



**Independent Auditors' Report**

**To the Members of  
PF Digital Media Services Limited**

**Report on the Audit of the Ind AS Financial Statements**

**Opinion**

We have audited the accompanying Financial Statements of **PF Digital Media Services Limited** ("the Company") which comprise the Balance sheet as at March 31, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including 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 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, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit of the financial statements in accordance with the Standards on Auditing ("SA"s) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 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 financial statements.

**Management's Responsibility for the 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 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 accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the 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.

In preparing the 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.

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



### **Auditors' Responsibility**

Our objectives are to obtain reasonable assurance about whether the 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 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 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, 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 purpose 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, Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;



**V. Shivkumar & Associates**  
Chartered Accountants

- d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;
- e. On the basis of written representations received from the directors as on March 31, 2021, and 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 B” to this report;
- g. 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. Company does not have any pending litigations on its financial position in its Ind AS financial statements – therefore the same is not disclosed.
  - II. the Company has not made any provision, Since there is no material foreseeable losses, on any, long-term contracts including derivative contracts, as required under the applicable law or accounting standards
  - III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Since the company is a private limited, therefore this point is not applicable.

For **V. Shivkumar & Associates**  
Chartered Accountants  
FRN No.: 112781W

Place: Mumbai  
Date: 22<sup>nd</sup> June, 2021

**V. Shivkumar**  
Proprietor  
M. No.: 042673

**UDIN: 21042673AAAAKR8141**



**“Annexure A” to the Independent Auditors’ Report**

Referred to in paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the financial statements of the Company for the year ended March 31, 2021:

- 1)
  - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) There are no immovable properties held in the name of the Company. Hence, this point is not applicable.
- 2) The Company does not have any Inventory. Therefore, the information relating to this is not disclosed.
- 3) The Company has not granted loans & Advances, secured or unsecured to Companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.
- 5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- 6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.
- 7)
  - a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Service Tax, Goods and Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2021 for a period of more than six months from the date on when they become payable.
  - b) According to the information and explanation given to us, there are no dues of Income Tax, Goods and Service Tax outstanding on account of any dispute.
- 8) In our opinion and according to the information and explanations given to us, the Company does not have any loans towards Banks or financial institutions or government. The Company has not issued any debentures.



- 9) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.
- 10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- 11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been not paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;
- 12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.
- 13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.
- 14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.
- 15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.
- 16) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For **V. Shivkumar & Associates**  
Chartered Accountants  
FRN No.: 112781W

Place: Mumbai  
Date: 22<sup>nd</sup> June, 2021

**V. Shivkumar**  
Proprietor  
M. No.: 042673



**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of PF Digital Media Services Limited**

**Report On The Internal Financial Controls 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 PF Digital Media Services Limited (“the Company”) as of March 31, 2021 in conjunction with our audit of the 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.

#### **Auditors’ Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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, 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 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.

For **V. Shivkumar & Associates**  
Chartered Accountants  
FRN No.: 112781W

Place: Mumbai  
Date: 22<sup>nd</sup> June, 2021

**V. Shivkumar**  
Proprietor  
M. No.: 042673

**PF Digital Media Services Limited**  
**(Previously known as Prime Focus 3D India Private Limited)**

Balance sheet as at March 31, 2021

in ₹

	Notes	As at March 31, 2021	As at March 31, 2020
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	-	29,669,559
Intangible assets	5	-	42,485
Right to use assets	6	10,564,141	16,451,888
<b>Financial Assets</b>			
i) Other financial assets	7	211,628	239,628
Income tax asset (net)		1,294,954	12,576,401
Other non-current assets	8	48,350,785	121,750,785
		<b>60,421,508</b>	<b>180,730,745</b>
<b>Current assets</b>			
<b>Financial Assets</b>			
i) Trade receivables	9	23,623,501	18,072,977
ii) Cash and cash equivalents	10	16,093,177	2,024,483
iii) Other financial assets	11	224,437,016	334,807,468
Other current assets	12	2,083,450	7,549,124
		<b>266,237,143</b>	<b>362,454,051</b>
<b>TOTAL</b>		<b>326,658,651</b>	<b>543,184,796</b>
<b>Equity and Liabilities</b>			
<b>Equity</b>			
Equity Share Capital	13	500,000	500,000
Other Equity	14	(15,035,987)	(8,235,796)
		<b>(14,535,987)</b>	<b>(7,735,796)</b>
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
i) Other financial liabilities	15	16,030,856	20,576,986
Provisions	16	1,131,891	904,493
		<b>17,162,747</b>	<b>21,481,479</b>
<b>Current liabilities</b>			
<b>Financial Liabilities</b>			
i) Borrowings	17	-	197,278,925
ii) Trade payables	18	7,155,728	13,478,803
iii) Other financial liabilities	19	313,864,626	316,208,058
Other current liabilities	20	2,990,800	2,455,674
Provisions	21	20,736	17,653
		<b>324,031,891</b>	<b>529,439,113</b>
<b>TOTAL</b>		<b>326,658,651</b>	<b>543,184,796</b>

See accompanying notes to the financial statement 1-30

As per our report of even date

For V. Shivkumar & Associates

Chartered Accountants

Firm Registration No.: 112781W

For and on behalf of the Board of Directors

V. Shivkumar  
(Proprietor)  
Membership No. 042673  
Mumbai  
June 22, 2021

Nishant Fadia  
(Director)  
DIN 02648177

Niraj Sanghai  
(Director)  
DIN 08345634



**PF Digital Media Services Limited**  
**(Previously known as Prime Focus 3D India Private Limited)**

**Statement of profit and Loss for the year ended March 31, 2021**

in ₹

	Notes	Year Ended March 31, 2021	Year Ended March 31, 2020
<b>Income</b>			
Revenue from operations (net)		30,005,198	65,531,848
Other income	22	17,908,906	49,507,479
		<b>47,914,104</b>	<b>115,039,327</b>
<b>Expenses</b>			
Employee benefits expenses	23	11,789,494	25,137,263
Technician fees		2,418,388	2,760,000
Other expenses	24	8,465,074	45,664,792
Finance costs	25	15,897,594	26,368,929
Depreciation and amortization expenses	4 & 5	16,228,300	15,841,585
		<b>54,798,850</b>	<b>115,772,569</b>
<b>Loss before exceptional items and tax</b>		<b>(6,884,746)</b>	<b>(733,243)</b>
Exceptional Items		-	-
<b>Loss before tax</b>		<b>(6,884,746)</b>	<b>(733,243)</b>
<b>Tax expense</b>			
Current tax		-	-
Deferred tax		-	-
<b>Total tax expenses</b>		<b>-</b>	<b>-</b>
<b>Loss for the year</b>		<b>(6,884,746)</b>	<b>(733,243)</b>
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan : (Loss)		84,555	98,429
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>Total other comprehensive income</b>		<b>84,555</b>	<b>98,429</b>
<b>Total comprehensive income</b>		<b>(6,800,191)</b>	<b>(634,814)</b>
<b>Earnings per equity share</b>			
Basic		(137.69)	(14.66)
Diluted		(137.69)	(14.66)
See accompanying notes to the financial statement 1-30			

As per our report of even date

**For V. Shivkumar & Associates**

**For and on behalf of the Board of Directors**

**Chartered Accountants**

**Firm Registration No.: 112781W**

**V. Shivkumar**

**(Proprietor)**

**Membership No. 042673**

**Mumbai**

**June 22, 2021**

**Nishant Fadia**

**(Director)**

DIN 02648177

**Niraj Sanghai**

**(Director)**

DIN 08345634

**PF Digital Media Services Limited**  
**(Previously known as Prime Focus 3D India Private Limited)**

**Statement of Changes in Equity for the year ended March 31, 2021**

**Changes in Equity Share capital**

in ₹

	No of shares	Amount
<b>As at April 01, 2019</b>	50,000	50,000
Changes during the year	-	-
<b>As at March 31, 2020</b>	50,000	50,000
Changes during the year	-	-
<b>As at March 31, 2021</b>	<b>50,000</b>	<b>50,000</b>

**Changes in Other Equity**

in ₹

	Surplus in the statement of profit and loss	Total Other equity
<b>As at April 01, 2019</b>	<b>(7,600,982)</b>	<b>(7,600,982)</b>
Total comprehensive loss	(634,814)	(634,814)
<b>As at March 31, 2020</b>	<b>(8,235,796)</b>	<b>(8,235,796)</b>
Total comprehensive loss	(6,800,191)	(6,800,191)
<b>As at March 31, 2021</b>	<b>(15,035,987)</b>	<b>(15,035,987)</b>

See accompanying notes to the financial statement 1-30

As per our report of even date  
For V. Shivkumar & Associates  
Chartered Accountants  
Firm Registration No.: 112781W

For and on behalf of the Board of Directors

V. Shivkumar  
(Proprietor)  
Membership No. 042673  
Mumbai  
June 22, 2021

Nishant Fadia  
(Director)  
DIN 02648177

Niraj Sanghai  
(Director)  
DIN 08345634

PF Digital Media Services Limited  
(Previously known as Prime Focus 3D India Private Limited)

Cash Flow Statement for the year ended March 31, 2021

in ₹

	Notes	As at March 31, 2021	As at March 31, 2020
<b>A. Cash flow from Operating activities</b>			
<b>Net Loss before taxation</b>		<b>(6,884,746)</b>	<b>(733,243)</b>
<i>Adjustments for :</i>			
Depreciation and amortisation expense		16,228,300	15,841,585
Bad debts written off		99,120	1,742,399
Gain on sale of assets		(768,610)	-
Unrealized foreign exchange (gain) (net)		(12,543)	(55,769)
Interest income		(17,130,501)	(49,444,534)
Finance cost		15,897,594	26,368,929
<b>Operating loss before working capital changes</b>		<b>7,428,613</b>	<b>(6,280,633)</b>
<i>Movements in working capital :</i>			
Decrease in non-current financial assets		73,428,000	3,462,000
(Increase) in trade receivable		(5,637,101)	(5,523,604)
Decrease in current financial assets		112,219,986	156,788
Decrease in other current assets		5,465,674	2,958,196
(Decrease) in current financial liabilities		(6,222,119)	(1,505,522)
Increase in provisions		315,036	349,472
<b>Cash (used) / generated from operations</b>		<b>186,998,089</b>	<b>(6,383,302)</b>
Direct taxes paid		11,281,447	(10,548,968)
<b>Net cash (used) / generated from operating activities (A)</b>		<b>198,279,537</b>	<b>(16,932,270)</b>
<b>B. Cash flow from investing activities</b>			
Purchase of fixed assets		(838,407)	(15,503,482)
Proceeds from sale of fixed assets		20,924,000	-
Interest income received		15,280,967	-
<b>Net cash used in investing activities (B)</b>		<b>35,366,561</b>	<b>(15,503,482)</b>
<b>C. Cash flow from Financing activities</b>			
Proceeds from long term borrowings		-	-
Repayment of long term borrowings		-	(87,000,000)
Proceeds / (Repayment) of short term borrowings (net)		(197,641,152)	146,658,131
Lease liabilities		(4,482,317)	(4,254,134)
Interest paid		(17,453,935)	(22,878,419)
<b>Net cash generated from financing activities (C)</b>		<b>(219,577,404)</b>	<b>32,525,578</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>		<b>14,068,694</b>	<b>89,827</b>
<b>Cash and cash equivalents at the beginning of the year</b>		<b>2,024,483</b>	<b>1,934,656</b>
<b>Cash and cash equivalents at the end of the year</b>		<b>16,093,176</b>	<b>2,024,483</b>

As per our report of even date

For V. Shivkumar & Associates

For and on behalf of the Board of Directors

Chartered Accountants

Firm Registration No.: 112781W

V. Shivkumar  
(Proprietor)

Membership No. 042673  
Mumbai  
June 22, 2021

Nishant Fadia  
(Director)  
DIN 02648177

Niraj Sanghai  
(Director)  
DIN 08345634

**PF Digital Media Services Limited**  
**(Previously known as Prime Focus 3D India Private Limited)**

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**1. Corporate information**

PF Digital Media Services Limited, (Previously known as Prime Focus 3D India Private Limited) (the Company) is a private company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company is engaged in the business of post-production including digital intermediate, digital cinema and other technical and creative services to the Media and Entertainment industry.

**2. Statement of significant accounting policies:**

**a. Basis of preparation**

The financial statements have been prepared in accordance with the Indian Accounting Standards (herein after referred to as 'Ind AS'). The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

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

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

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

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

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

**b. Use of estimates**

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

**c. Revenue recognition**

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

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

The Company provides a variety of post-production services including digital intermediate, digital cinema and other technical services to its subsidiaries and to clients in the film, broadcast and commercial sectors.

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Revenue on time-and-material contracts are recognized as the related services are performed and the revenues from the end of the last billing to the balance sheet date are recognized as unbilled revenues. Revenue from services provided under fixed price contracts, where the outcome can be estimated reliably, is recognized following the percentage of completion method, where revenue is recognized in proportion to the progress of the contract activity. The progress of the contract activity is usually determined as a proportion of hours spent up to the balance sheet date, which bears to the total hours estimated for the contract. If losses are expected on contracts these are recognized when such losses become evident.

**d. Dividend income and interest income**

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

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

**e. Foreign currencies**

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

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for further productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks.

**f. Provisions**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flow (when the effect of the time value of money is material).

**g. Taxation**

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

**Current tax**

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

**Deferred tax**

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

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

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

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

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

Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, 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.

**h. Earnings per share**

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

**i. Cash Flow statements**

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

**j. Leasing**

The Company evaluates each contract or arrangement, whether it qualifies as lease as defined under Ind AS 116.

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 a right-to-use asset is impaired and accounts for any identified impairment loss.

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.

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**4. Property, Plant and Equipment**

in ₹

	<b>Plant and equipment</b>	<b>Office equipment</b>	<b>Furniture &amp; fixture</b>	<b>Total</b>
<b>Gross Block</b>				
<b>Balance as at April 1, 2019</b>	38,163,618	5,573,866	11,396,336	55,133,820
Additions	8,129,368	420,308	61,533	8,611,209
Transferred to Right to use	(22,750,601)	(160,800)	-	(22,911,401)
Disposals	-	-	-	-
<b>Balance as on March 31, 2020</b>	<b>23,542,385</b>	<b>5,833,374</b>	<b>11,457,869</b>	<b>40,833,628</b>
<b>Accumulated depreciation.</b>				
<b>Balance as at April 1, 2019</b>	3,610,845	429,104	826,942	4,866,891
Depreciation expense for the year	5,351,149	987,671	1,823,326	8,162,147
Transferred to Right to use	(1,845,926)	(19,043)	-	(1,864,969)
Disposal of assets	-	-	-	-
<b>Balance as on March 31, 2020</b>	<b>7,116,068</b>	<b>1,397,732</b>	<b>2,650,268</b>	<b>11,164,069</b>
<b>Balance as on March 31, 2020</b>	<b>16,426,317</b>	<b>4,435,641</b>	<b>8,807,601</b>	<b>29,669,559</b>

**Property, Plant and Equipment**

in ₹

	<b>Plant and equipment</b>	<b>Office equipment</b>	<b>Furniture &amp; fixture</b>	<b>Total</b>
<b>Gross Block</b>				
<b>Balance as at April 1, 2020</b>	23,542,385	5,833,374	11,457,869	40,833,628
Additions	783,900	-	-	783,900
Transferred to Right to use	(7,180,000)	-	-	(7,180,000)
Disposals / discard of assets *	(17,146,285)	(5,833,374)	(11,457,869)	(34,437,528)
<b>Balance as on March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Accumulated depreciation.</b>				
<b>Balance as at April 1, 2020</b>	7,116,068	1,397,732	2,650,268	11,164,069
Depreciation expense for the year	5,239,762	924,989	1,824,797	7,989,548
Transferred to Right to use	(4,837,994)	-	-	(4,837,994)
Disposals / discard of assets *	(7,517,836)	(2,322,721)	(4,475,065)	(14,315,622)
<b>Balance as on March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance as on March 31, 2021</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

(\* Refer note 27)

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**5. Intangible assets** in ₹

	Software	Total
<b>Gross Block</b>		
<b>Balance as at April 1, 2019</b>	54,000	54,000
Additions	-	-
Disposals	-	-
<b>Balance as on March 31, 2020</b>	<b>54,000</b>	<b>54,000</b>
<b>Accumulated depreciation.</b>		
<b>Balance as at April 1, 2019</b>	2,515	2,515
Depreciation expense for the year	9,000	9,000
Disposal of assets	-	-
<b>Balance as on March 31, 2020</b>	<b>11,515</b>	<b>11,515</b>
<b>Balance as on March 31, 2020</b>	<b>42,485</b>	<b>42,485</b>

**Intangible assets** in ₹

	Software	Total
<b>Gross Block</b>		
<b>Balance as at April 1, 2020</b>	54,000	54,000
Additions	-	-
Disposal of assets *	(54,000)	(54,000)
<b>Balance as on March 31, 2021</b>	-	-
<b>Accumulated depreciation.</b>		
<b>Balance as at April 1, 2020</b>	11,515	11,515
Depreciation expense for the year	9,000	9,000
Disposal of assets *	(20,515)	(20,515)
<b>Balance as on March 31, 2021</b>	-	-
<b>Balance as on March 31, 2021</b>	-	-

(\* Refer note 27)



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**6. Right to use**

in ₹

	Right to use Plant and equipment	Right to use Office equipment	Total
<b>Gross Block</b>			
<b>Balance as at April 1, 2019</b>	-	-	-
Additions	3,075,894	-	3,075,894
Transferred from tangible assets	22,750,601	160,800	22,911,401
Disposals	-	-	-
<b>Balance as on March 31, 2020</b>	<b>25,826,495</b>	<b>160,800</b>	<b>25,987,295</b>
<b>Accumulated depreciation.</b>			
<b>Balance as at April 1, 2019</b>	-	-	-
Depreciation expense for the year	7,619,519	50,920	7,670,439
Transferred to Right to use	1,845,926	19,043	1,864,969
Disposal of assets	-	-	-
<b>Balance as on March 31, 2020</b>	<b>9,465,444</b>	<b>69,963</b>	<b>9,535,407</b>
<b>Balance as on March 31, 2020</b>	<b>16,361,050</b>	<b>90,837</b>	<b>16,451,888</b>

**Right to use**

in ₹

	Right to use Plant and equipment	Right to use Office equipment	Total
<b>Gross Block</b>			
<b>Balance as at April 1, 2019</b>	25,826,495	160,800	25,987,295
Additions	-	-	-
Transferred from tangible assets	7,180,000	-	7,180,000
<b>Balance as on March 31, 2020</b>	<b>33,006,495</b>	<b>160,800</b>	<b>33,167,295</b>
<b>Accumulated depreciation.</b>			
<b>Balance as at April 1, 2019</b>	9,465,444	69,963	9,535,407
Depreciation expense for the year	8,178,832	50,920	8,229,752
Transferred from tangible assets	4,837,994	-	4,837,994
<b>Balance as on March 31, 2020</b>	<b>22,482,271</b>	<b>120,883</b>	<b>22,603,153</b>
<b>Balance as on March 31, 2020</b>	<b>10,524,224</b>	<b>39,917</b>	<b>10,564,141</b>

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**7. Other financial assets (non-current)**

in ₹

	As at March 31, 2021	As at March 31, 2020
Security Deposits	211,628	239,628
	<b>211,628</b>	<b>239,628</b>

**8. Other non current assets**

in ₹

	As at March 31, 2021	As at March 31, 2020
Capital advances	48,350,785	121,750,785
	<b>48,350,785</b>	<b>121,750,785</b>

**9. Trade Receivables**

in ₹

	As at March 31, 2021	As at March 31, 2020
Trade Receivables	23,623,501	18,072,977
	<b>23,623,501</b>	<b>18,072,977</b>

**10. Cash and cash equivalents**

in ₹

	As at March 31, 2021	As at March 31, 2020
Cash on hand	11,822	18,721
<b>Bank balances</b>		
In current accounts	16,081,355	2,005,762
	<b>16,093,177</b>	<b>2,024,483</b>

**11. Other current financial assets**

in ₹

	As at March 31, 2021	As at March 31, 2020
Loan given to group companies	220,080,016	331,827,972
Security deposits	28,000	-
Unbilled revenue	109,000	2,979,496
Others	4,220,000	-
	<b>224,437,016</b>	<b>334,807,468</b>

**12. Other current assets**

in ₹

	As at March 31, 2021	As at March 31, 2020
Other loans and advances	1,938,098	7,528,445
Prepaid expenses	145,352	20,678
	<b>2,083,450</b>	<b>7,549,124</b>

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<b>13. Share capital</b>		in ₹	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
<b>Authorised shares:</b> 50,000 Shares of Re.10/- each (Previous year 50,000 Shares of Rs.10/- each)	<b>500,000</b>	<b>500,000</b>	
<b>Issued, subscribed and paid-Up:</b> 50,000 Shares of Re.10/- each (Previous year 50,000 Shares of Rs.10/- each)	500,000	500,000	
	<b>500,000</b>	<b>500,000</b>	

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting period**

	<b>As at March 31, 2021 No.</b>	<b>As at March 31, 2020 No.</b>
At the beginning of the period	50,000	50,000
Issued during the year	-	-
<b>Outstanding at the end of the period</b>	<b>50,000</b>	<b>50,000</b>

**b. Shares held by holding company**

Out of the equity shares issued by the company, shares held by its holding company are as below:

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Prime Focus limited	50,000	50,000

**c. Details of shareholders holding more than 5% shares in the company**

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Prime Focus limited	50,000	50,000

<b>14. Other equity</b>		in ₹	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
<b>Retained Earnings</b>			
Balance as per last financial statements	(8,235,796)	(7,600,982)	
Total comprehensive loss	(6,800,191)	(634,814)	
<b>Net Retained Earnings</b>	<b>(15,035,987)</b>	<b>(8,235,796)</b>	
<b>Total Other equity</b>	<b>(15,035,987)</b>	<b>(8,235,796)</b>	

<b>15. Other financial liabilities (non-current)</b>		in ₹	
	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>	
Lease obligations ((Refer note (a) below)	16,030,856	20,576,986	
	<b>16,030,856</b>	<b>20,576,986</b>	

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**a. Lease obligations**

The Company has acquired certain equipment under finance leases. The average lease term is around 5 years. The Company has option to purchase the equipment for a nominal amount at the end of the lease term. The Company's obligation under finance leases are secured by hypothecation of plant and equipment taken on lease.

Interest rates underlying all obligations under finance leases are fixed at 11.53% per annum.

**Maturity profile of lease liabilities**

in ₹

<b>Undiscounted cash flow</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Within one year	9,208,967	8,889,259
Later than one year and not later five years	18,902,480	24,422,308
Later than five years	-	-
	<b>28,111,447</b>	<b>33,311,567</b>

in ₹

<b>Carrying value</b>	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Within one year	5,976,590	5,912,778
Later than one year and not later five years	16,030,856	20,576,986
Later than five years	-	-
	<b>22,007,446</b>	<b>26,489,763</b>

**16. Provision (non current)**

in ₹

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Provision for gratuity	1,131,891	904,493
	<b>1,131,891</b>	<b>904,493</b>

**17. Borrowing - current**

in ₹

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
Loan from group company	-	197,278,925
	<b>-</b>	<b>197,278,925</b>

i. Loans from group companies are short term and unsecured loans availed from its group companies at an interest rate of 12% and are repayable on demand.

**18. Trade payables**

in ₹

	<b>As at March 31, 2021</b>	<b>As at March 31, 2020</b>
<b>Trade payables due to</b>		
Micro and Small Enterprise	-	-
Other than Micro and Small Enterprise	5,750,231	13,341,805
Owed to group companies	1,405,497	136,998
	<b>7,155,728</b>	<b>13,478,803</b>

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There were no 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.

**19. Other current financial liabilities**

in ₹

	As at March 31, 2021	As at March 31, 2020
Current maturities of long-term debt (refer note below)	240,000,000	240,000,000
Lease obligations	5,976,590	5,912,778
Accrued salaries and benefits	955,043	1,751,440
Interest accrued and not due on ICD	66,048,901	66,048,901
Interest accrued but not due on borrowings - Inter Co	-	1,990,511
Interest accrued but not due on borrowings	684,316	250,146
Capital Creditors	199,776	254,283
	<b>313,864,626</b>	<b>316,208,058</b>

**Current maturities of long-term debt**

in ₹

	As at March 31, 2021	As at March 31, 2020
From others - unsecured (Refer note (a) below)	10,000,000	10,000,000
Inter corporate deposit received - unsecured (Refer note (b) below)	230,000,000	230,000,000
	<b>240,000,000</b>	<b>240,000,000</b>

a. Unsecured term loans from others are availed at interest rate of 15.00% p.a. As at March 31, 2020 ₹ 10,000,000 (March 31, 2019: ₹ 10,000,000) is disclosed under current maturities of long term borrowings.

b. During the previous year, unsecured inter corporate deposit of ₹ 31.70 Crores is availed from financial institution at interest rate of 12.5% repayable within 2 years. As at March 31, 2020 ₹ 230,000,000 (March 31, 2019: ₹ 317,000,000) was disclosed as current portion of long-term borrowing.

**20. Other current liability**

in ₹

	As at March 31, 2021	As at March 31, 2020
Advances received from clients	126,712	164,208
Bank book overdraft	2,500	306,377
Statutory dues	2,861,588	1,985,089
	<b>2,990,800</b>	<b>2,455,674</b>

**21. Provision (current)**

in ₹

	As at March 31, 2021	As at March 31, 2020
Provision for gratuity	20,736	17,653
	<b>20,736</b>	<b>17,653</b>

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**22. Other income** in ₹

	Year ended March 31, March 31, 2021	Year ended March 31, March 31, 2020
Interest Income - others	-	1,207,754
Interest Income - group companies	17,130,501	48,236,780
Profit on sale of assets	768,610	-
Miscellaneous income	-	2,664
Exchange gain	9,795	60,281
	<b>17,908,906</b>	<b>49,507,479</b>

**23. Employee benefits expenses** in ₹

	Year ended March 31, March 31, 2021	Year ended March 31, March 31, 2020
Salaries, Allowances	10,625,267	23,477,036
Bonus and incentive	96,743	380,244
Contribution to Provident and Other Funds	692,717	772,864
Staff Welfare Expenses	(1,134)	65,755
Gratuity	375,901	441,364
	<b>11,789,494</b>	<b>25,137,263</b>

**24. Other expenses** in ₹

	Year ended March 31, March 31, 2021	Year ended March 31, March 31, 2020
Audit fees	97,500	105,000
Bad debts written off	99,120	1,742,399
Communication Cost:	56,487	370,981
Electricity Charges	1,149,191	1,577,818
Freight and clearing	584	176,300
House-keeping charges	95,013	561,539
Insurance expenses	158,837	102,945
Legal and Professional Fees	844,516	9,179,080
Miscellaneous expenses	15,745	439,249
Office expenses	18,848	38,537
Postage expenses	4,366,606	21,139,960
Printing and stationery	21,375	261,680
Rates and taxes	-	50,000
Rent	285,280	7,018,375
Repairs to buildings	548,477	1,237,201
Repairs to plant and machinery	158,524	214,348
Security charges	277,152	503,774
Tea/Coffee/Water	22,819	118,175
Technical service cost	-	81,779
Travel, Conveyance and Accommodation	248,551	735,845
Water charges	450	9,809
	<b>8,465,074</b>	<b>45,664,792</b>

(Previously known as Prime Focus 3D India Private Limited)

25. Finance cost

in ₹

	Year ended March 31, March 31, 2021	Year ended March 31, March 31, 2020
Interest on others	1,651,381	1,499,999
Interest on leases liabilities	2,854,207	3,093,676
Bank charges	6,368	2,677
Interest expense - group companies	11,385,638	21,772,577
	<b>15,897,594</b>	<b>26,368,929</b>

**PF Digital Media Services Limited**  
**(Previously known as Prime Focus 3D India Private Limited)**

**Employee benefits**

**26 a. Defined contribution plans**

The Company's defined contribution plans are provident fund, Employee State Insurance and employees' pension scheme (under the provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952).

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

	<b>Year ended March 31, 2021</b>	<b>Year ended March 31, 2020</b>
Employer's contribution to provident and other funds	692,717	772,864

**b. Defined benefit plans**

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

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

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

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

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

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

	<b>Unfunded</b>	
	<b>March 2021</b>	<b>March 2020</b>
Defined benefit obligation at the beginning of the year	922,146	671,103
Interest cost	63,075	52,279
Current service cost	312,826	389,085
Benefits paid directly by the employer	(60,865)	(91,892)
Actuarial (gains)/losses on obligations - due to change in demographic		-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	(8,912)	109,059
Actuarial (gains)/losses on obligations - due to experience	(75,643)	(207,488)
<b>Defined benefit obligation at the end of the year</b>	<b>1,152,627</b>	<b>922,146</b>



**PF Digital Media Services Limited**  
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**ii) Expense recognized in Statement of Profit and Loss:** in ₹

	Unfunded	
	March 2021	March 2020
Current service cost	312,826	389,085
Net interest cost	63,075	52,279
<b>Expenses recognized</b>	<b>375,901</b>	<b>441,364</b>

**iii) Expenses recognized in the Other Comprehensive Income (OCI)** in ₹

	Unfunded	
	March 2021	March 2020
Actuarial (gain) / loss	(84,555)	(98,429)
<b>Net (gain) / loss recognized in OCI</b>	<b>(84,555)</b>	<b>(98,429)</b>

**iv) Actuarial assumptions:**

	Unfunded	
	Year ended March 31, 2021	Year ended March 31, 2020
Rate of discounting (p.a.)	6.84%	7.79%
Rate of salary increase (p.a.)	5.00%	5.00%
Attrition rate (p.a.)	2.00%	2.00%
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

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.

**v) 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:

in ₹

	March 2021		March 2020	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (1% movement)	(284,947)	(21,195)	(114,322)	136,083
Future salary appreciation (1% movement)	(19,867)	(288,022)	137,261	(117,177)
Attrition rate (1% movement)	(151,042)	(180,885)	11,334	(14,033)

**PF Digital Media Services Limited**  
**(Previously known as Prime Focus 3D India Private Limited)**

**27. Related party disclosure**

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

Name of the related party	Relationship
Prime Focus Limited	Holding company
Prime Focus Technologies Limited	Fellow subsidiary company
Jam8 Prime Focus LLP	Fellow subsidiary company
Dneg India Media Services Limited	Fellow subsidiary company

**Related party transaction during the year**

in ₹

	March 31,	
	2021	2020
Loan receivable from Prime Focus Technologies Limited assigned against Deposit payable to Prime Focus Limited	-	300,160,000
<b>Loan received from</b>		
Dneg India Media Services Limited	-	264,926,964
Prime Focus Limited	160,185,651	254,772,677
<b>Loan repaid to (including interest)</b>		
Prime Focus Limited	370,840,725	131,354,812
Dneg India Media Services Limited	-	443,854,038
<b>Loan given to</b>		
Prime Focus Limited	280,011,800	-
<b>Loan repaid by (including interest)</b>		
Prime Focus Limited	66,142,883	-
Prime Focus Technologies Limited	342,747,373	4,823,683
<b>Revenue from operations</b>		
Prime Focus Limited	23,076,730	11,276,130
<b>Interest income</b>		
Prime Focus Technologies Limited	10,919,401	48,236,780
Prime Focus Limited	6,211,100	-
<b>Interest expense</b>		
Prime Focus Limited	11,385,638	15,607,502
Dneg India Media Services Limited	-	6,165,075
<b>Fixed assets sold to</b>		
Prime Focus Limited	20,924,000	-
<b>Deposit received from</b>		
Prime Focus Limited	-	178,500,000
<b>Expense recharge received from</b>		
Prime Focus Limited	96,821	90,190
Jam8 Prime Focus LLP	1,180,882	104,857

**PF Digital Media Services Limited**  
(Previously known as Prime Focus 3D India Private Limited)

Balance outstanding	As at March 31,	
	2021	2020
<b>Trade payables</b>		
Prime Focus Limited	21,691	5,707
Jam8 Prime Focus Llp	1,383,806	123,731
Prime Focus Technologies Limited		7,560
<b>Interest payable</b>		
Prime Focus Limited	-	1,990,511
<b>Loan received</b>		
Prime Focus Limited	-	197,278,925
<b>Deposit received</b>		
Prime Focus Limited	-	-
<b>Trade receivables</b>		
Prime Focus Limited	27,907,707	505,926
<b>Unbilled revenue</b>		
Prime Focus Limited		-
<b>Loan given</b>		
Prime Focus Limited	220,080,016	-
Prime Focus Technologies Limited	-	331,827,972

**PF Digital Media Services Limited**  
(Previously known as Prime Focus 3D India Private Limited)

28 Fair Value Measurements	As at March 31		As at March 31	
	2021	2020	2021	2020
	Carrying Value		Fair Value	
<b>A. Financial Assets:</b>				
Trade receivables	23,623,501	18,072,977	-	-
Cash ad cash equivalents	16,093,177	2,024,483	-	-
Other financial assets	224,648,644	335,047,096	-	-
<b>Total</b>	<b>264,365,321</b>	<b>355,144,556</b>	-	-
<b>B. Financial Liabilities:</b>				
Borrowings	16,030,856	217,855,911	-	-
Trade payables	7,155,728	13,478,803	-	-
Other financial liabilities	313,864,626	316,208,058	-	-
<b>Total</b>	<b>337,051,211</b>	<b>547,542,772</b>	-	-

**PF Digital Media Services Limited**  
(Previously known as Prime Focus 3D India Private Limited)

**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.

**Financial risk management**

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

- Credit risk
- Liquidity risk
- Market risk

**i) Credit Risk**

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

**ii) Liquidity Risk**

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

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

**Liquidity Risk**

in ₹

At 31 March 2021	Less than 12 months	More than 12 months	Total
<b>Current financial assets</b>			
Trade receivables	23,623,501	-	<b>23,623,501</b>
Cash ad cash equivalents	16,093,177	-	<b>16,093,177</b>
Other financial assets	224,437,016	211,628	<b>224,648,644</b>
	<b>264,153,693</b>	<b>211,628</b>	<b>264,365,321</b>
<b>Current financial liabilities</b>			
Borrowings	-	16,030,856	<b>16,030,856</b>
Trade payables	7,155,728	-	<b>7,155,728</b>
Other financial liabilities	313,864,626	-	<b>313,864,626</b>
	<b>321,020,355</b>	<b>16,030,856</b>	<b>337,051,211</b>

in ₹

At 31 March 2020	Less than 12 months	More than 12 months	Total
<b>Current financial assets</b>			
Trade receivables	18,072,977	-	<b>18,072,977</b>
Cash ad cash equivalents	2,024,483	-	<b>2,024,483</b>
Other financial assets	334,807,468	239,628	<b>335,047,096</b>
	<b>354,904,928</b>	<b>239,628</b>	<b>355,144,556</b>
<b>Current financial liabilities</b>			
Borrowings	197,278,925	20,576,986	<b>217,855,911</b>
Trade payables	13,478,803	-	<b>13,478,803</b>
Other financial liabilities	316,208,058	-	<b>316,208,058</b>
	<b>526,965,787</b>	<b>20,576,986</b>	<b>547,542,772</b>

**Market risk**

The Company is primarily exposed to the following market risks.

**PF Digital Media Services Limited**  
(Previously known as Prime Focus 3D India Private Limited)

**Foreign Currency risk management**

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a foreign currency).

The Company's foreign currency exposure as at year end is as follows:

Particulars	Foreign Currency Denomination	As at March 31, 2020		As at March 31, 2020	
		Foreign Currency	In ₹	Foreign Currency	In ₹
Asset	AED	19,731	393,314	21,210	431,472
	GBP	1,764	177,806	17,518	1,620,069
	USD	542	39,710	10,527	786,814
<b>Asset Total</b>			<b>610,829</b>		<b>2,838,355</b>

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 ₹ 30,541 for the year ended March 31, 2021 (March 31, 2020: ₹ 141,918). This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

**29. Capital and other commitments**

in ₹

	As at March 31,	
	2020	2020
Estimated amount of contracts remaining to be executed on capital account (net of advances), and not provided for:	-	46,200

**30. Earnings per share**

in ₹

Particulars	Year ended March 31, 2021	Year ended March 31, 2020
Net (loss) attributable to equity shareholders	(6,884,746)	(733,243)
Exceptional items (net of tax)	-	-
Net Profit/(loss) before exceptional items but after tax	(6,884,746)	(733,243)
<b>Weighted average number of equity shares in calculating basic and diluted EPS</b>	<b>50,000</b>	<b>50,000</b>
<b>Earnings per share (before exceptional items)</b>		
Basic EPS	(137.69)	(14.66)
Diluted EPS	(137.69)	(14.66)

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

As per our report of even date

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

For and on behalf of the Board of Directors

**V. Shivkumar**  
(Proprietor)  
Membership No. 042673  
Mumbai  
June 22, 2021

**Nishant Fadia**  
(Director)  
DIN 02648177

**Niraj Sanghai**  
(Director)  
DIN 08345634