loan is to be repayable in 120 equated monthly instalments starting from October 01, 2014 for loan availed on August 29, 2014 and from November 01, 2014 for loan availed on September 05, 2014. Considering the COVID-19 pandemic, the Company has obtained moratorium period of up to June 2020 for payment of instalments due in Mar 2020. Further, the term loan is secured by a specific charge on certain immovable properties of the Company. At the year end March 31, 2021, ₹ 21.02 crores is disclosed as non-current and ₹ 4.56 crores is disclosed as current. At the year end March 31, 2020, ₹ 22.35 crores is disclosed as non-current and ₹ 4.79 crores is disclosed as current.

c. On February 25, 2019, the Company had entered into a long-term loan agreement with the lender for an amount of ₹ 200 crores at an annual interest rate of 10% per annum. This term loan is payable over the period of 48 months (post 27 months moratorium). The loan principal has to be repaid at the end of the tenure and the interest component has to be paid annually post 27 months of moratorium. At the year end March 31, 2021 and March 31, 2020, ₹ 200 crores is disclosed as non-current.

d. The promoters of the Company have pledged 4.13% of shares as at March 31, 2021 and 4.63% of shares March 31, 2020 of the Company towards various borrowings / commitments, including borrowings by the Company.

17 PROVISIONS

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Provisions (non-current)		
Provision for employee benefits: (Refer note 30)		
Provision for gratuity	2.33	2.11
Provision for compensated absences	0.52	0.53
Total	**2.85**	**2.64**
Provisions (current)		
Provision for employee benefits: (Refer note 30)		
Provision for gratuity	0.37	0.36
Total	**0.37**	**0.36**

18 OTHER LIABILITIES

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Other current liabilities		
Advances received from customers	1.04	0.82
Deferred revenue	82.42	73.66
Other payable #	0.92	0.78
Total	**84.38**	**75.26**

Other payables includes withholding taxes, goods and service tax payable and employer and employee contribution to provident and other funds.

19 BORROWINGS (CURRENT)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Cash credit / overdraft (secured)		
From banks (Refer note (a) below)	-	32.13
Short-term demand loan (unsecured)		
Loan from Subsidiary (Refer note (b) below & note 33)	21.82	-
Total	**21.82**	**32.13**

a. Cash credits/ overdraft from banks are secured against first pari passu charge on the Company's current assets both present and future, personal guarantees and pledge of shares of the Company held by promoters (refer note 16d). The cash credit is repayable on demand and carries interest at the rate of 11.00% to 11.25% per annum.

b. Loan from Subsidiary

Name of the Company	As at March 31, 2021	Maximum outstanding balance during the year
PF Digital Media Services Limited	21.82	24.67
	21.82	**24.67**

i Loan taken from subsidiary is considered under "Borrowings (current)", is repayable on demand and management intends to repay the loan within the operating cycle.

ii The above loan carry interest @12% per annum.

iii Loan is taken for working capital purpose.

20 TRADE PAYABLES

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Total outstanding dues to creditors other than micro and small enterprises	22.04	22.02
Dues to group companies (Refer note 33)	2.59	1.10
Total	**24.63**	**23.12**

20.1 According to the records available with the Company, there were no transactions and dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 for the above years.

21 OTHER FINANCIAL LIABILITIES

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Other financial liabilities (non-current)		
Interest accrued and not due on borrowings	21.94	19.76
Deposit received from group companies (Refer note 33)	44.43	89.03
Total	**66.37**	**108.79**
Other financial liabilities (current)		
Current maturities of long-term debt (Refer note 21.1)	4.56	37.97
Interest accrued but not due on borrowings	19.64	3.89
Accrued salaries and benefits	1.53	2.23
Deposits from customers	8.36	3.05
Capital creditors	6.04	4.19
Deposit received from group companies (Refer note 33)	7.87	7.87
Total	**48.00**	**59.20**

Note:

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2021 (March 31, 2020: Nil).

21.1 Current maturity of long term borrowings

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Term loans (secured)		
From banks (Refer note 16 a)	-	33.18
From others (Refer note 16 b)	4.56	4.79
Total	**4.56**	**37.97**

22 REVENUE FROM OPERATIONS

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Sale of services	61.36	119.63
Other operating income		
- Property rentals (Refer note 33)	14.64	12.23
- Export incentives	-	0.03
Total	**76.00**	**131.89**

Included in revenue arising from sales of services of ₹ 61.36 crores (March 31, 2020: ₹ 119.63 crores) is revenue of ₹ 14.44 Crores (March 31, 2020: ₹ 26.87 crores) which arose from sales to the Company's top 5 customers.

23 OTHER INCOME

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income:		
- Bank deposits	0.06	0.06
- Others (includes loan to subsidiaries)	25.78	16.03
- Income tax refund	0.98	-
Dividend income on equity securities *	-	0.00
Gain on redemption of investment	95.06	-
Gain on disposal of property plant and equipments (net)	0.66	0.10
Bad debts recovered	0.26	-
Liabilities/provisions no longer required written back	0.97	2.57
Miscellaneous income	0.17	1.55
Total	**123.94**	**20.31**

* The value 0.00 means amount is below ₹ 50,000/-

24 EMPLOYEE BENEFITS EXPENSE

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	10.66	22.47
Contribution to provident and other funds (Refer note 30)	0.52	0.70
Gratuity (Refer note 30)	0.46	0.44
Staff welfare expenses	0.13	0.37
Total	**11.77**	**23.98**

25 FINANCE COSTS

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Interest on working capital finance	2.98	3.42
Interest on term loan	43.93	44.81
Interest on lease liability	6.21	6.92
Interest on others	6.22	8.17
Total	**59.34**	**63.32**

26 OTHER EXPENSES

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Rent	3.06	5.07
Rates and taxes	2.53	2.17
Rebates and discounts	0.14	0.95
Communication cost	0.58	0.55
Power and fuel	4.25	8.29
Insurance	0.51	0.65
Repairs to buildings	3.00	5.01
Repairs to plant and machinery	1.31	2.90
Legal and professional fees	1.54	2.92
Payment to auditors:		
- Audit fees	0.28	0.28
- In other matters (certification, limited review,taxation,etc.)	0.17	0.17
Travelling and conveyance	0.58	1.52
Property, Plant and Equipment written off / loss on account of fire	-	3.79
Allowance for bad and doubtful debts / advances	2.52	(23.34)
Bad debts and advances written off	0.54	21.98
Investment written off	-	0.06
Directors sitting fees and commission	0.02	0.05
Miscellaneous expenses	2.64	5.86
Total	**23.67**	**38.88**

27 EXCEPTIONAL ITEMS

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Gain on sale of VFX business (Refer note 34)	-	(200.27)
Total	**-**	**(200.27)**

28 INCOME TAX EXPENSE

A. Income tax recognised in Profit and Loss

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Current Tax		
- In respect of prior years / periods (a)	-	-
Deferred Tax (b)		
- In respect of the current year	-	(32.71)
Total Income tax expenses / (credit) recognised in the current year (a+b)	**-**	**(32.71)**

B. Income tax recognised in other comprehensive income

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
- Re-measurement of defined benefit obligation	-	0.02
Tax charge / (credit) recognised in other comprehensive income	-	0.02

C. Income tax recognised in exceptional item

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
- Gain on sale of VFX business	-	60.83
Tax charge recognised in exceptional item	-	60.83

D. Reconciliation of tax expense and the accounting profit/(loss) for the year is as under

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Profit / (Loss) before tax (before exceptional item)	27.18	(66.31)
Applicable tax rate	25.17%	25.17%
Computed tax expense	6.84	(16.68)
Tax effect of:		
Effect of expenses that are not deductible	0.06	(0.19)
Tax effect of adjustments related to capital gains/ losses (including indexation benefit)	-	2.59
MAT asset charged off on opting for lower tax regime	-	6.85
Deferred tax assets recognised now with respect to unused tax losses and depreciation of earlier years	-	(25.28)
Utilisation of previously unrecognised losses	(6.90)	-
Income tax expense recognised in profit or loss	-	(32.71)

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

E. Movement in temporary differences

₹ Crores

	Balance as at March 31, 2021	Recognised in Profit / Loss during 2020-21	Recognised in OCI during 2020-21	Balance as at March 31, 2020	Recognised in Profit / Loss during 2019-20 (including exceptional item) *	Recognised in OCI during 2019-20	Balance as at March 31, 2019
Deferred tax liability							
Difference between tax books and written down value of PPE and other intangible assets	60.37	(0.91)	-	61.28	6.79	-	54.49
Others	0.66	(0.10)	-	0.76	0.72	-	0.04
	61.03	(1.01)	-	62.04	7.51	-	54.53

₹ Crores

	Balance as at March 31, 2021	Recognised in Profit / Loss during 2020-21	Recognised in OCI during 2020-21	Balance as at March 31, 2020	Recognised in Profit / Loss during 2019-20 (including exceptional item) *	Recognised in OCI during 2019-20	Balance as at March 31, 2019
Deferred tax assets							
Unabsorbed loss / depreciation carried forward	51.41	(0.67)	-	52.08	(13.93)	-	66.01
Related to premium on redemption of NCD's	-	-	-	-	-	-	-
Provision for doubtful debts / advances	2.63	0.63	-	2.00	(7.11)	-	9.11
Lease Liability	6.30	(1.04)	-	7.34	7.34	-	-
Others	0.69	0.07	-	0.62	(0.06)	0.02	0.66
Mat credit entitlement	-	-	-	-	(6.85)	-	6.85
	61.03	(1.01)	-	62.04	(20.61)	0.02	82.63
Net deferred tax (assets)	-	-	-	-	28.12	(0.02)	(28.10)

* Tax of ₹ 60.83 crores has been netted off against exceptional gain in the previous year.

F. Unrecognised deferred tax assets

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Unabsorbed business loss FY 2012-13 (AY 2013-14)*	-	37.13
Unabsorbed business loss FY 2014-15 (AY 2015-16)	-	0.17
Unabsorbed Depreciation FY 2020-21 (AY 2021-22)	1.94	-
	1.94	37.30

G. Tax lossess carried forward

	As at March 31, 2021 (₹ Crores)	Will expire in FY	As at March 31, 2020 (₹ Crores)	Will expire in FY
Unabsorbed business loss FY 2014-15 (AY 2013-14)*	-	-	147.52	2020-21
Unabsorbed business loss FY 2014-15 (AY 2015-16)	-	-	0.69	2022-23
Unabsorbed Depreciation FY 2020-21 (AY 2021-22)	7.71	Indefinite life	-	-

* The unabsorbed business loss for the FY 2012-13, has been expired during the year.

29 EARNINGS PER EQUITY SHARE (EPS)

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

Diluted EPS amounts are calculated by dividing the net (loss) / profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

₹ Crores

	Year end March 31, 2021	Year end March 31, 2020
Net Profit after tax as per Statement of Profit and Loss attributable to equity shareholders (after exceptional items)	27.18	166.67
Less: Exceptional items (net of tax)	-	(200.27)
Profit / (Loss) after tax (before exceptional items)	27.18	(33.60)
Weighted average number of Equity shares for basic EPS	29,92,48,978	29,92,07,631
Effects of dilution:		
Weighted average potential Equity shares	-	-
Weighted average number of Equity shares adjusted for the effect of dilution	29,92,48,978	29,92,07,631
Earnings per share (before exceptional items)		
Basic earnings per share (₹)	0.91	(1.12)
Diluted earnings per share (₹) (Refer note below)	0.91	(1.12)
Earnings per share (after exceptional items)		
Basic earnings per share (₹)	0.91	5.57
Diluted earnings per share (₹) (Refer note below)	0.91	5.57
Nominal value of shares (₹)	1.00	1.00

Note: Potential equity shares are anti-dilutive in nature and hence diluted earnings per share is same as basic earnings per share.

30 EMPLOYEE BENEFIT PLANS

30.1 Defined Contribution Plans

The Company makes provident fund, Employee State Insurance and employees' pension scheme contribution to the relevant authorities, which are defined contribution plans for the qualifying employees.

Contribution to defined contribution plans, recognised as expense for the year is as under :

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Employer's contribution to provident fund and other funds	0.52	0.70

30.2 Defined benefit plans

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

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

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

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

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

(i) Expense recognised in Statement of Profit and Loss:

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
In Income Statement		
Current service cost	0.29	0.28
Interest cost	0.17	0.16
Net cost	**0.46**	**0.44**
In Other Comprehensive Income		
Actuarial (gain) / loss	(0.15)	0.08
Net expenses for the year recognised in OCI	**(0.15)**	**0.08**

(ii) Reconciliation of opening and closing balances of defined benefit obligation :

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Defined benefit obligation at beginning of the year	2.47	2.27
Current service cost	0.29	0.28
Interest cost	0.17	0.16
Liability transferred out / disinvestments	-	(0.20)
Actuarial (gain)/loss on obligation - due to change in financial assumptions *	0.02	0.21
Actuarial (gain)/loss on obligation - due to experience	(0.17)	(0.13)
Benefits paid	(0.08)	(0.12)
Defined benefit obligation at year end	**2.70**	**2.47**

(iii) Actuarial Assumptions

	Year ended March 31, 2021	Year ended March 31, 2020
Discount Rate (p.a.)	6.82%	6.89%
Rate of escalation in salary (p.a.)	5.00%	5.00%
Attrition Rate	For Service period 4 years and below 10% p.a. and for service period of above 4 years 2.00% p.a.	For Service period 4 years and below 10% p.a. and for service period of above 4 years 2.00% p.a.
Mortality Table *	IALM 2006-08	IALM 2006-08

* IALM - Indian Assured Lives Mortality

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

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

(iv) Sensitivity Analysis:

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

	2020-21		2019-20	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (1% movement)	(0.25)	0.29	(0.24)	0.28
Future salary appreciation (1% movement)	0.26	(0.23)	0.25	(0.23)
Attrition rate (1% movement)	0.05	(0.06)	0.05	(0.05)

31 FINANCIAL INSTRUMENTS

31.1 Capital risk management

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

The management sets the amounts of capital required in proportion to risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and risk characteristics of the underlying assets.

The capital structure of consists of borrowings, offset by cash and bank balances, equity (comprising issued capital, reserves and retained earnings as detailed in statement of changes in shareholders' equity), and share warrants. The debt equity ratio for current year is 0.21 as on March 31, 2021 (March 31, 2020: 0.31)

During the year, the Company's strategy was to monitor and manage the use of funds whilst developing business strategies and marketing.

31.2 Financial Risk Management objectives

A wide range of risks may affect the Company's business and financial results. Amongst other risks that could have significant influence on the Company are market risk, credit risk and liquidity risk.

The Board of Directors of the Company manage and review the affairs of the Company by setting up short term and long-term budgets by monitoring the same and taking suitable actions to minimise potential adverse effects on its operational and financial performance.

31.3 Market risk

The Company is primarily exposed to the following market risks.

31.3.1 Foreign currency risk management

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

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

Particulars	Foreign Currency Denomination	As at March 31, 2021		As at March 31, 2020	
		Foreign Currency	₹ Crores	Foreign Currency	₹ Crores
Financial Assets	GBP	3,27,131	3.30	4,36,077	4.03
	AED	51,300	0.10	-	-
	USD	1,26,033	0.92	1,11,31,993	83.20
	EURO	3,012	0.03	3,012	0.02
	CAD	-	-	1,19,244	0.63
Total			**4.35**		**87.88**
Financial Liabilities	GBP	-	-	8,000	0.07
	EURO	43,342	0.37	17,392	0.14
	USD	44,840	0.33	42,600	0.32
Total			**0.70**		**0.53**
Net Exposure			**3.65**		**87.35**

The Company's sensitivity to a 5% appreciation/depreciation of above mentioned foreign currencies with respect to Rupee would result in decrease/ increase in the Company's net (loss) / profit before tax by approximately ₹ 0.18 Crores for the year ended March 31, 2021 (March 31, 2020: ₹ 4.37 crores). This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

31.3.2 Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at floating interest rates also. During the year, the Company has repaid in full it's long-term borrowings carrying floating interest rate.

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 on such borrowings would have decreased equity and profit for the year by ₹ Nil and ₹ 0.86 crores for March 31, 2021 and March 31, 2020 respectively and a 50 basis point decrease in floating interest rates on such borrowings would have increased equity and profit by the same amount respectively.

31.3.3 Credit risk management

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

(i) The Company has a low credit risk in respect of its trade receivables, its principal customers being reputed production houses, national broadcasters and major organisations which the Company has worked with for number of years. However, as Company grows its customer base and works with more independent producers it will experience an increased credit risk environment. The Company is also exposed to credit risk in respect of its cash and seeks to minimise this risk by holding funds on deposit with banks and others.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 62.35 crores and ₹ 57.02 crores as at March 31, 2021 and March 31, 2020 respectively, being the total of the carrying amount of the balances with banks, bank deposits, investments (excluding equity and preference investments), trade receivables, unbilled revenue and other financial assets (excluding group company receivables).

The Company's exposure to customers is diversified and one single customer contributes to more than 10% of outstanding trade receivables and unbilled revenue as at March 31, 2021 (One customer in March 31, 2020).

31.4 Liquidity risk management

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

Management monitors rolling forecasts of the Company's liquidity position (comprising of undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks and others to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

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

₹ Crores

	Less than 1 year	Between 1 and 5 years
As at March 31, 2021		
Long term and short term borrowings	26.38	221.02
Lease liabilities	15.42	31.55
Interest accrued but not due	19.64	21.94
Trade payables	24.63	-
Deposit received	7.87	44.43
Others	15.93	-
	109.87	318.94

₹ Crores

	Less than 1 year	Between 1 and 5 years
As at March 31, 2020		
Long term and short term borrowings	70.10	323.23
Lease liabilities	14.68	45.41
Interest accrued but not due	3.89	19.76
Trade payables	23.12	-
Deposit received	7.87	89.03
Others	9.47	-
	129.13	477.43

31.5 Fair value instruments

₹ Crores

Financial Assets	Carrying Value		Fair Value		Fair Value hierarchy
	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020	
FVTPL					
Investments (Refer note 31.5.a)	0.01	0.01	0.01	0.01	Level 3
Amortised Cost					
Investments	618.17	781.13	-	-	
Loans	308.78	164.22	-	-	
Trade receivables	33.38	45.00	-	-	
Cash and cash equivalent	22.31	0.18	-	-	
Other bank balances	0.06	0.05	-	-	
Other financial assets	156.81	240.48	-	-	
Total	**1,139.51**	**1,231.07**	**0.01**	**0.01**	

Financial Liabilities	As at March 31,2021	As at March 31,2020	As at March 31,2021	As at March 31,2020	Fair Value hierarchy
Amortised Cost					
Borrowings	288.98	416.98	-	-	
Lease liabilities	46.97	60.09	-	-	
Trade payable	24.63	23.12	-	-	
Deposits received	52.30	96.90	-	-	
Other financial liabilities	15.93	9.47	-	-	
Total	**428.81**	**606.56**	**-**	**-**	

a. Accounting classification and fair value

The following table disclose the fair values of financial assets and financial liabilities, including their levels in fair value hierarchy

₹ Crores

Financial Assets / Liabilities	As at March 31, 2021	As at March 31, 2020	Fair Value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Financial Assets						
Investment	0.01	0.01	Level 3	Discounted cash flows	Discount rate and probable cash flows	Higher the discount rate, lower the fair value

32 SHARE BASED PAYMENTS

A. During the financial year 2014-15, the Board of Directors of the Company and its Shareholders' approved a share option plan and reserved 17,932,738 common shares for issuance thereunder. During the financial year 2016-17, options totalling to 17,932,738 ordinary shares were granted to certain identified eligible employees. Detailed description of share based payment arrangements is as below:

(a)	Date of shareholders' approval	August 1, 2014
(b)	Total number of options approved under ESOP	1,79,32,738
(c)	Vesting requirements	Out of the total options granted, 45.88% options vest after 1st year, 45.88% options vest after 2nd year and 8.24% options vest after 3rd year from the date of respective grant.
(d)	Exercise price or pricing formula	₹ 52
(e)	Maximum term of options granted	5 years from each vesting date
(f)	Source of shares (primary, secondary or combination)	Primary
(g)	Variation in terms of options	Modified exercise period from 2 to 5 years (Refer note (c) below)

B. The weighted average fair value of the share option granted during the financial year 2016-17 is ₹ 32.26/-. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 2 – 4 years.

Inputs into the model were as follows:

(a)	Grant date share price	₹ 68.35
(b)	Exercise price	₹ 52.00
(c)	Expected volatility	49.67% – 46.62%
(d)	Expected life	2 – 4 years
(e)	Dividend yield	-
(f)	Risk free interest rate	6.85% to 6.97%

C. The Company had extended the exercise period of all outstanding options from 2 years to 5 years in financial year 2018-19. The weighted average incremental fair value of the share options modified was ₹ 8.72/-. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 1.90 – 3.40 years.

Inputs into the model were as follows:

(a)	Weighted average share price	₹ 70.80
(b)	Exercise price	₹ 52.00
(c)	Expected volatility	49.10% – 46.60%
(d)	Expected life	1.90 – 3.40 years
(e)	Dividend yield	-
(f)	Risk free interest rate	7.90 % to 8.00 %

D. Reconciliation of outstanding share options:

	March 31, 2021		March 31, 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at April 1	1,75,62,734	52.00	1,76,29,400	52.00
Granted during the year	-	-	-	-
Forfeited / lapsed during the year	-	-	-	-
Exercised during the year	-	-	66,666	52.00
Outstanding at March 31	1,75,62,734	52.00	1,75,62,734	52.00
Exercisable at March 31	1,75,62,734	52.00	1,75,62,734	52.00

Fair value of Nil option vested during the year is ₹ Nil (March 31, 2020: 14,77,580 option was ₹ 6.53 crores)

Money realised by exercise of option during the year is ₹ Nil (March 31, 2020: ₹ 0.35 crores).

The options outstanding at March 31, 2021 have an exercise price of ₹52/- (March 31, 2020: ₹ 52/-) and a weighted average remaining contractual life of 2 year (March 31, 2020: 3 years)

Weighted average share price at the date of the exercise of share options exercised in 2020-21 is ₹ Nil (March 31, 2020: ₹ 83.90).

E. Expense recognised in Statement of Profit and Loss

The Company has followed the fair value method to account for the grant of stock options and charge for the year ended March 31, 2021 is ₹ Nil (March 31, 2020: ₹ 1.21 Crores).

33 RELATED PARTY TRANSACTIONS

a. List of parties where control exists, irrespective of transactions:

i) Subsidiary companies

De-fi Media Limited

Prime Focus Technologies Limited

Prime Focus Production Services Private Limited

GVS Software Private Limited

Prime Focus Motion Pictures Limited

PF World Limited, (Mauritius)

PF Investments Limited (Mauritius)

PF Digital Media Services Limited (formerly known Prime Focus 3D India Private Limited)

Prime Focus Malaysia Sdn. Bhd. (closed w.e.f. October 08, 2019)

Jam8 Prime Focus LLP (Incorporated on April 22, 2019)

ii) Step-down subsidiary companies

Subsidiary companies of PF World Limited (Mauritius)

PF Media Limited (formerly known as Reliance MediaWorks (Mauritius) Limited) (Subsidiary w.e.f. March 31, 2020)

PF Overseas Limited (Mauritius) (transferred as subsidiary from Prime Focus Limited (w.e.f November 20, 2020))

Prime Focus Media Uk Limited (incorporated on September 07, 2020)

Prime Focus Luxembourg S.a.r.l

Prime Focus 3D Cooperatief U.A. (Subsidiary of Prime Focus Luxembourg S.a.r.l)

DNEG Plc (formerly known as DNEG Limited) (Subsidiary of Prime Focus World N.V.)

Prime Focus World N.V. (Subsidiary of Prime Focus 3D Cooperatief U.A.)

Prime Focus International Services UK Limited (Subsidiary of Prime Focus World N.V.)

DNEG North America Inc. (Formerly known as Prime Focus North America Inc.) (Subsidiary of Prime Focus World N.V.)
REDEFINE FX LIMITED (Formerly known as RE:DEFINE FX LIMITED) (Subsidiary of Prime Focus World N.V.)
Double Negative Montreal Production Limited (Subsidiary of Prime Focus World N.V.)
Prime Focus ME Holdings Limited (Subsidiary of Prime Focus World N.V.)
Prime Focus World Malaysia Sdn. Bhd. (Subsidiary of Prime Focus World N.V.) (closed w.e.f. October 08, 2019)
Double Negative Canada Productions Limited (Subsidiary of Prime Focus World N.V.)
Vegas II VFX Limited (Subsidiary of Double Negative Canada Production Limited)
Double Negative Huntsman VFX Limited (Subsidiary of Double Negative Canada Productions Limited)
Prime Focus China Limited (Subsidiary of Prime Focus World N.V.)
Prime Focus (HK) Holdings Limited. (Subsidiary of Prime Focus China Limited) (closed on March 05, 2021)
Double Negative Holdings Limited (Subsidiary of Prime Focus World N.V.)
Double Negative Limited (Subsidiary of Double Negative Holdings Limited)
Double Negative Singapore Pte Limited (Subsidiary of Double Negative Holdings Limited)
Double Negative Film Limited (Subsidiary of Double Negative Holdings Limited)
Double Negative LA LLC (Subsidiary of Double Negative Holdings Limited)
Incamera Limited (Subsidiary of Double Negative Holdings Limited) (incorporated on February 10, 2021)
Prime Focus VFX USA Inc. (Subsidiary of Prime Focus World N.V.) (closed on April 14, 2020)
DNEG India Media Services Limited
Prime Focus Academy of Media & Entertainment Studies Private Limited (Subsidiary of DNEG India Media Services Limited)

<u>Subsidiary companies of Prime Focus Technologies Limited</u>

Prime Focus Technologies UK Limited
Prime Focus Technologies, Inc.
Apptarix Mobility Solutions Private Limited
Prime Focus Technologies PTE Limited (incorporated on September 18, 2020)
Prime Post Europe Limited (Subsidiary of Prime Focus Technologies UK Limited)
Prime Focus MEAD FZ LLC (Subsidiary of Prime Focus Technologies UK Limited)
DAX PFT LLC (Subsidiary of Prime Focus Technologies, Inc., merged with Prime Focus Technologies, Inc. on July 20, 2020)
DAX Cloud ULC (Subsidiary of Prime Focus Technologies, Inc.)

<u>Subsidiary companies of PF Media Limited (formerly known as Reliance Media Works (Mauritius) Limited)</u>

Lowry Digital Imaging Service Inc (formerly known as Reliance Lowry Digital Imaging Services Inc.)

b. **Key management personnel (KMP)**

Mr. Namit Malhotra – Non Executive Director
Mr. Naresh Malhotra – Chairman and Whole-time Director
Mr. Ramakrishnan Sankaranarayanan – Non Executive Director (Change in designation from Managing Director w.e.f. June 25, 2020)
Mr. Nishant Fadia – Chief Financial Officer
Ms. Parina Shah – Company Secretary

c. **Enterprises owned or significantly influenced by Key Management Personnel or their relatives**

Blooming Buds Coaching Private Limited
A2R Holdings (w.e.f., December 23, 2020)
Monsoon Studio Private Limited

e. **List of related parties with whom transactions have taken place during the year**

(i) **Subsidiary companies**

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Revenue		
Prime Focus Technologies Limited	0.05	0.67
De-Fi Media Limited	0.28	0.32
Other operating income - Rent		
Jam8 Prime Focus LLP	1.25	1.25
Technical service cost		
Prime Focus Technologies Limited	0.01	0.19
PF Digital Media Services Limited	2.31	1.13
Jam8 Prime Focus LLP	0.04	0.18
Reimbursement of expenses incurred by		
Prime Focus Technologies Limited	0.26	0.10
Jam8 Prime Focus LLP	0.26	0.02
Reimbursement of expenses incurred on behalf of		
Prime Focus Technologies Limited	1.20	1.31
GVS Software Private Limited *	0.00	0.00
Prime Focus Production Services Private Limited *	0.00	-
De-Fi Media Limited	0.27	(0.13)
PF Digital Media Services Limited	0.01	0.01
Prime Focus Motion Pictures Limited *	0.00	0.00
Jam8 Prime Focus LLP *	0.00	0.04
Management fees (Income)		
PF Overseas Limited (Mauritius)	0.02	-
Purchase of assets		
PF Digital Media Services Limited	2.09	-
Investments		
PF World Limited, Mauritius	59.93	36.61
Redemption of Investments (including premium on redemption)		
PF World Limited, Mauritius	317.95	-
Advance given		
Prime Focus Motion Pictures Limited	-	0.75
Prime Focus Production Services Private Limited *	-	0.00
GVS Software Private Limited *	-	0.00
Loans given to		
Prime Focus Technologies Limited	277.55	123.17
PF Digital Media Services Limited	16.02	25.48
Jam8 Prime Focus LLP	2.83	3.00
Loans repaid by (including interest, where applicable)		
Prime Focus Technologies Limited	140.15	98.32

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
PF Digital Media Services Limited	37.09	13.14
Jam8 Prime Focus LLP	-	0.16
Loan received from		
PF Digital Media Services Limited	28.00	-
Loans repaid to (including interest, where applicable)		
PF Digital Media Services Limited	6.61	-
Interest on loans given		
Prime Focus Technologies Limited	23.78	13.87
PF Digital Media Services Limited	1.14	1.56
Jam8 Prime Focus LLP	0.48	0.13
Interest on loan taken		
PF Digital Media Services Limited	0.62	-

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Security deposit given		
PF Digital Media Services Limited	-	17.85
Security deposit repaid		
Prime Focus Technologies Limited	60.00	-
Interest expense on Security deposit received		
Prime Focus Technologies Limited	5.29	7.20
PF Digital Media Services Limited	0.62	-
Interest paid on Security deposit received		
Prime Focus Technologies Limited	6.08	7.08
Investment		
Jam8 Prime Focus LLP	-	0.01
Balance outstanding		
Trade receivables		
Prime Focus Technologies Limited	0.05	-
Prime Focus Motion Pictures Limited	0.32	0.32
PF Overseas Limited (Mauritius)	0.02	-
De-Fi Media Limited	-	0.32
Jam8 Prime Focus LLP	0.15	1.35
Trade payables		
Prime Focus Motion Pictures Limited	0.47	0.77
Prime Focus Technologies Limited	0.31	0.02
PF Digital Media Services Limited	1.73	0.05
Jam8 Prime Focus LLP	0.05	0.22
Other payables		
De-Fi Media Limited	-	0.13
Other receivable (including receivable towards sale of business / investment)		

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Prime Focus Production Services Private Limited	0.01	0.01
GVS Software Private Limited	0.02	0.02
Prime Focus Motion Pictures Limited	0.06	0.06
Prime Focus Technologies Limited	0.77	0.37
PF Digital Media Services Limited	0.00	0.00
PF World Limited, Mauritius	-	82.22
Jam8 Prime Focus LLP*	0.00	0.04
Unbilled revenue		
Jam8 Prime Focus LLP*	0.00	-
PF Digital Media Services Limited*	0.00	-
Prime Focus Technologies Limited	0.23	-
Loans receivable (including interest, where applicable)		
PF Digital Media Services Limited	-	19.93
Prime Focus Technologies Limited	302.53	141.33
Jam8 Prime Focus LLP	6.25	2.96
Loans payable (including interest, where applicable)		
PF Digital Media Services Limited	22.01	-
Advance receivable		
Prime Focus Motion Pictures Limited	13.10	12.40
Security deposit payable (including interest, where applicable)		
Prime Focus Technologies Limited	-	60.80

* against PF Digital media Services Limited

(ii) Step-down Subsidiaries

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Other operating income - Rent		
DNEG India Media Services Limited	13.39	10.32
Technical service cost		
DNEG India Media Services Limited	-	0.65
Revenue		
DNEG India Media Services Limited	-	1.01
Prime Focus International Services UK Limited	0.17	-
Other operating expense - Rent		
DNEG India Media Services Limited	-	0.08
Reimbursement of expenses incurred by		
DNEG India Media Services Limited	0.12	0.29
Reimbursement of expenses incurred on behalf of		
DNEG India Media Services Limited	3.89	4.90
Redefine FX Limited	0.15	0.86
VFX division slump sale consideration		

₹ Crores

	As at March 31, 2021	As at March 31, 2020
DNEG India Media Services Limited	-	273.43
Receipt towards VFX division slump sale consideration		
DNEG India Media Services Limited	-	135.00
Sale / redemption of investments		
PF Media Limited @	-	82.22
PF Overseas Limited (Mauritius) * @	0.00	-
Security deposit received		
DNEG India Media Services Limited	193.55	203.25
Security deposit repaid		
DNEG India Media Services Limited	178.15	201.45
Balance outstanding		
Trade receivables		
DNEG India Media Services Limited	4.38	1.21
Trade Payables		
DNEG India Media Services Limited	0.03	0.04
Other receivable (including receivable towards sale of business / investment)		
DNEG India Media Services Limited	139.69	139.38
Unbilled revenue		
DNEG India Media Services Limited	1.37	-
Security deposit payable		
DNEG India Media Services Limited	52.30	36.90

(iii) Key Management Personnel #

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Remuneration		
Mr. Naresh Malhotra**	0.89	1.18
Mr. Nishant Fadia	0.44	0.59
Ms. Parina Shah	0.21	0.26
Balance Outstanding – Remuneration Payable		
Mr. Naresh Malhotra**	0.12	0.07
Mr. Nishant Fadia	0.06	0.04
Ms. Parina Shah	0.03	0.02

(iv) Enterprises owned or significantly influenced by key management personnel or their relatives:

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Interest expense on lease liability		
Blooming Bud Coaching Private Limited	2.21	2.43
Balance outstanding		
Deposit		
Blooming Buds Coaching Private Limited	5.30	5.30
Lease liability		
Blooming Buds Coaching Private Limited	18.03	20.15

(v) The Company has given guarantee on behalf of subsidiaries and step-down subsidiaries as described below:

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Prime Focus Technologies Limited	39.00	289.00
DNEG India Media Services Limited	134.00	195.66
De-Fi Media Limited [$ 14,500,000 (March 31, 2020; $ 14,500,000)]	106.18	108.38
Prime Focus Technologies Inc [$ Nil (March 31, 2020; $ 11,000,000)]	-	82.22
	279.18	675.26

* The value 0.00 means amount is below ₹50,000/-.

** This key management personnel has given personal guarantee and has pledged part of his shareholdings for borrowings obtained by the Company (Refer Notes 16 and 19).

The figures of Key management personnel do not include provisions for gratuity / other employee benefit as separate actuarial valuation not available. Under ESOP Scheme 2014, 27,80,000 options were granted to Key management personnel.The stock options outstanding for KMP's as at March 31, 2021 is 27,70,000 (March 31, 2020: 27,70,000) and employee stock option expense for the year March 31, 2021 is ₹ Nil (March 31, 2020: ₹ 0.01 crores).

@ During the year, the Company has completely sold of its entire shareholding of PF Overseas Limited to PF World Limited (Mauritius), another subsidiary for a consideration of $ 100 (equivalent to ₹ 7,400 only).

@ During the previous year, the Company has completely sold of its entire shareholding of PF Media Limited (Formerly known as Reliance Media Works (Mauritius) Limited to Prime Focus World Mauritius, another subsidiary for a consideration of $ 11 Million (equivalent to ₹ 82.22 crores). The Company booked a loss of ₹ 21.82 crores on account of the same and accounted the same in "Retained earnings", this being in the nature of common control business combination. The Company received ₹ 82.22 crores from PF World Limited (Mauritius).

All contracts / arrangements with related parties are at arms length.

34 Pursuant to shareholders' approval, a business transfer agreement (the "BTA") was executed during the previous year between the Company and DNEG Creative Services Limited, a subsidiary of the Company, for sale of the Company's VFX business on a slump sale basis effective April, 01, 2019. The said sale transaction was consummated for a consideration of ₹ 273.43 crores and gain of ₹ 200.27 crores (net of tax of ₹ 60.83 crores) was recorded as an exceptional item. The Company received ₹ 135.00 crores during the previous year and expects to receive the balance within the next year.

35 LEASES

a. Maturity profile of lease liabilities

₹ Crores

	As at March 31, 2021		As at March 31, 2020	
	Carrying Amount	Undiscounted Cash flow	Carrying Amount	Undiscounted Cash flow
within one year	15.42	20.65	14.68	21.05
later than one year and not later than five years	31.55	37.30	41.50	51.16
later than five years	-	-	3.91	4.10
	46.97	**57.95**	**60.09**	**76.31**

36 CAPITAL AND OTHER COMMITMENTS

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account (net of advances), and not provided for:	5.53	8.55

37 CONTINGENT LIABILITIES

₹ Crores

		As at March 31, 2021	As at March 31, 2020
I	Income Tax matters under Dispute		
	Relates to demands raised by the income tax authorities for various assessment years mainly on account of disallowance of depreciation on computer based assets, addition under Transfer Pricing provisions and Tax Deducted at source (TDS) amounts.	-	0.49
II	Guarantees given on behalf of subsidiaries and step-down subsidiaries	279.18	675.25
	In the above matter, the Company is hopeful of succeeding and as such does not expect any significant liability to crystalize.		

38 CORPORATE SOCIAL RESPONSIBILITY

In view of the average net loss in past three immediately preceding financial years, the Company was not required to and did not incur any expenditure towards the Corporate Social Responsibility activities during FY 2020-21 (previous year ₹ Nil).

39 SEGMENT REPORTING

As per Ind AS 108 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

40 GLOBAL HEALTH PANDEMIC ON COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has considered internal and external information up to the date of approval of these financial statements in assessing the recoverability of receivables including unbilled receivables, goodwill, investment, loans and other assets. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of COVID-19 remains uncertain and may be different from what the Company have estimated as of the date of approval of these financial statements.

41 EVENT AFTER REPORTING PERIOD

There were no events after the reporting period requiring adjustments or disclosures in these financial statements (refer note 40 relating to COVID-19 pandemic).

42 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on June 30, 2021.

In terms of our report attached.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
Partner

Place : Chicalim, Goa
Date : June 30, 2021

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-timeDirector
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Place : Mumbai
Date : June 30, 2021

Independent Auditor's Report

To The Members of Prime Focus Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Prime Focus Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2021, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2021, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in the sub-paragraphs (a) of the Other Matters section below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No	Key Audit Matter	Auditor's Response
1	**Revenue recognition in respect of fixed price contracts (including variable considerations)** (Note 3.1.1 to the Financial Statements). Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has an inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining performance obligations.	**Principal audit procedure performed:** This matter relates to a significant component which has been audited by another auditor. As Parent auditor, procedures performed included reviewing the deliverables provided by the component auditor and engaging in discussions with them to understand the procedures performed by that auditor. We have reviewed the working papers of the component auditors and sought information and explanations from the component auditors, as considered, necessary. Emanating therefrom, their audit approach was a combination of test of internal controls and substantive procedures which included the following: • Evaluation of the design of controls relating to recording of efforts incurred and estimation of efforts required to complete the (balance) performance obligations. • Performing test of details for reasonableness of incurred and estimated efforts. • Selecting a sample of contracts and performing a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract.

Information Other than the Financial Statements and Auditor's Report Thereon

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

Management's Responsibility for the Consolidated Financial Statements

The Parent's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated changes in equity of the Group in accordance with the Ind AS and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibility for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of 40 subsidiaries, whose financial statements reflect total assets of Rs. 6,318.70 crore as at March 31, 2021, total revenues of Rs. 2,316.96 crore and net cash inflows amounting to Rs. 67.26 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries / entities referred to in the Other Matter section above we report, to the extent applicable that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors of the Parent as on March 31, 2021 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:

    i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

    ii) the Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

    iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, and its subsidiary companies incorporated in India.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 21103999AAAAHE7331

Chicalim, Goa, June 30, 2021

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated financial statements of the Company as of and for the year ended March 31, 2021, we have audited the internal financial controls over financial reporting of Prime Focus Limited (hereinafter referred to as "the "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2021, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 6 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No.117364W / W100739)

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 21103999AAAAHE7331

Chicalim, Goa, June 30, 2021

Consolidated Balance Sheet as at March 31, 2021

₹ Crores

	Notes	As at March 31, 2021	As at March 31, 2020
ASSETS			
Non-current assets			
Property, plant and equipment	4	394.67	424.61
Capital work-in-progress		17.19	32.19
Goodwill	7	1,073.90	1,083.07
Other intangible assets	5	512.53	491.09
Right to use assets	6	991.48	927.04
Intangible assets under development	44	12.54	14.96
Financial assets			
Investments	8	0.26	4.33
Trade receivable	9	1.60	1.64
Other financial assets	10	321.25	107.58
Deferred tax assets (net)	33 d	118.04	117.48
Income tax asset (net)		110.41	125.61
Other non-current assets	11	37.29	49.05
Total non-current assets		**3,591.16**	**3,378.65**
Current assets			
Inventories	12	0.74	0.45
Financial assets			
Trade receivables	13	220.76	576.78
Cash and cash equivalents	14 a	366.70	256.09
Bank balance other than (ii) above	14 b	11.49	4.30
Other financial assets	15	974.25	600.99
Income tax asset (net)		0.12	-
Other current assets	16	198.43	197.29
Total current assets		**1,772.49**	**1,635.90**
Total assets		**5,363.65**	**5,014.55**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	29.92	29.92
Other equity	18	236.61	362.50
Equity attributable to owners of the Company		**266.53**	**392.42**
Non-controlling interests		79.95	84.06
Total equity		**346.48**	**476.48**

₹ Crores

	Notes	As at March 31, 2021	As at March 31, 2020
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	695.47	1,073.92
Lease liabilities	41	864.02	744.99
Other financial liabilities	20	139.55	141.07
Provisions	21	29.46	25.91
Deferred tax liabilities (net)	33 d	34.23	45.36
Other non-current liabilities	22	0.50	0.75
Total non-current liabilities		**1,763.23**	**2,032.00**
Current liabilities			
Financial liabilities			
Borrowings	23	1,941.57	1,183.94
Lease liabilities	41	261.40	175.64
Trade payables			
total outstanding dues of micro enterprises and small enterprises		-	0.52
total outstanding dues of creditors other than micro enterprises and small enterprises		201.95	196.32
Other financial liabilities	24	447.64	320.70
Provisions	25	58.68	59.04
Current tax liabilities (net)		30.31	54.85
Other current liabilities	26	312.39	515.06
Total current liabilities		**3,253.94**	**2,506.07**
Total liabilities		**5,017.17**	**4,538.07**
Total equity and liabilities		**5,363.65**	**5,014.55**

See accompanying notes to the consolidated financial statements 1 to 49

In terms of our report attached.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
Partner

Place : Chicalim, Goa
Date : June 30, 2021

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-timeDirector
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Place : Mumbai
Date : June 30, 2021

Consolidated Statement of Profit and Loss for the year ended March 31, 2021

₹ Crores

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Income			
Revenue from operations	27	2,536.49	2,929.24
Other income	28	17.14	17.44
Exchange gain (net)		56.65	66.56
Total Income		**2,610.28**	**3,013.24**
Expenses			
Employee benefits expense	29	1,467.70	1,806.62
Employee stock option expense		30.08	129.84
Technician fees		35.70	33.21
Technical service cost		77.59	120.22
Finance costs	30	251.02	231.40
Depreciation and amortisation expense	4, 5 & 6	421.96	381.38
Other expense	31	342.20	438.91
Total expenses		**2,626.25**	**3,141.58**
Loss before exceptional item and tax		**(15.97)**	**(128.34)**
Exceptional items - loss (net of tax)	32	22.61	67.56
Loss before tax		**(38.58)**	**(195.90)**
Tax expense	33		
Current tax		25.24	44.85
Deferred tax credit		(7.68)	(86.87)
		17.56	**(42.02)**
Loss for the year		**(56.14)**	**(153.88)**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurements of defined benefit obligation		1.66	(4.90)
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.38)	1.22
B (i) Items that will be reclassified to the profit or loss			
Exchange difference in translating the financial statements of foreign operations		(106.50)	(85.04)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive loss		**(105.22)**	**(88.72)**
Total comprehensive loss for the year		**(161.36)**	**(242.60)**

₹ Crores

	Notes	Year ended March 31, 2021	Year ended March 31, 2020
Loss attributable to			
Owners of the Company		(43.40)	(131.50)
Non-controlling interests / (recoveries)		(12.74)	(22.38)
Other comprehensive income attributable to			
Owners of the Company		(102.30)	(85.43)
Non-controlling interests / (recoveries)		(2.92)	(3.29)
Total comprehensive income attributable to			
Owners of the Company		(145.70)	(216.93)
Non-controlling interests / (recoveries)		(15.66)	(25.67)
* The value 0.00 means amount is below ₹ 50,000/-			
Earnings per equity share of face value of ₹ 1 each	35		
Before exceptional items (net of tax)			
Basic & diluted (in ₹)		(1.12)	(2.88)
After exceptional items (net of tax)			
Basic & diluted (in ₹)		(1.87)	(5.14)

See accompanying notes to the consolidated financial statements 1 to 49

In terms of our report attached.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
Partner

Place : Chicalim, Goa
Date : June 30, 2021

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-timeDirector
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Place : Mumbai
Date : June 30, 2021

Consolidated Statement of Changes in Equity for the year ended March 31, 2021

A. Equity share

₹ Crores

	Amount
Balance as at April 01, 2019	29.92
Issue of equity shares under employee stock option plan (refer note 39) *	0.01
Balance as at March 31, 2020	**29.92**
Issue of equity shares under employee stock option plan	-
Balance as at March 31, 2021	**29.92**

* Issued, Subscribed and Paid up as at March 31, 2021 is amounting to ₹ 29,92,48,978 (March 31, 2020 ₹ 29,92,48,978) after addition of ₹ 66,666, during the previous year.

B. Other equity

₹ Crores

	Reserves and Surplus								Attributable to non-controlling interests	Total
	Reserves and Surplus						Other Comprehensive Income	Total attributable to owners of the company		
	Capital reserve	General reserve	Debenture redemption reserve	Securities premium	Share options outstanding account	Retained earnings	Foreign currency translation reserve			
Balance as at April 01, 2019	**51.77**	**74.89**	**4.91**	**916.31**	**112.03**	**(651.82)**	**(92.14)**	**415.95**	**112.72**	**528.67**
Forfeiture of share warrants (Refer note 17.6)	82.50	-	-	-	-	-	-	82.50	-	82.50
Transition impact of Ind AS 116 (net of tax) (Refer note 2.7)	-	-	-	-	-	(43.24)	-	(43.24)	(2.99)	(46.23)
Transferred to/from	-	4.91	(4.91)	-	(0.25)	0.25	-	-	-	-
Loss for the year	-	-	-	-	-	(131.50)	-	(131.50)	(22.38)	(153.88)
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(3.48)	(81.95)	(85.43)	(3.29)	(88.72)
Stock compensation expense (Refer note 39)	-	-	-	-	123.88	-	-	123.88	-	123.88
Exercise of stock options	-	-	-	0.63	(0.29)	-	-	0.34	-	0.34
Balance as at March 31, 2020	**134.27**	**79.80**	**-**	**916.94**	**235.37**	**(829.79)**	**(174.09)**	**362.50**	**84.06**	**446.56**
Transferred to/from	-	-	-	-	(3.44)	3.44	-	-	-	-
Loss for the year	-	-	-	-	-	(43.40)	-	(43.40)	(12.74)	(56.14)
Other comprehensive income for the year (net of tax)	-	-	-	-	-	1.21	(103.51)	(102.30)	(2.92)	(105.22)
Contribution of minority interest on formation of JV (Refer note 46)	-	-	-	-	-	-	-	-	11.55	11.55
Stock compensation expense (Refer note 39)	-	-	-	-	19.81	-	-	19.81	-	19.81
Balance as at March 31, 2021	**134.27**	**79.80**	**-**	**916.94**	**251.74**	**(868.54)**	**(277.60)**	**236.61**	**79.95**	**316.56**

See accompanying notes to the consolidated financial statements 1 to 49

In terms of our report attached.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
Partner

Place : Chicalim, Goa
Date : June 30, 2021

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Place : Mumbai
Date : June 30, 2021

Consolidated Cash Flow Statement for the year ended March 31, 2021

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities		
Loss before tax	(38.58)	(195.90)
Adjusted for:		
Depreciation and amortisation expense	421.96	381.38
Net loss on sale or discard of property, plant and equipment	5.71	3.70
Net loss on sale or investment	4.28	-
Unrealised foreign exchange (gain) (net)	(23.14)	(4.87)
Dividend Income *	-	(0.00)
Bad debts / advances written off	28.50	51.10
(Write back) / provision for doubtful debts/ advances (net)	(7.17)	29.30
Employee stock option expense	30.08	129.84
Sundry credit balance written back	(2.45)	(3.36)
Interest income	(6.04)	(2.91)
Finance costs	251.02	231.40
Operating profit before working capital changes	**664.17**	**619.68**
Changes in working capital :		
(Increase) in inventories	(0.30)	-
(Decrease) / Increase in trade and other payables	(96.52)	451.06
(Increase) in trade and other receivables	(208.41)	(488.67)
Cash generated from operations	**358.94**	**582.07**
Direct taxes paid (net)	(30.83)	(60.39)
Net cash generated from operating activities (A)	**328.11**	**521.68**
Cash flow from investing activities		
Purchase / development of Property, Plant and Equipment and other intangible assets (including capital work in progress)	(111.29)	(150.56)
Proceeds from sale of Property, Plant and Equipment and other intangible assets	14.65	0.18
Decrease / (Increase) in margin money and fixed deposits under lien	(7.19)	(3.68)
Interest received	0.22	0.11
Dividend received *	-	0.00
Net cash (used in) investing activities (B)	**(103.61)**	**(153.95)**

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from financing activities		
Proceeds from long term borrowings	7.45	-
Repayment of long term borrowings	(486.75)	(132.58)
Payment of lease liabilities	(153.52)	(197.41)
Proceeds from short term borrowings (net)	718.88	345.36
Proceeds from issuance of shares	-	0.63
Interest payment on lease liabilities	(56.66)	(57.80)
Finance costs paid	(143.29)	(159.52)
Net Cash (used in) financing activities (C)	**(113.89)**	**(201.32)**
Net increase in cash and cash equivalents (A+B+C)	**110.61**	**166.41**
Cash and cash equivalents at the beginning of the year (refer note 14. a)	256.09	89.68
Cash and cash equivalents at the end of the year (refer note 14. a)	**366.70**	**256.09**

* The value 0.00 means amount is below ₹ 50,000/-

₹ Crores

	Year ended March 31, 2020	Cash flow	Non cash movement	Year ended March 31, 2021
Borrowing (Refer note 19 and 24)	1,266.90	(479.30)	49.63	837.23
Borrowing - current (Refer note 23)	1,183.94	718.88	38.75	1,941.57

See accompanying notes to the consolidated financial statements 1 to 49

In terms of our report attached.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
Partner

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-timeDirector
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Place : Chicalim, Goa
Date : June 30, 2021

Place : Mumbai
Date : June 30, 2021

Notes forming part of the consolidated financial statements

for the year ended March 31, 2021

1. CORPORATE INFORMATION

Prime Focus Limited (the 'Company') is a public limited company domiciled in India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company and its subsidiaries (collectively referred as "Group") are engaged in the business of post-production activities including digital intermediate, visual effects, 2D to 3D conversion and providing complete solutions in terms of other technical and creative services to the Media and Entertainment industry. The address of the Company's registered office is Prime Focus House, Linking Road Khar (West), Mumbai- 400052, India.

1.1 Subsidiaries of the Group

The consolidated financial statements relate to Prime Focus Limited ("the Company") and its subsidiaries as listed below:

Name of subsidiaries	Principal activity	Country of incorporation	As at March 31, 2021	As at March 31, 2020
Subsidiary companies of Prime Focus Limited				
De-Fi Media Limited	Media and other Investments	England & Wales	100%	100%
Prime Focus Technologies Limited (PFT)	Digital Asset Management	India	73.75%	73.75%
Prime Focus Production Services Private Limited	Dormant	India	100%	100%
GVS Software Private Limited	Dormant	India	100%	100%
Prime Focus Motion Pictures Limited	Post Production Services	India	100%	100%
PF World Limited, (Mauritius)	Investments	Mauritius	100%	100%
PF Investments Limited (Mauritius)	Investments	Mauritius	100%	100%
PF Overseas Limited (Mauritius) (Transferred as subsidiary of PF World Limited, (Mauritius) (w.e.f November 20, 2020)	Investments	Mauritius	-	100%
PF Digital Media Services Limited	Post Production Services	India	100%	100%
Jam8 Prime Focus LLP	Music Production Services	India	51%	51%
Subsidiary companies of PF World Limited				
PF Media Limited (w.e.f. March 31, 2020)	Investments	Mauritius	100%	100%
Prime Focus Media UK Limited (w.e.f. September 07, 2020)	Investments	England & Wales	100%	-
PF Overseas Limited (Mauritius) (w.e.f November 20, 2020)	Investments	Mauritius	100%	-
Prime Focus Luxembourg S.a.r.l	Investments	Luxembourg	100%	100%
Subsidiary company of PF Media Limited				
Lowry Digital Imaging Services Inc #	Restoration of content	USA	90%#	90%#
# 10% is held by Prime Focus Limited directly				
Subsidiary company of Prime Focus Luxembourg S.a.r.l				
Prime Focus 3D Cooperatief U.A #	Investments	Netherlands	99.99%#	99.99%#
# 0.01% is held by PF Investments Limited				
Subsidiary companies of Prime Focus 3D Cooperatief U.A.				
Prime Focus World N.V. (PFWNV) #	Investments	Netherlands	87.15%	87.15%
# 6.34% of PFWNV is held by PF Overseas Limited (Mauritius) (previous year held by PF World Limited, (Mauritius))				
DNEG Plc (Transferred as subsidiary of Prime Focus World N.V.)	Investments	England & Wales	-	100%
Subsidiary companies of Prime Focus World N.V.				
REDEFINE Fx Limited	Post Production Services	USA	100%	100%
DNEG North America Inc.	Post Production and VFX Services	USA	100%	100%

Name of subsidiaries	Principal activity	Country of incorporation	As at March 31, 2021	As at March 31, 2020
Prime Focus International Services UK Limited.	Post Production and VFX Services	England & Wales	100%	100%
Prime Focus ME Holdings Limited	Post Production and VFX Services	British Virgin Island	100%	100%
DNEG India Media Services Limited	Post Production and VFX Services	India	100%	100%
Prime Focus China Limited	Post Production and VFX Services	British Virgin Island	70%	70%
Double Negative Holdings Limited	Investments	England & Wales	100%	100%
Double Negative Canada Productions Limited	Post Production and VFX Services	Canada	100%	100%
DNEG Plc (Transferred as subsidiary from Prime Focus 3D Cooperatief U.A.)	Investments	England & Wales	100%	-
Double Negative Montreal Production Limited	Post Production and VFX Services	Montreal	100%	100%
Subsidiary companies of Double Negative Holdings Limited				
Double Negative Singapore Pte Limited	Post Production and VFX Services	Singapore	100%	100%
Double Negative Films Limited	Dormant	England & Wales	100%	100%
Double Negative LA LLC	Post Production and VFX Services	USA	100%	100%
Incamera Limited (Incorporated on February 10, 2021)	Post Production and VFX Services	England & Wales	50%	-
Double Negative Limited *	Post Production and VFX Services	England & Wales	74.3 %	74.3 %
* 25.7 % is held by Double Negative Films Limited				
Subsidiary companies of Double Negative Canada Productions Limited				
Double Negative Huntsman VFX Limited	Post Production and VFX Services	Canada	100%	100%
Vegas II VFX Limited	Post Production and VFX Services	Canada	100%	100%
Subsidiary company of Prime Focus China Limited				
Prime Focus (HK) Holdings Limited (closed on March 05, 2021)	Post Production and VFX Services	Hong Kong	-	100%
Subsidiary companies of DNEG India Media Services Limited.				
Prime Focus Academy of Media and Entertainment Studies Private Limited	Training Institute	India	100%	100%
Subsidiary companies of Prime Focus Technologies Limited				
Prime Focus Technologies PTE Limited (Incorporated on September 18, 2020)	Post Production Services	England & Wales	100%	-
Prime Focus Technologies UK Limited	Digital Asset Management	England & Wales	100%	100%
Prime Focus Technologies Inc.	Post Production Services	USA	100%	100%
Apptarix Mobility Solutions Private Limited	Post Production Services	India	100%	100%
Subsidiary company of Prime Focus Technologies Inc.				
DAX PFT LLC (merged with Prime Focus Technologies Inc. on July 20, 2020)	Digital Asset Management	USA	-	100%
DAX Cloud ULC (Previous year subsidiary of DAX PFT LLC)	Digital Asset Management	Canada	100%	100%
Subsidiary companies of Prime Focus Technologies UK Limited				
Prime Post (Europe) Limited	Post Production Services	England & Wales	100%	100%
Prime Focus MEAD FZ LLC	Post Production Services	Abu Dhabi	100%	100%

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation and presentation

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IND AS 102, leasing transactions that are within the scope of IND AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IND AS 2 or value in use in IND AS 36.

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

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

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

Group's financial statements are presented in Indian Rupees (₹) which is functional currency of the Company.

2.2 Use of Estimates

The preparation of consolidated financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its investment with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls, an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give its power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and

- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year/ period are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if the results in the non-controlling interests have a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair-value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received an the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified / permitted by applicable IND AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IND AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IND AS 12 Income Taxes and IND AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IND AS 102 Share-based Payment at the acquisition date (Refer Note 2.12); and
- assets (or disposal groups) that are classified as held for sale in accordance with IND AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that IND AS requires for the purpose of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at the fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree' s identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IND AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that we do not qualify as measurement period adjustment depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (Refer Note 2.4) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorate based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.6 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of services. Revenue is shown net of applicable taxes.

2.6.1 Rendering of services

The Group provides a variety of post-production services including digital intermediate, visual special effects (VFX), two dimensions to three dimension (2D to 3D) conversion and other technical services to its clients in the film, broadcast and commercial sectors.

Revenue on time-and-material contracts are recognized as the related services are performed and the revenues from the end of the last billing to the balance sheet date are recognized as unbilled revenues. Revenue from services provided under fixed price contracts, where the outcome can be estimated reliably, is recognized following the percentage of completion method, where revenue is recognized in proportion to the progress of the contract activity. The progress of the contract activity is usually determined as a proportion of efforts incurred up to the balance sheet date, which bears to the total hours / days estimated for the contract. If losses are expected on contracts these are recognized when such loses become evident.

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

2.6.2 Contracts with contingent revenue terms

Some customer contracts for the provision of services are structured so that the economic benefits that flow to the Group are contingent on a future event, such as the performance of the film at the box office. In such cases, the Group estimates the transaction price at contract inception, including any variable consideration, and updates the estimate each reporting date for any changes in circumstances. The Group estimates the amount of variable consideration using the expected value method and determines the portion, if any, of that amount for which it is highly probable that a significant reversal will not subsequently occur. When the determination to recognise revenue is reached, the Group calculates revenue in accordance with the fixed price contract policy.

2.6.3 Dividend and interest income

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

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

2.6.4 Tax credits

The Group's operations based in British Colombia (BC), United Kingdom and Canada are eligible to earn tax credits on labour and related costs for the work performed. The Group's operations based in India are eligible to earn custom duty credits on realisation of export proceeds. These credits are not recognised until there is reasonable assurance that the Group will comply with the local compliance regulations attaching to them and that the credits will be received.

Tax credits are recognised in Statement of Profit or Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs which the credits are intended to compensate.

2.7 Leasing

On April 1, 2019, the Group had adopted IND AS 116, Leases, which, applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings. The Group had made use of the following practical expedients available in its transition to IND AS 116 –

- The Group had not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with IND AS 17 was continued to be applied to lease contracts entered by the Group or modified by the Group before April 1, 2019.
- The Group had applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Group had recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-to- use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.
- The Group excluded the initial direct costs from measurement of the RTU asset;
- The Group does not recognize RTU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

The weighted average rate of discount applied to lease liabilities accounted on transition to IND AS 116 as at April 1, 2019 is 4.13% to 14%.

On adoption of IND AS 116;

- The Group had recognized right-to-use assets ₹ 506.50 Crores and corresponding lease liabilities ₹ 552.73 Crores.
- The net carrying value of assets procured under the finance lease ₹ 299.64 Crores (gross carrying and accumulated depreciation value of ₹ 591.50 Crores and ₹ 291.86 Crores, respectively) was reclassified from property, plant and equipment and intangible assets to right-to-use assets.
- The obligations under finance leases of ₹ 295.39 Crores (non-current and current obligation under finance leases ₹ 195.23 Crores and ₹ 100.16 Crores respectively) was reclassified to lease liabilities.
- Prepaid rent on buildings, which were earlier classified under "Other Assets" was reclassified to right-to-use assets by ₹ 8.24 Crores.

The adoption of the new standard had resulted in a reduction of ₹ 46.23 Crores in retained earnings, net of deferred tax asset of ₹ 10.45 Crores.

The Group evaluates each contract or arrangement, whether it qualifies as lease as defined under IND AS 116.

The Group as a lessee

The Group enters into an arrangement for lease of buildings, plant and equipment, office equipment, vehicle and computer software. Such arrangements are generally for a fixed period but may have extension or termination options. The Group assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

- control the use of an identified asset,
- obtain substantially all the economic benefits from use of the identified asset, and
- direct the use of the identified asset

The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Group is reasonably certain to exercise that option.

The Group at the commencement of the lease contract recognizes a Right-to-Use (RTU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-to-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received.

Subsequently, the right-to-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-to-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-to-use asset. The estimated useful life of right-to-use assets are determined on the same basis as those of property, plant and equipment and intangible assets.

The Group applies IND AS 36 to determine whether an RTU asset is impaired and accounts for any identified impairment loss (Refer Note 2.17).

For lease liabilities at the commencement of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Group would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-to-use assets. Where the carrying amount of the right-to-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

2.8 Foreign currencies

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for further productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates for the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisitions of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.9 Borrowing costs

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

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

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

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

2.10 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic basis and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at below-market rate of interest is treated as a government grant measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.11 Employee benefits

a. Retirement benefit costs and termination benefits

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

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuation being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Group presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

A liability for termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

b. Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees' upto the reporting date.

2.12 Share-based payment arrangements

a. Share-based payment transactions of the Group

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year. Details regarding the determination of the fair value of share-based transactions are set out in note 39.

2.13 Taxation

Income tax expense represents the sum of current tax and deferred tax.

- **Current tax**

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

- **Deferred tax**

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

During the previous year, some of the subsidiaries incorporated in India have moved to the lower tax regime under section 115BAA of the Income Tax Act, 1961. Hence, MAT asset is no longer recognised.

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

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

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

- **Current and deferred tax for the year**

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

2.14 Non-current assets held for sale

Non-current assets and disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.15 Property, plant and equipment (PPE) and depreciation

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 on tangible assets of the Company and it's subsidiaries is provided using the straight line method (SLM) as per useful lives which are similar to the useful life prescribed under Schedule II of the Companies Act, 2013. Depreciation on Property, Plant and Equipment of the Company's foreign subsidiaries other than De-fi Media Limited has been provided on SLM as per the estimated useful lives of such assets are as follows:

Plant and equipment – up to 8 years

In case of, De-fi Media Limited, depreciation has been provided using Written Down Value ('WDV') Method, to write down the cost of property, plant and equipment to their residual values over the estimated useful economic lives. Gross book value of such assets is ₹ 43.70 Crores (March 31, 2020: ₹ 40.09 Crores), net book value is ₹ 12.19 Crores (March 31, 2020: ₹ 12.99 Crores) and depreciation charge for the year is ₹ 1.89 Crores (Previous year: ₹ 2.15 Crores).

Cost of leasehold improvements and leasehold building is amortised over a period of lease.

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

2.16 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on a straight-line basis over the estimated useful economic lives.

The group amortised intangible assets pertaining to the 2D to 3D conversion business over 20 years as the Group believes the benefits from the intangible asset will accrue over 20 years.

- **Film rights**

  The Group amortises film costs using the individual film forecast method. Under the individual film forecast method, such costs are amortized for each film in the ratio that current year revenue for such films bears to management's estimate of remaining unrecognised ultimate revenue as at the beginning of the financial year. Management regularly reviews and revises, where necessary, its total estimates on a film by film basis, which may result in a change in the rate of amortization and/or a write down of the intangible asset to fair value. The period of amortization only starts at the point at which the asset starts to produce economic returns.

- **First look rights**

  Upon commencement of work on each movie over the period of performance of the contract with respect to each movie

- **Software**

  Software is amortised on straight line basis over the estimated useful life of upto 8 years.

- **Intangible assets acquired separately**

  Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives based on license period. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounting for on a prospective basis. Intangible assets with indefinite useful lives are acquired separately are carried at cost less accumulated impairment losses.

- **Internally-generated intangible assets – research and development expenditure**

  Expenditure on research activities is recognised as an expense in the period in which it is incurred.

  An internally-generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if all of the following have been demonstrated:

  a. the technical feasibility of completing the intangible asset so that it will be available for use or sale;

  b. the intention to complete the intangible asset and use it or sell it;

  c. the ability to use or sell the intangible asset;

  d. how the intangible asset will generate probable future economic benefits;

  e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

  f. the ability to measure reliably the expenditure attributable to the intangible asset during its development.

  The amount initially recognised for internally-generated intangible assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally-generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

  Subsequent to initial recognition, internally-generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are separately acquired.

  The assets are amortised over the estimated useful lives of upto 20 years.

- **Intangible assets acquired in a business combination**

  Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

  Subsequent to initial recognition, intangible assets acquired in a business combination are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are acquired separately.

Finite-lived intangible assets that were acquired in a business combination, such as trade names, customer relationships and developed technology are amortised on a straight-line basis over their estimated useful life as follows:

Trade names- Upto 8 years

Non-compete - Over the contractual period (5 years)

Customer relationships and contracts- Upto 8 years

Software - Upto 8 years

The period of amortisation only starts at the point at which the asset becomes available to produce economic returns.

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.

Brands- Indefinite life

- **De-recognition of intangible assets**

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is de-recognised.

2.17 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group 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 Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest of the cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs for completion and costs necessary to make the sale.

2.19 Provisions and Contingencies

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flow (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

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

i. Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

ii. Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by staring to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

iii. Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IND AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with IND AS 115 Revenue.

2.20 Financial instruments

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

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

2.21 Financial assets

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

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

i. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost (Refer Note 2.21.v)

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

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Profit or Loss for Fair Value Through Other Comprehensive Income (FVTOCI) debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI (Refer Note 2.21.v).

All other financial assets are subsequently measured at fair value.

ii. Effective interest method

The effective interest is a method of calculating the amortised cost of debt instruments and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where applicable, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Interest income is recognised in profit or loss and is included in the "Other income" line item.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

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

Dividends on these investments in equity instruments are recognised in profit or loss when the Group has right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

iv. Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (Refer Note 2.22.3).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FTPL upon initial measurement if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different basis. The Group has not designated any debt instruments at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

v. Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses that represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IND AS 11 and IND AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under IND AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

vi. De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of financial asset other than its entirety (e.g. when the Group retains an option to repurchase part of the transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or losses if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair value of those parts.

vii. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the sport rate at the end of each reporting period.

- For foreign currency, denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.

- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.22 Financial liabilities and equity instruments

2.22.1 Classification as debt or equity

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

2.22.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.22.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.22.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

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

2.22.4.1 Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that liabilities that are designated as at FVTPL, the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of the liability is recognised in other comprehensive income, unless the recognition of the effects of changes mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified in profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

2.22.4.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.22.4.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of IND AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IND AS 115.

2.22.4.4 Commitments to provide a loan at below-market interest rate

Commitments to provide a loan at below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of IND AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IND AS 115.

2.22.4.5 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.22.4.6 De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Groups obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of a debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

2.23 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

2.23.1 Embedded derivatives

Derivatives embedded in non- derivative host contracts that are not financial assets within the scope of IND AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

2.24 Offsetting

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

2.25 Cash and Cash equivalent

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

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

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

2.27 Events after reporting date

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

2.28 New accounting standards adopted:

2.28.1 New Accounting standards adopted by the Company effective from April 1, 2020:

Amendment to Existing Standard

The MCA has also carried out amendments of the following accounting standards.

i. IND AS 103 – Business Combinations

ii. IND AS 107 – Financial Instruments: Disclosures

iii. IND AS 109 – Financial Instruments

iv. IND AS 116 - Leases

The impact on account of applying the above IND AS on the financial statements of the Group for the year ended and as at March 31, 2021 is insignificant except point number iv above wherein rent waivers received have been accounted in the Statement of Profit and Loss as envisage in the Standard.

New Accounting Standards not yet adopted by the Group

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 2, the management of the Group is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is reviewed if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1.1 Revenue recognition

The Group derives its revenues from fixed price VFX and 2D to 3D content conversion contracts. The revenue recognised on these contracts is dependent on the estimated percentage of completion at a point in time, which is calculated on the basis of the man days of work performed as a percentage of the estimated total man days to complete a contract. The actual man days and estimated man days to complete a contract are updated on a monthly basis.

The estimated hours / man days remaining to complete a project are judgemental in nature and are estimated by experienced staff using their knowledge of the time necessary to the work.

If a contract is expected to be loss making, based on estimated costs to complete, the expected loss is recognised immediately.

The Group enters into contracts wherein the economic benefits that flow are contingent on a future event, such as performance of the film at box office. According to IND AS 115, variable consideration is estimated at contract inception and subsequently updated each reporting date. Variable consideration is only included in the transaction price if it is considered probable that a significant revenue reversal will not occur. Variable consideration is estimated based on available market information, production house involved, feature film is new or sequel, and customers correspondence.

3.1.2 Taxation

The Group makes estimates in respect of tax liabilities and tax assets. Full provision is made for deferred and current taxation at the rates of tax prevailing at the year-end unless future rates have been substantively enacted. These calculations represent our best estimate of the tax charge that will be incurred and recovered but actuals may differ from the estimates made and therefore affect future financial results. The effects would be recognised in the Statement of Profit or Loss.

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

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

3.1.3 Recoverability of internally generated intangible asset

The Group develops intangible assets internally to assist its business plans and outlook. The Group capitalises various costs, including employee costs, incurred in such development activities. Selection of the intangible asset eligible for capitalisation, identification of the expenses that are directly attributable and reasonably allocable to development of intangible assets involves significant management judgement. Further, the Group considers recoverability of the Group's internally generated intangible assets as at the end of each reporting period. Detailed analysis was carried out by the management as at March 31, 2021 regarding recoverability of its internally generated intangible assets.

3.1.4 Leases

IND AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Group reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

3.1.5 Impairment of goodwill

Determining, whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

3.1.6 Depreciation and useful lives of property, plant and equipment and other intangible assets.

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Intangible assets are amortised over its estimated useful lives. The Group reviews the estimated useful lives of all such assets at the end of each reporting period. There has been no requirement to revise the useful lives of any such assets as at the Balance Sheet date.

3.1.7 Fair value measurements and valuation process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. Further, the Group has used valuation experts for the purpose of ascertaining fair value for certain assets and liabilities. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent that it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation findings to the Board of Directors of the Group to explain the cause of fluctuations in the fair value of the assets and liabilities.

3.1.8 Expected credit losses on financial assets

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

3.1.9 Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

3.1.10 Defined benefit obligation.

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

4. PROPERTY, PLANT AND EQUIPMENT

₹ Crores

	Buildings	Plant and equipment	Furniture and fixtures	Leasehold Improvements	Office equipments	Vehicles	Total
Gross block							
As at April 01, 2019	244.51	1,069.82	55.73	207.83	109.65	5.44	**1,692.98**
Erstwhile leased assets transferred to right to use (Refer note 2.7)	(112.20)	(403.41)	-	-	(0.05)	(2.70)	**(518.36)**
Additions	-	68.64	7.80	4.70	4.33	0.33	**85.80**
Transfer from right to use on completion of lease term	-	41.69	-	-	0.04	-	**41.73**
Deductions / disposal	-	(45.87)	(1.25)	(1.70)	(1.51)	(1.16)	**(51.49)**
Exchange differences	-	0.62	0.69	0.52	4.18	0.03	**6.04**
As at March 31, 2020	**132.31**	**731.49**	**62.97**	**211.35**	**116.64**	**1.94**	**1,256.70**
Depreciation							
As at April 01, 2019	23.03	655.97	34.68	164.87	80.63	2.24	**961.42**
Erstwhile leased assets transferred to right to use (Refer note 2.7)	(13.75)	(214.19)	-	-	(0.02)	(0.64)	**(228.60)**
For the year	2.34	59.77	8.48	22.95	7.54	0.24	**101.32**
Transfer from right to use on completion of lease term	-	38.35	-	-	0.02	-	**38.37**
Deductions / disposal	-	(42.46)	(1.13)	(1.61)	(1.41)	(1.05)	**(47.66)**
Exchange differences	-	3.18	0.89	(0.44)	3.59	0.02	**7.24**
As at March 31, 2020	**11.62**	**500.62**	**42.92**	**185.77**	**90.35**	**0.81**	**832.09**
Net block							
As at March 31, 2020	**120.69**	**230.87**	**20.05**	**25.57**	**26.29**	**1.13**	**424.61**

₹ Crores

	Buildings	Plant and equipment	Furniture and fixtures	Leasehold Improvements	Office equipments	Vehicles	Total
Gross block							
As at April 01, 2020	132.31	731.49	62.97	211.35	116.64	1.94	**1,256.69**
Additions	-	44.36	2.41	26.41	2.32	-	**75.50**
Transfer from right to use on completion of lease term	-	17.68	-	-	-	0.74	**18.42**
Deductions / disposal	-	(24.66)	(1.23)	(22.02)	(0.59)	(0.67)	**(49.17)**
Exchange differences	-	25.71	1.81	20.81	2.63	0.05	**51.01**
As at March 31, 2021	**132.31**	**794.58**	**65.96**	**236.55**	**121.00**	**2.06**	**1,352.45**
Depreciation							
As at April 01, 2020	11.62	500.62	42.92	185.77	90.35	0.81	**832.09**
For the year	2.34	67.07	7.46	15.60	7.01	0.27	**99.75**
Transfer from right to use on completion of lease term	-	15.46	-	-	-	0.36	**15.82**
Deductions / disposal	-	(5.95)	(0.47)	(21.98)	(0.24)	(0.17)	**(28.81)**
Exchange differences	-	13.49	0.86	22.04	2.46	0.08	**38.93**
As at March 31, 2021	**13.96**	**590.69**	**50.77**	**201.43**	**99.58**	**1.35**	**957.78**
Net block							
As at March 31, 2021	**118.35**	**203.89**	**15.19**	**35.11**	**21.42**	**0.71**	**394.67**

Refer note 19 and 23 regarding details of borrowings where assets have been placed as security.

5. OTHER INTANGIBLE ASSETS

₹ Crores

	Film / First look rights	Customer relationship and contracts	Trade names, Brand and Non-compete	Software	Total
Gross block					
As at April 01, 2019	10.04	21.92	6.70	1,048.98	**1,087.64**
Erstwhile leased assets transferred to right to use (Refer note 2.7)	-	-	-	(73.14)	**(73.14)**
Additions	-	-	-	83.27	**83.27**
Transfer from right to use on completion of lease term	-	-	-	3.03	**3.03**
Deductions	-	-	-	(5.31)	**(5.31)**
Exchange differences	0.06	1.72	0.25	35.38	**37.41**
As at March 31, 2020	**10.10**	**23.64**	**6.95**	**1,092.21**	**1,132.90**
Depreciation					
As at April 01, 2019	8.46	21.92	5.33	544.35	**580.06**
Erstwhile leased assets transferred to right to use (Refer note 2.7)	-	-	-	(63.26)	**(63.26)**
For the year	1.51	-	1.32	97.45	**100.28**
Transfer from right to use on completion of lease term	-	-	-	3.03	**3.03**
Deductions	-	-	-	(5.26)	**(5.26)**
Exchange differences	0.10	1.72	0.22	24.92	**26.96**
As at March 31, 2020	**10.07**	**23.64**	**6.87**	**601.23**	**641.81**
Net block					
As at March 31, 2020	**0.03**	**-**	**0.08**	**490.98**	**491.09**

₹ Crores

	Film / First look rights	Customer relationship and contracts	Trade names, Brand and Non-compete	Software	Total
Gross block					
As at April 01, 2020	10.10	23.64	6.95	1,092.21	**1,132.89**
Additions	-	-	-	123.82	**123.82**
Transfer from right to use on completion of lease term	-	-	-	1.19	**1.19**
Exchange differences	(0.09)	0.44	0.10	30.55	**31.00**
As at March 31, 2021	**10.01**	**24.08**	**7.05**	**1,247.77**	**1,288.90**
Depreciation					
As at April 01, 2020	10.07	23.64	6.87	601.23	**641.80**
For the year	-	-	0.08	105.89	**105.97**
Transfer from right to use on completion of lease term	-	-	-	1.00	**1.00**
Exchange differences	(0.06)	0.44	0.10	27.12	**27.60**
As at March 31, 2021	**10.01**	**24.08**	**7.05**	**735.24**	**776.37**
Net block					
As at March 31, 2021	**-**	**-**	**-**	**512.53**	**512.53**

6. RIGHT TO USE ASSETS

₹ Crores

	Buildings	Plant and equipment	Office equipments	Vehicles	Leased property	Software	Studio lease	Total
Gross block								
As at April 01, 2019	-	-	-	-	-	-	184.84	**184.84**
Recognised on adoption of Ind AS 116	-	-	-	-	514.74	-	-	**514.74**
Erstwhile leased assets transferred from PPE / Intangible assets (Refer note 2.7)	112.20	403.41	0.05	2.70	-	73.14	-	**591.50**
Additions	-	75.12	-	-	6.53	21.35	0.61	**103.61**
Deductions / disposal	-	(0.06)	-	-	-	-	-	**(0.06)**
Transfer to PPE / Intangible assets on completion of lease term	-	(41.69)	(0.04)	-	-	(3.03)	-	**(44.76)**
Exchange differences	-	6.27	-	-	(3.04)	1.54	-	**4.77**
As at March 31, 2020	**112.20**	**443.05**	**0.01**	**2.70**	**518.23**	**93.00**	**185.45**	**1,354.64**
Depreciation								
As at April 01, 2019	-	-	-	-	-	-	3.13	**3.13**
Erstwhile leased assets transferred from PPE / Intangible assets (Refer note 2.7)	13.75	214.19	0.02	0.64	-	63.26	-	**291.86**
For the year	3.44	69.01	0.01	0.32	66.94	18.47	21.59	**179.78**
Deductions / disposal	-	(0.01)	-	-	-	-	-	**(0.01)**
Transfer to PPE / Intangible assets on completion of lease term	-	(38.35)	(0.02)	-	-	(3.03)	-	**(41.40)**
Exchange differences	-	4.28	-	-	(11.89)	1.85	-	**(5.76)**
As at March 31, 2020	**17.19**	**249.12**	**0.01**	**0.96**	**55.05**	**80.55**	**24.72**	**427.60**
Net block								
As at March 31, 2020	**95.01**	**193.93**	**-**	**1.74**	**463.18**	**12.45**	**160.73**	**927.04**

₹ Crores

	Buildings	Plant and equipment	Office equipments	Vehicles	Leased property	Software	Studio lease	Total
Gross block								
As at April 01, 2020	112.20	443.05	0.01	2.70	518.23	93.00	185.45	**1,354.64**
Additions	-	37.07	-	0.42	166.03	40.25	-	**243.77**
Deductions / disposal	-	-	-	-	(10.97)	-	-	**(10.97)**
Transfer to PPE / Intangible assets on completion of lease term	-	(17.68)	-	(0.74)	-	(1.19)	-	**(19.61)**
Exchange differences	-	22.47	-	0.02	43.88	9.39	-	**75.76**
As at March 31, 2021	**112.20**	**484.91**	**0.01**	**2.40**	**717.17**	**141.45**	**185.45**	**1,643.59**
Depreciation								
As at April 01, 2020	17.19	249.12	0.01	0.96	55.05	80.55	24.72	**427.60**
For the year	3.44	70.48	0.01	0.26	70.33	50.12	21.60	**216.24**
Deductions / disposal	-	-	-	-	(6.48)	-	-	**(6.48)**
Transfer to PPE / Intangible assets on completion of lease term	-	(14.08)	-	(0.36)	-	(1.00)	-	**(15.44)**
Exchange differences	-	16.48	-	-	5.19	8.52	-	**30.19**
As at March 31, 2021	**20.63**	**322.00**	**0.02**	**0.86**	**124.09**	**138.19**	**46.32**	**652.11**
Net block								
As at March 31, 2021	**91.57**	**162.91**	**(0.01)**	**1.54**	**593.08**	**3.26**	**139.13**	**991.48**

7. GOODWILL

Goodwill has been allocated for impairment testing purposes to the following cash-generating units.

- Creative services business
- Technology and technology enabled business
- Others

The carrying amount of goodwill was allocated to cash-generating units as follows:

	As at March 31, 2021	As at March 31, 2020
Creative services business	820.46	827.54
Technology and technology enabled business	196.79	198.88
Others	56.65	56.65
Total	**1,073.90**	**1,083.07**

The recoverable amount for these cash-generating units (CGU) is determined on a value in use calculation which uses cash flow projections based on financial budgets prepared by the management.

Following key assumptions were considered while performing Impairment testing

Long term sustainable growth rates 2% to 5% (previous year: 2% to 5%)

Weighted Average Cost of Capital % (WACC) after tax 12.50% to 15.70% (previous year: 12.7% to 13.3%)

EBITDA margins 0% to 30% (previous year: 0% to 30.0%)

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

The management has performed sensitivity analysis around the base assumptions and have concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGUs to be less than the carrying value.

Based on the value in use computations, no impairment provision was considered necessary.

8. INVESTMENTS

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Unquoted equity instruments - fully paid up (at fair value through profit or loss)		
The Shamrao Vithal Co-operative Bank Ltd.	0.01	0.01
4,000 shares of ₹ 25/- each		
Mainframe Premises Co-Operative Society Ltd.	0.00	0.00
350 shares of ₹ 10/- each*		
Next Gen Skills Limited	0.25	-
Fixed rate convertible unsecured loan stock		
Locksmith Ltd	-	4.32
1,400 shares of £ 0.01 each		
	0.26	**4.33**

*The value 0.00 means amount is below ₹ 50,000/-

9. TRADE RECEIVABLES (NON-CURRENT) (UNSECURED, CONSIDERED GOOD)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Trade receivables	1.60	1.64
	1.60	**1.64**

10. OTHER NON-CURRENT FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Deposits	24.09	26.24
Deposits with bank	0.86	0.81
Unbilled revenue	4.39	10.56
Advances towards film projects	223.35	-
Other loans and advances - others	68.56	69.97
	321.25	**107.58**

11. OTHER NON-CURRENT ASSETS (UNSECURED, CONSIDERED GOOD)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Capital advances	37.17	48.41
Prepaid expenses	0.12	0.64
	37.29	**49.05**

12. INVENTORIES (LOWER OF COST AND NET REALISABLE VALUE)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Tapes and others	0.74	0.45
	0.74	**0.45**

13. TRADE RECEIVABLES (CURRENT) (UNSECURED)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Trade receivables	248.48	629.61
Less: Loss allowances	(27.72)	(52.83)
	220.76	**576.78**

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
The movement in allowance for doubtful receivables is as follows:		
Balance as the beginning of the year	52.83	39.34
Movement during the year	(7.44)	29.75
Bad debts written off against opening provision for doubtful debts	(17.67)	(16.26)
Balance as at the end of the year	**27.72**	**52.83**

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivable are due and the rates as given in the provision matrix.

14. CASH AND CASH EQUIVALENTS

₹ Crores

	As at March 31, 2021	As at March 31, 2020
a. Cash and cash equivalents		
Cash on hand	0.12	0.14
Bank balances		
In current accounts	366.58	255.95
	366.70	**256.09**
b. Bank balances other than (a) above		
Other bank balances		
In deposits*	11.49	4.30
	11.49	**4.30**

* Fixed deposits are provided as security against fund -based and non -fund based credit facilities.

15. OTHER CURRENT FINANCIAL ASSETS (UNSECURED, CONSIDERED GOOD)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Deposits	4.08	4.77
Unbilled revenue	718.89	363.89
Export incentives receivable	31.63	31.81
Advances towards film projects	102.89	124.44
Other loans and advances - others		
Considered good	116.76	76.08
Considered doubtful	0.27	-
	117.03	76.08
Less: Loss allowances	(0.27)	-
	116.76	**76.08**
	974.25	**600.99**

16. OTHER CURRENT ASSETS (UNSECURED)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Advances and other receivables*		
Considered good	120.54	131.79
Considered doubtful	-	0.50
Total	**120.54**	**132.29**
Less: Loss allowances	-	(0.50)
	120.54	**131.79**
Prepaid expenses	35.75	29.43
Tax credits receivable from foreign governments	42.14	36.07
	198.43	**197.29**

* Includes loans and advances to employees and others, advances to suppliers, service tax receivable, Goods and Services tax (GST) receivable and VAT receivables.

17. EQUITY SHARE CAPITAL

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Authorised share capital:		
450,000,000 equity shares of ₹ 1/- each	**45.00**	**45.00**
Issued, subscribed and paid-Up:		
299,248,978 (Previous year 299,248,978) equity shares of ₹ 1/- each	29.92	29.92
	29.92	**29.92**

17.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year.

Fully paid equity shares

	As at March 31, 2021		As at March 31, 2020	
	Number	Amount in ₹ Crores	Number	Amount in ₹ Crores
Balance as at the beginning of the year	29,92,48,978	29.92	29,91,82,312	29.92
Additions during the year (Refer note 39 a)*	-	-	66,666	0.01
Balance as at the end of the year	29,92,48,978	29.92	29,92,48,978	29.92

* Issued, Subscribed and Paid up as at March 31, 2021 is amounting to ₹ 29,92,48,978 (March 31, 2020 ₹ 29,92,48,978) after addition of ₹ 66,666, during the previous year.

17.2 Shares reserved for issue under options

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Shares reserved for issue under options (Refer note 39 a)	1,75,62,734	1,75,62,734

17.3 Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

17.4 Details of shares held by each shareholder holding more than 5%

	As at March 31, 2021		As at March 31, 2020	
	Numbers	% of holding	Numbers	% of holding
Naresh Malhotra	6,22,01,546	20.79%	6,22,01,546	20.79%
Reliance MediaWorks Financial Services Private Limited	-	-	3,16,39,695	10.57%
Augusta Investments I Pte. Limited	2,92,41,817	9.77%	2,92,41,817	9.77%
Marina IV (Singapore) Pte. Limited	2,33,90,875	7.82%	2,33,90,875	7.82%
Monsoon Studio Private Limited	-	-	2,75,06,095	9.19%
A2R Holdings	13,24,45,882	44.26%	-	-
IDBI Trusteeship Services Limited	-	-	7,32,99,666	24.49%

17.5 Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	As at March 31, 2021	As at March 31, 2020
Equity shares allotted as fully paid up pursuant to business transfer agreement for consideration other than cash in financial year 2014-15	6,73,07,692	6,73,07,692

17.6 Share warrants

Pursuant to the special resolution passed by the shareholders of the Company at its Extra-Ordinary General Meeting held on January 5, 2018, the Board of Directors of the Company at its meeting held on February 14, 2018 have issued and allotted 3,11,32,076 warrants, convertible into the equal number of equity shares of the Company of face value of ₹ 1 each, at a price of ₹106/- per warrant to Monsoon Studio Private Limited (promoter) and Mr. Anshul Doshi (non-promoter), on a preferential basis.

The Company had received ₹ 82.50 crores, 25% of the total consideration for the aforesaid warrants in financial year 2017-18 as per the provisions of Chapter VII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirement) Regulations, 2009, as amended. Remaining 75% i.e., ₹ 247.50 crores was receivable by August 13, 2019, apparently the concerned warrant holders were not able to exercise their option for entitlement on the due date.

Hence the alloted 3,11,32,076 warrants stands cancelled and the application money received stands forfeited. The said forfeited application money was transferred to Capital reserve during the previous year.

18. OTHER EQUITY EXCLUDING NON-CONTROLLING INTEREST

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Securities premium		
As per last balance sheet	916.94	916.31
Movement during the year	-	0.63
	916.94	**916.94**
Capital reserve		
As per last balance sheet	134.27	51.77
Movement during the year	-	82.50
	134.27	**134.27**
General reserve		
As per last balance sheet	79.80	74.89
Movement during the year	-	4.91
	79.80	**79.80**
Debenture redemption reserve		
As per last balance sheet	-	4.91
Movement during the year	-	(4.91)
	-	**-**
Retained earnings *		
As per last balance sheet	(829.79)	(651.82)
Movement during the year	(38.75)	(177.97)
	(868.54)	**(829.79)**
Share options outstanding account		
As per last balance sheet	235.37	112.03
Movement during the year	16.37	123.34
	251.74	**235.37**
Other comprehensive income (FCTR)		
As per last balance sheet	(174.09)	(92.14)
Movement during the year	(103.51)	(81.95)
	(277.60)	**(174.09)**
	236.61	**362.50**

* Retained earnings includes Re-measurement of defined benefit obligation loss (net of tax) of ₹ 2.98 crores (previous year ₹ 4.19 crores)

19. NON-CURRENT BORROWINGS

	As at March 31, 2021	As at March 31, 2020
Term loans (secured)		
From banks	468.95	851.58
Refer note (a), (b) and (c)		
From others	21.02	22.34
Refer note (d)		
Term loans (unsecured)		
From banks	5.50	-
Refer note (h) below		
From others	200.00	200.00
Refer note (e) below		
	695.47	**1,073.92**

a. The Group has availed a Term Loan facility aggregating to ₹ 408 Crores at an interest rate based on one year MCLR + 1.90% with a reset on yearly basis. This term loan is repayable in 84 months from date of the 1st disbursement including 6 months moratorium, it is to be repaid in 26 quarterly instalments (post 6 months initial moratorium). Considering the COVID-19 pandemic and Reserve Bank of India circular dated March 27, 2020, the Group has obtained moratorium period of up to June 2020 for payment of instalments due in Mar 2020. Such term loan is secured by exclusive charge over present and future current assets and movable fixed assets, personal guarantees of promoters, pledge of shares of the Company held by promoters, Corporate Guarantee of Reliance Capital Limited of ₹ 100 Crores, exclusive charge by way of mortgage of immovable properties, pledge of 30% shares of subsidiaries viz; Prime Focus Technologies Limited, PF World Limited, Mauritius, Prime Focus 3D Cooperatief U.A., Prime Focus Luxembourg s.a.r.l, DNEG India Media Services Limited, Prime Focus Technologies Inc., DAX LLC, Prime Focus Technologies UK Limited and Prime Post Europe Limited.

Out of the above availed facility, the Group took disbursement of ₹ 408 Crores. During the year this facility was fully repaid and as at March 31, 2020 ₹ 236.58 Crores (net of transaction fees) is disclosed as non-current and ₹ 56.87 Crores is disclosed as current.

b. Term Loan from bank includes ₹ 68.72 Crores (Previous year ₹ 68.72 Crores) taken by Prime Focus Technologies Inc. (PFT Inc.) which is secured by exclusive charge over all current assets and movable fixed assets of Prime Focus Technologies Inc., USA, DAX PFT LLC- USA, Prime Focus Technologies UK Ltd. & Prime Post Europe UK Ltd. (Excluding assets charge against financial leases in normal course of business), pledge over 30% Shares and Non Disposal Undertaking over 70% shares of: Prime Focus Technologies Inc., USA, DAX PFT LLC; USA, Prime Focus Technologies UK Ltd.& Prime Post Europe UK Ltd, corporate guarantee of PFT and the Company and personal guarantee of promoter of the Company. Term loan facility is re-payable over 84 months in 26 structured disbursement from March 31, 2019. Interest rate on term loans are based on 6 months libor plus 385 basis points. During the year this facility was fully repaid and as at March 31, 2020, ₹ 53.69 Crores was included in long-term borrowings and balance of ₹ 15.03 Crores was included in current maturities of long-term borrowings .

c. During the earlier year, a new facility of ₹ 747.43 Crores ($ 100 Million) sanctioned as term loan and ₹ 1,121.14 ($ 150 Million) sanctioned as bank overdraft and working capital loan to PFWNV group. The facility is secured by charge on Property, Plant and Equipment and current assets of Prime Focus World NV Group and Investments of Prime Focus World NV in Double Negative Holdings Limited & Prime Focus International Services UK Limited. The rate of interest of the loan is in the range of LIBOR plus 2.25% to 3.75% per annum, which is subject to leverage levels. The term loan is repayable over a period of four years from financial year 2019-20.

In August 2020, PFWNV Group further enhanced its existing facilities with the banks by ₹ 307.56 Crores ($ 42 Million). As part of the incremental facilities availed, couple of banks provided exposure under the CLBILS facility (Coronavirus Large Business Interruption Loan Scheme) as was made available by UK government to support businesses during COVID. The 2 lenders who have provided the incremental facility under this loan are Santander and RBS and the facilities are in GBP and EUR. The same security is extended by the banks towards these loans. The applicable interest on these loans is LIBOR plus 0.88% per annum.

As at March 31, 2021 ₹ 468.95 Crores is disclosed under long term borrowings, ₹ 111.39 Crores under current maturities of long term borrowings, ₹ 1,162.16 Crores under short-term demand loan and ₹ 34.16 Crores under Cash credit / overdraft .

As at March 31, 2020 ₹ 561.31 Crores is disclosed under long term borrowings, ₹ 92.29 Crores under current maturities of long term borrowings and ₹ 1,064.46 Crores under short-term demand loan.

d. On August 13, 2014, the Company entered into a long-term loan agreement with others to borrow ₹ 45 Crores at an interest rate of 12.50% p.a., to repay the existing term loan and for general corporate purpose which includes working capital and advance payment for capital expenditure. The term loan is to be repayable in 120 equated monthly instalments starting from October 01, 2014 for loan availed on August 29, 2014 and from November 01, 2014 for loan availed on September 05, 2014. Considering the COVID-19 pandemic, the Company has obtained moratorium period of up to June 2020 for payment of instalments due in Mar 2020. Further, the term loan is secured by a specific charge on certain immovable properties of the Company. At the year end March 31, 2021, ₹ 21.02 Crores is disclosed as non-current and ₹ 4.56 Crores is disclosed as current. At the year end March 31, 2020, ₹ 22.34 Crores is disclosed as non-current and ₹ 4.79 Crores is disclosed as current.

e. On February 25, 2019, the Company entered into a long-term loan agreement with others for an amount of ₹ 200 crores at an annual interest rate of 10% per annum. This term loan is payable over the period of 48 months (post 27 months moratorium). The loan principal has to be repaid at the end of the tenure and the interest component has to be paid annually post 27 months of moratorium. At the year end March 31, 2021 and March 31, 2020, ₹ 200 crores is disclosed as non-current.

f. Unsecured term loans from others are availed at interest rate of 15.00% p.a. As at March 31, 2021 ₹ 1.00 Crores (March 31, 2020: ₹ 1.00 Crores) is disclosed under current maturities of long term borrowings.

g. During financial year 2016-2017, unsecured inter corporate deposit of ₹ 31.70 Crores was availed from financial institution at interest rate of 12.5% repayable within 2 years. During the previous year ₹ 8.70 Crores repaid. At the year end March 31, 2021 and March 31, 2020, ₹ 23 crores is disclosed as current portion of long-term borrowing.

h. On April 30, 2020, Prime Focus Technologies Limited Inc. was granted an unsecured loan from Silicon Valley Bank under the U.S Small Business Administration Paycheck Protection Program of ₹ 7.17 Crores ($ 0.97 Million) bearing an interest rate of 1% per annum. This loan is repayable from March 24, 2021 in monthly instalments with last instalment being due on April 30, 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.

On February 24, 2021, a forgiveness was granted for the above loan for an amount of Rs. 5.20 Crores ($ 0.70 Million) towards principal and Rs. 0.04 Crores ($ 0.58 Million) towards interest. On February 24, 2021, the balance deferral amount payable after the said forgiveness is Rs. 1.97 Crores ($ 0.27 Million) and same is repayable in monthly instalments with last instalment being due on April 30, 2022. As on March 31, 2021, ₹ 0.01 Crore considered as non-current portion of long-term borrowing and ₹ 1.81 Crore considered as current portion of long-term borrowing.

On March 18, 2021, PFT Inc. was granted second unsecured loan from Silicon Valley Bank under the U.S Small Business Administration Paycheck Protection Program of Rs. 5.55 Crores ($ 0.75 Million) bearing an interest rate of 1% per annum and repayable from August 18, 2022 in monthly instalments with last instalment being due on March 18, 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. As on March 31, 2021, ₹ 5.49 Crore considered as non-current portion of long-term borrowing.

20. OTHER NON-CURRENT FINANCIAL LIABILITIES

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Deposits	1.65	1.65
Interest accrued but and not due on borrowings	21.94	19.76
Class B convertible redeemable preferred shares and derivatives (Refer note (a) below)	110.12	112.88
Other long term payables	-	4.17
Deferred consideration payable (refer note (c) below)	2.90	-
Non convertible redeemable preference shares (Refer note (b) below)	2.94	2.61
	139.55	**141.07**

a. Class B convertible redeemable preferred shares

On March 19, 2013, PFWNV issued 187,500 Class B Convertible Redeemable Preferred Shares ("Class B Preferred"), which carry a par value of € 0.01 per share, for ₹ 66.96 Crores ($ 10.0 million).

The Class B Preferred Shares contain two components: a host debt instrument measured at amortised cost and an embedded derivative conversion option measured at FVTPL. The effective interest rate of the host debt instrument element on initial recognition is 7.30% per annum.

The Class B Preferred Shares form a separate class. The Preferred Shares are senior to` the ordinary shares of PFWNV with respect to distribution of assets and rights upon liquidation of PFWNV or a Sale Transaction. The holder of the Class B Preferred is entitled to the same dividend or distribution that the Board may declare to the holders of the Ordinary shares.

The Class B Preferred shareholders are entitled to vote together with Ordinary shareholders and the number of entitled votes is calculated based on an as converted basis according to the then applicable conversion rate of the Class B Preferred Shares to ordinary shares.

All outstanding Class B Preferred Shares automatically convert into ordinary shares in the event of a qualifying initial public offering (QIPO). A QIPO for the purposes of a required conversion is the listing of shares on an internationally recognised stock exchange with a minimum market capitalisation of $ 370 million immediately after such listing. If PFWNV has not consummated an IPO within 66 months of the issuance of the Class B Preferred Shares, the holder has the right to require PFWNV to redeem all of the Class B Preferred Shares for cash at the price of the amount of initial consideration plus a return that yields an internal rate of return of 5%.

At the date of issue, the fair value of the embedded derivative conversion option is based on the present value of the expected proceeds to the security holders as a result of exercising the conversion option of the Convertible Redeemable Preferred shares. These proceeds were estimated based on a multi-step analysis which included a forecast of PFWNV's total equity and an assessment of the probability of the expected total equity value at each quarter-end over a five-year period. Based on these values the probability of investor exit scenarios and related pay-outs were determined and ultimately the present value of the probable pay-out under each scenario, including the conversion option being exercised, was established. At each reporting date, the fair value of the conversion option is determined and any change in fair value is recognised in Statement of Profit or Loss.

Further, based on mutual agreement vide letter dated September 17, 2018, the maturity date has been extended to December 2023.

b. Non convertible redeemable preference shares (NCRPS)

The holder of each Non-convertible redeemable preference shares (NCRPS) shall be entitled to a preferential dividend at the rate of 0.01% per annum on the face value of the NCRPS issued. NCRPS will be redeemed on March 31, 2023. (Refer note 45).

c. During the year a joint venture was established between PFWNV and General Systems Vehicle Limited (GSV) to provide virtual production services. PFWNV has committed to provide consideration to the joint venture of ₹ 11.55 Crores ($ 1.58 Million) of which 50% is payable upfront and balance is payable in two equal instalments on completion of first and second year respectively subject to continuation of GSV as JV partner. As at March 31, 2021 consideration ₹ 2.90 Crore is disclosed as non-current financial liability and ₹ 8.69 Crore as current financial liability. (Refer note 46).

21. PROVISIONS (NON-CURRENT)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
Provision for gratuity (Refer note 37)	28.06	24.65
Provision for compensated absences	1.40	1.26
	29.46	**25.91**

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

22. OTHER LIABILITIES (NON-CURRENT)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Deferred rent	0.50	0.75
	0.50	**0.75**

23. CURRENT BORROWINGS

₹ Crores

	As at March 31, 2021	As at March 31, 2020
From banks/ others (secured)		
Cash credit / overdraft (Refer note (a), (b) below and 19.(c))	59.02	57.07
Short-term demand loan (Refer note (c), (d), (e) below and 19.(c))	1,863.12	1,074.51
Invoice discounting facility (Refer note (f) below)	19.43	52.36
	1,941.57	**1,183.94**

a. Cash credits/ overdraft from banks are secured against first pari passu charge on the Company's current assets both present and future, personal guarantees and pledge of shares of the Company held by promoters (Refer note 19(a)). The cash credit is repayable on demand and carries interest at the rate of 11.00% to 11.25% per annum. As at March 31, 2021 the outstanding is ₹ Nil and as at March 31, 2020 the cash credits/ overdraft outstanding was ₹ 32.13 Crores.

b. PFT has availed a cash credit facility from bank. These facilities were secured by first and exclusive charge on all existing and future current assets and all existing and future movable fixed assets except financed through equipment loan/lease pari-passu with term loans. The above facilities were further secured by corporate guarantee issued by the Company and personal guarantee of promoters (Refer note 19 (a)). The rate of interest for cash credit / overdraft is based on 6 months MCLR + 2.65% with a reset on half-yearly basis. As at March 31, 2021 ₹ 24.86 Crores (March 31, 2020 ₹ 24.94 Crores) was included in cash credit / overdraft.

c. During the previous years, PFW Group had availed a short-term facility from a financial institution of ₹ 10.05 Crores (GBP 1.12 Million). During current year, there was additional drawdown under this facility increasing the total borrowed amount to ₹ 25.75 Crores (GBP 2.55 Million). This facility is hypothecated against specific assets purchased. The rate of interest of the loan is 3.36%-3.91% and is repayable in 12 months from the date on which it is borrowed. This facility was fully repaid during the year and as at March 31, 2020 ₹ 10.05 Crores was disclosed as short-term demand loan.

d. During the year, PF World Limited, (Mauritius) entered into a short term loan agreement for an amount of $ 100 million with a financial institution for an interest of 20% per annum. Out of this, $ 95 million was drawn during the year. The loan is repayable on October 1, 2021. The loan is guaranteed by PF World Limited (Mauritius) and Prime Focus 3D Cooperatief UA. Further, PF Investments Limited, PF Overseas Limited and PF Luxembourg sarl are additional guarantors to the loan. PF World Limited (Mauritius) has pledged its shares in PF Overseas Limited and optionally convertible preference shares held in De-Fi Media Limited. Additionally all bank accounts of PF World Limited (Mauritius) has been pledged in favour of the lender. Secondly, Prime Focus Luxembourg Sarl and PF Investments Limited have pledged their membership interest and related rights in Prime Focus 3D Cooperatief UA. As at March 31, 2021 ₹ 695.68 Crores is disclosed as short-term demand loan.

e. In April, 2020, PFW Group was granted an unsecured facility under the U.S Small Business Administration Paycheck Protection Program of $ 0.72 Million, repayable after a year. The proceeds of the Loan was 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. Subsequent to year end this loan was completely waived off. As on March 31, 2021, ₹ 5.28 Crore is disclosed as current portion of long-term borrowing.

f. PFW Group has availed pre shipment and post shipment export finance facility from bank, at a rate of interest of LIBOR plus 4% to 7.25% with a tenor of upto one year. Sanctioned facility of ₹ 60 Crores is secured against current assets and movable fixed assets of DNEG India Media Services Limited, exclusive charge by way of mortgage of immovable properties of the Company, pledge of 30% shares of subsidiaries viz: DNEG India Media Services Limited, Prime Focus Technologies Limited, PF World Limited, Mauritius, Prime Focus Luxembourg s.a.r.l., Prime Focus 3D Cooperartief U.A. held by the Company, corporate guarantee of the Company and personal guarantee of the promoter and pledge of shares of the Company held by promoters (refer note 19(a)) and corporate guarantee given by PFWNV. As at March 31, 2021, ₹ 19.43 Crores and as at March 31, 2020, ₹ 52.36 Crores included in Invoice discounting facility.

24. OTHER CURRENT FINANCIAL LIABILITIES

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Current maturity of long term borrowings		
Term loans (secured)		
From banks	111.39	164.19
Refer note (19.a), (19.b) and (19.c)		
From others	4.56	4.79
Refer note (19.d)		
Term loans (unsecured)		
From banks	1.81	-
Refer note (19.h)		
From others	1.00	1.00
Refer note (19.f)		
Other loans and advances (unsecured)		
Inter corporate deposit received	23.00	23.00
Refer note (19.g)		
	141.76	**192.98**
Deferred consideration payable (refer note 20.c)	8.69	-
Interest accrued but not due on borrowings	61.76	23.26
Security deposits	9.21	3.90
Capital creditors	50.62	10.01
Accrued salaries and benefits	160.72	90.55
Others	14.88	-
	447.64	**320.70**

Note:

There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2021 (March 31, 2020: Nil)

25. PROVISIONS (CURRENT)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Provision for employee benefits:		
Provision for gratuity (Refer note 37)	0.96	0.74
Provision for compensated absences	57.72	58.30
	58.68	**59.04**

26. OTHER LIABILITIES (CURRENT)

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Deferred rent	-	0.03
Deferred revenue	230.43	371.74
Advance received from customers	2.81	0.99
Book overdraft *	0.00	0.50
Other payables #	79.15	141.80
	312.39	515.06

*The value 0.00 means amount is below ₹ 50,000/-

Other payables include withholding taxes, goods and service tax payable and employer and employee contribution to provident fund and other funds liability.

27. REVENUE FROM OPERATIONS

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Income from services	2,530.00	2,887.67
Other operating revenues:		
Export incentives	6.49	41.57
	2,536.49	2,929.24

28. OTHER INCOME

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Interest income:		
Bank deposits	0.22	0.21
On income tax refunds	3.54	0.23
Others	2.28	2.47
Dividend income *	-	0.00
Net gain on sale of property, plant and equipment	0.78	-
Sundry balance written back	2.45	3.36
Others	7.87	11.17
	17.14	17.44

* The value 0.00 means amount is below ₹ 50,000/-

29. EMPLOYEE BENEFITS EXPENSE

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Salaries and wages	1,308.01	1,625.14
Contribution to provident fund and other funds (refer note 37 a)	113.84	134.30
Gratuity expense (refer note 37 b)	8.60	5.78
Staff welfare expenses	37.25	41.40
	1,467.70	1,806.62

30. FINANCE COSTS

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
On working capital finance	73.65	58.35
On term loan	64.92	83.27
On lease liabilities	62.25	57.80
On others (including bank charges)	56.09	43.47
Change in fair value of financial liabilities	(5.89)	(11.49)
	251.02	231.40

31. OTHER EXPENSES

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Rent	22.28	29.41
Communication cost	20.94	23.37
Consumable stores	1.02	24.99
Director's sitting fees	0.05	0.09
Electricity	42.49	52.97
Insurance cost	6.95	8.43
Rebates and discount	0.14	0.95
Traveling and conveyance	9.55	40.93
House keeping expenses	2.51	6.95
Rates and taxes	26.10	26.14
Legal and Professional fees	44.64	39.88
Payment to auditors (see Note below)	5.34	5.25
Repairs and maintenance	61.90	45.35
Bad debts /advances written off	28.50	51.10
Provision for doubtful debts / advances (net)	(7.17)	29.30
Loss on sale of property, plant and equipment	6.49	3.70
Miscellaneous expenses	70.47	50.10
	342.20	438.91

Payment to auditors

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
As auditor		
Audit fees	5.17	4.09
In other matters	0.17	1.16
	5.34	5.25
Accounted as part of exceptional item (refer note 32 below)	-	20.66
	5.34	25.91

32. EXCEPTIONAL ITEMS (NET OF TAX)

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Cost related to initial public offering of bonds and shares of subsidiary *	22.61	67.56
	22.61	67.56

* Towards costs related to initial public offering of bonds and shares which was shelved by a subsidiary.

33. INCOME TAX

a. Amounts recognised in profit or loss

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Current tax		
- in respect of current year (a)	46.09	41.05
- in respect of prior years (b)	(20.85)	3.80
Total current tax	**25.24**	**44.85**
Deferred tax		
- in respect of current year (c)	(7.68)	(86.87)
Total income tax expense recognied in the current year (a) + (b) + (c)	**17.56**	**(42.02)**

b. Income tax recognised in other comprehensive income

	Year ended March 31, 2021	Year ended March 31, 2020
Re-measurement of defined benefit liability	(0.38)	1.22
Tax recognised in other comprehensive income	**(0.38)**	**1.22**

c. Reconciliation of effective tax rate

₹ Crores

	March 31, 2021		March 31, 2020	
	% of PBT	Amount	% of PBT	Amount
Loss before tax and exceptional item		(15.97)		(128.34)
Tax using company's domestic tax rate	25.17%	(4.22)	25.17%	(32.30)
Effect of:				
Expenses that are not deductible and other adjustments		(15.91)		10.43
Differential tax rate and indexation benefits on capital gain		-		2.59
Tax charge on taxable income within the Group		-		53.75
Differential tax rates of subsidiaries operating in other jurisdictions		13.23		7.69
Reversal of deferred tax liability due to change in tax rate (current year impact u/s 115BAA of the Income Tax Act, 1961)		(21.66)		(5.66)
Deferred tax recognised now with respect to temporary differences (net)		35.75		-
Deferred tax assets recognised now with respect to unused tax losses and depreciation of earlier years (net)		31.22		(82.32)
		38.41		**(45.83)**
Tax pertaining to prior years		(20.85)		3.80
Income tax expenses recongnised in Statement of Profit & Loss		**17.56**		**(42.02)**

d. Deferred tax balances

The following is the analysis of deferred tax assets/ (liabilities) presented in the consolidated balance sheet:

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Deferred tax assets	118.04	117.48
Deferred tax liabilities	(34.23)	(45.36)
	83.81	**72.12**

e. Movement in deferred tax

₹ Crores

	Balance as at March 31, 2019	Recognised in Profit / Loss during 2019-20	Recognised in other equity during 2019-20 #	Recognised in OCI during 2019-20	Balance as at March 31, 2020	Recognised in Profit / Loss during 2020-21	Recognised in other equity during 2020-21	Recognised in OCI during 2020-21	Balance as at March 31, 2021
Difference between tax books and written down value of PPE and intangible assets @	**(137.73)**	42.16	16.65	-	**(78.92)**	8.51	-	-	**(70.41)**
Unabsorbed loss carried forward	**89.68**	28.20	(2.75)	-	**115.13**	34.93	-	-	**150.06**
MAT credit entitlement	**9.40**	(9.40)	-	-	**-**	-	-	-	**-**
Others *	**12.43**	25.91	(3.65)	1.22	**35.91**	(35.76)	4.39	(0.38)	**4.16**
Net deferred tax assets / (liabilities)	**(26.22)**	**86.87**	**10.25**	**1.22**	**72.12**	**7.68**	**4.39**	**(0.38)**	**83.81**

* The value 0.00 means amount is below ₹ 50,000/-

Includes deferred tax credit of ₹ 10.45 Crores on IND AS 116 transition impact accounted in retained earnings.

@ Net of deferred tax on lease liabilities recorded against right-to-use assets in accordance with IND AS 116.

f. The Group has carried forward losses against which deferred tax asset has not been recognised.

	As at March 31, 2021 (₹ Crores)	Will expire in FY	As at March 31, 2020 (₹ Crores)	Will expire in FY
Unabsorbed business loss	3.73	2020-21	147.52	2020-21
Unabsorbed business loss *	2.00	2021-22	0.00	2021-22
Unabsorbed business loss	6.56	2022-23	2.73	2022-23
Unabsorbed business loss	13.31	2023-24	6.70	2023-24
Unabsorbed business loss	22.39	2024-25	13.51	2024-25
Unabsorbed business loss	59.22	2025-26	45.11	2025-26
Unabsorbed business loss	79.87	2026-27	63.59	2026-27
Unabsorbed business loss	6.57	2027-28	82.12	2027-28
Unabsorbed business loss	23.60	2028-29	0.23	2028-29
Unabsorbed business loss	0.43	2030-31	-	2030-31
Unabsorbed business loss	0.47	2031-32	2.38	2031-32
Unabsorbed business loss	5.84	2032-33	0.48	2032-33
Unabsorbed business loss	0.01	2033-34	0.02	2033-34
Unabsorbed business loss	2.35	2034-35	31.84	2034-35
Unabsorbed business loss	8.95	2035-36	1.03	2035-36
Unabsorbed business loss	2.25	2036-37	3.54	2036-37
Unabsorbed business loss	0.09	2037-38	9.08	2037-38
Unabsorbed business loss	39.04	2038-39	48.39	2038-39
Unabsorbed business loss	90.18	2039-40	67.68	2039-40
Unabsorbed business loss	8.96	2040-41	-	2040-41
Unabsorbed business loss	-	Indefinite life	347.40	Indefinite life
Unabsorbed depreciation	46.77	Indefinite life	0.81	Indefinite life
	422.62	-	**874.17**	

* The value 0.00 means amount is below ₹ 50,000/-

34. SEGMENT INFORMATION

Operating segments:

a. The segment information has been prepared in line with the review of operating results by Chief Operating Decision Maker (CODM) of Group i.e. the Board of Directors.

b. The Group is presently operating as integrated post-production setup. The CODM decides on allocation of the resources to the business taking a holistic view of the entire setup and hence it is considered as representing a single operating segment.

Geographical information

The Group operates in four principal geographical areas – India (Country of Domicile), United Kingdom, Canada and the United States of America (U.S).

The Group's revenue from continuing operations from external customers by location of customers and information about its non-current assets by location of assets are detailed below:

₹ Crores

	Income from services		Segment non-current assets *	
	Year ended March 31, 2021	Year ended March 31, 2020	As at March 31, 2021	As at March 31, 2020
India	212.29	308.76	1,375.90	1,499.57
United Kingdom	334.00	1,207.78	1,158.77	1,157.21
U.S.	156.10	149.57	174.38	179.46
Canada	1,786.80	1,202.68	440.77	311.07
Other Countries	40.81	18.88	0.20	0.30
	2,530.00	**2,887.67**	**3,150.02**	**3,147.62**

*Non-current assets exclude investments, financial assets and deferred tax assets.

None of the customers (Previous year: Nil) contributed 10% or more of the group's total revenue for the year ended March 31, 2021.

35. EARNINGS PER SHARE (EPS)

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

Diluted EPS amounts are calculated by dividing the net profit / (loss) attributable to equity share holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Net loss after tax as per Statement of Profit and loss attributable to equity shareholders	(56.14)	(153.88)
Less: Exceptional items (net of tax)	22.61	67.56
Loss after tax before exceptional items	**(33.53)**	**(86.32)**
	Number	**Number**
Weighted average number of equity shares in calculating basic EPS	**29,92,07,631**	**29,92,07,631**
Weighted average potential equity shares	**-**	**-**
Weighted average number of equity shares in calculating diluted EPS	**29,92,07,631**	**29,92,07,631**
Earnings per share (before exceptional items)		
Basic earnings per share (₹)	(1.12)	(2.88)
Diluted earnings per share (₹) (Refer note below)	(1.12)	(2.88)
Earnings per share (after exceptional items)		
Basic earnings per share (₹)	(1.87)	(5.14)
Diluted earnings per share (₹) (Refer note below)	(1.87)	(5.14)

Potential equity shares are anti-dilutive in nature and hence diluted earning per share is same as basic earning per share.

36. STATEMENT OF NET ASSETS, NET PROFIT / LOSS AFTER TAX AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS AND NON-CONTROLLING INTEREST.

₹ Crores

Sr. No.	Name of entity	Net Assets As on March 31, 2021		Share in Profit / (loss) Year ended March 31, 2021		Share in Other Comprehensive Income Year ended March 31, 2021		Share in Total Comprehensive Income Year ended March 31, 2021	
		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 Limited	372.98%	1,292.32	(48.41%)	27.18	(0.14%)	0.15	(16.94%)	27.33
2	Dneg India Media Services Limited	55.15%	191.10	(35.34%)	19.84	(0.99%)	1.04	(12.94%)	20.88
3	De-Fi Media Limited	(24.24%)	(84.00)	85.41%	(47.95)	-	-	29.72%	(47.95)
4	Prime Focus Technologies Limited	73.25%	253.81	59.78%	(33.56)	0.08%	(0.08)	20.75%	(33.49)
5	Prime Focus Technologies UK Limited	(6.19%)	(21.43)	28.68%	(16.10)	-	-	9.98%	(16.10)
6	Prime Focus MEAD FZ LLC	6.28%	21.77	(2.49%)	1.40	-	-	(0.87%)	1.40
7	Prime Post (Europe) Limited	0.18%	0.64	0.14%	(0.08)	-	-	0.05%	(0.08)
8	Prime Focus Technologies Inc.	(8.88%)	(30.77)	4.45%	(2.50)	-	-	1.55%	(2.50)
9	DAX Cloud ULC	(0.67%)	(2.32)	(0.64%)	0.36	-	-	(0.22%)	0.36

₹ Crores

Sr. No.	Name of entity	Net Assets As on March 31, 2021		Share in Profit / (loss) Year ended March 31, 2021		Share in Other Comprehensive Income Year ended March 31, 2021		Share in Total Comprehensive Income Year ended March 31, 2021	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
10	Apptarix Mobility Solutions Private Limited	0.06%	0.20	0.01%	(0.00)	-	-	0.00%	(0.00)
11	Prime Focus Technologies Pte Limited	0.06%	0.20	(0.37%)	0.21	-	-	(0.13%)	0.21
12	Prime Focus Production Services Private Limited	(0.00%)	(0.00)	0.00%	(0.00)	-	-	0.00%	(0.00)
13	GVS Software Private Limited	7.65%	26.49	0.00%	(0.00)	-	-	0.00%	(0.00)
14	Jam8 Prime Focus LLP	(1.46%)	(5.05)	3.79%	(2.13)	(0.01%)	0.01	1.31%	(2.12)
15	Prime Focus Motion Pictures Limited	(0.10%)	(0.33)	0.02%	(0.01)	-	-	0.01%	(0.01)
16	PF Digital Media Services Limited	(0.42%)	(1.45)	1.23%	(0.69)	(0.01%)	0.01	0.42%	(0.68)
17	PF World Limited (Mauritius)	(32.96%)	(114.20)	161.04%	(90.41)	-	-	56.03%	(90.41)
18	Prime Focus Luxembourg S.a.r.l.	25.44%	88.13	7.86%	(4.41)	-	-	2.73%	(4.41)
19	Prime Focus 3D Cooperatief U.A.	71.53%	247.82	0.37%	(0.21)	-	-	0.13%	(0.21)
20	DNEG Plc (formerly known as Dneg Limited)	(5.39%)	(18.67)	31.92%	(17.92)	-	-	11.11%	(17.92)
21	Prime Focus World N.V.	5.09%	17.65	229.16%	(128.65)	-	-	79.73%	(128.65)
22	Double Negative Canada Productions Limited	46.01%	159.43	(116.28%)	65.28	-	-	(40.46%)	65.28
23	Double Negative Huntsman VFX Limited	(1.24%)	(4.29)	0.43%	(0.24)	-	-	0.15%	(0.24)
24	Vegas II VFX Limited	(4.28%)	(14.82)	0.04%	(0.02)	-	-	0.01%	(0.02)
25	Prime Focus International Services UK Limited	50.71%	175.71	(12.58%)	7.06	-	-	(4.38%)	7.06
26	Prime Focus VFX USA Inc.	0.00%	-	(3.42%)	1.92	-	-	(1.19%)	1.92
27	Prime Focus Academy of Media & Entertainment Studies Private Limited	3.32%	11.52	1.87%	(1.05)	-	-	0.65%	(1.05)
28	DNEG North America Inc.	113.58%	393.52	(123.74%)	69.47	-	-	(43.05%)	69.47
29	Redefine FX Limited	(15.81%)	(54.79)	106.86%	(59.99)	-	-	37.18%	(59.99)
30	1800 Vine Street LLC (USA)	0.00%	-	120.13%	(67.44)	-	-	41.79%	(67.44)
31	Double Negative Montreal Productions Limited	119.43%	413.79	(370.81%)	208.17	-	-	(129.01%)	208.17

₹ Crores

Sr. No.	Name of entity	Net Assets As on March 31, 2021		Share in Profit / (loss) Year ended March 31, 2021		Share in Other Comprehensive Income Year ended March 31, 2021		Share in Total Comprehensive Income Year ended March 31, 2021	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
32	Double Negative Holdings Limited UK	(0.01%)	(0.05)	0.09%	(0.05)	-	-	0.03%	(0.05)
33	Double Negative Singapore Pte. Limited	(0.01%)	(0.04)	(15.25%)	8.56	-	-	(5.30%)	8.56
34	Double Negative Films Limited, UK	(18.34%)	(63.53)	(1.59%)	0.89	-	-	(0.55%)	0.89
35	Double Negative LA LLC	0.83%	2.89	1.62%	(0.91)	-	-	0.56%	(0.91)
36	Double Negative Limited	(46.62%)	(161.52)	332.56%	(186.70)	-	-	115.70%	(186.70)
37	Prime Focus ME Holdings Limited	(0.02%)	(0.06)	0.01%	(0.00)	-	-	0.00%	(0.00)
38	Prime Focus (HK) Holdings Limited	0.00%	-	(13.15%)	7.38	-	-	(4.57%)	7.38
39	Incamera Limited	(1.36%)	(4.71)	16.12%	(9.05)	-	-	5.61%	(9.05)
40	PF Investments Limited (Mauritius)	(0.17%)	(0.60)	0.37%	(0.21)	-	-	0.13%	(0.21)
41	PF Overseas Limited (Mauritius)	(0.18%)	(0.64)	0.20%	(0.11)	-	-	0.07%	(0.11)
42	PF Media Limited	53.17%	184.22	(10.92%)	6.13	-	-	(3.80%)	6.13
43	Lowry Digital Imaging Services Inc.	(35.28%)	(122.24)	19.34%	(10.86)	-	-	6.73%	(10.86)
44	Prime Focus Media Uk Limited	0.00%	0.00	-	-	-	-	-	-
			2,775.69		**(257.41)**		**1.13**		**(256.13)**
	Add/(Less): effects of inter company adjustments / eliminations		(2,509.16)		214.01		(103.43)		110.43
	Less: minority Interest in all subsidiaries		79.95		(12.74)		(2.92)		(15.66)
			346.48		**(56.14)**		**(105.22)**		**(161.36)**

The value 0.00 means amount is below ₹ 50,000/-

36. STATEMENT OF NET ASSETS, NET PROFIT / LOSS AFTER TAX AND OTHER COMPREHENSIVE INCOME ATTRIBUTABLE TO OWNERS AND NON-CONTROLLING INTEREST.

₹ Crores

Sr No	Name of entity	Net Assets As on March 31, 2020		Share in Profit / (loss) Year ended March 31, 2020		Share in Other Comprehensive Income Year ended March 31, 2020		Share in Total Comprehensive Income Year ended March 31, 2020	
		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 Limited	265.49%	1,264.99	(108.32%)	166.68	0.07%	(0.06)	(68.68%)	166.62
2	Dneg India Media Services Limited *	(11.48%)	(54.72)	(68.33%)	105.15	3.48%	(3.09)	(42.07%)	102.06
3	De-Fi Media Limited	(6.55%)	(31.22)	21.78%	(33.51)	-	-	13.81%	(33.51)
4	Prime Focus Technologies Limited	58.68%	279.58	4.19%	(6.44)	0.63%	(0.56)	2.89%	(7.00)
5	Prime Focus Technologies UK Limited	(0.89%)	(4.26)	5.47%	(8.41)	-	-	3.47%	(8.41)
6	Prime Focus MEAD FZ LLC	4.37%	20.80	1.15%	(1.77)	-	-	0.73%	(1.77)
7	Prime Post (Europe) Limited	0.14%	0.66	0.62%	(0.96)	-	-	0.40%	(0.96)
8	Prime Focus Technologies Inc.	(22.31%)	(106.30)	48.94%	(75.31)	-	-	31.04%	(75.31)
9	DAX PFT LLC	16.25%	77.42	0.72%	(1.11)	-	-	0.46%	(1.11)
10	DAX Cloud ULC	(0.51%)	(2.45)	0.13%	(0.20)	-	-	0.08%	(0.20)
11	Apptarix Mobility Solutions Private Limited	0.04%	0.20	0.08%	(0.12)	-	-	0.05%	(0.12)
12	Prime Focus Production Services Private Limited	(0.00%)	(0.00)	0.00%	(0.00)	-	-	0.00%	(0.00)
13	GVS Software Private Limited	5.56%	26.49	(0.01%)	0.01	-	-	(0.00%)	0.01
14	Jam8 Prime Focus LLP	(0.61%)	(2.93)	1.91%	(2.94)	-	-	1.21%	(2.94)
15	Prime Focus Motion Pictures Limited	(0.07%)	(0.32)	0.04%	(0.06)	-	-	0.02%	(0.06)
16	PF Digital Media Services Limited	(0.16%)	(0.77)	0.05%	(0.07)	(0.01%)	0.01	0.02%	(0.06)
17	PF World Limited (Mauritius)	122.96%	585.88	22.17%	(34.11)	-	-	14.06%	(34.11)
18	Prime Focus Luxembourg S.a.r.l.	19.81%	94.41	2.56%	(3.94)	-	-	1.62%	(3.94)
19	Prime Focus 3D Cooperatief U.A.	53.13%	253.15	1.66%	(2.55)	-	-	1.05%	(2.55)
20	DNEG Plc (formerly known as Dneg Limited)	0.10%	0.46	-	-	-	-	-	-
21	Prime Focus World N.V.	28.49%	135.75	21.76%	(33.49)	-	-	13.80%	(33.49)
22	Double Negative Canada Productions Limited	17.59%	83.81	(7.35%)	11.31	-	-	(4.66%)	11.31
23	Double Negative Huntsman VFX Limited	(0.77%)	(3.66)	(0.12%)	0.19	-	-	(0.08%)	0.19
24	Vegas II VFX Limited	(2.82%)	(13.43)	0.03%	(0.04)	-	-	0.02%	(0.04)
25	Prime Focus International Services UK Limited	39.10%	186.29	(26.51%)	40.79	-	-	(16.81%)	40.79
26	Prime Focus VFX USA Inc.	(0.41%)	(1.94)	0.01%	(0.02)	-	-	0.01%	(0.02)
27	Prime Focus Academy of Media & Entertainment Studies Private Limited	2.64%	12.58	1.52%	(2.34)	(0.02%)	0.02	0.96%	(2.32)
28	DNEG North America Inc.	83.88%	399.67	(9.38%)	14.44	-	-	(5.95%)	14.44
29	Redefine FX Limited	4.60%	21.93	(14.63%)	22.51	-	-	(9.28%)	22.51
30	Double Negative Montreal Productions Limited	36.89%	175.77	(36.36%)	55.95	-	-	(23.06%)	55.95
31	Double Negative Holdings Limited UK	(0.00%)	(0.00)	-	-	-	-	-	-
32	Double Negative Singapore Pte. Limited	(1.75%)	(8.33)	0.03%	(0.05)	-	-	0.02%	(0.05)
33	Double Negative Films Limited, UK	(18.84%)	(89.76)	2.58%	(3.97)	-	-	1.64%	(3.97)
34	Double Negative LA LLC	1.11%	5.30	(2.94%)	4.52	-	-	(1.86%)	4.52
35	Double Negative Limited	10.36%	49.35	(27.89%)	42.91	-	-	(17.69%)	42.91
36	Prime Focus ME Holdings Limited	(0.01%)	(0.06)	0.06%	(0.10)	-	-	0.04%	(0.10)
37	Prime Focus (HK) Holdings Limited	(1.57%)	(7.46)	-	-	-	-	-	-
38	PF Investments Limited (Mauritius)	(0.08%)	(0.40)	0.05%	(0.08)	-	-	0.03%	(0.08)
39	PF Overseas Limited (Mauritius)	(0.11%)	(0.54)	0.01%	(0.01)	-	-	0.00%	(0.01)
40	PF Media Limited (Formerly known as Reliance MediaWorks (Mauritius) Limited)	39.34%	187.43	(11.65%)	17.92	-	-	(7.39%)	17.92
41	Lowry Digital Imaging Services Inc. ((formerly known as Reliance Lowry Digital Imaging Services Inc.)	(23.88%)	(113.79)	(12.85%)	19.78	-	-	(8.15%)	19.78
42	Prime Focus China Limited	-	-	-	-	-	-	-	-
			3,419.57		**290.56**		**(3.68)**		**286.88**
	Add/(Less): effects of inter company adjustments / eliminations		(3,027.15)		(422.06)		(81.75)		(503.81)
	Less: minority Interest in all subsidiaries		84.06		(22.38)		(3.29)		(25.67)
			476.48		**(153.88)**		**(88.72)**		**(242.60)**

* Double Negative India Private Limited and Dneg Creative Services Private Limited merged into DNEG India Media Services Limited w.e.f. April 1, 2019

The value 0.00 means amount is below ₹ 50,000/-

37. EMPLOYEE BENEFIT PLANS

a. Defined contribution plans

The total amount recognised in profit or loss is ₹ 113.84 Crores (Year ended March 31, 2020 ₹ 134.30 Crores), which is included in note 29 as 'Contribution to Provident Fund and Other Funds' and Gratuity.

The Group contributes towards Provident Fund in India, Saving and Investment plan u/s. 401(k) of internal Revenue Code, Social security and Medicare in USA, National Insurance in UK, Canada pension plan and Quebec pension plan in Canada. Liability in respect thereof is determined on the basis of contribution as required under the respective rules and regulations. There is no further obligation of the Group beyond the contributions made.

b. Defined benefit plans

The Group sponsors defined benefit plans for qualifying employees of the Indian componant of the Group. The defined benefit plans unfunded and are administered by the Group directly. Under the plans, the employee are entitled to a lump-sump payment upon retirement from the services of the Group. An employee becomes eligible to receive payment upon completion of 5 years of service at the rate of 15 days of service for each completed year of service.

These plans typically expose the Group to actuarial risks such as; interest rate risk, longevity risk and salary risk.

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

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

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

i. Reconciliation of opening and closing balance of defined benefit obligation

₹ Crores

	March 2021	March 2020
Defined benefit obligation at the beginning of the year	25.39	16.39
Interest cost	1.75	1.28
Current service cost	6.85	4.50
Benefit paid directly by the employer	(3.32)	(1.68)
Actuarial losses on obligations - due to change in financial assumptions	0.05	3.19
Actuarial losses on obligations - due to experience	(1.71)	1.71
Present value of benefit obligation at the end of the year	**29.02**	**25.39**

ii. Expenses recognised in Statement of Profit and Loss during the year

₹ Crores

	March 2021	March 2020
Current service cost	6.85	4.50
Interest cost	1.75	1.28
Expenses recognized	**8.60**	**5.78**

iii. Expenses recognized in the Other Comprehensive Income (OCI)

₹ Crores

	March 2021	March 2020
Actuarial (gains)/losses on obligation for the year	(1.66)	4.90

iv. Actuarial assumptions

	March 2021	March 2020
Rate of discounting	6.82%-6.96%	6.78%-6.89%
Rate of salary increase	5.00% -7.00%	5.00% -7.00%
Rate of employee turnover	2.00% -20.00% p.a.	2.00% -20.00% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

a. The discount rate is based on the prevailing market yields of the Government of India bonds as at the Balance Sheet date for the estimated term of the obligations.

b. The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

vi. Sensitivity analysis of the defined benefit obligations:

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

₹ Crores

	March 2021		March 2020	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (1% movement)	(4.01)	4.92	(3.58)	4.42
Future salary appreciation (1% movement)	4.68	(3.95)	4.23	(3.55)
Attrition rate (1% movement)	0.01	(0.03)	0.34	(0.36)

38. FINANCIAL INSTRUMENTS

a. Capital risk management

The Group's objectives when managing capital are to safeguard the Group'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 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 capital structure of the Group consists of borrowings offset by cash and bank balances, share warrants and equity of the Group (comprising issued capital, reserves and retained earnings as detailed in statement of changes in shareholders' equity). The debt equity ratio for current year is 10.74 as on March 31, 2021 (6.35 as on March 31, 2020).

During the year, the Group's strategy was to monitor and manage the use of funds whilst developing business strategies.

b. Financial risk management

A wide range of risks may affect the Groups's business and financial results. Amongst other risks that could have significant influence on the Group are market risk, credit risk and liquidity risk.

The Board of Directors manage and review the affairs of the Group by setting up budgets, by monitoring the same and taking suitable actions to minimise potential adverse effects on its operational and financial performance.

c. **Credit risk management**

Credit risk is the risk of financial loss to the Group if a client or counter-party 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 reputed production houses, national broadcasters and major organisations which the Group has worked with for 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 minimise this risk by holding funds on deposit with banks and others.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 1,896.05 Crores and ₹ 1,547.38 Crores as at March 31, 2021 and March 31, 2020 respectively, being the total of the carrying amount of the balances with banks, bank deposits, investments (excluding equity and preference investments), trade receivables, unbilled revenue and other financial assets.

The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables and unbilled revenue as at March 31, 2021 and March 31, 2020.

d. **Liquidity risk management**

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

Management monitors rolling forecasts of the Group's liquidity position (comprising of undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks and others to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below analyses the maturity profile of the Group's financial liabilities. The following break up is based on the remaining period at the balance sheet date to the contractual maturity date.

₹ Crores

	March 31, 2021	
	Less than 1 year	More than 1 year
Financial liabilities		
Borrowings	2,083.33	695.47
Lease liabilities	261.40	864.02
Other financial liabilities	305.88	139.55
Trade payables	201.95	-
	2,852.56	**1,699.04**

₹ Crores

	March 31, 2020	
	Less than 1 year	More than 1 year
Financial liabilities		
Borrowings	1,376.92	1,073.92
Lease liabilities	175.64	744.99
Other financial liabilities	127.72	141.07
Trade payables	196.84	-
	1,877.12	**1,959.98**

e. **Market risk**

The primary market risks to which the Group is exposed are foreign currency and interest rate risk.

i. **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 US Dollar, Euro, Great Britain Pound and Singapore Dollar against the respective functional currencies of Prime Focus Limited and its subsidiaries.

The following analysis has been worked out based on the net exposures for each of the subsidiaries and Prime Focus Limited 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 31, 2021		As at March 31, 2020	
		Foreign Currency	₹ Crores	Foreign Currency	₹ Crores
Asset	AED	71,031	0.14	21,210	0.04
	AUD	-	-	4,50,388	2.07
	CAD	8,08,57,933	470.14	99,15,053	52.28
	EUR	5,89,806	5.07	51,170	0.42
	GBP	2,44,49,490	246.35	79,72,767	73.73
	SGD	1,508	0.01	1,508	0.01
	USD	13,57,41,729	984.78	9,34,67,838	698.61
Asset total			**1,706.49**		**827.16**
Liability	CAD	9,11,81,776	530.17	82,19,726	43.34
	EUR	84,99,258	72.98	1,80,822	1.49
	GBP	10,25,54,364	1,033.37	6,24,11,005	577.17
	INR	6,11,973	0.06	18,55,338	0.19
	SGD	23,09,156	12.57	22,36,184	11.73
	USD	6,71,65,720	491.81	1,66,30,340	124.30
Liability total			**2,140.96**		**758.22**

* The value 0.00 means amount is below ₹ 50,000/-

5% appreciation/ depreciation of respective foreign currencies with respect to functional currency of Prime Focus Limited and its subsidiaries would result in increase / decrease (previous year decrease/ increase) in the Group's profit before tax by approximately ₹ 21.72 Crores for the year ended March 31, 2021 [March 31, 2020: ₹ 3.45 Crores]. This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

ii. **Interest rate risk management**

The Group is exposed to interest rate risk because the entities in the group borrow funds at both fixed and floating interest rates. 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 on such borrowings would have decreased equity and profit for the year by ₹ 9.50 Crores and ₹ 10.17 Crores for March 2021 and March 2020 respectively and a 50 basis point decrease in floating interest rates on such borrowings would have increased equity and profit by the same amount respectively.

f. Fair value measurements

i. Accounting classifications and fair values

The following table shows the fair values of financial assets and financial liabilities, including their levels in fair value hierarchy.

₹ Crores

	Carrying value		Fair value		Fair value hierarchy
	As at March 31, 2021	As at March 31, 2020	As at March 31, 2021	As at March 31, 2020	
FINANCIAL ASSETS					
Financial assets measured at fair value					
Investments	0.01	4.33	0.01	4.33	Level 3
Revenue participation in movies	-	4.34	-	4.34	Level 3
Financial assets measured at amortised cost					
Investments	0.25	-	-	-	
Deposits	28.17	31.01	-	-	
Trade receivables	222.36	578.42	-	-	
Cash and cash equivalents	366.70	256.09	-	-	
Bank balance others	11.49	4.30	-	-	
Other financial assets	1,267.33	673.22	-	-	
	1,896.31	**1,551.71**	**0.01**	**8.67**	
FINANCIAL LIABILITIES					
Financial liabilities measured at fair value					
Class B convertible redeemable preferred share derivative	1.17	7.47	1.17	7.47	Level 3
Cash settled options	14.88	4.17	14.88	2.31	Level 3
Non convertible redeemable preferrence shares (NCRPS)	2.94	2.61	2.94	2.61	Level 3
Financial liabilities measured at amortised cost					
Class B convertible redeemable preferred shares	108.95	105.41	-	-	
Borrowings	2,778.80	2,450.84	-	-	
Lease liabilities	1,125.42	920.63	-	-	
Trade payables	201.95	196.84	-	-	
Other financial liabilities	317.49	149.13	-	-	
	4,551.60	**3,837.10**	**18.99**	**12.39**	

Basis of valuation technique for level 3 financial instruments

₹ Crores

(Financial assets) / Financial liabilities	Fair Value as at 31-Mar-21	Fair Value as at 31-Mar-20	Fair Value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Revenue participation in movies	-	(4.34)	Level 3	Undiscounted cash flow based on estimated theatrical box office performance	Future estimated theatrical box office performance. These estimates are based on available historical market information in respect of the actual performance of the films deemed to be generally comparable	Higher the estimated theatrical box office performance, the higher is the fair value

₹ Crores

(Financial assets) / Financial liabilities	Fair Value as at 31-Mar-21	Fair Value as at 31-Mar-20	Fair Value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Investment	(0.01)	(4.33)	Level 3	Discounted cash flows	Discount rate and probable cash flows	Higher the discount rate, lower the fair value. Non achieving of probable cash flow will lower the fair value.
Total financial assets	**(0.01)**	**(8.67)**				
Derivatives for redeemable convertible preferred shares Class B	1.17	7.47	Level 3	Third party valuation using Probability Expected Return Methodology ("PWERM")	Discount rate and probable cash flows	The higher the expected payouts, the higher the fair value. The higher the discount rate, the lower the fair value
Cash settled options	14.88	4.17	Level 3	Third party valuation using Probability Expected Return Methodology ("PWERM")	Discount rate and probable cash flows	The higher the expected payouts, the higher the fair value.
Non convertible redeemable preferrence shares (NCRPS)	2.94	2.61	Level 3	Discounted cash flows	Discount rate and probable cash flows	The higher the expected payouts, the higher the fair value. The higher the discount rate, the lower the fair value
Total financial liabilities	**18.99**	**14.25**				

Movement in level 3 instruments during the year	₹ Crores
Closing balance as at March 31, 2019 (Financial liabilities)	**23.10**
Mark to market change in embedded derivative of preferred shares Class B recognised in Profit or Loss	(10.55)
Fair value change towards cash settled options	1.86
Change in fair value of NCRPS	(0.16)
Closing balance as at March 31, 2020 (Financial liabilities)	**14.25**
Mark to market change in embedded derivative of Preferred shares Class B recognised in Profit or Loss	(6.30)
Fair value change towards cash settled options	10.71
Change in fair value of NCRPS	0.33
Closing balance as at March 31, 2021 (Financial liabilities)	**18.99**
Closing balance as at March 31, 2019 (Financial assets)	**(8.25)**
Exchange fluctuation in Investment	(0.42)
Closing balance as at March 31, 2020 (Financial assets)	**(8.67)**
Write-off of revenue participation in movies	4.34
Sale of investment	4.32
Closing balance as at March 31, 2021 (Financial assets)	**(0.01)**

39. SHARE BASED PAYMENTS

39.a. i. During the financial year 2014-15, the Board of Directors of the Company and its Shareholders' approved a share option plan and reserved 17,932,738 common shares for issuance thereunder. During the financial year 2016-17, options totalling to 17,932,738 ordinary shares were granted to certain identified eligible employees. Detailed description of share based payment arrangements is as below:

Date of shareholders' approval	Augsut 01, 2014
Total number of options approved under ESOP	1,79,32,738
Vesting requirements	Out of the total options granted, 45.88% options vest after 1st year, 45.88% options vest after 2nd year and 8.24% options vest after 3rd year from the date of respective grant.
Exercise price or pricing formula	₹ 52.00
Maximum term of options granted	5 years from each vesting date
Source of shares (primary, secondary or combination)	Primary
Variation in terms of options	Modified exercise period from 2 to 5 years (Refer note (iii) below)

ii. The weighted average fair value of the share option granted during the financial year 2016-17 is ₹ 32.26/-. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 2 – 4 years.

Inputs into the model were as follows:

(a) Grant date share price	₹ 68.35
(b) Exercise price	₹ 52.00
(c) Expected volatility	49.67% – 46.62%
(d) Expected life	2 – 4 years
(e) Dividend yield	-
(f) Risk free interest rate	6.85% to 6.97%

iii. During 2019, the Company had extended the exercise period of all outstanding options from 2 years to 5 years. The weighted average incremental fair value of the share options modified was ₹ 8.72/-. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 1.90 – 3.40 years.

Inputs into the model were as follows:

(a)	Grant date share price	₹ 70.80
(b)	Exercise price	₹ 52.00
(c)	Expected volatility	49.10% - 46.60%
(d)	Expected life	1.90 – 3.40 years
(e)	Dividend yield	-
(f)	Risk free interest rate	7.90 % to 8.00 %

iv. Reconciliation of outstanding share options:

	31-Mar-21		31-Mar-20	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	**1,75,62,734**	**52.00**	**1,76,29,400**	**52.00**
Granted during the year	-	-	-	-
Forfeited / lapsed during the year	-	-	-	-
Exercised during the year	-	-	66,666	52.00
Balance at the end of the year	**1,75,62,734**	**52.00**	**1,75,62,734**	**52.00**
Exercisable at the end of the year	**1,75,62,734**	**52.00**	**1,75,62,734**	**52.00**

Fair value of nil option vested during the year is ₹ Nil (March 31, 2020: 14,77,580 option was ₹ 6.53 crores)

Money realised by exercise of option during the year is ₹ Nil (March 31, 2020: ₹ 0.35 crores).

The options outstanding at March 31, 2021 have an exercise price of ₹52/- (March 31, 2020: ₹ 52/-) and a weighted average remaining contractual life of 2 year (March 31, 2020: 3 years)

Weighted average share price at the date of the exercise of share options exercised in 2020-21 is ₹ Nil (March 31, 2020: ₹ 83.90).

v. The Company has followed the fair value method to account for the grant of stock options and charge for the year ended March 31, 2021 is ₹ Nil (March 31, 2020: ₹ 1.21 Crores).

39.b. During fiscal year 2014, the Board of Directors and Shareholders' of PFW approved a share option plan for the PFW Group and reserved 973,285 common shares for issuance thereunder.

Pursuant to such plan, equity-settled options totalling 905,294 ordinary shares were granted to certain executives / consultants and to certain members of the Board of Directors and 57,429 cash-settled options (Phantom stock options) were issued to certain employees in earlier year(s).

i. Equity settled options :

Each equity-settled share option converts into one ordinary share of PFW on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of the expiry.

The following equity settled share options were in existence during the current year:

	Number	Grant date	Expiry date	Exercise Price per share	Fair value at grant date	Modified exercise price	Fair value on modification date
Grant 1	4,08,586	01-Jul-13	01-Jul-23	$13.13	$8.92-9.31	-	-
Grant 2	1,77,502	15-Aug-17	15-Aug-27	$88.50	$3.48	$50.00	$12.86
Grant 2A	72,498	15-Aug-17	15-Aug-27	$88.50	$3.48	-	-
Grant 3	19,638	07-May-18	07-May-28	$101.85	$66.10	-	-
Grant 4	9,778	02-Aug-19	02-Aug-29	$92.40	$39.68	$50.00	$53.95
Grant 5	76,055	06-Sep-19	06-Sep-29	$92.40	$39.63	$50.00	$53.78
Grant 6	1,16,083	06-Nov-19	06-Nov-29	$0.01	$93.36	-	-
Grant 7	21,731	06-Nov-19	06-Nov-29	$50.00	$58.33	-	-
Grant 8	3,423	06-Nov-19	06-Nov-29	$50.00	$58.20	-	-

All of the options from Grant 1 and Grant 6 are fully vested and are exercisable over a period until ten years from the date of grant. All of the above options from Grant 2 and 2A vest equally over the period of 3 years and are exercisable only upon listing of the PFW's shares on certain stock exchanges subject to some conditions. Grant 3 vest on achieving sales and margin targets. All of the options from Grant 4 and 5 vest 25% on the date of grant and 25% over three years beginning July 1, 2020. All of the options from Grant 7 vest 50% on the date of grant and 25% on July 1, 2021 and July 1, 2022 respectively. All of the options from Grant 8 vest two third on the date of grant and balance one third on 15th August 2020.

Exercise price of Grant 2, Grant 4 and Grant 5 was modified during fiscal 2020. Fair value of these grants was re-measured on the date of modification. The incremental charge due to difference in modification date fair value based on revised terms and original terms is recognised immediately in Statement of Operations to the extent options are already vested and charge for unvested options is recognised over the remaining vesting period.

Movement in equity settled shares options during the current year

	Fiscal year 2021		Fiscal year 2020	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	**9,05,294**	**$ 31.16**	**6,78,224**	**$ 43.48**
Granted during the year	-	$ 0.00	2,27,070	$ 40.47
Forfeited during the year	(31,230)	$ 50.00	-	$ 0.00
Balance at the end of the year	**8,74,064**	**$ 30.48 ***	**9,05,294**	**$ 28.07 ***
Exercisable at the end of the year	**5,71,009**	**$ 13.45**	**5,71,281**	**$ 13.47**

* Post modification of exercise price

The average remaining contractual life in respect of share-based options is 2,217 days as at March 31, 2020 and 1,816 days as at March 31, 2021.

ii. **Cash settled stock options:**

The Board of Directors approved a grant of 57,429 cash settled options on June 27, 2017, which vest over a period of 48 months to 60 months from October 1, 2014 and expire within ten years from the aforesaid date.

The following are the cash-settled share-based payment arrangements:

	Number	Expiry date	Exercise Price per share	Fair value as at reporting date
Grants	57,429	30-Sep-24	€ 0.01	$ 4.48

Movement in cash settled shares options during the current year:

	31-Mar-21		31-Mar-20	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	**54,178**	**€ 0.01**	**54,178**	**€ 0.01**
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
Balance at the end of the year	**54,178**	**€ 0.01**	**54,178**	**€ 0.01**
Exercisable at the end of the year	**-**	**-**	**-**	**-**

The average remaining contractual life in respect of share-based options is 1,644 days as at March 31, 2020 and 1,279 days as at March 31, 2021.

In case of phantom stock options, the participants are entitled to a cash payment amounting to the difference between the exercise price of the options and the exit proceeds allocated to each share underlying the options in case of an employee continuing employment and change of control or listing of PFW on certain stock exchanges subject to some conditions.

Subsequent to balance sheet date, all of the phantom stock options were exercised at equity share price of $ 37.51 for a total consideration of ₹ 15.04 Crores ($ 2.03 Million).

39.c. PFT ("Prime Focus Technologies Limited"), has granted employee stock options under employee's stock options scheme. Each option entitles the holder to one equity share of Rs. 10 each. 1,87,885 options were outstanding as at March 31, 2021 (Previous year 259,074). Nil (Previous year 88,883) options were granted during the year. Such options entitle the holders to one equity share of Rs. 10/- for each option granted with vesting period of 1 to 3 years, exercise period of 5 years and exercise price of Rs. 1,650/-. From options granted, 15,523 were vested during the year (Previous year 18,436).

The current status of the stock options granted to the Employees is as under:

Particulars	31-Mar-21		31-Mar-20	
	Numbers of options	Weighted average exercise price	Numbers of options	Weighted average exercise price
Balance at the beginning of the year	**2,59,074**	**2,626**	**1,91,606**	**3,132**
Granted during the year	-	-	88,883	1,650
Lapsed/ forfeited during the year	61,150	1,332	21,415	3,106
Expired during the year	10,038	267	-	-
Balance at the end of the year	**1,87,886**	**1,996**	**2,59,074**	**2,626**
Exercisable at the end of the year	**1,15,263**	**1,661**	**1,21,415**	**2,765**

For stock options outstanding as at March 31, 2021 the range of exercise price is Rs. 263 to Rs. 4,478 and weighted average remaining contractual life is 3.87 years and vesting period of 1 to 3 years.

No options were granted during the year.

Following are details with regard to determination of the fair value of stock options:

Option Pricing Model used – Black-Scholes-Merton formula

Weighted average fair value of share – Rs. 2,626- per share

Expected volatility – 28.4% - 51%

Option life – 5 - 7 years

Expected dividends – 0% yield

Risk-free interest rate -6.5% p.a.

PFT has followed the fair value method to account for the grant of stock options and charge for the year ended March 31, 2021 is ₹ 7.72 Crores (March 31, 2020: ₹ 6.61 Crores).

40. RELATED PARTY TRANSACTIONS

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

i. **Key management personnel (KMP)**

Mr. Naresh Malhotra – Chairman and Whole-time Director

Mr. Ramakrishnan Sankaranarayanan – Non Executive Director (Change in designation from Managing Director w.e.f. June 25, 2020)

Mr. Namit Malhotra – Non – Executive Director and Chief Executive Officer of PFWNV Group

Mr. Nishant Fadia – Chief Financial Officer

Ms. Parina Shah – Company Secretary

ii. **Enterprises owned or significantly influenced by Key Management Personnel or their relatives**

Blooming Buds Coaching Private Limited

A2R Holdings (w.e.f., December 23, 2020)

Monsoon Studio Private Limited

N2M Reality Private Limited

(i) **Key Management Personnel ***

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Remuneration		
Mr. Naresh Malhotra	0.89	1.18
Mr. Ramakrishnan Sankaranarayanan	-	1.81
Mr. Namit Malhotra	5.92	6.81
Mr. Nishant Fadia	0.44	0.59
Ms. Parina Shah	0.21	0.26

*The figures of Key management personnel do not include provisions for gratuity / other employee benefit as separate actuarial valuation not available.

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Balance payable / (receivable)		
Mr.Naresh Malhotra	0.12	0.07
Mr.Ramakrishnan Sankaranarayanan	-	0.14
Mr.Namit Malhotra	0.88	1.04
Mr. Nishant Fadia	0.06	0.04
Ms. Parina Shah	0.03	0.02

(ii) **Enterprises owned or significantly influenced by key management personnel or their relatives**

₹ Crores

	Year ended March 31, 2021	Year ended March 31, 2020
Interest expense on lease liability		
Blooming Buds Coaching Private Limited	2.21	2.43

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Balance outstanding		
Deposit		
Blooming Buds Coaching Private Limited	5.30	5.30
Lease liability		
Blooming Buds Coaching Private Limited	18.03	20.15
Capital advance		
N2M Reality Private Limited	26.50	26.50

* The value 0.00 means amount is below ₹ 50,000/-

Naresh Malhotra and Namit Malhotra (promoters) have given personal guarantees individually / jointly and have pledged part of their shareholdings for borrowings obtained by the Group.

The figures of Key management personnel do not include provisions for gratuity / other employee benefit as separate actuarial valuation not available.

Under ESOP Scheme 2014, 27,80,000 options were granted to Key management personnel.The stock options outstanding for KMP's as at March 31, 2021 is 27,70,000 (March 31, 2020: 27,70,000) and employee stock option expense for the year March 31, 2021 is ₹ Nil (March 31, 2020: ₹ 0.01 crores).

Under ESOP Schemes of subsidiaries, Nil (March 31, 2020: 143,133) options were granted to Key management personnel during the year. The stock options outstanding for KMP's as at March 31, 2021 is 375,505 (March 31, 2020: 402,555) and employee stock option expense / (write back) for the year March 31, 2021 is (₹ 0.86 Crores) (March 31, 2020: ₹ 79.62 Crores).

41. LEASE LIABILITIES

Maturity profile of lease liabilities

₹ Crores

	As at March 31, 2021	
	Carrying value	Undiscounted cash flow
Within one year	261.40	310.95
Later than one year and not later than five years	433.48	564.79
Later than five years	430.54	517.59
	1,125.42	**1,393.33**

Maturity profile of lease liabilities

₹ Crores

	As at March 31, 2020	
	Carrying value	Undiscounted cash flow
Within one year	175.64	221.15
Later than one year and not later than five years	433.57	539.68
Later than five years	311.42	359.41
	920.63	**1,120.24**

42. COMMITMENTS

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Estimated amount of contracts remaining to be executed on capital account net of advances, and not provided for:	8.38	12.50

43. CONTINGENT LIABILITIES

₹ Crores

	As at March 31, 2021	As at March 31, 2020
Income Tax matters under dispute * Relates to demands raised by the income tax authorities for various assessment years mainly on account of disallowances of depreciation on computer based assets, additions under the Transfer Pricing provisions and Tax deducted at source (TDS) amounts	-	0.49
* in the above matter, the Company is hopeful of succeeding and as such does not expect any significant liability to crystalize.		
Performance guarantees given to customers by the Group	145.18	147.38
Disputed Cess Tax Demand pending with Deputy Commissioner, Navi Mumbai Municipal Corporation-Cess Department. The Group believes, being an SEZ unit it is fully exempt from payment of Octroi/Cess Tax as per Maharashtra IT-ITEs policy, 2009. The amount of ₹ 9,656,175 deposited, as Tax demand under protest, for the purpose of admission of Appeal is reflected as Other loans and advances	-	5.37

44. During the year, the Group has capitalised the following expenses of revenue nature to the cost of intangible asset under development (software). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

₹ Crores

	31-Mar-21	31-Mar-20
Opening balance	**14.96**	**39.19**
Add:		
Employee benefit expenses	24.61	40.10
Direct overheads	1.19	2.09
Exchange difference	0.41	0.43
	26.21	**42.62**
Less: Capitalised	28.63	66.85
Closing balance	**12.54**	**14.96**

45. On August 13, 2018, Prime Focus Technologies Limited ("PFT") acquired 100% shares of Apptarix Mobility Solution Private Limited, an OTT technology product innovator. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹ 1.25 Crore and contingent consideration of up to ₹ 3.75 Crore in the form of Non-convertible redeemable preference shares (NCRPS). The fair value of contingent consideration on the date of acquisition was ₹ 2.46 Crore. Total fair value of consideration was ₹ 3.71 Crore. The value of NCRPS as on March 31, 2019 was ₹ 2.78 crore. During the previous year, the terms of NCRPS have been changed as per mutual agreement between PFT and NCRPS holders. The NCRPS are now expected to be redeemed on March 31, 2023 (instead of previous redemption dates of November 2019 for 50% of the NCRPS and February 2021 for the balance NCRPS). As on March 31, 2020, the revised fair value of NCRPS post change in terms is ₹ 2.61 Crore.

46. Incamera Limited, a 50:50 joint venture was established on February 1, 2021 between PFWNV and General Systems Vehicle Limited (GSV). Incamera Limited is in the business of providing virtual production services.

PFWNV has committed to provide consideration to the joint venture of ₹ 11.55 Crores ($ 1.58 Million) of which 50% is payable upfront and balance is payable in two equal instalments on completion of first and second year respectively subject to continuation of GSV as JV partner. GSV has contributed an equivalent amount by way of know-how and intellectual property. Incamera Limited has limited funded and hence is considered to be a variable interest entity, of which the primary beneficiary is determined to be PFWNV given its power and economic benefits in the venture.

The assets and liabilities recognized on the date of formation of joint venture:	**₹ Crores**
Intangible assets	23.10
Non-controlling interest	(11.55)
Net assets recognized	**11.55**
Consideration provided by PFWNV in formation	**11.55**

47. GLOBAL HEALTH PANDEMIC ON COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Group has considered internal and external information up to the date of approval of these financial statements in assessing the recoverability of receivables including unbilled receivables, goodwill, investment, loans and other assets. Based on the current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets.

The impact of COVID-19 remains uncertain and may be different from what the Group have estimated as of the date of approval of these financial statements.

48. EVENTS AFTER THE REPORTING PERIOD

There were no events after the reporting period requiring adjustments or disclosures in these financial statements (refer note 46 relating to COVID-19 pandemic).

49. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on June 30, 2021.

In terms of our report attached.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
Partner

Place : Chicalim, Goa
Date : June 30, 2021

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-timeDirector
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Place : Mumbai
Date : June 30, 2021

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/Associate Companies/ Joint Venture

₹ Crores

Name of the Subsidiary	Prime Focus Technologies Limited	Prime Focus Technologies UK Limited	Prime Focus Technologies Inc.	Prime Post (Europe) Limited	DAX Cloud ULC	Apptarix Mobility Solutions Private Limited
Date of becoming the subsidiary / acquition	08-Mar-08	13-Aug-10	04-Mar-13	28-Apr-06	04-Apr-14	06-Apr-18
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	GBP	USD	GBP	CAD	INR
	1.0000	100.8057	73.2298	100.8057	58.1517	1.0000
Share capital (₹)	21,715,780	1	1,611	10,081	-	3,297,746
Reserves & surplus	2,516,412,330	(214,268,021)	(307,739,848)	6,429,766	(23,221,311)	(1,313,166)
Total assets	7,063,980,000	1,032,658,972	2,121,174,138	191,314,164	4,620,211	3,631,291
Total liabilities	4,525,851,890	1,246,926,992	2,428,912,374	184,874,317	27,841,522	1,646,711
Investments	1,766,590,000	-	-	-	-	-
Turnover	1,884,257,000	206,962,610	641,161,024	-	3,983,785	-
Profit before taxation	(447,129,000)	(161,047,085)	(24,783,468)	(774,952)	3,611,582	(39,442)
Provision for taxation	111,521,000	-	(225,430)	-	-	-
Profit after taxation	(335,608,000)	(161,047,085)	(25,008,898)	(774,952)	3,611,582	(39,442)
Other comprehensive income	(754,000)	-	-	-	-	-
Total comprehensive income	(334,854,000)	(161,047,085)	(25,008,898)	(774,952)	3,611,582	(39,442)
Proposed dividend	-	-	-	-	-	-
% of shareholding	73.75%	100.00%	100.00%	100.00%	100.00%	100.00%

₹ Crores

Name of the Subsidiary	Prime Focus MEAD FZ LLC	Prime Focus Technologies Pte Limited	De-Fi Media Limited	Prime Focus Production Services Private Limited	GVS Software Private Limited	Jam8 Prime Focus LLP
Date of becoming the subsidiary / acquition	07-Oct-18	18-09-2020	19-Dec-07	28-Feb-08	01-Apr-08	22-Apr-19
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	AED	USD	GBP	INR	INR	INR
	19.9335	73.2298	100.8057	1.0000	1.0000	1.0000
Share capital (₹)	1,993	5,492	6,085,355,557	100,000	2,750,000	100,000
Reserves & surplus	217,730,419	2,041,556	(6,925,339,561)	(137,138)	262,119,044	(50,600,308)
Total assets	178,043,331	55,169,071	864,432,538	30,000	265,040,000	22,423,591
Total liabilities	(39,689,081)	53,122,023	1,704,416,543	67,138	170,956	72,923,899
Investments	-	-	-	-	-	-
Turnover	-	99,299,426	64,419,576	-	-	18,214,016
Profit before taxation	14,017,143	2,163,623	(481,334,137)	(4,500)	(3,000)	(21,335,934)
Provision for taxation	-	(100,014)	(1,846,171)	-	-	-
Profit after taxation	14,017,143	2,063,610	(479,487,966)	(4,500)	(3,000)	(21,335,934)
Other comprehensive income	-	-	-	-	-	128,241
Total comprehensive income	14,017,143	2,063,610	(479,487,966)	(4,500)	(3,000)	(21,207,693)
Proposed dividend	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	51.00%

₹ Crores

Name of the Subsidiary	Prime Focus Motion Pictures Limited	PF Digital Media Services Limited	PF Investments Limited (Mauritius)	PF Overseas Limited (Mauritius)	PF World Limited (Mauritius)	Prime Focus Luxembourg S.a.r.l.
Date of becoming the subsidiary / acquition	22-Aug-08	09-Jun-11	23-Jun-11	26-Jul-13	11-May-11	21-Sep-11
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	INR	INR	USD	USD	USD	USD
	1.0000	1.0000	73.2298	73.2298	73.2298	73.2298
Share capital (₹)	500,000	500,000	3,148,880	7,323	7,762,354	1,268,339,374
Reserves & surplus	(3,798,710)	(15,035,987)	(9,182,709)	(6,382,911)	(1,149,784,172)	(387,075,972)
Total assets	131,035,291	326,658,651	1,090,391	1,377,516,738	14,133,727,859	2,539,879,650
Total liabilities	134,334,001	341,194,638	7,124,221	1,383,892,326	15,275,749,676	1,658,616,248
Investments	-	-	-	1,377,509,415	6,784,369,540	2,538,669,190
Turnover	-	30,005,198	-	-	-	-
Profit before taxation	(104,062)	(6,884,746)	(2,114,711)	(1,142,380)	(904,064,223)	(44,141,733)
Provision for taxation	-	-	-	-	-	-
Profit after taxation	(104,062)	(6,884,746)	(2,114,711)	(1,142,380)	(904,064,223)	(44,141,733)
Other comprehensive income	-	84,555	-	-	-	-
Total comprehensive income	(104,062)	(6,800,191)	(2,114,711)	(1,142,380)	(904,064,223)	(44,141,733)
Proposed dividend	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

₹ Crores

Name of the Subsidiary	Prime Focus 3D Cooperatief U.A.	Lowry Digital Imaging Services Inc.	PF Media Limited	Prime Focus World N.V.	Prime Focus International Services UK Limited	DNEG Plc
Date of becoming the subsidiary / acquition	21-Sep-11	7-Apr-15	7-Apr-15	16-Aug-11	23-Mar-11	3-Dec-18
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD	USD	MUR	USD	GBP	GBP
	73.2298	73.2298	1.7569	73.2298	100.8057	100.8057
Share capital (₹)	2,538,774,252	73,230	1,572,655,425	5,365,152	1,845,516,858	1
Reserves & surplus	(60,594,781)	(1,222,441,562)	269,529,468	429,809,421	(165,276,508)	(186,748,445)
Total assets	2,542,953,919	4,992,503	1,860,698,069	16,636,788,913	2,221,761,883	44,073,207
Total liabilities	64,774,447	1,227,360,835	18,513,175	16,201,614,339	541,521,534	230,821,653
Investments	2,542,953,919	-	193,206,277	16,180,057,098	-	-
Turnover	-	-	-	-	141,292,851	-
Profit before taxation	(2,058,927)	(108,630,553)	61,327,630	(1,165,990,181)	(292,170,813)	(221,253,204)
Provision for taxation	-	-	-	-	(44,122,315)	42,038,136
Profit after taxation	(2,058,927)	(108,630,553)	61,327,630	(1,165,990,181)	(336,293,128)	(179,215,068)
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	(2,058,927)	(108,630,553)	61,327,630	1,165,990,181	336,293,128	(179,215,068)
Proposed dividend	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	93.49%	100.00%	100.00%

₹ Crores

Name of the Subsidiary	DNEG North America Inc.	Vegas II VFX Limited	Prime Focus ME Holdings Limited	Prime Focus Academy of Media & Entertainment Studies Private Limited	Dneg India Media Services Limited	Double Negative Holdings Limited UK
Date of becoming the subsidiary / acquition	1-Apr-08	30-May-13	28-Mar-13	1-Oct-16	7-Apr-15	15-Jul-14
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD	CAD	USD	INR	INR	GBP
	73.2298	58.1517	73.2298	1.0000	1.0000	100.8057
Share capital (₹)	366,149	-	503,370	200,000	980,796,000	504
Reserves & surplus	3,934,846,891	(148,210,816)	(1,092,289)	115,028,363	(1,447,142,421)	(512,496)
Total assets	4,393,673,617	3,538,498	485,554	122,105,877	5,924,102,019	264,516,659
Total liabilities	458,460,577	151,749,315	1,074,472	6,877,515	6,390,448,440	265,028,651
Investments	-	-	-	-	150,100,000	7,157
Turnover	532,987,273	-	-	6,460,497	4,572,497,711	-
Profit before taxation	1,371,371,114	(167,288)	(37,077)	(7,337,063)	70,405,661	(471,700)
Provision for taxation	(2,259,452)	-	-	-	-	-
Profit after taxation	1,369,111,662	(167,288)	(37,077)	(7,337,063)	70,405,661	(471,700)
Other comprehensive income	-	-	-	(2,325,423)	10,407,592	-
Total comprehensive income	1,369,111,662	(167,288)	(37,077)	(9,662,486)	80,813,253	(471,700)
Proposed dividend	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

₹ Crores

Name of the Subsidiary	Double Negative Limited	Double Negative Singapore Pte. Limited	Double Negative Canada Productions Limited	Double Negative Huntsman VFX Limited	Double Negative Films Limited, UK
Date of becoming the subsidiary / acquition	15-Jul-14	15-Jul-14 3	30-Jul-14	15-Apr-15	15-Jun-14
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	GBP	SGD	CAD	CAD	GBP
	100.8057	54.4226	58.1517	58.1517	100.8057
Share capital (₹)	10,585	54	-	58	101
Reserves & surplus	(804,677,229)	(394,880)	1,594,275,830	(42,863,124)	(63,53,23,487)
Total assets	19,157,890,100	1,052,816	2,753,831,272	80,278,250	470,088,619
Total liabilities	19,96,25,56,744	1,447,641	1,159,555,442	12,31,41,316	1,105,412,005
Investments	2,520,142	-	-	-	1,815
Turnover	4,026,274,951	-	3,565,222,766	-	63,392,032
Profit before taxation	(1,612,183,747)	(956,156)	891,750,177	(2,379,366)	(329,282,501)
Provision for taxation	324,683,266	86,583,815	(246,287,786)	-	1,621,671
Profit after taxation	1,287,500,481	85,627,659	645,462,391	(2,379,366)	(327,660,830)
Other comprehensive income	-	-	-	-	-
Total comprehensive income	1,287,500,481	85,627,659	645,462,391	(2,379,366)	(327,660,830)
Proposed dividend	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%

₹ Crores

Name of the Subsidiary	Double Negative LA LLC	Incamera Limited	Double Negative Montreal Productions Limited	Redefine FX Limited (Formerly known as Re:Define FX Ltd.)	Prime Focus Media Uk Limited	Prime Focus China Limited
Date of becoming the subsidiary / acquition	7-Mar-17	10-Feb-21	22-Jun-17	6-Aug-18	07-Sep-20	01-Apr-13
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21	31-Mar-21
Reporting currency and exchange rate as on the last date of the relevant financial year in the case of foreign subsidiaries.	USD	GBP	CAD	CAD	GBP	USD
	73.2298	100.8057	58.1517	58.1517	100.8057	73.2298
Share capital (₹)	-	202	494,507,135	-	101	-
Reserves & surplus	28,914,363	(94,287,687)	2,197,715,841	142,723,134	-	-
Total assets	28,959,806	70,911,354	7,957,737,912	3,598,552,391	101	-
Total liabilities	45,443	165,198,840	5,265,514,935	3,455,829,257	-	-
Investments	-	-	-	-	-	-
Turnover	6,992,284	68,050,617	12,815,995,820	2,330,776,420	-	-
Profit before taxation	(22,532,710)	(90,484,150)	787,783,530	(83,028,118)	-	-
Provision for taxation	(758,343)	-	(61,453,895)	(12,432,758)	-	-
Profit after taxation	(23,291,053)	(90,484,150)	726,329,636	(95,460,876)	-	-
Other comprehensive income	-	-	-	-	-	-
Total comprehensive income	(23,291,053)	(90,484,150)	726,329,636	(95,460,876)	-	-
Proposed dividend	-	-	-	-	-	-
% of shareholding	100.00%	51.00%	100.00%	100.00%	100.00%	70.00%

Disclaimer

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward –looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate,' 'estimate,' 'expect,' 'projects,' 'intend,' 'plans,' 'believe,' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward – looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risk, uncertainties and even inaccurate assumptions. Known or unknown risk or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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