PRIME FOCUS
LIMITED

NEW BENCHMARKS

Annual Report 2018-19

INTRODUCTION

For over two decades, Prime Focus has consistently set new benchmarks in creative and technical innovation. From a small garage in Mumbai to a worldwide powerhouse in the M&E industry, we've come a long way, constantly learning, evolving and growing.

Our expansion offshore has seen us establish a leading position in the international film and media industries. Our technology division, Prime Focus Technologies, developed the world's first Hybrid Cloud-enabled Media ERP solution in 2009. In 2010, following our work on 'Avatar', we established ourselves as one of the world's leading stereo conversion experts, transforming the 3D filmmaking landscape.

Over the years, we have strategically used key mergers and acquisitions - with Tier 1 VFX house DNEG, Indian Film and Media Services giant, Reliance MediaWorks and Emmy Award-winning U.S. innovation organization DAX - to help propel Prime Focus to a position of global leader and innovator in the international M&E services industry.

Today, Prime Focus is known for its outstanding achievements, including four Academy Awards® in the last five years - for DNEG's VFX work for First Man (2019), Blade Runner 2049 (2018), Ex Machina (2016) and Interstellar (2015), maintaining our spot on the 'Fortune India 500' companies list, increasing revenues and continuing to grow our global scale.

We are Prime Focus. Creating new benchmarks is what we do.

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CHAIRMAN'S MESSAGE

Creating benchmarks with innovation in creativity and technology have been Prime Focus's constant approach towards the industry. Breaking barriers regarding creativity, technology and processes, we can proudly say that we're ahead of the curve in the industry by leading pathways for the future. From the editing table in a garage in Mumbai to a global creative and technological facility, we've come a long way and have identified ourselves as a company that hasn't taken shortcuts to success. We've proven our mettle on a global stage by executing the impossible.

Looking back half a decade, Prime Focus strategically transformed its partnership with DNEG to position us as the world's largest integrated media service group, thus enabling us to serve our clients better by leading with new benchmarks in quality as well as the scale of services to the top firms in our industry. This merger with DNEG combined the strengths of both companies and helped to achieve exponential growth in domestic as well as international markets. DNEG has bagged 4 Oscars since then and has established the importance of industry collaboration and consolidation to enable progressive growth in our industry.

As a part of the expansion, this year we widen our digital cinema lab services nationwide to cater to all parts of our country. The primary intention of being able to deliver uniformity in its services to exhibitors and thereby, effectively cater to multilingual content. We went a step further by penetrating into the music industry in collaboration with the renowned music composer/director; Pritam Chakraborty to set up a company called 'JAM8 Prime Focus LLP'. This platform has enabled upcoming musicians to have the facility in order to nourish their talent, get recognised and flourish, all to hold the future of the Bollywood music industry together.

With multiple deals made in the past years, we've widened our horizons. We have now successfully associated ourselves with every service in the Media & Entertainment industry.

Our integrated global operations come together every day to deliver one goal - to innovatively create and deliver the best class of work to our clients. We are closely working towards positioning Prime Focus as a powerhouse not just through the creative lens 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.

We've progressed successfully every year in creating new opportunities, opening new market by rationalising our business and beginning to capitalize on the financial advantages that we've created. 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 for ourselves and have always been successful in achieving them.

Naresh Malhotra

Chairman and Whole-time Director

Prime Focus Limited

HIGHLIGHTS OF THE YEAR

CELEBRATING 22 YEARS IN THE INDUSTRY

DNEG
International Creative Services

DNEG, now incorporating Prime Focus' Stereo 3D conversion division (previously Prime Focus World) is a market leader in the International Creative Services space. It is one of the largest independent Tier 1 Visual Effects player globally, commanding a higher share of the global stereo conversion market than any of its competitors, and its animation business continues to go from strength to strength.

DNEG's leadership position can be judged from the fact that it worked on 8 out of Top 10 Hollywood blockbusters in 2018, including the highest grossing film of 2018 – 'Avengers: Infinity War'.

For the 4th time in the last 5 years, DNEG brought home the Academy Award for Best Visual Effects in February 2019 for its work on 'First Man', as well as two Visual Effects Society Awards. DNEG TV also received recognition this year with a VES award for its work on 'Altered Carbon', while delivering projects for Netflix, BBC, Hulu, NBC and many others. Meanwhile, the Feature Animation team announced its first animated film project – 'Ron's Gone Wrong' – working with production partner Locksmith Animation.

Prime Focus Technologies
Global Cloud Technology Business

PFT remains the preferred partner for some of the world's biggest broadcasters, studios, brands and service providers. The company's transformational solutions and services help Media & Entertainment (M&E) enterprises lower their Total Cost of Operations (TCOP) by automating business processes around content and managing their business of content better. In the past year, we unveiled several industry first solutions at major trade events, signed strategic deals with clients, enhanced our services portfolio, expanded our intellectual property base, forged new partnerships with industry leaders, secured coveted certifications, launched powerful go-to-market campaigns, and strengthened our global leadership. Our efforts were rewarded with numerous prestigious awards and accolades.

Prime Focus Limited
India Film & Media Services

This financial year has been fairly progressive for PFL as we have had the opportunity to cater to most of the highest grossing Indian Films like Stree, Andhadhun, Raazi and Manikarnika. We have also stepped into the fast growing arena of Digital Media Entertainment with our work on OTT (Over the top) Series and Films like Sacred Games & Rajma Chawal (Netflix) and The Final Call (Zee 5).

Our creative team has successfully delivered more than 50 films this year with some mega budget blockbuster films with an increase in the number of regional and independent films. Ashirwad Hadkar's work on the regional film, 'Carbon' gained recognition when he was felicitated with the 'Best Colorist' Award by the 49th Kerala State Awards. With challenging projects like Robot 2.0 and Stree we have attempted at raising the bar for the technology and skills currently being used in the Indian Visual Effects industry. The financial year ended with a bang when Prime Focus delivered hits like Luka Chuppi and Badla. However, some of our best work is yet to be unleashed with the most awaited project of the year – Brahmastra. Along with this mythological thriller we also have projects like Student of the Year 2, Street Dancer, Housefull 4, Satellite Shankar, India's Most Wanted in pipeline.

We have also stepped foot into the music industry with J.A.M 8 which is in partnership with music producer, Pritam Chakraborty.

Awards

- DNEG won its 5th 'Oscar' for 'Best Visual Effects' for its work on the movie 'First Man'
- DNEG was honored with two 'Visual Effects Society Awards' for 'Outstanding Supporting Visual Effects in a Photoreal Feature' category for 'First Man' and in the 'Outstanding Effects Simulations in an Episode, Commercial, or Real-Time Project' category for 'Altered Carbon'
- DNEG was honored by the Houston Film Critics Society Award under the 'Best Visual Effects' category for 'First Man'
- Hollywood International Film Festival also named 'First Man' as the winner of the 'Best Visual Effects' category
- Ashirwad Hadkar won the 'Best Colorist' award at 49th Kerala State Film Awards for the film 'Carbon'
- The Prime Focus Animation team won a FICCI BAF Award and a 24FPS MAAC Award for their work on 'Here Comes the Grump' under the 'Best Animated Film (International)'
- DNEG won the 'Mover and Shakers' award for their outstanding contribution towards the Visual Effects Industry
- CLEAR Vision Cloud bagged TV Technology's Product Innovation Award for 2018
- PFT's flagship product, CLEAR Media ERP won TVBEurope's 'Best of Show' Award at IBC 2018 in the Content Management category
- PFT's TVC for Oppo F7 Smartphone featured in YouTube's 'Top 10 Ads of the Year'
- PFT's digital film for Brooke Bond Red Label awarded a Creative Abby at Goafest 2019
- PFT won awards for 'Best Cinematography' and 'Best Ad Film' at the Dada Saheb Phalke Film Festival 2019

Launches

- PFT unveiled powerful automation-led content supply chain solutions at NAB 2019
- PFT debuted a power-packed suite of AI-led Micro Services custom made for M&E enterprises at NAB 2019

Events & Announcements

- We have maintained our position of 465 out of the 'Fortune India 500' list
- PFT produced innovative multi-part series 'Mega Icons' in partnership with National Geographic Channel
- PFT appointed Mangesh Pathak as Chief Strategy Officer
- Anjani B Kuumar joined PFT as President
- PFT secured its 5th patent for a "System and Method for Source Script and Video Synchronization Interface"
- PFT now offers Localization services in 60+ languages
- PFT certified under the Netflix Partner Fulfillment Program (NPFP) and Netflix Post Production Partner (NP3) Program for Media Processing, Original Master Fulfillment,Timed Text and Originals Localization

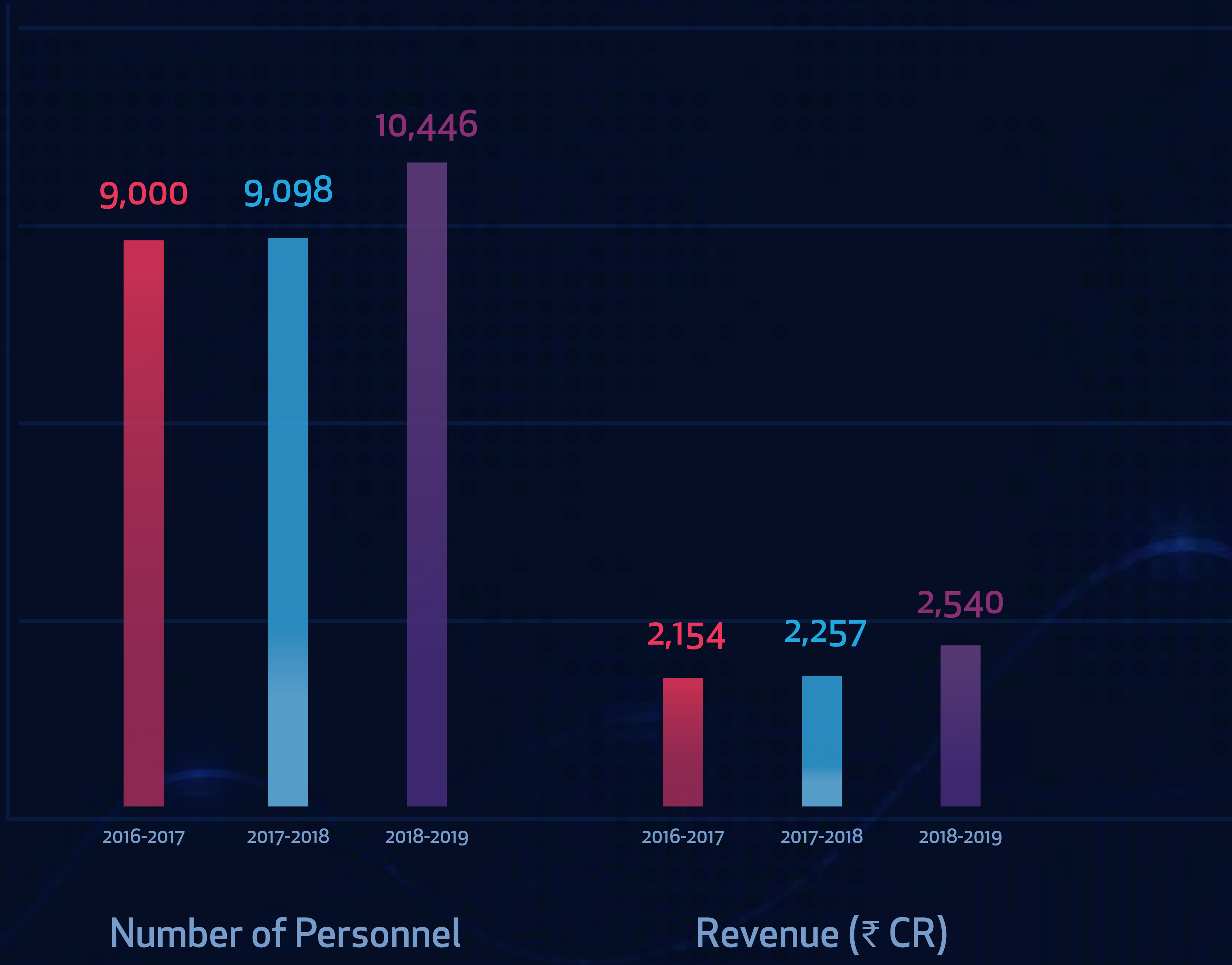
Deals

- PFT signed a strategic deal with Enterr10 Television for outsourced content operations
- Hearst Communications tapped PFT's CLEAR Media ERP Suite to automate its Archival operations
- PFT completed automation of PBS's Direct-to-NOC file-based delivery process with CLEAR Media ERP
- PFT signed deals with leading brands like Wildstone, Red Label, Madura Coats, and Big Bazaar

Partnerships

- Prime Focus collaborated with music producer, Pritam Chakraborty to step foot into the music industry by starting ' J.A.M 8'.
- PFT partnered with Virtual Artificial Intelligence (AI) to enhance AI capabilities of the M&E industry

FINANCIAL HIGHLIGHTS



2016-2017

2017-2018

2018-2019

ADJUSTED EBITDA (₹ CR)

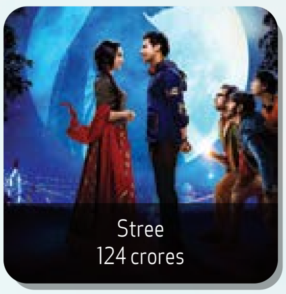
(including other income and excluding
ESOP and one-time expense)

PROJECT HIGHLIGHTS


Raid
98 crores


Race 3
166 crores


Thugs of Hindostan
138 crores

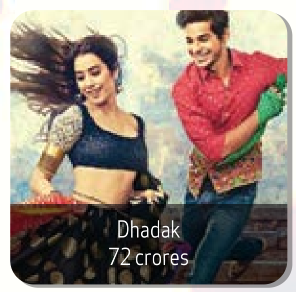

Stree
124 crores


Andhadhun
73 crores

BOLLYWOOD


Robot 2
723.30 crores


SatyamevaJayate
79.61 crores


Dhadak
72 crores

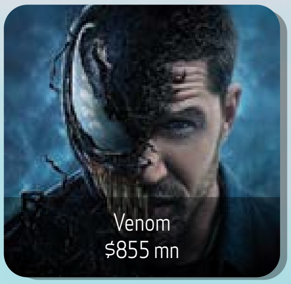

Raazi
122 crores


First Man
$105.4 mn


Alita: Battle Angel
$401.7 mn


The Kid Who Would Be King
$29.7 mn


The Nutcracker and the Four Realms
$173.9 mn


Venom
$855 mn

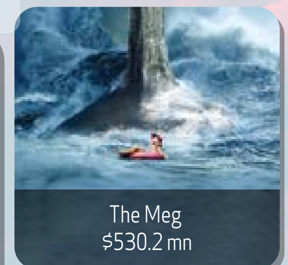

Bohemian Rhapsody
$899.7 mn

Bad Times at The El Royale
$31.8 mn


Alpha
$98.2 mn

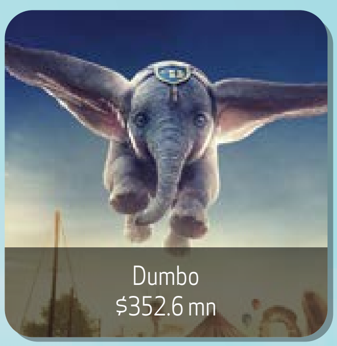

Deadpool 2
$785 mn

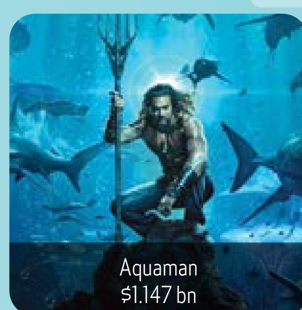

Fantastic Beasts: The Crimes of Grindelwald
$653.6 mn


The Meg
$530.2 mn

HOLLYWOOD

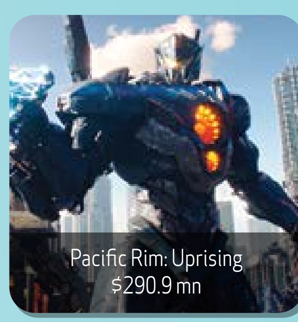

Mission: Impossible - Fallout
$791.1 mn


Dumbo
$352.6 mn

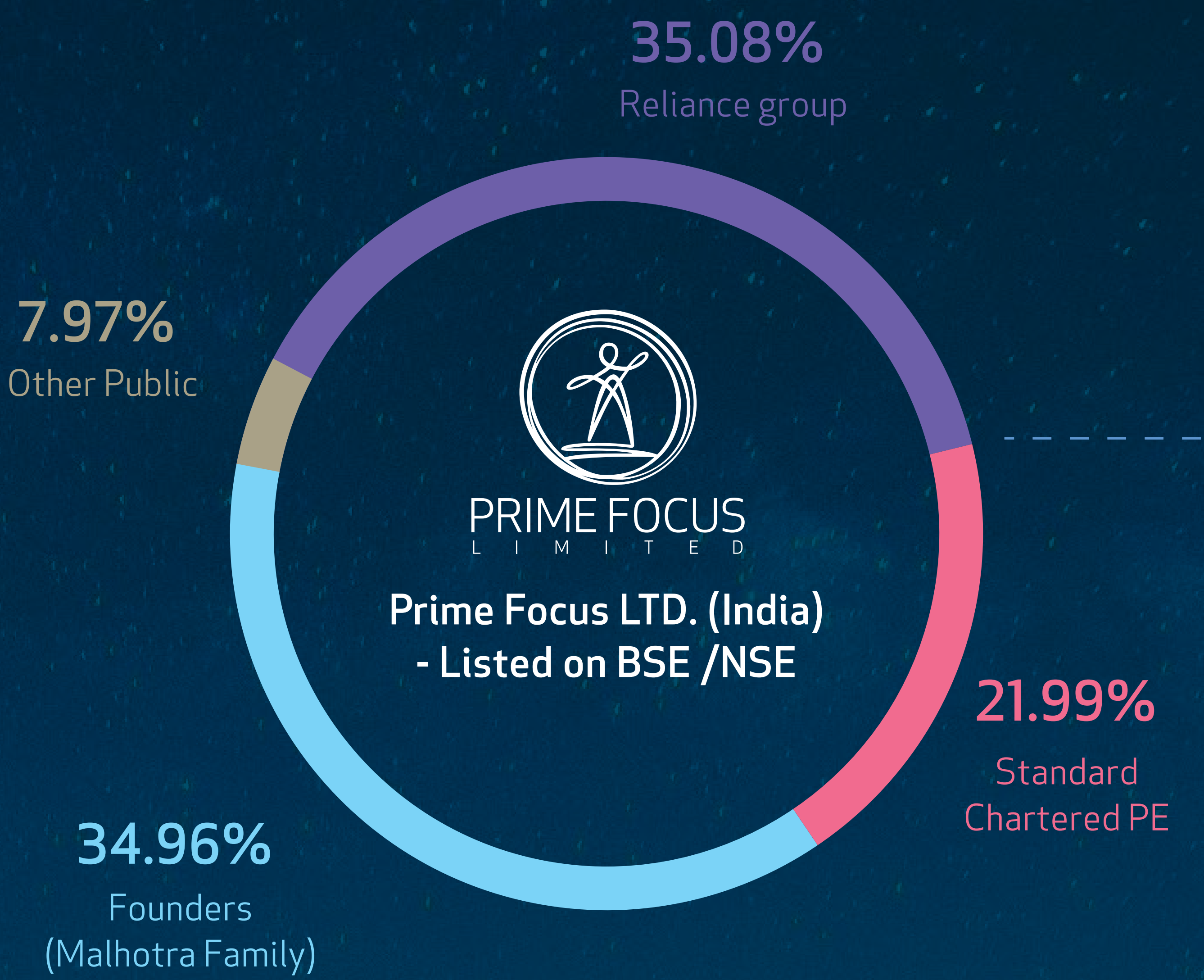

Aquaman
$1.147 bn


Avengers: Infinity War
$2.048 bn


Ant-Man and the Wasp
$622.6 mn


Pacific Rim: Uprising
$290.9 mn

GROUP STRUCTURE



73.75%

Prime Focus Technologies
Global Cloud Technology Business

80.2% * fully diluted

Prime Focus World N.V. (Netherlands)

PRIME FOCUS WORLD + DNEG

3D Conversion + Animation + Visual Effects

GLOBAL PRESENCE

05 Continents

07 Time Zones

18 Cities

LOCATIONS

- ABU DHABI
- BENGALURU
- CAPE TOWN
- CHENNAI
- GOA
- HYDERABAD
- JOHANNESBURG
- KOLKATA
- LONDON
- LOS ANGELES
- MOHALI
- MONTREAL
- MUMBAI
- NEW YORK
- NOIDA
- SYDNEY
- TORONTO
- VANCOUVER

BUSINESS OVERVIEW

83% of Global Revenue

6% of Global Revenue

11% of Global Revenue

International Creative Service

DNEG, our International Creative Services division, offers clients a compelling, full-service solution that allows grouping of services and global sourcing for complete end-to-end delivery of projects of any size; access to the highest-quality, award-winning talent at the most efficient pricing; and international tax advantages that can generate significant additional top line savings.

DNEG

India Film & Media Services

After broadening our horizons to meet the demands of the OTT Sector, our India Film & Media Services business has maintained its position as the largest production, post production and creative services provider to the film, broadcast, advertising and OTT Industries in India.

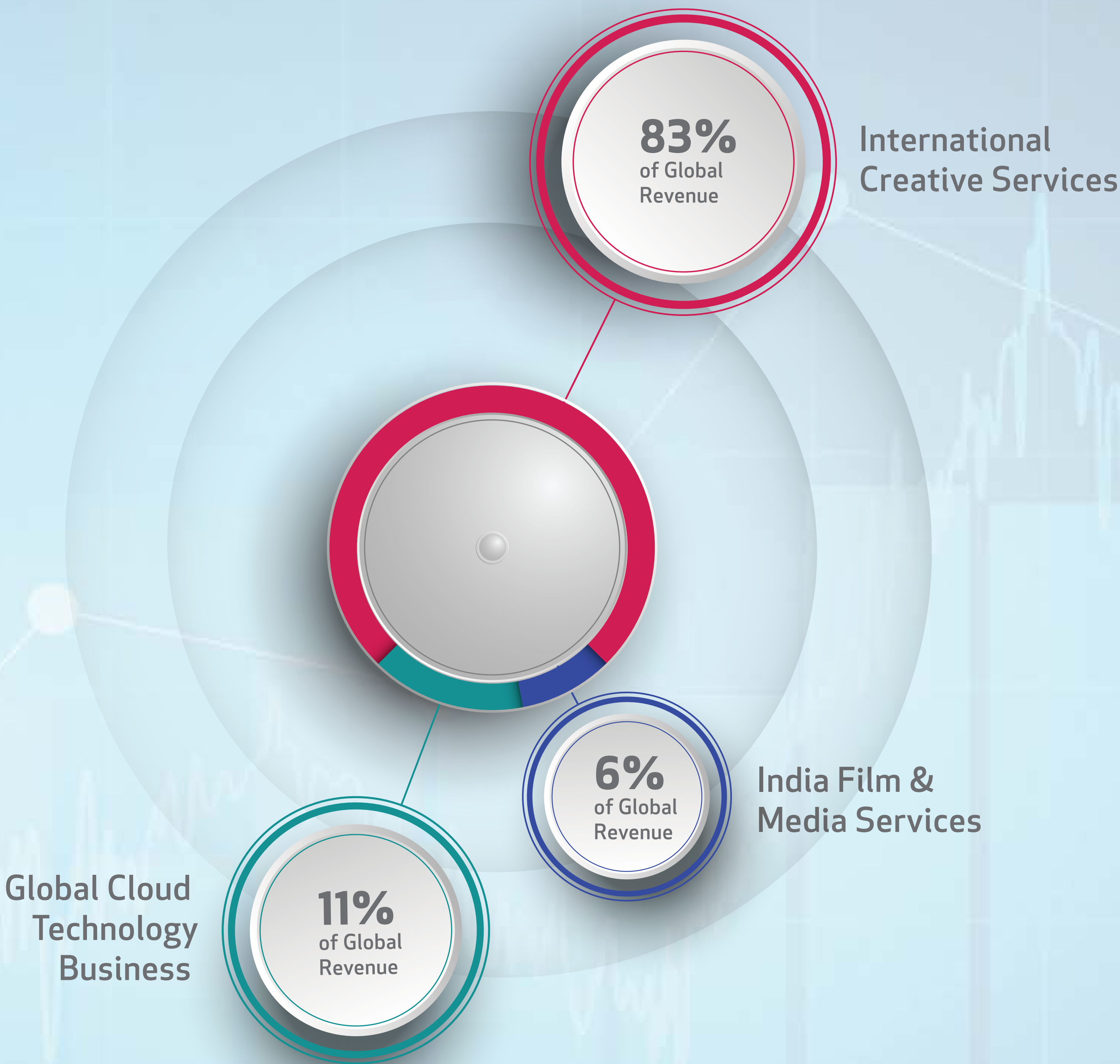
PRIME FOCUS LIMITED

Global Cloud Technology Business

Our global cloud technology business, Prime Focus Technologies, is the creator of Enterprise Resource Planning (ERP) software, CLEAR for the Media & Entertainment (M&E) industry. It offers broadcasters, studios, brands and service providers transformational solutions that help them lower their Total Cost of Operations (TCOP) by automating business processes around content and managing their business of content better.

PRIME FOCUS TECHNOLOGIES

Revenue split by Business Area



INTERNATIONAL CREATIVE SERVICES: VISUAL EFFECTS

Introduction

DNEG began this year's awards season with two Visual Effects Society Awards wins - in the 'Outstanding Supporting Visual Effects in a Photoreal Feature' category for 'First Man' and in the 'Outstanding Effects Simulations in an Episode, Commercial, or Real-Time Project' category for 'Altered Carbon'.

The awards season culminated with DNEG bringing home the Academy Award for 'Best Visual Effects' – its fourth Oscar in just five years and its fifth Academy Award overall.

In early 2018, DNEG launched a refreshed brand and website, and formalised the integration of the company's stereo conversion offering under the DNEG banner. With the addition of the stereo teams in Vancouver, Montreal, London, Mumbai, Chandigarh, Hyderabad and Goa, the DNEG India team grew from 3400 professionals last year to over 5,000 staff by March 2019, delivering work on 18 feature films over the course of the year. In total, the films that DNEG worked on over the last year made around $10.9 bn in international box office receipts.

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, including Avengers: Endgame, Godzilla: King of the Monsters, Wonder Woman 1984, Men in Black: International, Greyhound and Hobbs and Shaw.

Film VFX

As of March 2019, DNEG had provided creative services on the highest grossing film of 2019 – Captain Marvel ($1.03bn) - and four of the Top 5 highest grossing films of 2018 at the worldwide box office - Avengers: Infinity War ($2.04bn), Bohemian Rhapsody ($899mn), Venom ($855mn) and Mission: Impossible – Fallout ($791mn).

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 (latest shows in bold):

- Christopher Nolan: Batman Begins, The Dark Knight, Inception, The Dark Knight Rises, Interstellar, **Dunkirk**
- 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**
- 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: Battle Angel**
- Francis Lawrence: The Hunger Games: Catching Fire, The Hunger Games: Mockingjay – Part 1 & 2, **Red Sparrow**

TV VFX

DNEG TV, the company's dedicated television VFX department continued on its path of growth and success this year by winning the BAFTA TV Craft Award for 'Special, Visual and Graphic Effects' for the exceptional work it delivered for 'Black Mirror Season 4 –Metalhead' with a VES Award for 'Outstanding Effects Simulations in an Episode, Commercial, or Real-Time Project' for its work on 'Altered Carbon'. Over the course of the year, DNEG TV acquired an even larger share of the high-end TV drama market, delivering work for Warner Bros. Television ('Krypton'), Netflix ('Altered Carbon', 'Black Mirror') and the BBC ('Doctor Who') amongst many other clients.

INTERNATIONAL CREATIVE SERVICES:
STEREO CONVERSION

Stereo Conversion

It has been another stellar year for the stereo 3D conversion team, with the stereo teams delivering work on a slew of blockbuster 3D movies throughout the year, including 'Fantastic Beasts: The Crimes of Grindelwald', 'The Nutcracker and the Four Realms', 'Venom', 'Mission: Impossible – Fallout', 'Ant-Man and the Wasp', 'Avengers: Infinity War', 'Pacific Rim Uprising' and 'Black Panther'.

In early 2019 the DNEG Stereo team was recognised with an AIS Lumiere Award for 'Best 3D Scene of the Year' for their stereo conversion work on 'Mission: Impossible – Fallout'.

DNEG has a strong pipeline of work to look forward to, including 'Men in Black: International', 'Avengers: Endgame', 'Godzilla: King of the Monsters' and Disney's live-action remake of 'Aladdin'.

Animation

Set up in 2014, DNEG's Feature Animation team works in tandem with IP creators and filmmakers to create high-end animated features based out of DNEG's London headquarters.

Feature Animation is currently in production on its first animated feature film, 'Ron's Gone Wrong', working in partnership with animation studio Locksmith Animation and Twentieth Century Fox.

INTERNATIONAL CREATIVE SERVICES **STRONG PIPELINE** OF UPCOMING WORK


THE NEW MUTANTS
THE NEW POPE

PRIME FOCUS TECHNOLOGIES

Our global cloud technology business, Prime Focus Technologies (PFT) continued to provide M&E enterprises cutting edge solutions and services to conquer the multi-platform universe.

We strengthened our flagship product CLEAR Media ERP with several upgrades and new additions, including the pioneering Vision Cloud, which offers a suite of AI-led Micro Services to help solve specific M&E business use cases. Our services portfolio was expanded, and we now provide Localization services in 60+ languages. Another landmark achievement was PFT's certification under the Netflix Partner Fulfillment Program (NPFP) and Netflix Post Production Partner (NP3) Program for Media Processing, Original Master Fulfillment, Timed Text and Originals Localization. We signed numerous major deals with new customers, and renewed a host of existing contracts.

To help enhance the Artificial Intelligence (AI) capabilities of the M&E industry, PFT partnered with Virtual AI, a leading UK-based provider of AI solutions. The company also expanded its leadership base in an effort to drive long-term sustainable growth. Mangesh Pathak came on board as Chief Strategy Officer, and Anjani B Kuumar was appointed as President.

At NAB 2019, PFT announced its go-to-market campaign 'ONE goal. ONE passion. Automation' which urges M&E enterprises to embrace ONE Software from creation to delivery for lowest Total Cost of Operations (TCOP). We remain deeply committed to helping M&E players solve specific pain points across the content supply chain to enhance efficiencies, increase monetization and lower cost.

Product Launches

CLEAR Vision Cloud: AI-led Micro Services for Entertainment & Sports

PFT's native media recognition AI engine, CLEAR Vision Cloud leverages Machine Wisdom* technology to deliver automation and data that is highly accurate, relevant, contextual and actionable.

Vision Cloud powers ready to use AI-led Micro Services that have been custom made for solving strategic M&E business use cases. They draw on collective intelligence of the industry's most sophisticated AI solutions and PFT's home grown models, as well as the company's decade long experience of collecting, curating and annotating content (400 million tags to date). These Micro Services help M&E enterprises drive speed, scalability, reduce Total Cost of Operations (TCOP) and unlock new revenue opportunities like never before. Here's a glimpse:

- Automatic Content Segmentation : With frame accuracy at its core, it helps precise identification of physical segments in a clip
- Thumbnail Generation : Identifies contextual thumbnails and ranks them based on relevance, providing a line-up of best-fit thumbnails for editors to choose from
- Scene Description: Identifies logical scene boundaries along with descriptive metadata with high accuracy
- Play-listing : Identifies and compiles set of relevant clips that aid in powerful storytelling
- AI-led custom model for Sports : Automatic metadata extraction through multi-pass inferencing, patent pending technology for action tracking and most accurate & holistic solution for cricket

*patent pending

The Roadmap Ahead

To conquer today's multi-platform universe, content creators need to partner with a single service provider who can take care of their technology needs from start to end – by supplying both technology that automates the supply chain, as well as Managed Services. They need to adopt centralization and look beyond the traditional approach of working with multiple solutions to manage content operations across various departments and locations. There is a pressing need to deploy ONE Software for the enterprise, embrace automation across the supply chain, and leverage the untapped power of AI to achieve business goals.

Today, with Work Order Management embedded in MAM, and our latest transformational AI-led Micro Services, CLEAR as a Media ERP software offers much more than any other MAM system. To help customers solve specific business challenges, we offer CLEAR along with Managed Services. M&E enterprises can now leverage our automation-led solutions along with our wide array of technical, creative and new media services to achieve agility, scalability and speed like never before, with lowest TCOP. PFT is fully geared up to penetrate new markets and help M&E players realize their business goals. The team continues to better its capabilities job after job, sparing no effort to deliver world class solutions and services to its customers.

We have ONE goal. ONE passion. Automation.

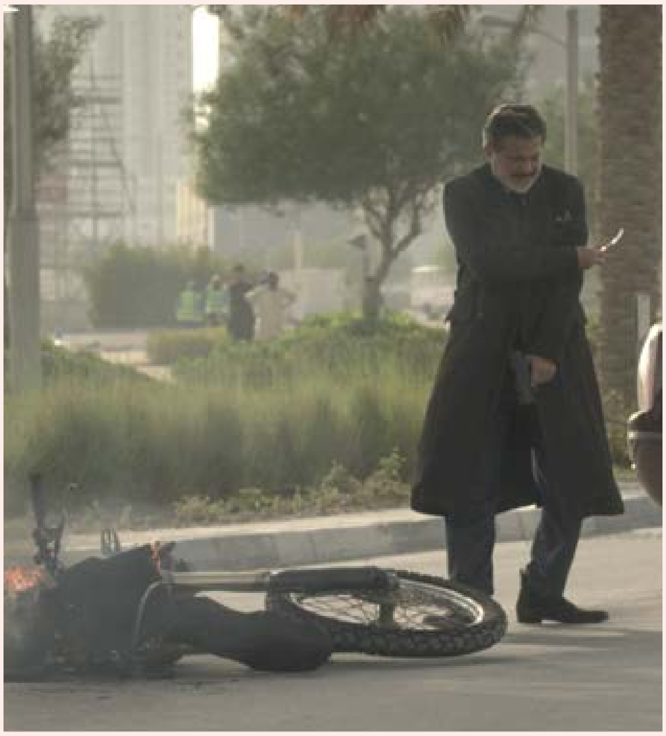
INDIA FILM AND MEDIA SERVICES - VISUAL EFFECTS

With their highly skilled and unconventional work on Robot 2.0 and Stree, the Visual Effects Team has set a higher standard for the kind of technologies and expertise being used in the Indian Film Industry.

Our work on Sacred Games (Netfilx), The Final Call (Zee 5) has also gained recognition and positive feedback.

Projects like Student of the Year 2, Housefull 4 and Street Dancer are in the pipeline along with the most awaited mythological thriller of the year – Brahmastra.





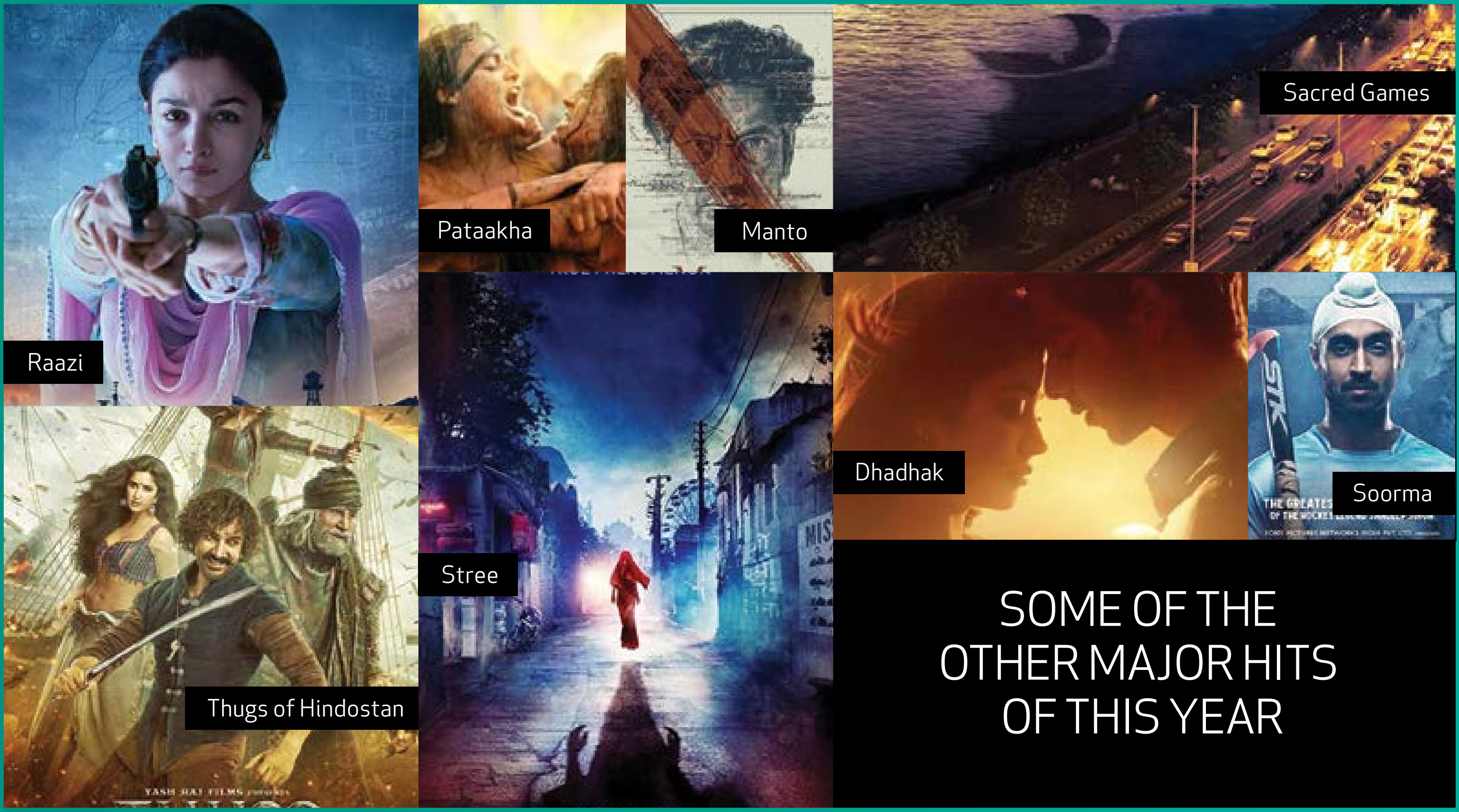

INDIA FILM AND MEDIA SERVICES –
DIGITAL INTERMEDIATE / COLOR GRADING

The Digital Intermediate division is well reputed in the industry for par excellence work being delivered by our creative team who has successfully contributed to more than 80 movies this year with some blockbuster bollywood movies and an increased number of regional and independent films.

The quintessential work of our Colorist, Ashirwad Hadkar was felicitated with the Best Colorist award at the 49th Kerala State Film Awards. We have also successfully ventured into a new and upcoming arena of entertainment – OTT films and series. We were associated with popular projects like Sacred Games for Netflix, The Final Call for Zee 5 and RajmaChawal for Netflix. Our upcoming project of this year includes Kabir Khan's Forgotten Army.

This year also brought with it some challenging yet blockbuster projects like Robot 2.0 that raised the bar for the technology and vision being incorporated in Bollywood films. Some of our other highlights for the year were Stree, Raazi, Manikarnika and Andhadhun.

We are awaiting the release of some of our best work in the upcoming mythological superhero film – Brahmastra.

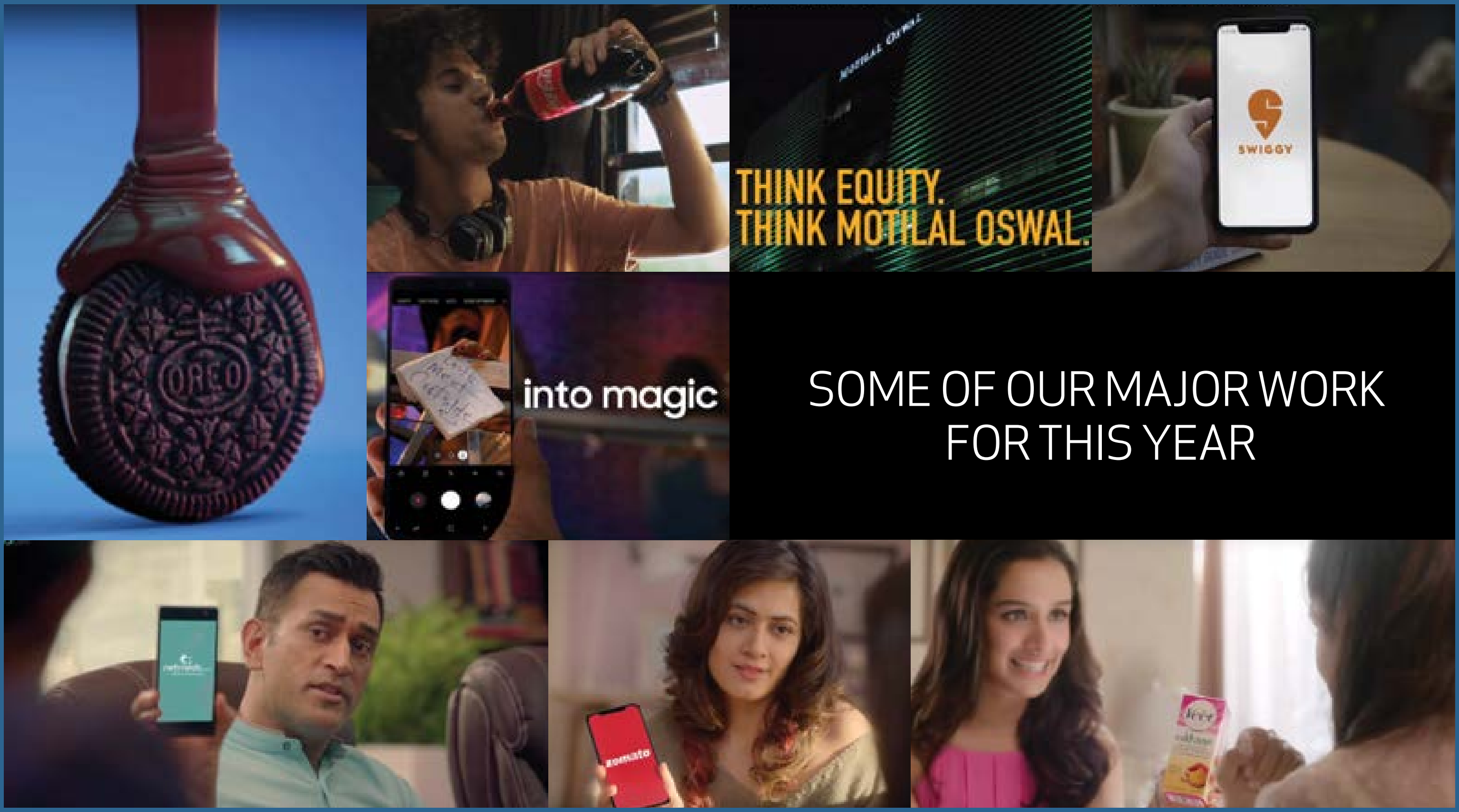


INDIA FILM AND MEDIA SERVICES - **ADVERTISING SERVICES**

For over two decades we have been committed towards providing our clients with world class, end to end post production services – Online and Offline services, CG/VFX, Animation, 2D & 3D Animatics and Single Frames. Our creative teams have efficiently delivered an astounding 1200 ads this year.

The advertising industry has exhibited a perceptible change and immense growth over the years. There has been a radical shift in terms of technologies being used and concepts ideated to strike a chord with the audience and increase brand recall. To keep up with these changes the division has upgraded their facilities and added a Digital Content Production Service with use of latest VR/AR technology along with the best creative talent in the industry.

The division also provides creative services directly to brands like HUL, P&G, Star, Samsung, L'Oreal. In the year 2018 we had the opportunity to be proudly associated with a social campaign for Mumbai Traffic Police - Road Safety Campaign starring Akshay Kumar. The campaign is much talked about on social media and raises awareness about the importance of following the safety and traffic rules. By following new trends and brand requirements we were able to successfully deliver some of this year's viral ads for brands like Hyundai(Celebrating 20 Years), Coca Cola(Share a Coke) and Swiggy (Pregnancy Ad).



INDIA FILM AND MEDIA SERVICES - **EQUIPMENT RENTAL**

With the most varied inventory and high end services, Prime Focus EQR division has maintained their position as the market leaders of the camera rental industry. The division has over 40 high end feature film camera's and caters to a large pool of diverse clientele – from budding independent filmmakers to large studio produced mega budget films and live action straight from the field of IPL.

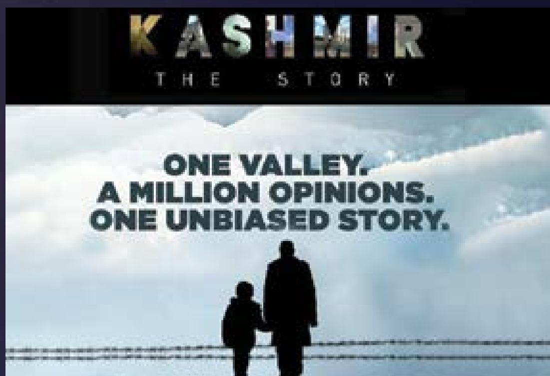
We now have three divisions of EQR – Film Camera, Television Camera and Sports Camera. Each of these divisions provides services for Feature films, T.V reality and daily shows, IPL and Pro Kabbadi League only to name a few.

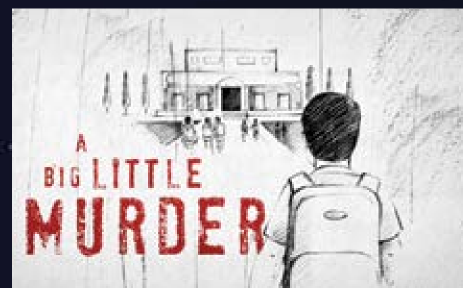
THE EQR DIVISION SUPPLIED EQUIPMENT FOR OVER **100 PROJECTS** THIS YEAR WITH SOME BIG BUDGET FILMS LIKE

INDIA FILM AND MEDIA SERVICES - **BROADCAST**

PFT works with some of the world's biggest broadcasters, delivering cutting edge creative services that include content creation, post production, color grading, animation, sound design and on air promotions. The company has extensive in-house resources spread across the globe, including 500+ creative minds, 185 edit suites, 24 sound studios and 16 5.1 QC rooms along with a Tier 3 Data Centre. PFT's creative expertise goes hand-in-hand with innovative cloud technology that helps broadcasters manage, distribute and exhibit video assets effectively.

HERE ARE A FEW TELEVISION SHOWS WHICH PFT WORKED ON DURING THE PAST YEAR





MAJOR MILESTONES

1997

- Prime Focus Ltd. (PFL) founded by Namit Malhotra in a garage in Mumbai
- **PFL offers India's first high-end finishing system**

2001

Offered India's first scanning and recording system

2003

Offered India's **first DI system**

2004

First visual effects company in India to operate a motion-control rig

2006

- Entry into UK market via acquisition of AIM Listed company
- IPO of Prime Focus Limited on BSE and NSE

2007

Entry into US through acquisition of Post Logic and Frantic Films

2008

Prime Focus launches new Technology arm – Prime Focus Technologies (PFT)

2009

- Prime Focus launches View-D™ and CLEAR™
- PFT deploys the World's First Hybrid Cloud Platform

2010

- **PFW becomes first** company to convert an entire Hollywood **film to 3D**
- PFT's CLEAR Media ERP selected as 'Best of IBC 2010' award winner by TVB Europe/IBC Daily magazine

2011

- PFT digitizes Star TV's content operations through CLEAR
- PFW delivers 3D Conversion of Star Wars: Episode I for Lucasfilm / ILM

2012

- Prime Focus Animation launched
- Prime Focus raises investment from Standard Chartered Public Equity

2013

- Prime Focus raises US$38 MN investment from Macquarie Capital
- PFW wins Advanced Imaging Society 3D Award for 'Gravity'
- PFT launches world's largest digital media services cloud
- Prime Focus raises US$10 MN from AID Partners Public Equity
- PFT wins Aegis Graham Bell Award 2013 for Innovation in Cloud-based Solutions

2014

- PFW works on more than half of all the summer releases of the major Hollywood studios
- 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
- PFT-restored Associated Press Archive Digitization wins FOCAL International Award

2015

- Double Negative wins Academy Award, BAFTA and VES Award for Interstellar
- PFW and Gener8 sign Technology Licensing Partnership
- Reliance Capital picks up 30.2% in Prime Focus; Prime Focus merges Film & Media Services business of Reliance MediaWorks
- 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

2016

- Double Negative wins Academy Award and British Independent Film Award for 'Ex Machina'
- 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
- PFT secures investment from Ambit Pragma Private Equity

2017

- Prime Focus bags honor at Fortune India 'Next 500' 2016 Awards
- Prime Focus Ltd reports FY17 Consolidated Income of Rs. 21.8bn
- Prime Focus delivers post-production services for 12 National Award winning films
- Advertising Division of Prime Focus Delivered Post Production Services for the World's Best Advertisement of 2016

2018

- DNEG wins Academy Award, BAFTA and VES Award for Blade Runner: 2049
- DNEG wins BAFTA TV Award for Best Special Visual Effects for Black Mirror: Metalhead
- Prime Focus Advertising delivers post production services for 4 ABBY Award winners (1 Gold, 1 Silver & 2 Bronze)
- Prime Focus limited reports FY18 consolidated income of ₹22.9 bn
- Prime Focus Limited enters 'Fortune India 500' companies
- PFT powers IPL 2018 coverage for Hotstar, which garners 10.7 million concurrent views, setting a new global record

2019

- DNEG wins the Oscar in the category of 'Best Visual Effects' for 'First Man'
- DNEG receives the 'Movers and Shakers' award at the 24FPS MAAC Award for their contribution to the VFX Industry
- The Prime Focus Animation Department secures the FICCI BAF Award and 24FPS MAAC Award for their work on the film 'Here Comes the Grump' under the category 'Best Animated Film – International'.
- The creative head for DI at Prime Focus, Mr.Ashirwad Hadkar banks an award at the 49th Kerala State Awards for the film 'Carbon' under the category 'Best Colorist'
- Prime Focus sets foot into the music industry with new venture - J.A.M 8 by collaborating with Music Producer and Composer, Pritam Chakraborty
- Prime Focus extends its services to OTT content for streaming with work on projects like – Sacred Games (Netflix), The Final Call (Zee5), RajmaChawal (Netflix), The Forgotten Army (Amazon Prime)
- Prime Focus holds the 465th Position in the "Fortune India 500" list of companies

MANAGING DIRECTOR'S MESSAGE

Today, the M&E industry landscape is evolving faster than it has in decades. Megamergers and major Direct to Consumer (D2C) streaming platforms are re-defining the landscape. Tent-pole movies are becoming bigger, and premium content creation investments have touched an all-time high.

There's been an explosion in the demand for VFX across television, film and digital content – 2018 witnessed the global animation industry touching $259 billion[1]. The year also saw the release of a record 495 original scripted streaming, cable, and broadcast series[2]. The VoD space is fast becoming a battleground, with giants like Apple, WarnerMedia and Disney getting ready to enter and intensify the competition. To reach new markets, M&E players are now offering content in additional languages, which is spiking the demand for downstream services including localization. The demand for supporting services like Post Production, Digital Distribution and other Managed Services are also on the rise.

With a burgeoning number of content hours to be managed, content creators are turning towards holistic supply chain management solutions to enhance efficiencies and lower costs on the back of automation and centralization. In order to stay competitive and relevant, traditional businesses are looking for new avenues of digital transformation. The adoption of Cloud computing and SaaS is accelerating due to immense scalability, flexibility and cost benefits. As a result, the M&E Cloud solutions market is witnessing rapid growth, and is expected to grow nearly nine-fold by 2020[3], in comparison to 2013.

All these developments present great opportunities for Prime Focus – the world's largest independent, integrated media services powerhouse. We are uniquely positioned to capitalize these developments for driving growth. Our exhaustive array of creative, software and media service offerings along with our unparalleled global footprint and best-of-breed talent pool give us scale and a strong competitive advantage.
The past year has been an extremely eventful one for Prime Focus. We recently won our 5th Oscar for DNEG's VFX work on 'First Man' and delivered creative services for 7 out of Hollywood's top 10 releases. We also received our 5th US patent for production technology and bagged numerous accolades for our innovative automation-led solutions. In addition, we expanded our services portfolio, grew our order book, and strengthened our presence in EMEA, APAC and the Americas.

Today, we're more focused than ever on solving specific pain points for our clients. In the wake of consolidation, our flagship Media ERP software, CLEAR, which offers ONE software for the enterprise, remains extremely relevant – even a decade after inception. In addition, we're now enabling the M&E industry to tap the power of Artificial Intelligence (AI) for reaping actual business benefits. Our media recognition AI engine, CLEAR Vision Cloud has been custom made to solve strategic M&E use cases.

On the financial front, we are happy to have delivered steady growth, with income from operations touching $382 million, as compared to $356 million in the previous year. We will continue to consider different options for raising funding through equity (including private placement and public offering) as well as debt, with a view to enhance growth, shareholder value and efficiency of the business.

Our success has been built on the back of our customer-first approach and deep-rooted desire to set new benchmarks of excellence in every sphere. Innovation is core to our DNA, and we will work towards making ourselves even more relevant, differentiated and competitive in the future. At the same time, we will always remain flexible and agile to serve the needs of our customers.

In closing, I want to thank the entire team of Prime Focus employees for their incessant hard work. I would also like to extend my deepest gratitude towards all our partners, shareholders and clients, who have placed their unflinching trust in us. I am confident that we will continue driving profitable growth and delivering value for you in the current fiscal year as well.

Ramakrishnan Sankaranarayanan

Managing Director, Prime Focus

Founder & CEO, Prime Focus Technologies

[1]Source: https://www.researchandmarkets.com/research/8n62z2/global_animation?w=5
[2]Source: FX Network Research
[3]Source: Frost & Sullivan - Global Media and Entertainment Solutions for the Cloud https://www.prnewswire.com/news-releases/why-cloud-solutions-are-gaining-traction-in-the-global-media-and-entertainment-industry-271056221.html

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Naresh Malhotra
Chairman and Whole-time Director

Mr. Ramakrishnan Sankaranarayanan
Managing Director

Non-Executive Directors

Mr. Namit Malhotra

Mr. Kodi Raghavan Srinivasan
Independent Director

Mr. Rivkaran Chadha
Independent Director

Mr. Padmanabha Gopal Aiyar
Independent Director

Mrs. (Dr.) HemalathaThiagarajan
Independent Director

Mr. Samu Devrajan
Independent Director

Mr. Udai Dhawan

Mr. Anand Natarajan
Appointed w.e.f. May 30, 2018 and Resigned w.e.f. December 21, 2018

Mr. Amit Bapna
Resigned w.e.f. May 30, 2018

CHIEF FINANCIAL OFFICER

Mr. Nishant Fadia

COMPANY SECRETARY

Ms. Parina Shah

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells
(Registration No. 117364W)

BANKERS

Yes Bank Limited

REGISTERED OFFICE

Prime Focus House,
Opposite Citi Bank, Linking Road, Khar (West), Mumbai 400 052
Tel: +91 22 6715 5000 Fax: +91 22 6715 5001
Email: irindia@primefocus.com
Website: www.primefocus.com

CORPORATE IDENTITY NUMBER (CIN)

L92100MH1997PLC108981

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: ishwar.suvarna@linkintime.co.in
Website: www.linkintime.co.in

To
The Members of
Prime Focus Limited

Your Company's Directors are pleased to present the Twenty-Second Annual Report together with Audited Financial Statements for financial year ended March 31, 2019.

1. FINANCIAL PERFORMANCE SUMMARY

The Consolidated and Standalone Audited Financial Results for the financial year ended March 31, 2019 are as follows:

(₹ In Crores)

Particulars	Consolidated		Standalone	
	2018-19	2017-18	2018-19	2017-18
Income from services	2,510.62	2,227.52	152.56	136.44
Other operating income	29.63	29.96	9.53	8.88
Total revenue from operations	2,540.25	2,257.48	162.09	145.32
Less: Expenses	2,485.48	2,118.39	179.03	167.38
Add: Other income	123.49	34.44	41.12	26.76
Less: Finance costs	236.68	212.30	57.39	74.13
Less: Tax expense	(25.48)	5.63	0.06	(12.83)
Less: Minority interest	(10.24)	8.78	-	-
Loss for the year	(22.71)	(53.18)	(33.27)	(56.60)

2. OPERATIONS AND PERFORMANCE REVIEW

Consolidated

During the year under review, total revenue from operations of the Company and its subsidiaries stood at ₹ 2,540.25 crores as compared to ₹ 2,257.48 crores in the previous year. Loss before tax during the year was ₹ (58.42) crores as compared to ₹ (38.77) crores in previous year. The Net Loss after tax was ₹ (22.71) crores as compared to ₹ (53.18) crores in previous year.

Standalone

Total revenue from operations of the Company during the year was ₹ 162.09 crores as compared to ₹ 145.32 crores in the previous year. Loss before tax during the year was ₹ (33.21) crores as compared to ₹ (69.43) crores in the previous year. The Net Loss after tax was ₹ (33.27) crores as compared to ₹ (56.60) 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 view of the losses in Financial Year 2018-19, your Board did not recommend any dividend for its equity shares.

4. TRANSFER TO RESERVES

During the year under review, the company has transferred ₹ 22.28 crores from Debenture Redemption Reserve to General Reserve.

5. SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2019 was ₹299,182,312 comprising of 299,182,312 equity shares of ₹ 1/- each. During the year under review, the Company has allotted 16,667 equity shares of ₹ 1/- each pursuant to exercise of employee stock options. The Company has neither issued share with differential voting rights nor sweat equity. As on March 31, 2019, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

6. 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 2018-19.

7. 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 Compensation Committee of the Company.

Pursuant to the applicable provisions of the Act and the Securities Exchange Board of India (Share Based Employee Benefits) Regulations, 2014, 'PFL-ESOP Scheme 2014' Clause 3.13 has undergone amendment wherein "Exercise Period" has now been increased to 5 years from 2 years.

A certificate from the Statutory Auditors of the Company as required under Regulation 13 of the SEBI (Share Based Employee Benefits) Regulations, 2014 shall be placed at the ensuing Annual General Meeting for inspection by the Members. 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_2018-19.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.

8. 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.

9. DISPOSAL OF INVESTMENT HELD BY THE COMPANY IN GENER8 INDIA MEDIA SERVICES LIMITED (CURRENTLY KNOWN AS DNEG INDIA MEDIA SERVICES LIMITED), ITS WHOLLY OWNED SUBSIDIARY

The Company has executed a share purchase agreement on January 31, 2019 for sale of 100% equity shares of its wholly owned subsidiary, Gener8 India Media Services Limited (currently known as DNEG India Media Services Limited), to DNEG Creative Services Limited (formerly known as Prime Focus World Creative Services Private Limited), a subsidiary of the Company, for an aggregate consideration not exceeding ₹1,309,800,000/- (Rupees One Hundred and Thirty Crores and Ninety Eight Lakhs only) and on the terms and conditions as contained in the said share purchase agreement.

10. 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.

11. 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 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.

12. 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.

13. 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, 2019 is 581.

14. 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, colour, 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 2018-19 on sexual harassment.

15. REDEMPTION OF DEBENTURES

During the financial year under review, your Company has made payment of redemption amount and interest to debenture holders. The details of redemption are as mentioned below:-

Sr. No.	Type of Security	Redemption Date	No. of Security	Face Value (₹)
1	Series B - Zero Coupon Unsecured Redeemable Non-Convertible Debentures	November 02, 2018	891	1,000,000/-

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. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return in Form MGT-9 pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed as **Annexure-A** to this Report and is available on the website of the Company at http://www.primefocus.com/sites/default/files/pdf/Annual_Return_2018-19.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 (hereinafter referred to as "SEBI Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2018-19, 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 except Saturdays and national holidays upto the date of the Annual General Meeting of the Company i.e,September 30, 2019. 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 44 subsidiaries as on March 31, 2019. During the financial year, the following changes have taken place in subsidiary companies:-

a. **Companies which have become subsidiary Company:**

1. Apptarix Mobility Solutions Private Limited
2. Prime Focus MEAD FZ LLC
3. Re:Define FX Ltd.

Note: Jam8 Prime Focus LLP became subsidiary of the Company w.e.f. April 22, 2019

b. **Companies which ceased to be Subsidiary Company:**

1. DNEG India Media Services Limited (formerly known as Gener8 India Media Services Limited) ceased to be a direct subsidiary of Prime Focus Limited w.e.f. January 31, 2019.
2. Double Negative Canada Productions Ltd, Gener8 Digital Media Services Ltd, Prime Focus Creative Services Canada Inc Amalgamated Into Double Negative Canada Productions Ltd and pursuant to amalgamation the shares in the amalgamated company were transferred from Double Negative Holdings to Prime Focus World NV.

3. Double Negative Montréal Productions Ltd, Prime Focus Creative Services Montreal Inc, Gener8 Digital Montreal Media Services Ltd amalgamated into Double Negative Montréal Productions Ltd and pursuant to amalgamation the shares in the amalgamated company were transferred from Double Negative Holdings to Prime Focus World NV.

c. **Name changes:**

1. Name of Prime Focus Visual Effects Private Limited has been changed to Prime Focus Production Services Private Limited w.e.f. August 06, 2018
2. Name of Prime Focus 3D India Private Limited was changed to PF Digital Media Services Private Limited w.e.f. August 06, 2018. Further, pursuant to the conversion of the company from "Private Limited" to "Public Limited" the name of the Company changed from PF Digital Media Services Private Limited to PF Digital Media Services Limited w.e.f. March 26, 2019.
3. Name of Prime Focus VFX Limited has been changed to Re:Define FX Ltd. w.e.f. November 09, 2018.
4. Name of Gener8 India Media Services Limited has been changed to DNEG India Media Services Limited w.e.f. March 27, 2019.
5. DNEG Creative Services Private Limited has been converted from a private limited company to a public limited company and consequently it is named as DNEG Creative Services Limited w.e.f. April 16, 2019.

d. **Joint Venture / Associate Companies:**

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

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 post-production 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, 2019	March 31, 2018
Foreign Exchange Earned: Revenue from operations and interest income	2.86	7.53
Foreign Exchange Outgo: Technical service cost, repairs and maintenance, interest and others	3.65	0.75

21. MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the financial year ended March 31, 2019 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 2018-19.

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) Resignation of Directors

Mr. Amit Bapna (DIN: 00008443) (Nominee of Reliance Mediaworks Financial Services Private Limited, wholly owned subsidiary of Reliance Mediaworks Limited) resigned as Non-Executive Director w.e.f. May 30, 2018 due to pre-occupancy.

Upon the recommendation of Nomination and Remuneration Committee of the Board, Mr. Anand Natarajan (DIN: 00061109) was appointed as an Additional Director of the Company (as a Nominee of Reliance Mediaworks Financial Services Private Limited, wholly owned subsidiary of Reliance Mediaworks Limited) w.e.f. May 30, 2018 in place of Mr. Amit Bapna and his appointment was regularized by the Members of the Company as Non-Executive Non Independent Director at the Annual General meeting of the Company on September 28, 2018. Due to pre-occupation, Mr. Anand Natarajan, Non-executive Non Independent Director of the Company resigned as a Director w.e.f. December 21, 2018.

The Board placed on record its appreciation for the services rendered by Mr. Amit Bapna and Mr. Anand Natarajan during their tenure with the Company.

ii) Appointment of Directors

At the last Annual General Meeting of the Company held on September 28 2018, Mr. Ramakrishnan Sankaranarayanan (DIN: 02696897), was re-appointed as a Director of the Company, liable to retire by rotation and special resolution was passed by the Shareholders of the Company towards continuation of directorship of Mr. G. P. Aiyar (DIN: 02722981), as Non-Executive Independent Director of the Company.

iii) Change in designation

Designation of Mr. Namit Malhotra (DIN 00004049), Director of the Company was changed to Non-Executive Director from Chairman, Chief Executive Officer and Executive Director of the Company w.e.f. February 14, 2019 and Mr. Naresh Malhotra (DIN 00004597), Whole Time Director of the Company was also appointed as Chairman of the Company w.e.f. February 14, 2019.

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.

v) Re-appointment of Independent Directors whose term of office is expiring at the ensuing Annual General Meeting:

a. Mr. Srinivasan Kodi Raghavan (DIN: 00012449), Mr. Padmanabha Gopal Aiyar (DIN: 02722981) and Mr. Rivkaran Singh Chadha (DIN: 00308288) were appointed as Independent Directors of the Company at the 17th Annual General Meeting to hold office for 5 (five) consecutive years upto the conclusion of the ensuing Annual General Meeting and being eligible and seeking re-appointment, have consented to act as Independent Directors of our Company, in respect of whom the Company has received a notice in writing under Section 160 of the Act from a member proposing their candidature in the ensuing Annual General Meeting for another term of 5 years upto the conclusion of the 27th Annual General Meeting of the Company. The Board has recommended their re-appointment pursuant to the recommendation of Nomination and Remuneration Committee.

b. The term of office of Dr. (Mrs.) Hemalatha Thiagarajan (DIN: 07144803), Independent Director, will expire on March 30, 2020. Dr. (Mrs.) Hemalatha Thiagarajan 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 her candidature in the ensuing Annual General Meeting for another term of 5 years w.e.f. March 31, 2020 to March 30, 2025. The Board has recommended her re-appointment pursuant to the recommendation of Nomination and Remuneration Committee.

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 / whose remuneration is proposed to be increased / fixed forms part of the Notice of the ensuing Annual General Meeting.

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 as provided under the Act, Rules made thereunder, read with the SEBI Listing Regulations and are independent of the management.

25. KEY MANAGERIAL PERSONNEL (KMP)

During the year under review, designation of Mr. Namit Malhotra was changed from Chairman, Chief Executive Officer and Executive Director to Non-Executive Director of the Company w.e.f. February 14, 2019.

Further, the following Directors / Executives continued as KMPs during Financial Year 2018-19:

→ Mr. Ramakrishnan Sankaranarayanan, Managing Director

→ Mr. Nishant Fadia, Chief Financial Officer

→ Ms. Parina Shah, Company Secretary and Compliance Officer

26. 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.

Familiarisation 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/investor-center#Results_Reports.

27. 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 which was amended by the Board of Directors at its meeting held on February 14, 2019 pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 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_AND_REMUNERATION_POLICY.pdf.

28. BOARD MEETINGS

During the financial year under review, Six (6) Board Meetings were held, the details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and Regulation 17 of SEBI Listing Regulations.

Currently, the Board has Five (5) committees, namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee and ESOP Compensation Committee.

During the year ended March 31, 2019, a separate meeting of the Independent Directors was held in compliance with the requirements of Schedule IV to the Act and Regulation 25 (3) of the SEBI Listing Regulations.

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.

29. AUDIT COMMITTEE

The Audit Committee comprises of following members:

Name of the Members	Positions
Mr. Rivkaran Chadha	Chairman
Mr. Kodi Raghavan Srinivasan	Member
Mr. Padmanabha Gopal Aiyar	Member
Mr. Amit Bapna*	Member
Mr. Samu Devarajan	Member
Mr. Anand Natarajan**	Member

* Mr. Amit Bapna resigned from Audit committee w.e.f. May 30, 2018 and ceased to be a member of the Committee

** Mr. Anand Natarajan was appointed as a member in audit committee w.e.f. May 30, 2018 and ceased to be a Member of Audit Committee w.e.f. December 21, 2018 due to his resignation.

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

30. 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 Vigil Mechanism / Whistle-blower Policy of the Company was amended by the Board at its meeting held on February 14, 2019, in light of the recent amendments introduced through the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations, 2019. The details of the Vigil Mechanism/ Whistle Blower Policy are given in the Report on Corporate Governance.

31. 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 B.**

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 except Saturdays and national holidays upto the date of Annual General Meeting of the Company i.e, September 30, 2019. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

32. CORPORATE SOCIAL RESPONSIBILITY (CSR)

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

33. 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.

34. 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 was amended by the Board on February 14, 2019 pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 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.

35. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 and other applicable provisions, if any of the Companies Act 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, the Company has 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 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

36. AUDITORS

Statutory Auditors

M/s Deloitte Haskins & Sells, Chartered Accountants, were appointed as Statutory Auditors of the Company for the year 2013-14 for a period of 1 (One) year. Further, at the AGM held on December 24, 2014, M/s Deloitte Haskins & Sells (DHS) were appointed as Statutory Auditors of the Company to hold office from the conclusion of 17th Annual General Meeting till the conclusion of the 22nd Annual General Meeting. According to the Section 139 of Companies Act, a firm can be appointed as an auditor for not more than two terms of five consecutive years. Accordingly, the Board of Directors has recommended the re-appointment of DHS, Chartered Accountants (Firm Registration No. 117364W), as Statutory Auditors of the Company for another term of 4 (four) consecutive years to hold office from the conclusion of the ensuing Annual General Meeting till the conclusion of the 26th Annual General Meeting.

Deloitte Haskins & Sells have confirmed their eligibility and qualification required under the Act for holding the office, as Statutory Auditors of the Company.

The Auditors Report for the Financial year 2018-19 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 2018-19. The report of the Secretarial Auditor in the prescribed Form MR-3 is annexed to this report as **Annexure D**.

The Secretarial Auditors' Report for the Financial year 2018-19 does not contain any qualification, reservation or adverse remark except that 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 to approve the Audited Financial Statements. The Board represents that the above non-compliance was due to the technical error.

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 2018-19. The same is also submitted to the Stock Exchanges.

37. COST RECORDS

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

38. 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.

39. 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, 2019 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, 2019 and of the loss 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.

40. MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

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

41. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation to its stakeholders 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

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

Date : May 30, 2019
Place: Mumbai

ANNEXURE A

Annexure to Directors' Report

FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2019
[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company
(Management & Administration) Rules, 2014]

I. REGISTRATION & OTHER DETAILS

1.	CIN	L92100MH1997PLC108981
2.	Registration Date	June 24, 1997
3.	Name of the Company	Prime Focus Limited
4.	Category/ Sub-category of the Company	Public Company/ Limited by shares
5.	Address of the Registered office and contact details	Prime Focus House, Opp. Citi Bank, Linking Road, Khar (West) – Mumbai–400052 Tel: +912267155000; Fax+912267155001 Email: ir.india@primefocus.com Website: www.primefocus.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C 101, 247 Park, LBS Marg, Vikhroli West, Mumbai-400083 Tel: +912249186000; Fax:+912249186060 Email: ishwar.suvarna@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10% or more of the total turnover of the company have been stated)

Sr. No.	Name and Description of main products / services	NIC Code of the Product/service	% to total turnover of the company
1	Motion picture, video and television programme post-production activities	5912	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and address of the company	CIN/GLN/LLPIN	Holding/ subsidiary/ associate	% of shares held	Applicable section	Note
1.	**Prime Focus Technologies Limited** Address: True North, Plot No. 63, Road No. 13, MIDC, Andheri (East), Mumbai-400093	U72200MH2008PLC179850	Subsidiary	73.75	2(87)	-
2.	**Prime Focus Production Services Private Limited (formerly known as Prime Focus Visual Effects Private Limited)** Address: 2nd Floor, Building - H, Mainframe IT Park, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai- 400065	U52392MH2008PTC179538	Subsidiary	100	2(87)	-
3.	**Prime Focus Motion Pictures Limited** Address: 2nd Floor, Building-H, Mainframe IT Park, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai-400065	U92120MH2008PLC186091	Subsidiary	100	2(87)	-

Sr. No.	Name and address of the company	CIN/GLN/LLPIN	Holding/ subsidiary/ associate	% of shares held	Applicable section	Note
4.	**GVS Software Private Limited** Address: 2nd Floor, Building - H, Mainframe IT Park, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai-400065	U72100MH2007PTC174803	Subsidiary	100	2(87)	-
5.	**PF Digital Media Services Limited (formerly known as Prime Focus 3D India Private Limited)** Address: 2nd Floor, Building - H, Mainframe IT Park, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai-400065	U92100MH2011PLC218470	Subsidiary	100	2(87)	-
6.	**DNEG India Media Services Limited (formerly known as Gener8 India Media Services Limited)** Address: 2nd Floor, Building - H, Mainframe IT Park, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai-400065	U70100MH2006PLC160748	Subsidiary	100	2(87)	14
7.	**DNEG Creative Services Ltd**** (Formerly known as Prime Focus World Creative Services Private Limited) Address: 2nd Floor, Building - H, Mainframe IT Park, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai, 400065	U92412MH2011PLC218562	Subsidiary	100	2(87)	4
8.	**De-Fi Media Limited** Address: Suite 55, Rochester Mews, London NW19JB	NA	Subsidiary	100	2(87)	-
9.	**PF Investments Limited (Mauritius)** Address: C/o. Amicorp (Mauritius) Limited, 6th Floor, 1 Nexteracom Building, Ebene, Republic of Mauritius	NA	Subsidiary	100	2(87)	-
10.	**PF World Limited** Address: C/o .Amicorp (Mauritius) Limited, 6th Floor, 1 Nexteracom Building, Ebene, Republic of Mauritius	NA	Subsidiary	100	2(87)	-
11.	**PF Overseas Limited** Address: C/o Amicorp (Mauritius) Limited, 6th Floor, 1 Nexteracom Building, Ebene, Republic of Mauritius	NA	Subsidiary	100	2(87)	-
12.	**Reliance Media Works (Mauritius) Limited** Address: C/o Amicorp (Mauritius) Limited, 6th Floor, 1 Nexteracom Building, Ebene, Republic of Mauritius	N.A.	Subsidiary	100	2(87)	-
13.	**Prime Focus Luxembourg S.a.r.l.** Address: 6, rue Eugene Ruppert L-2453 Luxembourg	N.A.	Subsidiary	100	2(87)	1
14.	**Prime Focus 3D Cooperatief U.A.** Address: Prins Bernhardplein 200, 1097 JB, Amsterdam, The Netherlands	N.A.	Subsidiary	100	2(87)	2
15.	**Prime Focus World N.V.** Address: Prins Bernhardplein 200, 1097 JB Amsterdam, The Netherlands	N.A.	Subsidiary	88.34*	2(87)	3

Sr. No.	Name and address of the company	CIN/GLN/LLPIN	Holding/ subsidiary/ associate	% of shares held	Applicable section	Note
16.	**Prime Focus International Services UK Limited** Address: 160 Great Portland Street, London, WIW5QA	N.A.	Subsidiary	100	2(87)	4
17.	**Prime Focus VFX USA Inc.** Address: Prime Focus VFX USA 5750 Hannum Ave. Suite 100 Culver City, CA90230	N.A.	Subsidiary	100	2(87)	4
18.	**DNEG North America, Inc. (Formerly known as Prime Focus North America Inc)** Address: 5750 Hannum Ave. Suite 100 Culver City, CA 90230	N.A.	Subsidiary	100	2(87)	4
19.	**Prime Focus ME Holdings Limited** Address: Mill Mall, Suite 6, Wickhams Cay 1, PO Box 3085, Road Town, Tortola, Virgin Islands, British Virgin Islands.	N.A.	Subsidiary	100	2(87)	4
20.	**Prime Focus China Limited** Address: Akara Bldg., 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	N.A.	Subsidiary	70	2(87)	4
21.	**Double Negative Holdings Limited** Address: 160 Great Portland Street, London W1W 5QA	N.A.	Subsidiary	100	2(87)	4
22.	**1800 Vine street LLC** Address: 5750 Hannum Ave. Suite 100 Culver City, CA 90230	N.A.	Subsidiary	100	2(87)	5
23.	**Vegas II VFX Limited** Address: 20th Floor, 250 Howe Street, Vancouver, BC V6C 3R8 Canada	N.A.	Subsidiary	100	2(87)	6
24.	**Prime Focus Technologies UK Limited** Address: Suite 55, Rochester Mews, London NW19JB	N.A.	Subsidiary	100	2(87)	7
25.	**Prime Focus Technologies Inc** Address: 300 DELAWARE AVE STE 210-A, Wilmington, DE 19801 Wilmington, DE 19803	N.A.	Subsidiary	100	2(87)	7
26.	**Prime Focus (HK) Holdings Limited** Address: Room 501-7, 5th Floor, Sands Building, 17 Hankow Road, Tsimi Sha Tsui, Kowloon, Hong Kong	N.A.	Subsidiary	100	2(87)	8
27.	**Reliance Lowry Digital Imaging Services Inc.** Address: 5750 Hannum Ave. Suite 100 Culver City, CA90230	N.A.	Subsidiary	100	2(87)	9
28.	**Double Negative Limited** Address: 160 Great Portland Street, London, W1W5QA, United Kingdom	N.A.	Subsidiary	100	2(87)	10

Sr. No.	Name and address of the company	CIN/GLN/LLPIN	Holding/ subsidiary/ associate	% of shares held	Applicable section	Note
29.	**Double Negative Singapore Pte. Limited** Address: 80 Raffles Place, #32-01, UOB Plaza 1, Singapore – 048624	N.A.	Subsidiary	100	2(87)	10
30.	**Double Negative Canada Productions Limited** Address: 20th Floor, 250 Howe St, Vancouver, BC V6C 3R8, Canada	N.A.	Subsidiary	100	2(87)	4
31.	**Double Negative Films Limited** Address: 160 Great Portland Street, London, W1W5QA, United Kingdom	N.A.	Subsidiary	100	2(87)	10
32.	**DAX PFT LLC** 1675 S State St Ste B, Dover, DE, 19901US	N.A.	Subsidiary	100	2(87)	11
33.	**DAX Cloud ULC** Address: 1500, 850 – 2 Street SW, Calgary, Alberta, T2P 0R8	N.A.	Subsidiary	100	2(87)	12
34.	**Prime Post (Europe) Limited** (formerly known as Prime Focus(MW) Limited) Address: Suite 55 Rochester Mews, London NW1 9JB	N.A.	Subsidiary	100	2(87)	13
35.	**Prime Focus Malaysia SDN. BHD (Malaysia)** Address: Attentus Corporate Services Sdn. Bhd., 5th Floor, Wisma Harwant, 106, Jalan Tuanku Rahman, 50100, Kuala Lumpur, Wilayah Persekutuan	N.A.	Subsidiary	70	2(87)	-
36	**Prime Focus World Malaysia SDN. BHD (Malaysia)** Address: Attentus Corporate Services Sdn. Bhd., 5th Floor, Wisma Harwant, 106, Jalan Tuanku Rahman, 50100, Kuala Lumpur, Wilayah Persekutuan	N.A.	Subsidiary	100	2(87)	4
37.	**Double Negative India Private Limited** Address: 2nd Floor, Building-H, MainFrame IT Park, Royal Palms, Near – Aarey Colony, Goregaon (East), Mumbai-400065	U72900MH2008PTC183047	Subsidiary	100	2(87)	14
38.	**Double Negative Huntsman VFX Ltd.** Address: 20th Floor, 250 Howe Street, Vancouver BC V6C 3R8, Canada	N.A.	Subsidiary	100	2(87)	6
39.	**Prime Focus Academy of Media and Entertainment Studies Private Limited** Address: 2nd Floor, Building-H, Mainframe It Park Royal Palms, Near Aarey Colony, Goregaon (East) Mumbai-400065	U74110MH2016PTC281032	Subsidiary	100	2(87)	14
40.	**Double Negative LA LLC** Address:- 6725 W, Sunset Boulevard, Los Angeles, California 90028	NA	Subsidiary	100	2(87)	10

Sr. No.	Name and address of the company	CIN/GLN/LLPIN	Holding/ subsidiary/ associate	% of shares held	Applicable section	Note
41.	**Double Negative Montréal Productions Ltd.** 810 Saint – Antoine Street East, Montreal (Quebec) H2Y IA6, Canada	NA	Subsidiary	100	2(87)	4
42.	**Apptarix Mobility Solutions Private Limited** First Floor, Block D, Janardhana Towers, #562/640, Bilekahalli, Bannerghatta Road, Bangalore - 560076	U72200KA2012PTC064731	Subsidiary	100	2(87)	7
43.	**Prime Focus MEAD FZ LLC** Office 302c, North Park (Bldg 5), Two Four 54 Complex, Khalifa Park, Abu Dhabi, UAE. PO Box 77895.	NA	Subsidiary	100	2(87)	13
44.	**RE: DEFINE FX Ltd.** 3900-1 Place Ville-Marie Montreal, Quebec H3B4M7 Canada	NA	Subsidiary	100	2(87)	4

NOTES:

1. Subsidiary of PF World Limited (Mauritius)
2. Subsidiary of Prime Focus Luxembourg S.a.r.l.
3. Subsidiary of Prime Focus 3D Cooperatief U.A.
4. Subsidiaries of Prime Focus World N.V.
5. Subsidiary of DNEG North America, Inc.
6. Subsidiary of Double Negative Canada Productions Ltd.
7. Subsidiary of Prime Focus Technologies Limited
8. Subsidiary of Prime Focus China Limited
9. 90% held by Reliance MediaWorks (Mauritius) Limited and 10% held by Prime Focus Limited
10. Subsidiary of Double Negative Holdings Limited
11. Subsidiary of Prime Focus Technologies Inc.
12. Subsidiary of DAX PFT LLC.
13. Subsidiary of Prime Focus Technologies UK Limited
14. Subsidiary of DNEG Creative Services Limited (formerly known as Prime Focus World Creative Services Pvt. Ltd.)
15. Jam8 Prime Focus LLP became subsidiary of the Company w.e.f. April 22, 2019

* 80.2% on fully diluted basis after considering Preferred Stock.

**DNEG Creative Services Private Limited has been converted from a private limited company to a public limited company and consequently it is named as DNEG Creative Services Limited w.e.f. April 16, 2019.

*IV. SHARE HOLDING PATTERN (EQUITY SHARE CAPITAL BREAKUP AS PERCENTAGE OF TOTAL EQUITY)

A) CATEGORY-WISE SHARE HOLDING

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2018]				No. of Shares held at the end of the year [As on March 31, 2019]				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	77,101,546	Nil	77,101,546	25.77	77,101,546	Nil	77,101,546	25.77	0.00
b) Central Govt.	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) State Govt.(s)	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Bodies Corp.	27,506,095	Nil	27,506,095	9.19	27,506,095	Nil	27,506,095	9.19	0.00
e) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
f) Any other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (A) (1)	**104,607,641**	**Nil**	**104,607,641**	**34.97**	**104,607,641**	**Nil**	**104,607,641**	**34.97**	**0.00**
(2) Foreign									
a) NRI –Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Other Individuals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
c) Bodies Corporate	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
d) Banks / FI	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
e) Any Other	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Sub Total (A) (2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Total shareholding of Promoter (A) = (A)(1) + (A)(2)	**104,607,641**	**Nil**	**104,607,641**	**34.97**	**104,607,641**	**Nil**	**104,607,641**	**34.97**	**0.00**
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
b) Banks / FI	56,265	Nil	56,265	0.02	1,400	Nil	1,400	0.00	-0.02
c) Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA
d) Insurance Companies	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA
e) FIIs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA
f) Foreign Venture Capital Funds	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA
g) Others (specify) Foreign Portfolio Investors	29,832,078	Nil	29,832,078	9.97	29,902,624	Nil	29,902,624	9.99	0.02
Sub-total (B)(1):-	**29,888,343**	**Nil**	**29,888,343**	**9.99**	**29,904,024**	**Nil**	**29,904,024**	**9.99**	**0.00**
2. Central Govt./ State Govt(s)./ President of India									
Central Govt. / State Govt(s).	Nil	Nil	Nil	Nil	1,000	0	1,000	0.00	0.00
Sub-total (B)(2) :-	**Nil**	**Nil**	**Nil**	**Nil**	**1,000**	**0**	**1,000**	**0.00**	**0.00**
3. Non-Institutions									
a) Bodies Corp.									
i) Indian	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
ii) Overseas	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2018]				No. of Shares held at the end of the year [As on March 31, 2019]				% Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakh	8,020,364	20	8,020,384	2.68	8,058,467	20	8,058,487	2.69	0.01
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	3,207,717	0	3,207,717	1.07	3,283,310	0	3,283,310	1.10	0.03
c) NBFCs registered with RBI	Nil	Nil	Nil	Nil	7,481	0	7,481	0.00	0.00
Others (Specify)									
i. Bodies Corporate	114,966,966	Nil	114,966,966	38.43	115,061,800	Nil	115,061,800	38.46	0.03
ii. Clearing Members	1,062,052	Nil	1,062,052	0.36	878,997	Nil	878,997	0.29	-0.06
iii. Foreign Individuals or NRI	379,800	Nil	379,800	0.13	367,722	Nil	367,722	0.12	-0.01
iv. Foreign Companies	36,549,990	Nil	36,549,990	12.22	36,549,990	Nil	36,549,990	12.22	0.00
v. Hindu undivided family	482,652	Nil	482,652	0.16	452,275	Nil	452,275	0.15	-0.01
vi. Foreign Nationals	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
vii. Trusts	100	Nil	100	0.00	100	Nil	100	0.00	0.00
viii. IEPF	9,485	Nil	9,485	Nil	9,485	0	9,485	0.00	0.00
Sub-total (B)(3):-	**164,669,641**	**20**	**164,669,661**	**55.04**	**164,669,627**	**20**	**164,669,647**	**55.04**	**0.00**
Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	**194,557,984**	**20**	**194,558,004**	**65.03**	**194,574,651**	**20**	**194,574,671**	**65.03**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	**299,165,625**	**20**	**299,165,645**	**100.00**	**299,182,292**	**20**	**299,182,312**	**100.00**	**Nil**

B) SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2018)			Shareholding at the end of the year (as on March 31, 2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Naresh Malhotra	62,201,546	20.79	7.32	62,201,546	20.79	3.62	0.00
2.	Mr. Namit Malhotra	14,900,000	4.98	1	14,900,000	4.98	1	0.00
3.	Monsoon Studio Private Limited	27,506,095	9.19	0	27,506,095	9.19	0	0.00

C) CHANGE IN PROMOTERS' SHAREHOLDING

There was no change in promoters' shareholding in Financial Year 2018-19. The shareholding of promoters is same as mentioned above in the shareholding pattern.

D) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS

(Other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on April 01, 2018)		Cumulative Shareholding at the end of the year (as on March 31, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Reliance MediaWorks Financial Services Private Limited#/$				
	At the beginning of the year	104,939,361	35.08		
	At the end of the year			104,939,361	35.08
2.	Standard Chartered Private Equity (Mauritius) Limited				
	At the beginning of the year	29,241,817	9.77		
	At the end of the year			29,241,817	9.77
3.	Marina IV (Singapore) Pte. Ltd.				
	At the beginning of the year	23,390,875	7.82		
	At the end of the year			23,390,875	7.82
4.	Standard Chartered Private Equity (Mauritius) III Limited***				
	At the beginning of the year	10,458,768	3.50		
	At the end of the year			10,458,768	3.50
5.	Top Class Capital Markets Private Limited				
	At the beginning of the year	7,526,400	2.52		
	At the end of the year			7,526,400	2.52
6.	Marina Horizon (Singapore) Pte. Ltd.				
	At the beginning of the year	27,00,347	0.90		
	At the end of the year			27,00,347	0.90
7.	Madhusudan Murlidhar Kela				
	At the beginning of the year	1,800,028	0.60		
	At the end of the year			1,800,028	0.60
8.	Angel Fincap Private Limited				
	At the beginning of the year	449,876	0.15		
	Purchase(s) during the year	326,877	0.11	776,753	0.26
	Sale(s) during the year	(133,536)	(0.04)	643,217	0.21
	At the end of the year			643,217	0.21
9	Securities Holdings India Private Limited**				
	At the beginning of the year	0	0.00		
	Purchase(s) during the year	478,000	0.16	478,000	0.16
	At the end of the year			478,000	0.16
10	Reliance Nippon Life Insurance Co Limited **				
	At the beginning of the year	0	0.00		
	Purchase(s) during the year	425,000	0.14	425,000	0.14
	At the end of the year			425,000	0.14

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on April 01, 2018)		Cumulative Shareholding at the end of the year (as on March 31, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11	India Opportunities Growth Fund Ltd – Pinewood Strategy*				
	At the beginning of the year	300,000	0.10		
	At the end of the year			300,000	0.10
12	Pace Stock Broking Services Pvt Ltd*				
	At the beginning of the year	629,935	0.21		
	Purchase(s) during the year	542,848	0.18	1,172,783	0.39
	Sale(s) during the year	(1,068,432)	(0.36)	104,351	0.03
	At the end of the year			104,351	0.03

Note:

1. *Ceased to be in the list of Top 10 as on March 31, 2019. The same is reflected above since the shareholder was one of the Top 10 shareholders as on April 1, 2018.
2. **Not in the list of Top 10 shareholders as on April 1, 2018. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2019.
3. #Persons Acting In Concert with Promoter's.
4. $As set out in the Letter of Offer dated December 08, 2014 issued by Reliance MediaWorks Limited alongwith Reliance Land Private Limited (PAC 1), Mr. Namit Malhotra (PAC 2), Mr. Naresh Malhotra (PAC 3), Monsoon Studio Private Limited (PAC 4), this includes 10,49,39,361 shares which were held by Reliance MediaWorks Limited, a person acting in concert with the Promoters. Further, Reliance MediaWorks Limited sold 10,49,39,361 shares on March 30, 2017 to Reliance MediaWorks Financial Services Private Limited (a wholly owned subsidiary of Reliance MediaWorks Limited) by way of inter-se transfer of shares under Regulation 10(1) (a)(iii) of SEBI (SAST) Regulations, 2011.
5. ***Out of the 10458768 (3.5%) held by Standard Chartered Private Equity (Mauritius) III Limited, Marina IV (Singapore) Pte. Ltd. is the beneficial owner of 41,79,961 constituting 1.40% of the paid up capital of the Company which are currently held by Standard Chartered Private Equity (Mauritius) III Limited. Further Standard Chartered Private Equity (Mauritius) III Limited and Marina IV (Singapore) Pte. Ltd. are affiliates under the common control of Standard Chartered Plc.
6. Shareholding is consolidated based on permanent account number (PAN) of the Shareholder.
7. Date wise increase / decrease in the shareholding is available on the website www.primefocus.com

E) SHAREHOLDING OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

Sr. No.	Name Directors and Key Managerial Personnel	Shareholding at the beginning of the year (As on April 01, 2018)		Cumulative Shareholding at the end of the year (As on March 31, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Naresh Malhotra				
	At the beginning of the year	62,201,546	20.79		
	At the end of the year			62,201,546	20.79
2.	Namit Malhotra				
	At the beginning of the year	14,900,000	4.98		
	At the end of the year			14,900,000	4.98

Sr. No.	Name Directors and Key Managerial Personnel	Shareholding at the beginning of the year (As on April 01, 2018)		Cumulative Shareholding at the end of the year (As on March 31, 2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
3.	Ramakrishnan Sankaranarayanan				
	At the beginning of the year	50	0.00		
	At the end of the year			50	0.00
4.	Amit Bapna*				
	At the beginning of the year	-	0.00		
	At the end of the year			-	0.00
5.	Kodi Raghavan Srinivasan				
	At the beginning of the year	-	0.00		
	At the end of the year			-	0.00
6.	Samu Devarajan				
	At the beginning of the year	-	0.00		
	At the end of the year			-	0.00
7.	Rivkaran Singh Chadha				
	At the beginning of the year	-	0.00		
	At the end of the year			-	0.00
8.	Padmanabha Gopal Aiyar				
	At the beginning of the year	-	0.00		
	At the end of the year			-	0.00
9.	Udai Dhawan				
	At the beginning of the year	-	0.00		
	At the end of the year			-	0.00
10.	Hemalatha Thiagarajan				
	At the beginning of the year	-	0.00		
	At the end of the year			-	0.00
11	Anand Natarajan**				
	At the beginning of the year	-	0.00		
	At the end of the year			-	0.00
12	Nishant Fadia				
	At the beginning of the year	100,000	0.03		
	At the end of the year			100,000	0.03
13	Parina Shah				
	At the beginning of the year	6,500	0.00		
	Sale(s) during the year	(269)	(0.00)	6,231	0.00
	At the end of the year			6,231	0.00

Note:

* Mr. Amit Bapna resigned w.e.f. May 30, 2018

** Mr. Anand Natarajan was appointed w.e.f. May 30, 2018 and resigned w.e.f. December 21, 2018.

V) INDEBTEDNESS -INDEBTEDNESS OF THE COMPANY INCLUDING INTEREST OUTSTANDING/ACCRUED BUT NOT DUE FOR PAYMENT

(₹ in Crores)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	245.06	89.10	-	334.16
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.55	-	-	2.55
iv) Premium payable on NCD	-	87.63	-	87.63
Total (i+ii+iii+iv)	**247.61**	**176.73**	**-**	**424.34**
Change in Indebtedness during the financial year				
*Addition				
i) Principal Amount	48.14	200.00	-	248.14
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	32.28	1.84	-	34.12
iv) Premium payable on NCD	-	13.29	-	13.29
Total (i+ii+iii+iv)	**80.42**	**215.13**	**-**	**295.55**
* Reduction				
i) Principal Amount	-53.83	-89.10	-	-142.93
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-32.18	-0.18	-	-32.36
iv) Premium payable on NCD	-	-100.92	-	-100.92
Total (i+ii+iii+iv)	**-86.01**	**-190.20**	**-**	**-276.21**
Net Change	-5.59	24.93	-	19.34
Indebtedness at the end of the financial year				
i) Principal Amount	239.37	200.00	-	439.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.65	1.66	-	4.31
iv) Premium payable on NCD	-	-	-	-
Total (i+ii+iii+iv)	**242.02**	**201.66**	**-**	**443.68**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS AND/OR MANAGER:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Naresh Malhotra	Mr. Ramakrishnan Sankaranarayanan	Mr. Namit Malhotra*	
1.	Gross salary	12,000,000	Nil	Nil	12,000,000
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	NA	Nil	NA	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission - As % of profit - others, specify…	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	**12,000,000**	**Nil**	**Nil**	**12,000,000**
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013.			

Note:

* Mr. Namit Malhotra's designation was changed from Executive to Non-Executive Director w.e.f. February 14, 2019.

B. REMUNERATION TO OTHER DIRECTORS

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Mr. G. P. Aiyar	Mr. Rivkaran Chadha	Mr. K. R. Srinivasan	Ms. (Dr.) Hemalatha Thiagarajan	Mr. Samu Devarajan	Mr. Udai Dhawan	Mr. Amit Bapna#	Mr. Anand Natarajan##	Mr. Namit Malhotra^	Total Amount
1	Non-Executive Independent Directors										
	*Fee for attending board meetings	40,000	100,000	40,000	40,000	120,000	NA	NA	NA	NA	340,000
	Commission	Nil	Nil	Nil	Nil	Nil	N.A.	N.A.	NA	NA	-
	Others, please specify	Nil	Nil	Nil	Nil	Nil	N.A.	N.A.	NA	NA	-
	Total (1)	**40,000**	**100,000**	**40,000**	**40,000**	**120,000**	**NA**	**NA**	**NA**	**NA**	**340,000**
2	Non-Executive Directors										
	*Fee for attending board meetings	NA	NA	NA	NA	NA	120,000	20,000	80,000	Nil	220,000
	Commission	N.A.	N.A.	N.A.	N.A.	N.A.	Nil	Nil	Nil	Nil	-
	Others, please specify	N.A.	N.A.	N.A.	N.A.	N.A.	Nil	Nil	Nil	Nil	-
	Total (2)	**NA**	**NA**	**NA**	**NA**	**NA**	**120,000**	**20,000**	**80,000**	**Nil**	**220,000**
	Total (B)=(1+2)	**40,000**	**100,000**	**40,000**	**40,000**	**120,000**	**120,000**	**20,000**	**80,000**	**Nil**	**560,000**
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	-
	Overall Ceiling as per the Act		₹ 100,000 per meeting as per the provisions of the Companies Act, 2013								

Note : *₹ 20,000 Per Board Meeting

Mr. Amit Bapna resigned w.e.f. May 30, 2018

Mr. Anand Natarajan was appointed w.e.f. May 30, 2018 and resigned w.e.f. December 21, 2018.

^ Mr. Namit Malhotra's designation was changed from Executive to Non-Executive Director w.e.f. February 14, 2019.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	CEO (Mr. Namit Malhotra)*	Name of Key Managerial Personnel		
			CS (Ms. Parina Shah)	CFO (Mr. Nishant Fadia)	Total
1	Gross salary				
	(a) Salary as per provisions containedinsection17(1)of the Income-tax Act, 1961	Nil	2,593,045	5,886,744	8,479,789
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2	Stock Option	NA	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil	Nil
	- Others, specify…	Nil	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil	Nil
	Total	**Nil**	**2,593,045**	**5,886,744**	**8,479,789**

NOTE:

*Mr. Namit Malhotra resigned as CEO and Chairman of the Company w.e.f. February 14, 2019 and ceased to be a KMP w.e.f. that date.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors, if any, during the financial year ended March 31, 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Naresh Malhotra
Chairman & Whole-Time Director
DIN: 00004597

Date: May 30, 2019
Place: Mumbai

ANNEXURE B

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 and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in 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. Namit Malhotra*	Non-Executive Director	Nil	NA	NA
2	Mr. Naresh Malhotra^	Chairman & Whole – time Director	12,000,000	27.20	100
3	Mr. Ramakrishnan Sankaranarayanan	Managing Director	Nil	NA	NA
KEY MANAGERIAL PERSONNEL					
1.	Ms. Parina Shah	Company Secretary	2,593,045	N.A.	10
2.	Mr. Nishant Fadia	Chief Financial Officer	5,886,744	N.A.	Nil

* Since remuneration to Mr. Namit Malhotra is Nil w.e.f April 01, 2018 the ratio of his remuneration to median remuneration and % increase in remuneration is not comparable and hence not stated. Further, Mr. Namit Malhotra ceased to be the Chief Executive Officer and Chairman of the Company w.e.f. February 14, 2019 and his designation was changed from Executive Director to Non-Executive Director w.e.f. February 14, 2019.

^ Designation of Mr. Naresh Malhotra was changes from Whole-time Director to Chairman & Whole-time Director w.e.f. February 14, 2019

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:**

   Percentage of increase in the median remuneration on employees is 9.95%.

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, 2019 was 581.

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;**

   Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 5.00%.

   The increase in remuneration is determined based on the performance by the employee of the Company.

5. **Affirmation**

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Naresh Malhotra
Chairman & Whole-Time Director
DIN: 00004597

Date: May 30, 2019
Place: Mumbai

ANNEXURE C

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

<table>
<tr><td>1.</td><td>A 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</td><td>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/CORPORATE_SOCIAL_RESPONSIBILITY_POLICY.pdf.</td></tr>
<tr><td>2.</td><td>Composition of the CSR Committee.</td><td><table>
<tr><th>Sr. No.</th><th>Name of the Member</th><th>Position in Committee</th></tr>
<tr><td>1.</td><td>Mr. Rivkaran Chadha</td><td>Chairman</td></tr>
<tr><td>2.</td><td>Mr. Naresh Malhotra</td><td>Member</td></tr>
<tr><td rowspan="2">3.</td><td>Mr. Amit Bapna*</td><td>Member</td></tr>
<tr><td>Mr. Anand Natarajan**</td><td>Member</td></tr>
<tr><td>4.</td><td>Mr. Samu Devarajan</td><td>Member</td></tr>
</table></td></tr>
<tr><td>3.</td><td>Average net profit of the company for last three financial years -</td><td>₹ (445,007,993)</td></tr>
<tr><td>4.</td><td>Prescribed CSR Expenditure (two percent of the amount as in item 3 above)</td><td>Not Applicable in view of Loss</td></tr>
<tr><td>5.</td><td>Details of CSR spent during the financial year:</td><td>Not Applicable</td></tr>
<tr><td></td><td>a. Total amount to be spent for the financial year;</td><td>NIL</td></tr>
<tr><td></td><td>b. Amount unspent, if any;-</td><td>Not Applicable</td></tr>
<tr><td></td><td>c. Manner in which the amount spent during the financial year</td><td>Not Applicable</td></tr>
<tr><td>6.</td><td>Reasons for failure to spend the two percent of the average net profit of the last three financial years or any part thereof:</td><td>Not Applicable</td></tr>
<tr><td>7.</td><td>Responsibility statement of CSR Committee of the Board</td><td>The CSR Committee states that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company.</td></tr>
</table>

Note: * Mr. Amit Bapna resigned from the Company w.e.f. May 30, 2018 and hence ceased to be a Member of the Corporate Social Responsibility Committee.

**Mr. Anand Natarajan was appointed in place of Mr. Amit Bapna w.e.f. May 30, 2018 and ceased to be a Member of Audit Committee w.e.f. December 21, 2018 due to his resignation.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Rivkaran Chadha
Chairman - CSR Committee
DIN:00308288

Naresh Malhotra
Chairman & Whole-Time Director
DIN:00004597

Place: Mumbai
Date: May 30, 2019

ANNEXURE D

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the Financial year ended March 31, 2019

[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 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, I hereby report that in my opinion, the Company has, during the audit period covering the Financial year ended on March 31, 2019, 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, 2019 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;

  (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, since there is no delisting of equity shares during the year)

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not relevant / applicable, since there is no buyback of equity shares during the year)

  (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 provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above. *However, 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. As per the representation made by the company, the above non-compliance is due to the technical error.*

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;

1. The Board of Directors of the Company in their meeting held on May 30, 2018, and the shareholders in the annual general meeting dated September 28, 2018, had approved issue of secured / unsecured non-convertible debentures and / or other debt securities, in one or more tranches, within the overall borrowing limit of the Company, on a private placement basis, for an amount of upto ₹ 500 crores.

2. The Board of Directors of the Company in their meeting held on October 30, 2018, had approved sale of 100% equity shares by the company of its wholly owned subsidiary, Gener8 India Media Services Limited, to DNEG Creative Services Private Limited, a subsidiary of the company.

3. The Board of Directors of the Company in their meeting held on November 2, 2018 had approved pre-mature redemption of 891 Series B – zero coupon unsecured, redeemable, nonconvertible debentures of ₹ 2,132,669/- (including premium of ₹ 1,132,669/) each, aggregating to ₹ 1,900,208,120/- (Rupees One Hundred and Ninety Crore Two Lakh Eight Thousand One Hundred Twenty Only), which were issued by the company pursuant to a private placement to Standard Chartered Private Equity (Mauritius) Limited.

4. The ESOP Compensation Committee of the Board of Directors had on February 14, 2019, allotted 16,667 fully paid up Equity Shares of ₹ 1/- each pursuant to the exercise of Stock options under PFL ESOP Scheme, 2014. The said shares will rank pari passu with the existing Equity Shares of the Company. Consequent to the allotment, the Paid-up share capital of the Company has increased from ₹ 29,91,65,645/- (i.e. 299,165,645 Fully Paid-up Equity Shares of ₹ 1/- each) to ₹ 299,182,312/- (i.e. 299,182,312 Fully Paid-up Equity Shares of ₹ 1/- each).

For D. M. Zaveri & Co
Company Secretaries

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

Date: May 30, 2019
Place: Mumbai

Section 1

Prime Focus Limited (PFL, hereafter referred to as the Company) is a world renowned independent full-service media player. The Company enjoys a strong leadership position in all the three verticals it operates in, creative services (visual effects, stereo 3D conversion and animation), tech/tech-enabled (CLEAR, Media ERP Suite and Cloud-enabled media services), and Indian Film and Media services (FMS) (visual effects / DI, color grading, equipment rental, digital intermediate, picture post). Its operations are spread across 18 cities in 5 continents covering 7-time zones with a team of over 10,446 professionals. The Company is recognised on the Fortune India Next 500 list.

The Company has established a strong foothold in the Media and Entertainment (M&E) industry with more than two decades of rich heritage. It is a preferred integrated media service provider amongst top global studios, broadcasters, advertisers and production houses. Rich and unique asset class of the Company include View-D™ (stereoscopic 2D to 3D conversion), CLEAR™ (Hybrid Cloud technology-enabled Media ERP Suite) and Primetime Emmy® award winning DAX Digital Dailies®. The Company has an unmatched competitive edge with its World Sourcing delivery model which it has successfully leveraged across Global Digital Pipeline, partnering with content creators at every stage of the process, ensuring creative enablement, workflow efficiencies and cost optimization. Its strong global network provides for highest quality, fastest time to market and efficient pricing.

Prime Focus and its subsidiaries, Prime Focus Technologies (Global Cloud Technology Business) and DNEG (International Creative Services) provide end-to-end services in M&E industry, creative services, technology product and services, production services and post production services. The Company continues to be recognized globally as one of the leading VFX players and was recently honoured with 4th coveted Oscar in last 5 years for their work on First-Man. The Company earns more than 80% of its revenue from overseas markets, reflecting close knit engagement with leading Hollywood studios like Disney, Warner Bros, Marvel, Paramount, 20th Century Fox, Universal and Sony as major clients.

The Company is well poised for a profitable growth with all three verticals, viz. International Creative Services, Tech/Tech-Enabled Services and Indian FMS exhibiting robust growth led by modern technologies, synergy integration and high visibility in order book. The robust business performance is reflecting the benefits of increased content spend across studios, OTT platforms and cable networks.

Section 2

Financial Year 2018-19 Key Highlights

Financial Year 2018-19 – Growth led by creative services

The Company delivered stellar performance in the year gone by, both on the financial and operational fronts. Significant investments in people and infrastructure were made well ahead of time to cater to the burgeoning visible contracted orders. The relentless efforts by the Company are validated both by enhanced profitability and recognition by the industry through awards and accolades.

The year saw improvement in operational efficiencies and posted Adjusted EBITDA Margin of 20.1%, above the mid-term target set out by the Company as it went through the integration phase post the landmark transactions executed 4 years ago.

The Company continued to attract marquee clientele and delivered work on several Hollywood blockbusters with a healthy pipeline visibility. It worked on 8 out of Top 10 worldwide top grossers of 2018. It also delivered creative services in 7 of the top 10 global BO hits released in 2018[1] - Avengers: Infinity War (US$2,048 million), Black Panther (US$1347 million), Bohemian Rhapsody (US$900 million), Venom (US$855 million), Mission Impossible Fallout (US$791 million), Deadpool 2 (US$779 million) and Fantastic Beasts: The Crimes of Grindelwald (US$654 million).

The Company's subsidiary DNEG won its second consecutive VFX Oscar, making it four VFX Oscars in the last five years, with its work on 'First Man' bagging the Academy Award for Best Visual Effects. DNEG also won awards for 'First Man' and TV series 'Altered Carbon' at the Visual Effects Society Awards 2019. PFT's ground-breaking native media recognition Artificial Intelligence (AI) platform, CLEAR™ Vision Cloud won 'Product of the Year' Award & TV Technology's 'Best of Show' Award at NAB Show 2019, as well as TV Technology's 2018 Product Innovation Award. PFT's television commercial (TVC) for Oppo F7 Smartphone was featured in YouTube's 'Top 10 Ads of the Year'.

The Company's combined order book continues to be robust led by strong macro tailwinds in creative services – both in international and domestic markets.

During the year, the Company forayed into a new business stream – Music IP creation, which look promising to bolster growth in the future. It also hived off its Digital Lab business into a separate legal entity.. The Company collaborated with music director Pritam Chakraborty and Kwan, a leading talent management company, to create Jam8, a musical platform for servicing the M&E industry as a 360-degree creative solution provider.

Creative Services

- Delivered Hollywood blockbusters like Avenger's: Infinity War, Deadpool 2, Mission Impossible: Fallout, Ant Man & the Wasp, Bohemian Rhapsody, Fantastic Beasts: The Crimes of Grindelwald, Alita: Battle Angel and Greyhound.
- Worked on other top projects like First Man, Bad Times at El Royale, Holmes & Watson etc.

1. Source: boxofficemojo.com; Worldwide collections as on 9th April'19

- Won their 5th Oscar overall [4th Oscar in last 5 years] under 'Best Visual Effects' category for their outstanding in-camera FX work on 'First Man'
- Honoured with two Visual Effects Society Awards at the 17th Annual VES Awards Gala for its work on First Man and Altered Carbon (Netflix)
- Talent Acquisition team won the gold award for Best International Recruitment at In-house Recruitment Awards (IHRA)
- Continues to focus on upscaling and upskilling Indian artists to enhance margin profile
- Strong execution of VFX projects and continued broad basing in revenues with higher share coming from OTT / TV
- Revenues from new geographies continue to bolster growth
- Continue to have a robust Order book with high visibility
- Continued on its profitable growth path with Adjusted EBITDA growing at a robust pace year on year with healthy Adjusted EBITDA margins at 22.1%

Tech/Tech-Enabled Services business

- PFT's CLEAR™ Vision Cloud won 'Product of the Year' Award & TV Technology's 'Best of Show' Award at NAB Show 2019
- CLEAR Vision Cloud bagged TV Technology's Product Innovation Award for 2018
- PFT's flagship product, CLEAR Media ERP won TVBEurope's 'Best of Show' Award at IBC 2018 in the Content Management category
- PFT's TVC for Oppo F7 Smartphone featured in YouTube's 'Top 10 Ads of the Year'
- PFT's digital film for Brooke Bond Red Label awarded a Creative Abby at Goafest 2019
- PFT won awards for 'Best Cinematography' and 'Best Ad Film' at the Dada Saheb Phalke Film Festival 2019

New Client Wins:

- Signed deal with Enterr10 Television for content ingest, processing and On Air Promos
- Signed deals with leading brands like Wildstone, Madura Coats, Liva Fashions, Swiggy, Brand Factory, Nihar Naturals, Google, Fashion at Big Bazaar and 82.5 Communications (Ogilvy)
- Signed deal with Times Internet Ltd. for On Air Promo production services
- Signed deal with Netflix Inc. for dubbing
- Produced Mega Icons Season 1 for National Geographic Channel India
- Signed a deal with Sony Pictures Networks India for dubbing
- Signed a deal with Cooper Media for CLEAR Cloud MAM

New Contracts with Existing Clients:

- Migrated existing clients to the new DAX Production Cloud, opening possibilities for them to leverage other modules of CLEAR
- Upgraded Insight TV to Unified CLEAR and increased overall value of contract
- Grew business with clients like Big Bazaar, Marico, Tata Motors, Brooke Bond Red Label, Tata Sky and Madison India
- Grew business with Hearst Communications, automated its Archival operations
- Signed a new dubbing deal with Star India and a new subtitling deal with Viacom 18
- Signed a deal with Disney for catalog re-mastering
- Signed a deal with Sonar Entertainment for closed captioning
- Other Initiatives:
- Continued to invest in business development and sales efforts globally
- Partnered with Virtual Artificial Intelligence (AI), a leading UK-based provider of AI solutions to enhance AI capabilities of the Media & Entertainment (M&E) industry

India FMS business

- Worked on top blockbusters[1] like Raazi (₹ 120+ crore), Race 3 (₹ 165+ crore), Stree (₹ 125+ crore), 2.0 (₹ 185+ crore), Thugs of Hindostan (₹ 145+ crore) etc.
- Worked on other big projects like Parmanu: The Story of Pokhran, Andhadhun, Bhavesh Joshi, Blackmail, Mannikarnika, Love Yatri etc.
- Worked on India's first Netflix original series Sacred Games
- Worked on TVCs for Oreo, Watsapp, Star TV, Hyundai, Keventers Agro, Colgate, Swiggy, Paytm, Netmeds, Coca-Cola etc
- Higher OTT spends to augment business demand
- Forayed into new business streams – Music IP creation

Section 3

Global & Indian Media & Entertainment Industry Landscape

World Economy

World output grew at 3.6% in 2018, 0.2% weaker than in the previous year owing to a subdued second half. This was triggered by elevated trade tensions, softening in manufacturing, weak financial market sentiments,

1 – Source: koimoi.com; Box office collections as on 9th April' 19

new fuel emission standards in Germany, natural disasters in Japan, concerns about China's outlook, and deceleration in industrial production outside the United States (US). The outlook for the world economy remains weak with output projected to grow at 3.2% in 2019 and 3.5% in 2020. This will be led by a persistent decline advanced economies together with a temporary decline in emerging market and developing economies (EMDEs) in 2019. The decline in EMDEs reflects contractions in Argentina and Turkey, as well as the impact of trade actions on China and other Asian economies.

World Economic output growth in %

	2017	2018	2019P	2020P
World output	3.8	3.6	3.2	3.5
Advanced economies	2.4	2.2	1.9	1.7
US	2.2	2.9	2.6	1.9
Euro Area	2.4	1.8	1.3	1.6
Japan	1.9	0.8	0.9	0.4
UK	1.8	1.4	1.3	1.4
Other advanced economies*	2.9	2.6	2.1	2.4
Emerging Markets and Developing Economies	4.8	4.5	4.1	4.7
China	6.8	6.6	6.2	6.0
India	7.2	7.1	7.0	7.2

**Excludes the G7 (Canada, France, Germany, Italy, Japan, United Kingdom, United States) and euro area countries*
P= projections

Source: World Economic Outlook

Economic growth in advanced economies is expected to slow from 2.2% in 2018 to 1.9% in 2019 and 1.7% in 2020. The slowdown will be driven by the negative effects of tariff hikes by the United States and China, new fuel emission policy in Germany, sovereign and financial risk in Italy, weak financial market sentiment and contraction in Turkey.

Growth in emerging markets is also expected to slow from 4.5% in 2018 to 4.1% in 2019 and gradually pick up to 4.7% in 2020. Growth in second half on 2018 and 2019 is mainly impacted by slowing external demand, rising borrowing costs, and persistent policy uncertainties. China's economy is expected to slow due to the combined influence of needed financial regulatory tightening and trade tension with the US.

(Source: World Economic Outlook)

Indian Economy

As per provisional estimates of Central Statistics Office (CSO) India's gross domestic product (GDP) is likely to grow at 7% in FY19, the slowest growth in five years. Indian economy lost momentum towards the end of the fiscal year in the approach to general elections dragged down by weaker consumer spending and investments, and a marked slowdown in manufacturing sector. Amidst heightened political tensions with Pakistan, the country faces the risk of declining foreign investments and tourism.

	GDP growth in %	inflation rate in %
2013-14	6.6	5.8
2014-15	7.2	4.9
2015-16	7.6	4.5
2016-17	7.1	3.6
2017-18	7.2	4.7
2018-19P	7.0	4.9

Source: CSO, IMF

India's per capita nominal GDP is estimated to have grown by 10.6% in 2018, a five-year high, to ₹ 140,000, as compared to a growth of 8.5% in 2017. It was also higher than the 8.5% growth in per capita GDP of China in 2018. According to International Monetary Fund World Economic Outlook (October-2018), India's economy is expected to reach US$2,958 billion in 2019 overtaking France and United Kingdom to become the fifth largest economy in the World.

Near term growth could witness some support from the government spending announced ahead of general elections. Another stimulus likely to the GDP growth is the announcement in Interim Budget 2019-20 on direct cash transfer programme for farmers and the middle-class tax relief measures. In February 2019, the government provided capital infusions to public sector banks. These measures, combined with the application of the Prompt Corrective Action (PCA) framework, which requires timely recognition of bad loans, and resolution of bad loans through the Insolvency and Bankruptcy Code, are helping to address solvency and asset quality challenges.

India's retail inflation slowed to a 19-month low in January 2019 at 2.05% before jumping to a four-month high of 2.57% in February 2019 led by higher prices of non-food items. India's factory output, measured by index of industrial production (IIP) recovered to 2.4% in December 2018 from 0.3% in November 2018 before slowing down to 1.7% in January 2019. The drag in IIP is mainly attributable to sluggish pace of growth seen in manufacturing sector.

Sources:

1. *https://www.thehindubusinessline.com/economy/india-to-grow-at-73-pc-in-2019-2020-moodys/article26405156.ece,*
2. *https://economictimes.indiatimes.com/news/economy/indicators/indias-gdp-growth-slows-to-6-6-in-q3/videoshow/68207476.cms,*
3. *https://in.reuters.com/article/us-india-economy-gdp/indian-economic-growth-slips-to-66-percent-slower-than-expected-idINKCN1QH1NL)*

Outlook

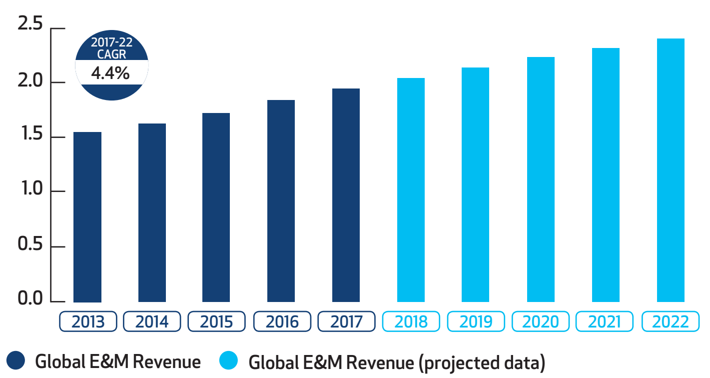
India's GDP growth has witnessed pressure in the second half of the fiscal led by lack of growth in agriculture and government consumption. India's growth needs to be supported by prudent macroeconomic policies warranting both fiscal and monetary accommodation. Ease in monetary policy would be opportune with RBI cutting interest rates by 25 bps in February depicting the inclination to drive consumption.

As per the IMF World Economic Outlook, India's GDP growth is expected at 7% in 2019 and 7.2% in 2020. It will benefit from lower oil prices and a slower pace of monetary tightening than previously expected, as inflation pressures ease. Though India continues to be in a sweet spot growing faster than China, it will be important to address bottlenecks like moderate rural income and manufacturing sector growth to improve prospects.

Global Media and Entertainment (M&E) industry

The US$ 1.9 trillion Global M&E industry as in 2017 is undergoing a rapid evolution with broad-based and consistent growth that is unevenly distributed. Three imperatives are affecting every company in the industry: convergence, consumer connects and the need to build trust. As per the Global Entertainment & Media Outlook 2018-2022 by PricewaterhouseCoopers (PwC), the global Media & Entertainment (M&E) market is expected to reach US$2.4 trillion by 2022, growing at 4.4% CAGR. Global box office rose 4.3% in 2017, but saw decline in France, the US and Australia. Global TV advertising witnessed first ever decline in 2017 and is expected to witness slow growth of 2.7% CAGR over 2018-2022.

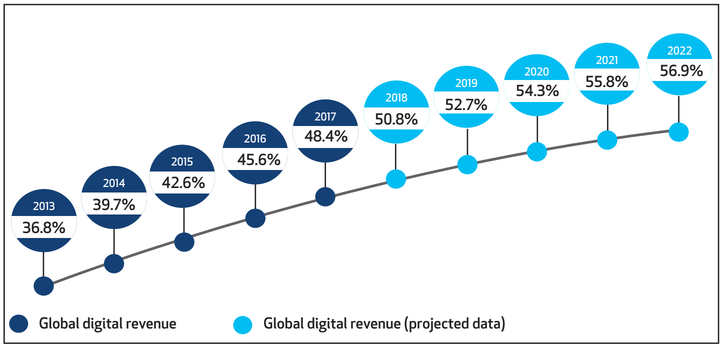
Global E&M revenue (US$ trillion)



Source : PwC Global Entertainment & Media Outlook 2018-2022, www.pwc.com/outlook

Global digital revenue as % of total revenue

Convergence is at centre-stage with the borders that once separated the entertainment and media, technology and telecom industries dissolving rapidly. Large Internet access providers and delivery platforms are integrating vertically, and online giants are expanding horizontally into content. Traditional segment distinctions are blurring between print and digital, video games and sports, wireless and fixed access, cable



Source : PwC Global Entertainment & Media Outlook 2018-2022, www.pwc.com/outlook.

and online, social and traditional media. This is leading to reinvention of business models so all companies can tap into new revenue streams and create relevance at scale. Some required capabilities include targeting fans and connecting more effectively with consumers to develop a membership mind-set. These technological advances are making it imperative to build and sustain consumer and public trust amongst a highly challenging environment.

Within the industry, the fastest revenue growth will be in digitally driven segments with virtual reality leading the way, expected to grow at 40.4% CAGR over 2018-2022, albeit from a low base. OTT video is expected to follow at 10.1% CAGR. Traditional media like newspapers and magazines are expected to witness revenues decline while books, radio and traditional TV and home video is expected to grow at a CAGR of less than 2%. However, in India, newspaper revenue is expected to increase by close to US$1 billion by 2022. Among the most dynamic segments, the video games and e-sports segments are likely to see 7.2% and 20.6% CAGR respectively, and global recorded music to grow at 6.1% CAGR.

Amongst countries, Nigeria and Egypt are expected to be the fastest-rising markets through 2022 with M&E markets expected to grow at 21.1% and 17.2% CAGR respectively, driven largely by surging Internet access spending. Barring Internet access, India is expected to be the fastest-growing country, at 10.4% CAGR, followed by Indonesia at 8.4% CAGR. However, no market in Western Europe or North America are likely to exceed 3% CAGR. In terms of absolute growth, China's M&E market is expected to match that of the US, placing the two on an equal footing in terms of global importance, even though the US remains a larger market in absolute terms.

Major growth drivers will be mobile content consumption, with the number of high-speed mobile internet connections expected to increase by 2.2 billion globally by 2022. It is expected that in 2020, a symbolic tipping point will occur when total global data consumption via smartphones overtakes fixed-broadband data consumption. This is changing the landscape for advertisers. 2018 is expected to be the first year in which global mobile Internet advertising revenue will exceed its wired equivalent. Social media and technology platforms are outpacing traditional content creators in capturing consumers' attention and a rising share of their spending. Some traditional content companies are rising to the occasion by developing their own platform-like businesses.

The ongoing wave of convergence is creating a challenging environment for entertainment and media companies. Players are expected to demonstrate their trustworthiness across content, data, monetization, social impact and the appropriateness of advertising content.

(Source: Perspectives from the Global Entertainment & Media Outlook 2018–2022)

Indian Media and Entertainment (M&E) Sector

The Indian M&E industry provides direct and indirect employment to five million people as of 2017. As per EY report 'A billion screens of opportunity', Indian M&E industry touched ₹ 1.67 trillion (US$ 23.9 billion) in 2018, growing at 13.4% over 2017. The industry is expected to grow at 12% CAGR over 2018-2021 to touch ₹ 2.35 trillion (US$ 33.6 billion) by 2021 with increasing influence of digital technologies. India's media consumption has grown at 9% CAGR over 2012-18, almost nine times that of US and two times that of China. Proving its resilience to the world, the Indian M&E industry is on the cusp of a strong phase of growth. Barring internet access, India is expected to be the fastest-growing country in the world, with M&E spending growing at 10.4% CAGR over 2018-2022.

The growth in the sector is mainly led by rising consumer demand, improving advertising revenues, and sharp increase in digital access and consumption with continued investment by telecom operators in 4G and content.

An interesting trend has been the growing global acceptance of Indian content which is reflected in the success of Netflix's Sacred Games, where two of every three viewers were outside India. With global digital platforms buying more Indian content, there is an opportunity for Indian content creators to showcase their prowess and make India a content creation hub.

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

	2017	2018	2019E	2021E	CAGR 2018 -2021
Television	660	740	815	955	8.8%
Print	303	306	317	338	3.4%
Filmed entertainment	156	175	194	236	10.6%
Digital media	119	169	223	354	28.0%
Animation and VFX	67	79	93	128	17.4%
Live events	65	75	86	112	14.0%
Online gaming	30	49	68	120	35.4%
Out Of Home media	34	37	41	49	9.2%
Radio	29	31	34	39	8.0%
Music	13	14	16	19	10.8%
Total	1476	1674	1887	2349	12.0%

Source: EY

Digital media witnessed 41.9% growth over 2017. Digital video has seen an explosion in terms of consumption with 250 million online video viewers out of a total of 450 million broadband users in FY18. The remarkable turning point was the increasing propensity of Indians to pay for online content. The number of Indians who paid for any content in 2018 (not including those who consumed content through bundled telco offerings) increased from 7.5 million in 2017 to 12-15 million in 2018. The digital subscription market grew 262% to reach ₹ 14.2 billion, of which the majority was video subscription.

Despite the sharp rise in digital media, there has been a unique trend wherein traditional media continues to grow in tandem. Newspaper readership in India has increased by 40% to 407 million in 2017 from 295 million in 2014. The Government of India has supported this sector's growth by taking various initiatives. This includes digitising cable distribution to attract greater institutional funding, increasing Foreign Direct Investment (FDI) limit from 74% to 100% in cable and Direct-to-home (DTH) satellite platforms, and granting industry status to the film industry for easy access to institutional finance. Traditionally, only advertising has been a key source of revenue for M&E industry, but of late revenue from subscription and value-added services has also contributed significantly. With consumers willing to pay for content and extra services, the subscription segment will play an important role in the post digitisation era.

(Source: IBEF report on Media and Entertainment Industry February 2019, EY report 'A billion screens of opportunity')

Indian Film Industry

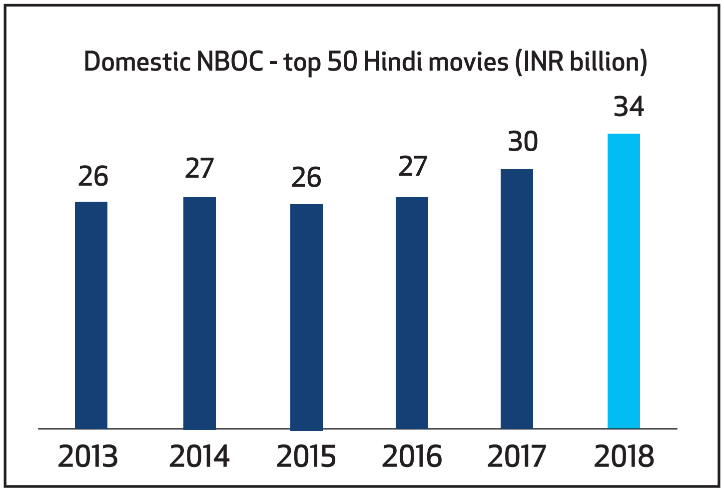
The Indian film segment grew 12.2% in 2018 to reach ₹ 174.5 billion, driven by a 59% and 20% growth in digital/OTT rights and overseas theatricals respectively over 2017. The home video segment continued to witness a decline. Domestic film revenues crossed ₹ 100 billion with net box office collections for Hindi films reaching its highest ever at ₹ 32.5 billion. Overseas theatricals grew to ₹ 30 billion from ₹ 25 billion in 2017 with China emerging as the largest international market for Indian content. Box office collections of Hollywood films in India (inclusive of all their Indian language dubbed versions) were at ₹ 9.21 billion.

Film entertainment gross of taxes (in ₹ billion)

Revenues	2017	2018	2019E	2021E
Domestics theatricals	96.3	102.1	110.0	130.0
overseas theatricals	25.0	30.0	35.0	45.0
Broadcast rights	19.0	21.2	23.0	26.0
Digital/OTT rights	8.5	13.5	17.0	24.0
In-cinema advertising	6.4	7.5	9.0	11.0
Home video	0.3	0.2	0.2	0.1
Total	155.5	174.5	194.2	236.1

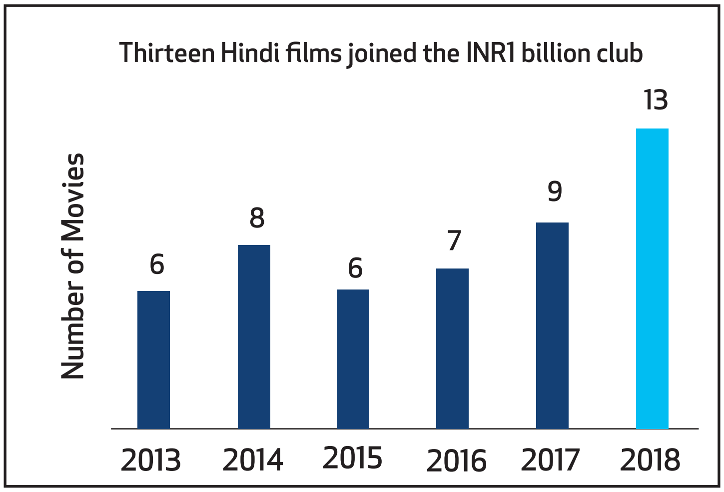
Source: EY

Hindi films contributed approximately 42.1% of the net box office collections, despite comprising only 13.4% of the films released. The top 50 and top 10 Hindi films contributed approximately 98% and 52.5% of the total Hindi net box office collections respectively. Films in other regional languages accounted for approximately 81% of the films released and contributed approximately 46.9% to the annual domestic box office collections.



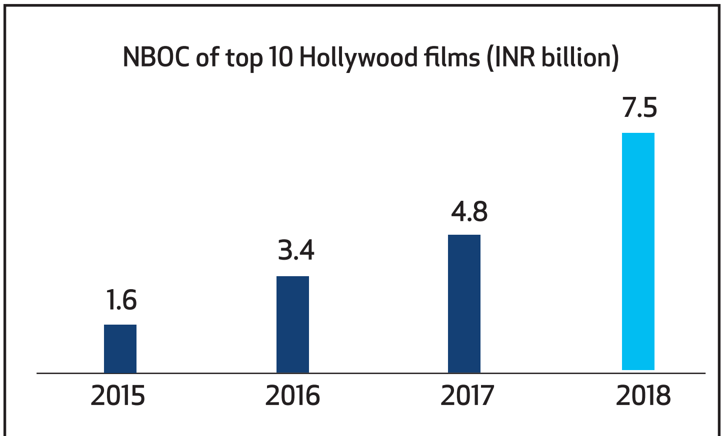
Source : Box Office India

In 2018, thirteen films joined the ₹ 1 billion club, which is the highest ever. The film Sanju emerged as one of India's all-time blockbusters earning ₹ 3.34 billion at the box office followed by Padmaavat, Simba, 2.0, Race 3, Baaghi 2, Thugs of Hindustan, Badhaai Ho, Stree, Raazi, Gold and Sonu ke Titu ki Sweety. Apart from these, films in regional languages such as 2.0, KGF Chapter 1, Rangasthalam, Bharat Ane Nenu, Kaala, Arvindha Sametha Veera Raghava and Geeta Govindam had worldwide collections exceeding ₹ 1 billion.



The year saw the top mainline studios continuing to bet on the regional cinema market for production and distribution of films driven by rising demand for local content. In 2018, 237 Telugu films were released. Ram Charan starrer Rangasthalam reportedly earned ₹ 2.15 billion internationally with a budget of ₹ 500 million. Gujarati comedy, Shu Thayu? earned ₹ 65 million within four days, with a nominal screen count of 212 in the Mumbai and Gujarat circuit. International Gujarati Film Festival marked its debut in USA. 197 Tamil films were released in 2018 with big budget films like 2.0 putting Indian cinema in the global spotlight, and content-based small budget films such as Pariyerum Perumal, Raatchasan, 96 and Vada Chennai winning critical acclaim. 50 Punjabi films were released in 2018 with box office collection of ₹ 3.3 billion.

Hollywood films accounted for 10% of the total box office in the country. Local 'dubbed' versions of Hollywood films in Hindi, Tamil and Telugu languages make up 50-60% of revenues in India. The biggest earner in 2018 was Avengers: Infinity War with ₹ 2.22 billion (about $31.8 million), making up one-fourth of all Hollywood revenue in India. It was followed by Jurassic World: Fallen Kingdom (₹ 826 million), Mission: Impossible – Fallout (₹ 802 million), Deadpool 2 (₹ 580 million), Aquaman (₹ 526 million) and Black Panther (₹ 525 million).



Source : Box Office India

Streaming services have helped Bollywood, where satellite rights are earning strong revenue. Digital rights redefined the content consumption processes as the segment grew from ₹ 8.5 billion in 2017 to ₹ 13.5 billion in 2018. Online platforms invested heavily in exclusive film rights and a digital-only film market has emerged. Amazon is leading the race, having picked up 13 of top 25 box office earners between June 2017-18. Padmaavat was one of them, whose digital rights were sold for ₹ 800 million (about $11.5 million). Sanju earned ₹ 500 million (about $7 million) in satellite rights. The box office failure, Race 3, recovered much of its budget via broadcast rights amounting to ₹ 1.5 billion (about $21.5 million), reportedly the highest ever in Bollywood. At the same time, broadcast rights market continued to grow from ₹ 19 billion in 2017 to ₹ 21.2 billion in 2018, as movies contributed 24% of television viewership.

The biggest hindrance to India's film sector is the lack of screens and screen penetration in tier-II, tier-III and tier-IV cities. India's screens count at 9,601 is 25% lower as compared to that in China (55,623) and the US

(40,837). Multiplexes account for a large portion of that and contributed to around 55% of the domestic box office. In-cinema advertising grew to INR7.5 billion in 2018 on the back of growing multiplex screens.

The government initiative to reduce GST rate is likely to give impetus to the Indian film industry. From 1 January 2019, the GST rate on film tickets costing less than ₹ 100 was reduced to 12% from 18% and the rate on tickets costing more than ₹ 100 was reduced to 18% from 28%.

One of the significant developments was emergence of OTT platforms as a feasible alternative to theatrical release and a strong revenue stream for theatrical released films as well. This has emerged as the new distribution channel for small budget films which are relying less on theatrical revenues with digital contributing around 70-80% of overall collections. The impact of digital media on film industry is well evident in the fact that in 2019 India is likely to produce 1,200 hours of original digital content with all big production houses making huge commitments to digital content.

VFX and Post-Production

The total animation, VFX and post-production segment reached ₹ 78.9 billion in 2018, up 18% over 2017, with 27% growth in VFX, 10% in animation and 12% in driven majorly by a 35% growth in VFX, with animation remaining steady at a growth rate of 13%. By 2021, it is estimated that India's animation, VFX and postproduction segment will reach ₹ 127.6 billion. Animation and VFX has been one of the fastest growing segments of the M&E sector for the past two years. The growth has been driven by an increased demand in domestic markets and the emergence of digital content serving platforms across the world. Traditionally, India has been a hub for outsourced animation and VFX services, but the increase in domestic demand and improvement in skills works in favour of the segment. At the start of 2018, India had around 300 animation, 40 VFX and 250 game development studios with more than 15,000 professionals.

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

	2017	2018	2019E	2021E
Animation	17.0	18.8	20.7	24.4
Post Production	18.3	20.5	22.7	27.8
VFX	31.3	39.6	49.5	75.5
	66.6	78.9	93.0	127.6

Source: EY

The revenues from animation segment reached ₹ 18.8 billion in 2018, up 10% over 2017. By 2021, it is expected to reach ₹ 24.4 billion. Domestic broadcasting animation, accounting for 30-35% of total revenues generated in the Indian animation segment, is witnessing robust growth rate of around 30% which is expected to continue. TV comprises 65% of all animation in India, followed by film and digital at 15% and advertising at 5%. TV broadcasters are beginning to commission original animated shows and build their own library. Traditionally India has been a hub for animation services as using Indian production houses have resulted in savings of up to 50% as compared to international markets. With development of animation quality and cost-effectiveness in the country, global media companies are increasingly utilizing services of Indian animation studios.

The revenues from VFX segment reached ₹ 39.6 billion in 2018, up 27% over 2017. By 2021, it is expected to reach a size of ₹ 75.5 billion. Several international studios are increasingly using Indian companies for VFX services due to the compelling cost advantages. Even the domestic market is gradually expanding for VFX influenced by emergence of global digital platforms like Netflix. Indian producers, earlier willing to spend only 5-10% of content budget on VFX, have now expanded their spending to 15-20% of the budget. This change has emerged due to the success seen in movies like Bahubali and 2.0, which have significantly better visual effects. The domestic VFX revenues is expected to grow at a robust rate of 40% in the coming few years.

The revenues from post production segment reached ₹ 20.5 billion in 2018, up 12% over 2017 and is expected to reach ₹ 27.8 billion by 2021 led by growth in domestic demand from digital, film and television. In 2018, about 70% of post-production work done was for the domestic market led by a surge in number of local TV channels and digital content. Digital content budgets are typically ten times than those for television and spend substantially higher amounts on quality post-production. With low margin profile of the segment and profit primarily being driven by volumes, Indian companies are looking to acquire global postproduction houses to gain direct international client relationships.

The next phase of growth for the VFX and post production segment is expected to be driven by the digital push, by not only the OTT players but traditional broadcasters as well. Government incentives and schemes continue to play a vital role for Indian companies to remain competitive with international counterparts. In February 2018, the Union Cabinet identified animation, under the audio-visual category, as one of the 12 champion sectors which have a dedicated fund of ₹ 50 billion. Increased investments into building talent base (skills like storytelling for animated content) will be seen.

(Source: EY FICCI Report)

Section 4

Company/Business Overview

Prime Focus Limited, the world's largest independent and integrated media services provider, offers creative services, tech products & services, and other post-production services to the media & entertainment industry. Its operations are spread across 18 cities in 5 continents covering 7-time zones with a team of over 10,446 professionals.

In 1997, Namit Malhotra sowed the seeds of this large enterprise in a garage in Mumbai. Today, PFL has presence in Abu Dhabi, Bangalore, Capetown, Chennai, Goa, Hyderabad, Johannesburg, Kolkata, London, Los Angeles, Mohali, Montreal, Mumbai, New York, Noida, Toronto, Sydney, Vancouver. PFL is credited with strong leadership position in all the three verticals it operates in driven by a robust business model, pool of skilled professionals, strong balance sheet and backing of reputed investors. Its investors include Standard Chartered Private Equity, Horizon Coast, , Reliance Capital and Ambit Pragma Private Equity.

PFL has mastered the art of proving comprehensive solutions to leading studios, broadcast and advertising industries worldwide. It boasts of delivering high-end franchise movies in collaboration with top-tier studios. Its range of products and services include:

- Ø Creative services like visual effects, stereo 3D conversion and animation
- Ø Tech/Tech-Enabled Services like Media ERP Suite and Cloud enabled media services
- Ø Production and Post-production services like digital intermediate, picture post, equipment rental, shooting floors and sound stages

With over 80% of revenues being generated internationally, it is imperative for the Company to leverage talent and technological strength across geographies in a way that facilitates seamless blending of creative and technological aspects to provide holistic solutions to its clients. The Global Digital Pipeline and pioneering World Sourcing delivery model, facilitate partnering with content creators across all stages for creative enablement, deriving better efficiencies and cost optimization. PFL is listed on the BSE and the NSE of India. Over the years, the Company has undertaken several strategic mergers and acquisitions to enhance its capabilities and establish global presence. These include:

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

Our Client Base:

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

Key businesses

Creative Services

In July 2014, the Company merged its creative services offering with Double Negative (DNEG) to expand its international operations. The Company now boasts of being one of the largest independent and integrated VFX players in the world. DNEG is amongst the leading 'tier one' independent VFX providers in the world, and its ability to bundle VFX with industry-leading stereo 3D conversion services makes it a unique proposition for leading Hollywood studios.

PFL is also a leading creative provider of VFX services to the Indian M&E industry and has worked on several blockbuster titles this year.

Creative Services: Selected Projects 2018-19

Hollywood

- Avenger's: Infinity War
- Deadpool 2
- Mission Impossible: Fallout
- Ant Man & the Wasp
- Bohemian Rhapsody
- Fantastic Beasts: The Crimes of Grindelwald,
- Alita: Battle Angel
- Greyhound
- First Man
- Bad Times at El Royale
- Holmes & Watson
- Venom

Bollywood

Production & Post-Production Services

Production and post-production services is another key segment of the Company. PFL is a global post production major with facilities in Mumbai, New York and London catering to local content markets. It has a highly talented team of professionals offering Digital Intermediate/ color grading, sound and picture post. In 2015, the Company merged operations with Reliance MediaWorks to strengthen its offerings and capture market share.

Production & Post-Production: Selected Projects 2018-19

- Raazi
- Race 3
- 2.0
- Andhadhun
- Soorma
- Stree
- Thugs of Hindostan
- Parmanu: The Story of Pokhran
- Bhavesh Joshi
- Blackmail
- Mannikarnika
- Love Yatri

Tech/Tech-Enabled Services

PFT offers a unique blend of media and IT skills, well-supported by a deep understanding of the global M&E industry. PFT's award-winning Hybrid Cloud-enabled Media ERP Suite, CLEAR along with its high quality Cloud Media Services help broadcasters, studios, brands, and service providers drive creative enablement, enhance efficiencies, lower Total Cost of Operations (TCOP) and realize new monetization opportunities. PFT has a widespread network of facilities and WorldSourcing® model supported by a global digital pipeline. This allows the company to cater to customers across the world, helping them lower costs by automating business processes around content and managing their business of content better.

- 1.5 million hours of content managed annually
- 220 Hybrid Cloud locations
- 400 TV shows powered by CLEAR daily
- VoD fulfillment of 10 million assets annually
- 35,000 hours of Subtitling and Closed Captioning annually
- 50% of US primetime scripted network television production use PFT's product

DNEG

The Creative Services arm of PFL, DNEG, is adept in providing visual effects, stereo 3D conversion and animation services. In 2014, PFL's creative services division merged operations with DNEG, a leader in visual effects with experience in working with leading 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).

The merged entity has emerged as the largest independent creative services provider with presence in 9 cities across three continents, employing almost 5,000 professionals. The advantage of DNEG's VFX leadership position and its stereo 3D conversion leadership position, further enhanced by a strategic partnership with stereo conversion company Gener8, has enabled the Company to offer high-quality bundled services at competitive prices. DNEG and Gener8 combined are a global leader in the stereo 3D conversion space commanding nearly 30% market share. These competitive advantages make DNEG a 'house of choice' for Hollywood's VFX and stereo 3D conversion requirements.

The Creative Services division in addition, provides animation services, partnering with content creators across the production life-cycle to facilitate development of beautifully animated CG content. The Company leverages its experience, scale of operations and pioneering delivery model (WorldSourcing) to deliver high-end projects whilst ensuring high efficiencies, quality and cost optimization.

Highlights: 2018-19

- Delivered Hollywood blockbusters like Avenger's: Infinity War, Deadpool 2, Mission Impossible: Fallout, Ant Man & the Wasp, Bohemian Rhapsody, Fantastic Beasts: The Crimes of Grindelwald, Alita: Battle Angel and Greyhound. Also worked on other top projects like First Man, Bad Times at El Royale, Holmes & Watson etc.
- Continued to focus on upscaling and upskilling Indian artists to create a better margin profile
- Strong execution of VFX projects and continued broad basing in revenues with higher share coming from OTT / TV

Awards & Accolades:

- Won their 5th Oscar for their outstanding in-camera FX work on First-man
- Honoured with two Visual Effects Society Awards at the 17th Annual VES Awards Gala for its work on First Man and Altered Carbon (Netflix)
- Talent Acquisition team won the gold award for Best International Recruitment at In-house Recruitment Awards (IHRA)

Order book continues to be robust with high visibility.

Prime Focus Technologies (PFT)

The Tech/Tech-enabled services subsidiary of PFL, Prime Focus Technologies (PFT), is the creator of Enterprise Resource Planning (ERP) software, CLEARTM for the Media & Entertainment (M&E) industry. It offers broadcasters, studios, brands and service providers transformational solutions that help them lower their Total Cost of Operations (TCOP) by automating business processes around content and managing their business of content better.

Being a cloud solutions provider with a global delivery model and the world's largest digital media services cloud infrastructure at its disposal, PFT delivers a vast 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 & Upconversion, 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, 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: 2018-19

- Signed deal with Enterr10 Television for content ingest, processing and On Air Promos
- Signed deals with leading brands like Wildstone, Madura Coats, Liva Fashions, Swiggy, Brand Factory, Nihar Naturals, Google, Fashion at Big Bazaar and 82.5 Communications (Ogilvy)
- Signed deal with Times Internet Ltd. for On Air Promo production services

- Signed deal with Netflix Inc. for dubbing
- Produced Mega Icons Season 1 for National Geographic Channel India
- Signed a deal with Sony Pictures Networks India for dubbing
- Signed a deal with Cooper Media for CLEAR Cloud MAM
- Migrated existing clients to the new DAX Production Cloud, opening possibilities for them to leverage other modules of CLEAR
- Upgraded Insight TV to Unified CLEAR and increased overall value of contract
- Grew business with clients like Big Bazaar, Marico, Tata Motors, Brooke Bond Red Label, Tata Sky and Madison India
- Grew business with Hearst Communications, automated its Archival operations
- Signed a new dubbing deal with Star India and a new subtitling deal with Viacom 18
- Signed a deal with Disney for catalog re-mastering
- Signed a deal with Sonar Entertainment for closed captioning

Awards & Accolades:

- PFT's CLEAR Vision Cloud won 'Product of the Year' Award & TV Technology's 'Best of Show' Award at NAB Show 2019
- CLEAR Vision Cloud bagged TV Technology's Product Innovation Award for 2018
- PFT's flagship product, CLEAR Media ERP won TVBEurope's 'Best of Show' Award at IBC 2018 in the Content Management category
- PFT's TVC for Oppo F7 Smartphone featured in YouTube's 'Top 10 Ads of the Year'
- PFT's digital film for Brooke Bond Red Label awarded a Creative Abby at Goafest 2019
- PFT won awards for 'Best Cinematography' and 'Best Ad Film' at the Dada Saheb Phalke Film Festival 2019

Financial performance and highlights

Prime Focus delivered stellar financial performance with significant improvement in profitability led by Creative Service. The Company reported Income from Operations of ₹ 2540 crores in Financial Year 2018-19, with 83% and 11% contribution from Creative and Tech/ Tech- Enabled Services, respectively. EBITDA margin remained robust at 20.1% as revenue synergies realized in terms of cross-selling and execution from lower cost-centres, such as India and Vancouver, climbed. The Company returned to positive xlPAT after going through a phased Integration plan across geographies and businesses.

Financial Highlights of Financial Year 2018-19 (Consolidated Audited Financials):

- Total Income of the company is at ₹ 2,664 crores, compared to ₹ 2,292 crores for the year ended March 31, 2018
- Adjusted EBITDA Margin reached 20.1% above the mid-term target of 20%
- Cash Profit (PAT + Depreciation + ESOP) is at ₹ 302 crore; Cash Profit Margin at 11.3%. All business divisions on profitable growth curve.
- Creative Services revenue has grown 22% to ₹ 2,212 crores in Financial Year 2018-19 from ₹ 1,817 crores in the year ended March 2018. This business now contributes 83% to Group revenues and has an Adjusted EBITDA margin of 22.1%
- Tech/Tech-Enabled Services revenue at ₹ 302 crores in Financial Year 2018-19 as against ₹ 349 crores in the year ended March 2018; Adjusted EBITDA Margin at 11%
- India FMS revenue up 18.6% to ₹ 203 crores in Financial Year 2018-19 from ₹ 172 crores in the year ended March 2018. Adjusted EBITDA Margin is at 41.2% in the price-competitive Indian Market, a testimony to PFL's quality work
- Net Debt (Debt – Cash) is at ₹ 2,324 crores as of March 2019
- Constant efforts towards reducing high-cost India debt via re-financing with cheaper and longer-tenure debt

Ratios	March 31, 2019	March 31, 2018	Change	Remarks
1. Debtors turnover	6.51	7.25	-10%	
2. Inventory turnover	-	-	-	We are not in trading or manufacturing business this measure is not needed
3. Interest coverage ratio	0.75	0.82	-8%	
4. Current ratio	0.71	0.66	8%	
5. Debt equity ratio	4.79	3.36	43%	Addition of studio loan on balance sheet after regulatory approvals on RMW studio transfer. Addition of working capital facilities in Creative Services during the year.
6. Operating profit margin (%)	7%	8%	-9%	
7. Net profit margin (%)	-1%	-2%	-34%	Expansion in Canada has led to increase in operational cost this year, benefits will start seeping in from 2020.
8. Return on networth	-6%	-8%	-19%	Increase in depreciation due to expansion in Canada, depreciation on RMW studio assets, increase in finance cost on early settlement of puttable instrument of subsidiary

Section 5

Business Strategy

Over the years, the Company has grown profitably. In about five years the Company's revenue has grown 3-fold with EBITDA margin of 20.1% in Financial Year 2018-19. Going forward, the Company aims to continue to continue this pace of profitable growth led by following key drivers:

- In Creative Services, the company continues to offer its services globally and expand its footprints to newer geographies. To drive revenue growth and cost optimization, the Company continues to cross-sell through bundled offering
  - o In Tech/Tech-Enabled Services, the Company entered into a channel partner relationship with ColorTime in Los Angeles, and joined hands with Microsoft and GrayMeta in order to open up new monetization avenues
  - o In Tech/Tech-Enabled Services, the Company signed contracts with new and existing clients, thereby expanding customer base and creating an opportunity to cross-sell other modules and increase revenue from existing clients

The Company and its subsidiaries continue to consider options to raise funding through equity (including through private placement and public offering) and debt, and unlock value across the Group with a view to enhancing growth, shareholder value and the efficiency of the business.

Section 6

Outlook

The M&E sector continues to show great potential and is expected to witness stable, sustained growth over the next three years. India's thirst for knowledge and escapism will ensure the M&E product remains a necessity. Digital consumption will grow, and monetization avenues will see great innovation to cater to the new Indian customer segments. Being one of the world's largest independent and integrated media services players catering to top international clients and having bagged several global prestigious awards across its field of operations, PFL is well-suited to deliver. The Company's profitability is set to accelerate given higher scale, access to cutting-edge technology, substantial combined order book and increasing efficiencies across geographies.

The landscape of India M&E industry is changing from being primarily traditional to becoming more global with the digital wave setting in. Rising incomes and evolving lifestyles have led to higher demand for aspirational digital products and services. Higher penetration and a rapidly growing young population coupled with increased usage of 3G, 4G and portable devices is further augmenting demand of digital media.

An important development in the industry will be increasing share of revenue from subscription and value-added services with advent of digital media. Consumers increasing willingness to pay for these services will only boost the momentum.

The growth of digital infrastructure is enabling Indians to fulfil the need for personal content consumption, across languages and genre. This is bringing about a large shift in consumer behaviour from mass produced content to specific content defined to audience segments. The players in the industry are compelled to be innovative and creative and spend larger amounts on visual effects to better engage with the consumer.

Section 7

Opportunities and Threats

The new age digital media has created a steep upward trajectory, leading to strong growth in the M&E industry. Technological disruptions are creating new opportunities for the sector. Indian M&E is likely to emerge as a world-class media-tech sector on the back of access to global audiences through online platforms, its large talent pool, storytelling capabilities, post-production and VFX expertise and policy and regulatory certainty.

Technological changes across content generation, emergence of different platforms, evolved marketing and distribution are happening all at once. This is providing significant opportunities to players to match global standards and serve the consumers better with enhanced and enriched content.

There is a tectonic shift in the consumer behaviour with the consumer having access to reliable and high-speed internet. Content continues to rule the game and is forcing players to step up on creativity. Content has emerged as the primary factor garnering success, evident from the success of low budget and strong story lines over those with high power talent. The consumer is now demanding customisation in content compelling the creators to produce content for well-defined audience segments.

Indian content has gained significant popularity world over, seen with the global popularity of Sacred Games. High prevalence of global platforms in India and more so of Indian platforms being available globally has given a new platform to the Indian M&E industry. This provides humungous opportunity to create content for the world and support global content creators with the Company's talent, production, animation and VFX capabilities.

The Government in a recent white paper has signalled the deployment of 5G technology in India by 2020. 5G endowed with high-resolution and high-speed download of video content will act as a game changer for the M&E industry, particularly the OTT platforms.

While rapid digitisation is accelerating the growth of M&E industry, it is also creating several disruptions and challenges. With policies and regulations governing the industry unable to keep pace with fast spread and growth of digital media, the industry is presented with unique threats. Several global content leaders have made their way into the Indian M&E industry and tech-savvy start-ups are increasingly mushrooming. The Governments are struggling to ensure privacy and data protection.

Section 8

Risks and Concerns

Strict internal processes and controls enable the Company to effectively tackle the business risks it encounters on account of its presence across various business verticals and geographies. The management team is prompt in early identification of important risk factors and its effective mitigation. The prime risks have been highlighted below along with the likely measures that can be adopted to mitigate the same.

Industry risk: Any slowdown in the macro-economic environment impacting growth prospects of M&E sector puts at risk the growth potential of the Company.

Risk mitigation: The Indian M&E industry is expected to continue its robust growth trajectory riding growing digital access and consumption. Robust GDP growth also supports strong domestic demand especially in the rural regions with increasing penetration in non-urban and regional user base. Given its diversified portfolio and robust order book the Company stands in a sweet spot to mitigate any risks arising due to macro-economic slowdown.

Competition risk: Led by attractive growth potential the M&E sector is exposed to ever increasing competition by both national and international players.

Risk mitigation: There has been a structural shift in the competitive landscape of M&E sector with convergence across telecom, media and technology companies. As the Company is competent to provide high-quality work at quick turnaround time it is securely placed in the sector against any competition. The Company's focus on diversification and innovation coupled with years of experience in delivering quality work for leading production houses in Hollywood and Bollywood, helps to mitigate competitive measures. The Company embarks on continuous research and development, hiring best-in-class professionals and strong collaboration with leading global media service providers. The Company has always been at the forefront of innovation and developing novel patented technologies to initiate path-breaking trends in the sector.

Talent Risk: The Company is heavily dependent on human capital due to the nature of the business. In such a scenario retaining manpower and attracting fresh talent is of prime importance.

Mitigation Strategy: To ensure organizational success the Company strives to maintain its talent pool by incorporating best employee practices and providing challenging training across leadership level. The Company's strong HR policies provide a motivational and progressive work culture. The HR team ensures that the personal goals of the employees are well-aligned with that of the organisation. A lucrative compensation further ensures high retention rate and industry low attrition levels.

Profitability risk: With production houses operating on tight budgets coupled with professional talent coming at exorbitant costs the companies operating in the M&E sector face profitability risk as they operate on wafer thin margins.

Mitigation Strategy: The audiences' preference for animation, VFX, digitization, quality content and post production in India is witnessing similar level of enthusiasm as those witnessed globally. The entertainment factor of films endowed with high-quality visual effects and post-production are finding better acceptance and higher box office collections. The Company being a leader in the space with high capabilities in offering bundled services stands in a sweet spot. It has a strong track record of delivering internationally acclaimed projects, high audience appreciation and better returns to the film-maker. This makes PFL a preferred company for big production houses, enabling it to secure better margins in an otherwise competitive and low margin industry.

Project risk: The Company constantly needs to increase the number of projects it undertakes to ensure sustained profitability.

Mitigation Strategy: The Company's vast geographical presence across -four continents helps it to attract larger number of projects. On the domestic front the ever-increasing popularity of visual effects and animation portends huge opportunities for the Company. Bollywood is amassed with big budget production houses looking to exploit the growing trend of VFX, animation etc. The Company is well-placed to work with the big directors as well as regional (Tamil, Telugu and Kannada) filmmakers.

Information and Cyber Security Risk: With content being the king, creative media and broadcasting companies are high targets of cyber breaches and frauds. Enhanced sophistication and complexity to such attacks necessitates the Company to up the ante on cyber security.

Mitigation Strategy: The Company has in place a robust risk-mitigation strategy and a response plan in place to respond in case an incident occurs. It ensures regularly patching and backing up network and maintaining an updated incident response plan. To minimise risks associated with employee breaches, the Company is investing in educating them about common cyber security risks like phishing campaigns, and also has a set policy for using personal devices at work etc. The Company thrives to protect its confidential data and strengthen controls.

Section 9

Internal Control Systems and their Adequacy

The Company is committed to good corporate governance practices and has well-defined systems and processes covering all corporate functions and units. The Board of Directors monitors the internal financial controls based on the internal control over financial reporting criteria established by the Company. The Company also has an Audit function to provide reasonable assurance regarding the effectiveness and efficiency of operations, safe guarding of assets, reliability of financial records and reports and compliance with applicable laws and regulations. The

Company follows stringent procedures to ensure accuracy in financial information recording, asset safeguarding from unauthorised use, and compliance with statutes and laws. All employees adhere to high standards of ethical conduct inspired by formally stated and regularly communicated policies.

Section 10

Human Resources

The Company believes that the key to excellent business results is a committed talent pool. Human resources are the most critical element responsible for growth and the Company acknowledges their contribution and works towards their satisfaction as a top priority. The Company conducts regular trainings for the employees to ensure skill upgradation and personal development throughout the various organisational levels. This is ensured through a series of in-house programs further supported by external trainings focused on behavioural and management skill upgradation.

The Company values its talent pool and works hard to retain its best talent by providing ample opportunities to grow. Open door policy makes the work environment transparent and enables employees to voice their opinion freely. The Company ensures safe, healthy and progressive work environment. HR policies ensure working together with the employees for their personal and professional development. The company stresses on building an enabling work environment leading to high retention. The Company doles out a number of health and wellness initiatives on an ongoing basis. The Company maintains cordial relationship with its employees at all its manufacturing units.

The total strength of the Company's workforce as on 31st March, 2019, was over 10,446.

Section 11

Cautionary Statement

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.

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 ("ED"), Non-Executive Directors ("NED") and Independent Directors ("ID") to maintain the Board's independence, and separate its functions of governance and management. Currently, the Board comprises of two (2) Executive Directors, two (2) Non-Executive Directors and five (5) Independent Directors. Except Mr. Naresh Malhotra and Mr. Namit 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 and 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. 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. The terms & conditions of the appointment of the Independent Directors are hosted on the Company's website. None of the Independent Directors of the Company serve as an Independent Directors in more than Seven (7) Listed Companies. 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 Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") is made available to the Board of Directors for discussions and consideration at Board Meetings. The Managing Director (MD) 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 MD and CFO certification for the Financial Year ended March 31, 2019.

During the year under review Six (6) Board meetings were held on May 30, 2018; August 14, 2018; October 30, 2018; November 02, 2018; November 13, 2018 and February 14, 2019. The requisite quorum was present at all the meetings. The Company has complied with the terms of section 173(1) of Companies Act, 2013 ("Act") and Regulation 17(2) of SEBI Listing Regulations for conducting minimum 4(four) meetings of Board of Directors during the year and the maximum time-gap between any two (2) meetings did not exceed 120 days.

Securities and Exchange Board of India ("SEBI") at its meeting held on March 28, 2018 accepted several recommendations of the Kotak Committee, a committee constituted under the stewardship of Mr. Uday Kotak, to further and enhance the standards of Corporate Governance of Listed entities in India and amended the SEBI Listing Regulations effective from all specified time lines. The Company is in compliance with all the amendments to the Listing Regulations as applicable to the company in accordance with the recommendations of the Kotak Committee.

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 as on the date of signing this report are as under:

Sr. No.	Name of Director	Category of Director	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[1] DIN: 00004049	Non-Executive Director (Promoter)	1	Nil	Nil	Nil	3	Absent	14,900,000 equity shares
2.	Mr. Naresh Malhotra[2] DIN: 00004597	Whole-Time Director and Chairman (Promoter)	3	Nil	Nil	Nil	4	Present	62,201,546 equity shares

Sr. No.	Name of Director	Category of Director	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
3.	Mr. Ramakrishnan Sankaranarayanan DIN: 02696897	Managing Director	6	Nil	Nil	Nil	2	Absent	50 equity shares
4.	Mr. Amit Bapna[3] DIN: 00008443	Non-Executive Director	--	--	--	--	1	NA	--
5.	Mr. Kodi Raghavan Srinivasan DIN: 00012449	Non- Executive Independent Director	Nil	Nil	Nil	Nil	2	Absent	Nil
6.	Mr. Padmanabha Gopal Aiyar DIN: 02722981	Non- Executive Independent Director	2	Nil	2	Nil	2	Absent	Nil
7.	Mr. Rivkaran Chadha DIN: 00308288	Non- Executive Independent Director	7	Nil	3	3	5	Present	Nil
8.	Dr. (Mrs.) Hemalatha Thiagarajan DIN: 07144803	Non- Executive Independent Director	Nil	Nil	Nil	Nil	2	Absent	Nil
9.	Mr. Samu Devarajan DIN: 00878956	Non- Executive Independent Director	4	ADC India Communications Limited - Director	4	2	6	Present	Nil
10.	Mr. Udai Dhawan[4] DIN: 03048040	Non-Executive Director	4	Redington (India) Limited – Nominee Director	4	Nil	6	Absent	Nil
11	Mr. Anand Natarajan[5] DIN: 00061109	Non- Executive Director	--	--	--	--	4	Absent	--

* 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

\# Includes meetings attended via video conference facility.

1 Designation of Mr. Namit Malhotra was changed from Chief Executive Officer, Chairman, Executive Director to Non-Executive Director of the Company with effect from February 14, 2019

2 Mr. Naresh Malhotra, Whole-Time Director of the Company was also appointed as a Chairman of the Company w.e.f February 14, 2019.

3 Mr. Amit Bapna resigned as a Non-Executive Director (Nominee of Reliance MediaWorks Financial Services Private Limited (the wholly owned subsidiary of Reliance MediaWorks Limited) of the Company w.e.f May 30, 2018.

4 Mr. Udai Dhawan is a Non-Executive Director (Nominee of Standard Chartered Private Equity (Mauritius) III Limited, Standard Chartered Private Equity Mauritius Limited, Marina IV (Singapore) Pte. Ltd. and Marina Horizon (Singapore) Pte. Ltd.)

5 Mr. Anand Natarajan was appointed as a Non-Executive Director (Nominee of Reliance MediaWorks Financial Services Private Limited (the wholly owned subsidiary of Reliance MediaWorks Limited) of the Company w.e.f. May 30, 2018 in place of Mr. Amit Bapna and resigned w.e.f. December 21, 2018

Further, none of the Directors holds any Convertible instruments.

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.

Annual Independent Directors Meeting: In accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25 of SEBI Listing Regulations, a separate meeting of the Independent Directors was held during the year on February 14, 2019, to review the performance of the Non-Independent Non-Executive Directors 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 the 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/investor-center#Results_Reports.

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.

The Board has established the following Committees:

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 in compliance of Regulation 18(1) read with Schedule II of SEBI Listing Regulations. As on March 31, 2019, the Audit Committee comprises of Four (4) Directors, all of them being 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. The quorum of Committee is two (2) members or one-third of its members, whichever is higher with minimum two (2) Independent Directors.

During the year under review, five (5) Audit Committee meetings were held on May 30, 2018; August 14, 2018; October 30, 2018; November 13, 2018 and February 14, 2019. The maximum time gap between two (2) Committee Meetings did not exceed One Hundred and Twenty (120) days as stipulated under the Regulation 18(2) of SEBI Listing Regulations. 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 the date of signing this report, the Audit Committee comprises of the following members of the Board:

Name of the Member	Category	Position	Meeting attended [#1]
Mr. Rivkaran Chadha	Independent & Non-Executive Director	Chairman	5
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	2
Mr. Padmanabha Gopal Aiyar	Independent & Non-Executive Director	Member	1
Mr. Amit Bapna*	Non-Executive Director	Member	1
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	5
Mr. Anand Natarajan**	Non-Executive Director	Member	3

Note:

* Mr. Amit Bapna ceased to be a Member of the Committee w.e.f May 30, 2018

** Mr. Anand Natarajan was appointed as a Member of the Committee w.e.f May 30, 2018 and ceased to be a Member of the Committee w.e.f December 21, 2018

#1 Includes 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 177 of 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 statements and 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.

M/s Deloitte Haskins & Sells, Chartered Accountants (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 SEBI Listing Regulations, which are reviewed from time to time.

During the year under review, three (3) meetings of the Committee were held on May 30, 2018; August 14, 2018 and February 14, 2019.

As on the date of this report, the NRC comprises of Four (4) Directors, all of them being Non-Executive Independent Directors. The Composition of Nomination and Remuneration Committee and attendance at its meeting is as follows:

Composition	Category	Position	Meetings attended
Mr. Rivkaran Chadha	Independent & Non-Executive Director	Chairman	3
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	2
Mr. G.P. Aiyar	Independent & Non-Executive Director	Member	1
Mr. Amit Bapna*	Non-Executive Director	Member	1
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	3
Mr. Anand Natarajan**	Non- Executive Director	Member	1

Note:

* Mr. Amit Bapna ceased to be a Member of the Committee w.e.f. May 30, 2018
** Mr. Anand Natarajan was appointed as a Member of the Committee w.e.f. May 30, 2018 and ceased to be a Member of the Committee w.e.f. December 21, 2018
The Company Secretary of the Company acts as the secretary to the NRC. The Chairman of Nomination and Remuneration Committee 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 evaluation 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 was amended by the Board at its Meeting held on February 14, 2019. Nomination and Remuneration Policy is uploaded on the company's website at http://www.primefocus.com/sites/default/files/pdf/NOMINATION_AND_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, 2019 are as follows:

(Amount in ₹)

Name of Director	Remuneration Paid	Sitting Fees	Total
Non-Executive Directors			
Mr. Padmanabha Gopal Aiyar	-	40,000	40,000
Mr. Rivkaran Chadha	-	100,000	100,000
Mr. Kodi Raghavan Srinivasan	-	40,000	40,000
Dr. (Mrs.) Hemalatha Thiagarajan	-	40,000	40,000
Mr. Amit Bapna *	-	20,000	20,000
Mr. Samu Devarajan	-	120,000	120,000
Mr. Udai Dhawan	-	120,000	120,000
Mr. Anand Natarajan**	-	80,000	80,000
Mr. Namit Malhotra***	-	-	-

* Mr. Amit Bapna resigned w.e.f. May 30, 2018.
** Mr. Anand Natarajan was appointed w.e.f. May 30, 2018 and resigned w.e.f. December 21, 2018.
***Designation of Mr. Namit Malhotra was changed to Non-Executive Director from Executive Director w.e.f February 14, 2019.

Executive Director:

The remuneration paid to the Executive Directors 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, 2019 are as follows:

(Amount in ₹)

Name of Director	Naresh Malhotra (Whole Time Director and Chairman*)	Namit Malhotra **	Ramakrishnan Sankaranarayanan (Managing Director)
Remuneration	12,000,000 p.a.	Nil	Nil
Service Contracts	5 years	NA	3 years
Performance linked Incentives	Nil	Nil	Nil
Stock options	Nil	Nil	Nil

*Mr. Naresh Malhotra, Whole-Time Director of the Company was also appointed as a Chairman of the Board w.e.f February 14, 2019.
**Designation of Mr. Namit Malhotra was changed from Chief Executive Officer, Chairman and Executive Director to Non-Executive Director w.e.f. February 14, 2019.

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

C. Stakeholders Relationship Committee

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.

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 the Act. During the year under review, four (4) meetings were held on May 30, 2018; August 14, 2018; November 13, 2018 and February 14, 2019.

As on the date of this report, the Committee comprises of four (4) Directors of which three (3) are Non-Executive Independent Directors and one (1) is Executive Director. The Composition of Committee and attendance at the meetings are as follows:

Composition	Category	Position	Meetings attended
Mr. Rivkaran Chadha	Independent & Non-Executive Director	Chairman	4
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	2
Mr. Naresh Malhotra	Whole-time Director (Promoter)	Member	4
Mr. Amit Bapna*	Non-Executive Director	Member	1
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	4
Mr. Anand Natarajan**	Non-Executive Director	Member	2

* Mr. Amit Bapna ceased to be a Member of the Committee w.e.f May 30, 2018
** Mr. Anand Natarajan was appointed as a Member of the Committee w.e.f May 30, 2018 and ceased to be a Member of the Committee w.e.f December 21, 2018

Ms. Parina 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.

Complaints from Investors

During the financial year 2018-19, the Company has not received any complaint from the investors. There were no complaints pending as at the end of the financial year. 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. Corporate Social Responsibility (CSR) Committee:

The CSR committee has been constituted in accordance with 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 meeting of the Committee was held on May 30, 2018. The composition of the CSR Committee and attendance at its meeting is given hereunder:

Composition	Category	Position	Meeting Attended
Mr. Rivkaran Chadha	Independent & Non-Executive Director	Chairman	1
Mr. Naresh Malhotra	Whole-time Director	Member	1
Mr. Amit Bapna*	Non-Executive Director	Member	1
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	1
Mr. Anand Natarajan**	Non-Executive Director	Member	NA

*Mr. Amit Bapna ceased to be a Member of the Committee w.e.f. May 30, 2018
**Mr. Anand Natarajan was appointed as a Member of the Committee w.e.f. May 30, 2018 and ceased to be a Member of the Committee w.e.f. December 21, 2018

E. 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. During the year under review, two (2) meetings of the Committee were held on August 14, 2018 and February 14, 2019.

Composition	Category	Position	Meeting Attended
Mr. Rivkaran Chadha	Independent & Non-Executive Director	Chairman	2
Mr. K. R. Srinivasan	Independent & Non-Executive Director	Member	2
Mr. Amit Bapna*	Non-Executive Director	Member	-
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	2
Mr. Anand Natarajan**	Non-Executive Director	Member	1

*Mr. Amit Bapna ceased to be a Member of the Committee w.e.f May 30, 2018
**Mr. Anand Natarajan was appointed as a Member of the Committee w.e.f May 30, 2018 and ceased to be a Member of the Committee w.e.f December 21, 2018

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 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 2018-19,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	Time
2015-16	September 30, 2016	9th Floor, 'True North', Plot no. 63, Road no. 13, Opp. Hotel Tunga Paradise, MIDC, Andheri (East), Mumbai – 400093	10:00 a.m.
2016-17	September 27, 2017	9th Floor, 'True North', Plot no. 63, Road no. 13, Opp. Hotel Tunga Paradise, MIDC, Andheri (East), Mumbai – 400093	10:00 a.m.
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.

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 30 , 2016	2	1. Offer or invite for Subscription of Secured / Unsecured Non- Convertible Debentures and/or other Debt securities on private placement basis 2. Issue of Securities to the Qualified Institutional Buyers
September 27, 2017	5	1. Offer or invite for Subscription of Secured / Unsecured Non-Convertible Debentures and/or other Debt securities on private placement basis 2. Issue of Securities to the Qualified Institutional Buyers 3. Re-appointment of Mr. Namit Malhotra (DIN: 00004049) as a Chairman and Executive Director 4. Re-appointment of Mr. Ramakrishnan Sankaranarayanan (DIN: 02696897) as a Managing Director 5. Fixing minimum fee for serving various documents on members of the company
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

Date of General Meeting	Number of Special resolutions passed	Details of Special Resolutions
		3. Continuation of Directorship of Mr. G. P. 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

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

iii. **Details of 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 Notice	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 %)
November 13, 2018	December 26, 2018	1. Disposal of investment held by the Company in Gener8 India Media Services Limited (Currently Known as DNEG India Media Services Limited) its wholly owned subsidiary), to DNEG Creative Services Limited (Formerly known as Prime Focus World Creative Services Private Limited)	M/s Shilpa Ray and Associates	Both the resolutions were passed with requisite Majority	99.92	0.08
		2. Amendment of the Articles of Association of the Company			100.00	0.00

PERSON WHO CONDUCTED THE POSTAL BALLOT PROCESS

Ms. Shilpa Ray, Proprietor of Shilpa Ray and Associates, Practicing Company Secretaries, (Membership No FCS 5936:) was appointed as the Scrutinizer for carrying out the postal ballot and evoting 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 e-voting. The Company engaged the services of CDSL for the purpose of providing e-voting facility to all its shareholders.

For conducting a Postal Ballot, Notice specifying the resolutions 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. November 16, 2018.

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 Wednesday, December 26, 2018 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 his report after the completion of scrutiny, and the consolidated results of the voting by postal ballot were then announced by the Chairman. 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 was amended by the Board of Directors on February 14, 2019. The Amended policy applicable w.e.f April 1, 2019 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 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 had delayed in submission of its annual audited financial results for the financial year ended June 30, 2015 as required under erstwhile Clause 41(I)(d) of the Listing Agreement within sixty days from the end of the financial year. In this regard the company had paid the penalties imposed by stock exchange(s) concerned and, no other penalties or strictures have been imposed on the Company during the last three years.

2. The composition of Board of Directors was not in compliance with erstwhile Clause 49(II)(A)(2) of the Listing Agreement / Regulation 17(1) (b) of the SEBI Listing Regulations (hereinafter referred to as "the listing regulations"), effective from September 16, 2015, with regard to having atleast half of the Board of directors of the Company to comprise of independent directors when chairperson of board of directors is an executive director. However, in order to comply with the aforesaid listing regulations, the Board of Directors of the Company had appointed a Non-Executive Independent Director w.e.f. December 14, 2016;

3. 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 31st March, 2018, within 30 minutes of the closure of the Board Meeting held on 30th May, 2018. The above non-compliance is due to the technical error.

c. Whistle Blower Policy/Vigil Mechanism

Pursuant to Regulation 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 Whistle Blower policy/vigil Mechanism of the company was amended by the Board in February 14, 2019, in light of the recent amendments introduced through the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulation, 2018 and the Securities and Exchange Board of India (Prohibition of Insider Trading) (Amendment) Regulations 2019.

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, 2019 and no employee of the Company was denied access to meet the Chairman of the Audit Committee in this regard.

d. MD/CFO certification

In terms of requirements of Regulation 17(8) and 33(2) of SEBI Listing Regulations, the Managing Director and CFO of the Company have certified to the Board in the prescribed format for the year under review 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 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 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; withing 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 Managing 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 Companies Act 2013 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 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 , 2019, there are no unclaimed shares / amount lying in the suspense account. The same has been transfered 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 is 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.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 ₹ 4.87 crores (previous year: ₹ 4.99 crores) for financial year 2018-19, 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 Venue	Date: September 30, 2019 Time: 10.30 a.m. Venue: 9th Floor, 'True North', Plot no. 63, Road No. 13, Opp. Hotel Tunga Paradise, MIDC, Andheri (East), Mumbai - 400093
2.	Financial Year	2018-19
3.	Dividend	In view of losses, no Dividend has been declared
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. Your Company has paid Annual Listing Fees to both the exchanges for the financial year 2019-20 within the prescribed time limit.

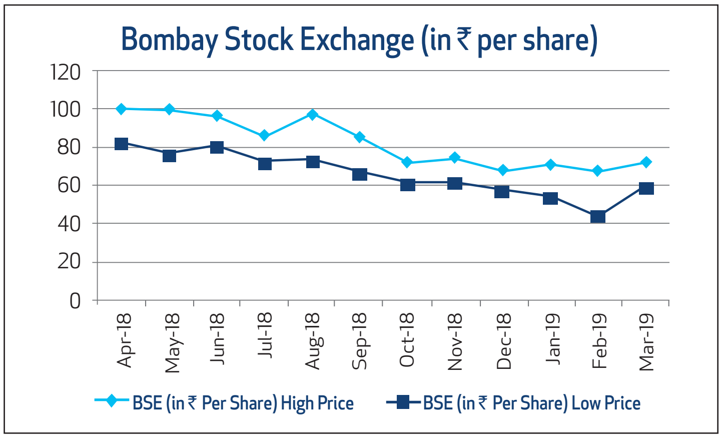
5.	Stock Code	For Equity Shares BSE Limited (BSE):- "532748" National Stock Exchange of India Limited (NSE):- "PFOCUS" ISIN Code : INE367G01038
6.	Date of Book Closure	Tuesday, September 24, 2019 to Monday September 30, 2019 (both days inclusive)
7	Registrar to issue & Share Transfer Agents	Link Intime 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: ishwar.suvarna@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, share holders 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. 1st, 2nd, 3rd, 5th, 6th & 7th Floor, Mainframe, B Wing, Royal Palms, Aarey Colony, Goregoan (East), Mumbai - 400 065 iii. 3rd & 4th Floor, Mainframe, A Wing, Royal Palms, 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. iii. Ground Floor, Business Plaza, Khar (West), Mumbai 400 054 **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 Floor, Blue Wave, Off Link Road, Veera Desai Road, Andheri (West), Mumbai – 400 053
11.	Address for Correspondence	Ms. Parina 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

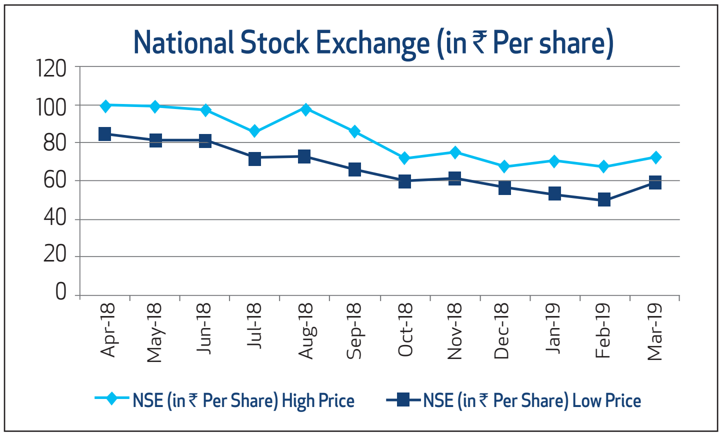
12.	Dematerialization of Shares and liquidity	As on March 31, 2019; 299182292 equity shares of the Company constituting 99.99% of the equity share capital are held in Dematerialized form. The equity shares of the Company are traded only in dematerialized form in the stock exchanges.
13.	Electronic Clearing 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 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.	During the financial year 2017-18, the Company had issued and allotted 3,11,32,076 warrants to Monsoon Studio Private Limited (member of the Promoter & Promoter Group) and Mr. Anshul Doshi (a Non Promoter) convertible into Equity Shares at the option of the respective Warrant Holders, in one or more tranches on or after April 1, 2018, but not later than 18 (eighteen) months from the date of the allotment i.e. February 14, 2018. No warrants have been converted into equity shares up to the date of this report.
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.	NA

b. Market Price Data

The price of the Company's Share-High, Low during each month in the financial year 2018-19 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, 2018	99.80	82.00	1,21,427	99.50	83.95	11,47,326
May, 2018	99.85	75.60	1,13,159	99.30	81.00	8,39,748
June, 2018	96.30	80.00	1,70,724	97.20	81.00	11,50,986
July, 2018	85.90	71.55	1,21,732	85.95	72.05	5,75,603
August, 2018	97.00	72.80	6,18,308	97.50	72.90	29,34,519
September, 2018	85.25	66.00	8,31,543	86.00	66.00	5,28,562
October, 2018	71.90	60.45	2,85,740	72.05	60.20	6,05,328
November, 2018	74.70	61.10	1,31,973	74.80	61.35	5,48,911
December, 2018	67.90	56.65	3,14,639	67.90	56.60	2,87,406
January, 2019	70.95	53.15	1,24,176	70.65	53.10	5,46,130
February, 2019	67.40	43.40	3,01,566	67.45	49.30	17,44,183
March, 2019	72.20	58.55	75,357	72.15	58.75	7,99,766

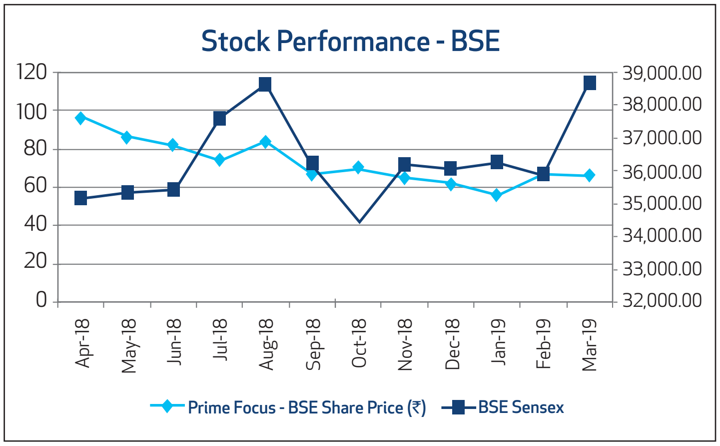


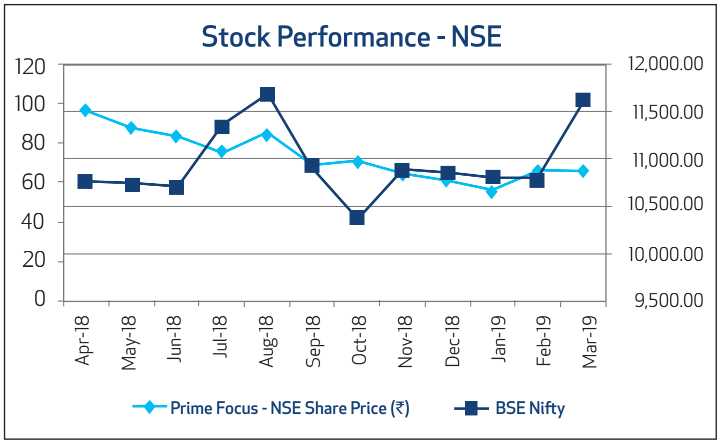


c. **Performance of share price of the Company in comparison with the broad based indices**

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

Month	BSE Share Price (₹)	Sensex (₹)	NSE Share Price (₹)	NSE Nifty (₹)
April 2018	96.35	35,160.36	95.90	10,739.35
May 2018	86.15	35,322.38	87.40	10,736.15
June 2018	82.25	35,423.48	83.15	10,714.30
July2018	74.55	37,606.58	75.55	11,356.50
August 2018	83.90	38,645.07	84.20	11,680.50
September 2018	67.30	36,227.14	67.85	10,930.45
October 2018	70.45	34,442.05	70.65	10,386.60
November 2018	65.05	36,194.30	64.55	10,876.75
December 2018	61.75	36,068.33	61.65	10,862.55
January 2019	56.25	36,256.69	55.60	10,830.95
February 2019	66.15	35,867.44	66.05	10,792.50
March 2019	66.35	38,672.91	66.05	11,623.90





d. **Distribution of Shareholding as on March 31, 2019**

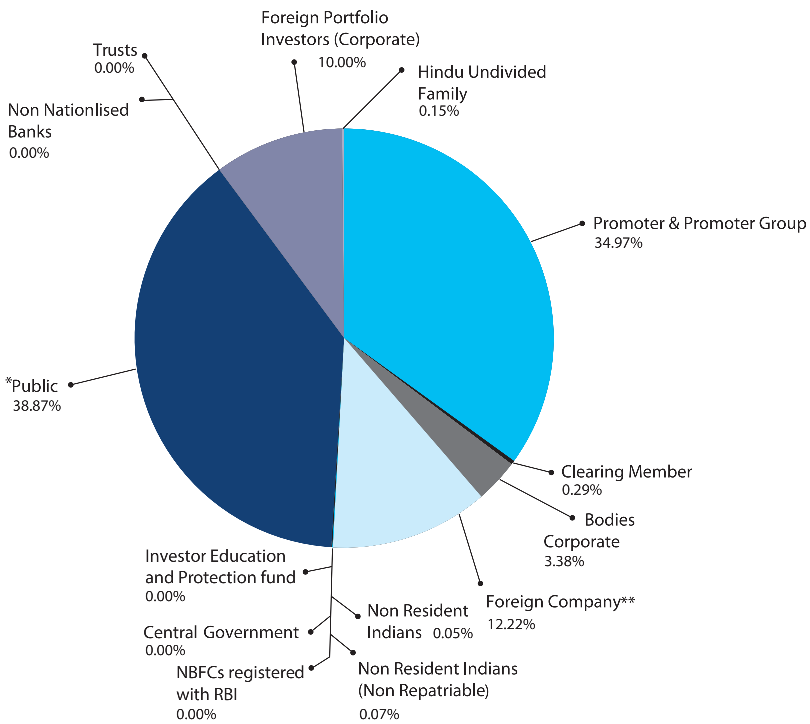
The broad shareholding distribution of the Company as on March 31, 2019 with respect to categories of investors was as follows:

Sr. No.	Category	No. of Equity Shares	Percentage%
1.	Promoter & Promoter Group	104,607,641	34.97
2.	Clearing Members	878,997	0.29
3.	Other Bodies Corporate	10,122,439	3.38
4.	Foreign Company**	36,549,990	12.22
5.	Non Resident Indians	158,607	0.05
6.	Non Resident Indians (Non Repatriable)	209,115	0.07
7.	Public*	116,281,158	38.87
8.	Foreign Portfolio Investors (Corporate)	29,902,624	10.00
9.	Trusts	100	0.00
10.	Hindu Undivided Family	452,275	0.15
11.	NBFCs registered with RBI	7,481	0.00
12.	Central Government	1,000	0.00
13.	Non Nationalised Banks	1,400	0.00
14.	Investor Education and Protection Fund	9,485	0.00
	Total	**299,182,312**	**100**

Note:

*As set out in the Letter of Offer dated December 08, 2014 issued by Reliance MediaWorks Limited alongwith Reliance Land Private Limited (PAC 1), Mr. Namit Malhotra (PAC 2), Mr. Naresh Malhotra (PAC 3), Monsoon Studio Private Limited (PAC 4), this includes 10,49,39,361 shares which were held by Reliance MediaWorks Limited, a person acting in concert with the Promoters. Further, Reliance MediaWorks Limited sold 10,49,39,361 shares on March 30, 2017 to Reliance MediaWorks Financial Services Private Limited (a wholly owned subsidiary of Reliance MediaWorks Limited) by way of inter-se transfer of shares under Regulation 10(1) (a)(iii) of SEBI (SAST) Regulations, 2011.

**Out of the 10458768 (3.5%) held by Standard Chartered Private Equity (Mauritius) III Limited, Marina IV (Singapore) Pte. Ltd. is the beneficial owner of 41,79,961 constituting 1.40% of the paid-up capital of the Company which are currently held by Standard Chartered Private Equity (Mauritius) III Limited. Further Standard Chartered Private Equity (Mauritius) III Limited and Marina IV (Singapore) Pte. Ltd. are affiliates under the common control of Standard Chartered Plc.



e. **The broad shareholding distribution of the Company as on March 31, 2019 with respect to/ holdings was as follows:**

Range	No. of Holders	Percentage %	Share Amount (₹)	Percentage %
1- 500	8,318	79.38	1,261,076	0.42
501-1000	980	9.35	817,731	0.27
1001-2000	439	4.19	679,525	0.23
2001-3000	201	1.92	520,254	0.17
3001-4000	85	0.81	312,537	0.10
4001-5000	99	0.94	471,411	0.16
5001- 10000	140	1.34	1,094,829	0.37
10001 and above	217	2.07	294,024,949	98.28
Total	**10,479**	**100**	**299,182,312**	**100**

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

Ramakrishnan Sankaranarayanan
Managing Director
DIN:02696897

Naresh Malhotra
Chairman & Whole-Time Director
DIN:00004597

Place: Mumbai
Date: May 30, 2019

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

This is to confirm that the Company has adopted Code of Conduct for its Board Members and Senior Management Personnel. This Code of Conduct is available on the Company's website.

As per the requirements of Regulation 34 (3) and Schedule V of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I, Ramakrishnan Sankaranarayanan, Managing Director, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial Year ended March 31, 2019.

For and on behalf of the Board

Ramakrishnan Sankaranarayanan
Managing Director
(DIN : 02696897)

Place : Mumbai
Date : May 30, 2019

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

To
The Members,
Prime Focus Limited

I have examined the compliance of conditions of Corporate Governance by Prime Focus Limited ('the Company'), for the Financial Year ended 31st March 2019, 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, 2019.

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: May 30, 2019

CERTIFICATE UNDER REGULATION 34(3) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

To
The Board of Directors of
Prime Focus Limited

In my opinion and to the best of my information and according to our examination of the relevant records and information provided by PRIME FOCUS LIMITED ('the Company') and based on declarations submitted by the Directors in this regard and representation made by the Management of the Company for the purpose of issuing a Certificate as per Regulation 34(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the LODR Regulations') read with Part C of Schedule V of the LODR Regulations, I hereby certify that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India or Ministry of Corporate Affairs or any such statutory authority for the period from April 1, 2018 to March 31, 2019.

For D. M. Zaveri & Co.
Company Secretaries

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

Place: Mumbai
Date: May 30, 2019

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, 2019, 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, 2019, and its loss, total comprehensive loss, 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 period. These matters were addressed in the context of our audit of the standalone 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 matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition in respect of fixed price contracts** (Notes 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 Procedures performed:** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • Evaluated the design and tested the operating effectiveness of controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • Performed test of details for reasonableness of incurred and estimated efforts. • Selected a sample of contracts and performed 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. • Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving performance obligations, which require change in estimated efforts to complete the overall project.

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 statements 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, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 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 explanation 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, as referred to in note 35 to the 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.

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
(Firm's Registration No. 117364W)

Abhijit A. Damle
Partner
(Membership No. 102912)

Place : Mumbai,
Date : May 30, 2019

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, 2019 in conjunction with our audit of the standalone Ind AS 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, 2019, 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
(Firm's Registration No. 117364W)

Abhijit A. Damle
Partner
(Membership No. 102912)

Place : Mumbai,
Date : May 30, 2019

Annexure B to the Independent Auditors' Report

(Referred to in paragraph 2, under 'Report on Other Legal and Regulatory Requirements' section of our Report of even date)

i. In respect of its fixed assets:

a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

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 explanation given to us, no material discrepancies were noticed on such verification.

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 deed / conveyance deed provided to us, we report that, the title deeds relating to all the immovable properties of buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties that have been taken on lease and disclosed as fixed 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 CARO 2016 is not applicable.

iii. According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

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.

c. There is no overdue amount remaining outstanding as at the year-end.

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 CARO 2016 is not applicable.

vii. According to the information and explanations given to us, in respect of statutory dues:

a. The Company has generally been regular in depositing undisputed statutory dues, including Provident Fund, Employees' State Insurance, Income Tax, Service tax and Tax Deducted at Source, Sales Tax, Goods and Services tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it with the appropriate authorities. There were no undisputed amounts payable in respect of the aforesaid dues in arrears, as at March 31, 2019 for a period of more than six months from the date they became payable.

b. 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 and Value Added Tax and Cess. Details of dues which have not been deposited as on March 31, 2019 on account of disputes are given below:

Name of the Statute	Nature of Dues	Amount Involved (Rupees in Crore)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Income Taxes	0.07	AY 2012-13	Commissioner of Income Tax (Appeals)
Income Tax Act, 1961	Income Taxes	0.49	AY 2010-11	Income Tax Appellate Tribunal
The Mumbai Municipal Corporation Act, 1888	Octroi Duty	1.73	FY 2016-17	Metropolitan Magistrate 42nd court

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 banks, financial institutions and debenture holders. There were no borrowings or loans from the Government.

ix. In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments).

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 CARO 2016 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 CARO 2016 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 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-IA of the Reserve Bank of India Act, 1934.

For DELOITTE HASKINS & SELLS
Chartered Accountants
(Firm's Registration No. 117364W)

Abhijit A. Damle
Partner
(Membership No.102912)

Place : Mumbai,
Date : May 30, 2019

BALANCE SHEET as at March 31, 2019

₹ Crores

	Notes	As at March 31, 2019	As at March 31, 2018
Assets			
Non-current assets			
(a) Property, plant and equipment	4	387.72	390.49
(b) Capital work in progress		20.01	1.51
(c) Goodwill and other intangible assets	5	183.72	2.45
(d) Financial assets			
(i) Investments	6	848.61	938.68
(ii) Other financial assets	8	16.94	64.96
(e) Deferred tax assets (net)	26 d	28.10	25.48
(f) Income tax assets (net)		71.13	49.96
(g) Other non-current assets	9	6.87	2.77
Total non-current assets		**1,563.10**	**1,476.30**
Current assets			
(a) Financial assets			
(i) Trade receivables	10	49.07	49.09
(ii) Cash and cash equivalents	11	0.69	1.00
(iii) Bank balances other than (ii) above	11	0.05	3.29
(iv) Loans	7	78.62	98.58
(v) Other financial assets	12	21.36	27.49
(b) Other current assets	9	29.69	9.68
Total current assets		**179.48**	**189.13**
Total assets		**1,742.58**	**1,665.43**
Equity and liabilities			
Equity			
(a) Equity share capital	13	29.92	29.92
(b) Share warrants	13.6	82.50	82.50
(c) Other equity	14	1,007.34	1,004.63
Total equity		**1,119.76**	**1,117.05**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	374.68	189.76
(ii) Other financial liabilities	20	95.56	76.03
(b) Provisions	16	2.55	2.43
(c) Other non-current liabilities	17	0.99	1.15
Total non-current liabilities		**473.78**	**269.37**

₹ Crores

		Notes	As at March 31, 2019	As at March 31, 2018
Current liabilities				
(a)	Financial liabilities			
	(i) Borrowings	18	32.20	21.74
	(ii) Trade payables			
	total outstanding dues of micro enterprises and small enterprises	19	-	-
	total outstanding dues of creditors other than micro enterprises and small enterprises	19	24.71	19.89
	(iii) Other financial liabilities	20	45.90	222.88
(b)	Provisions	16	0.29	0.29
(c)	Current tax liabilities (net)		15.96	2.58
(d)	Other current liabilities	17	29.98	11.63
Total current liabilities			**149.04**	**279.01**
Total liabilities			**622.82**	**548.38**
Total equity and liabilities			**1,742.58**	**1,665.43**
See accompanying notes to the financial statements		1 to 39		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registartion No. 117364W)

For and on behalf of the Board of Directors

Abhijit A. Damle
Partner
Membership No. 102912

Naresh Malhotra
Chairman and
Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Place : Mumbai
Date : May 30, 2019

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

STATEMENT OF PROFIT AND LOSS for the year ended March 31, 2019

₹ Crores

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Revenue from operations	21	162.09	145.32
Other income	22	41.12	26.76
Total income		**203.21**	**172.08**
Expenses			
Employee benefits expense	23	37.48	32.64
Employee stock option expense	30	21.98	24.71
Technician fees		16.72	17.12
Technical service cost		9.34	9.09
Finance costs	24	57.39	74.13
Depreciation and amortisation expense	4 & 5	37.68	33.42
Other expenses	25	55.68	49.57
Exchange loss (net)		0.15	0.83
Total expenses		**236.42**	**241.51**
(Loss) before tax		**(33.21)**	**(69.43)**
Tax expense	26		
Current tax		2.73	-
Deferred tax (credit)		(2.67)	(12.83)
		0.06	**(12.83)**
(Loss) for the year		**(33.27)**	**(56.60)**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans		0.18	0.16
Income tax relating to the above		(0.05)	(0.05)
Total other comprehensive income for the year		**0.13**	**0.11**
Total comprehensive income for the year		**(33.14)**	**(56.49)**
Earnings per equity share	27		
[Nominal value per share: ₹ 1 (Previous year: ₹ 1)]			
Before exceptional items (net of tax)			
Basic and diluted (₹)		(1.11)	(1.89)
After exceptional items (net of tax)			
Basic and diluted (₹)		(1.11)	(1.89)
See accompanying notes to the financial statements	1 to 39		

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registartion No. 117364W)

Abhijit A. Damle
Partner
Membership No. 102912

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and
Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

STATEMENT OF CHANGES IN EQUITY for the year ended March 31, 2019

₹ Crores

A.	Equity Share Capital	Total
	As at March 31, 2017	**29.89**
	Issue of equity shares under employee stock option plan (Refer note 30)	0.03
	As at March 31, 2018	**29.92**
	Issue of equity shares under employee stock option plan (Refer note 30) *	0.00
	As at March 31, 2019	**29.92**

* The value 0.00 means amount is below ₹ 50,000/-

₹ Crores

B. Other Equity	Reserves and Surplus						Total
	Capital Reserve	General Reserve	Debenture Redemption Reserve	Securities Premium	Share Options outstanding account	Retained Earnings	
Balance as at March 31, 2017	**51.77**	**1.34**	**59.75**	**795.36**	**25.55**	**133.06**	**1,066.83**
Taxes related to redemption of NCD	-	-	-	(31.88)	-	-	**(31.88)**
Transfer to/from	-	37.47	(37.47)	-	-	-	**-**
Related to Employee stock options	-	-	-	-	24.71	-	**24.71**
Exercise of stock options	-	-	-	2.31	(0.85)	-	**1.46**
Loss for the year (net of tax)	-	-	-	-	-	(56.60)	**(56.60)**
Other comprehensive income for the year (net of tax)	-	-	-	-	-	0.11	**0.11**
Balance as at March 31, 2018	**51.77**	**38.81**	**22.28**	**765.79**	**49.41**	**76.57**	**1,004.63**
Transfer to/from	-	22.28	(22.28)	-	-	-	**-**
Related to Employee stock options	-	-	-	-	21.98	-	**21.98**
Exercise of stock options	-	-	-	0.15	(0.07)	-	**0.08**
Gain on sale of investment in subsidiary	-	-	-	-	-	13.79	**13.79**
Loss for the year (net of tax)	-	-	-	-	-	(33.27)	**(33.27)**
Other comprehensive income for the year (net of tax)	-	-	-	-	-	0.13	**0.13**
Balance as at March 31, 2019	**51.77**	**61.09**	**-**	**765.94**	**71.32**	**57.22**	**1,007.34**

See accompanying notes to the financial statements 1 to 39

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registartion No. 117364W)

Abhijit A. Damle
Partner
Membership No. 102912

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and
Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

CASH FLOW STATEMENT for the year ended March 31, 2019

₹ Crores

		Year ended March 31, 2019	Year ended March 31, 2018
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Loss before tax	(33.21)	(69.43)
	Adjustments for:		
	Depreciation and amortisation expense	37.68	33.42
	(Profit) / Loss on sale of property, plant and equipment (net)	(0.27)	0.04
	(Profit) on sale of investment in subsidiaries	(19.10)	(9.12)
	Unrealized foreign exchange loss (net)	(0.03)	0.67
	Bad debts written off	2.54	0.83
	Provision for doubful debts/ advances (net)	5.39	6.83
	Stock option expense	21.98	24.71
	Gain on studio and related debt accounting (Refer note 32)	(0.14)	-
	Liabilities/provisions no longer required written back	(3.64)	(2.02)
	Interest income	(14.14)	(14.89)
	Finance costs	57.39	74.13
	Operating profit before working capital changes	**54.45**	**45.17**
	Changes in working capital:		
	Decrease in trade and other receivables	(43.56)	41.04
	Increase / (Decrease) in trade and other payables	43.36	69.69
	Cash Generated from Operations	**54.25**	**155.90**
	Income taxes (paid)	(9.79)	(9.90)
	Net cash flow generated from operating activities (A)	**44.46**	**146.00**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Purchase of property, plant and equipment and other intangible assets (including CWIP)	(34.21)	(42.10)
	Proceeds from sale of property, plant and equipment (including CWIP)	0.48	0.82
	Purchase of investment in subsidiary	(0.12)	-
	Sale of investment in subsidiaries	187.48	118.75
	Loans given to subsidiaries	(250.53)	(364.24)
	Loans repaid by subsidiaries	271.29	312.58
	Margin money and fixed deposits under lien	3.24	7.12
	Interest received	13.99	16.90
	Net cash flow generated from investing activities (B)	**191.62**	**49.83**
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings (net of expenses)	17.10	55.06
	Repayment of long term borrowings	(126.09)	(189.45)
	Repayment of short term borrowings (net)	10.46	(20.85)

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Proceeds from issuance of shares / warrants	0.09	83.99
Finance costs paid	(137.95)	(124.36)
Net cash (used in) financing activities (C)	(236.39)	(195.61)
Net Increase / (decrease) in Cash And Cash Equivalents (A+B+C)	**(0.32)**	**0.22**
Cash and cash equivalents at the beginning of the year	**1.00**	**0.78**
Cash and cash equivalent at end of year (Refer note 11a)	**0.69**	**1.00**

Notes:

a. The share application money of ₹ 64.40 crores, that was pending for allotment in DNEG India Media Services Limited, its wholly owned subsidiary, got converted into equity shares in the current year. The Company also additionally invested ₹ 0.12 crores during the year. During the year, the Company has completed the sale of the entire shareholding to DNEG Creative Services Private Limited, another subsidiary for a consideration of ₹ 78.31 crores. The Company realised a gain of ₹ 13.79 crores on account of the same and accounted the same in "Retained earnings", this being in the nature of common control business combination.

b. During the year ended March 31, 2018, the Company received 89,51,10,000 equity shares of 1/- MUR each on conversion of loan receivable of ₹ 104.03 crores of Reliance MediaWorks (Mauritius) Ltd.

c. Amendment to Ind AS 7 is effective from April 1, 2017 and the required disclosure is made below.

₹ Crores

	Year ended March 31, 2019	Cash flow	Non Cash movement	Year ended March 31, 2018
Borrowing - Non Current (refer note 15 and 20.1)	407.18	(209.91)	217.03	400.06
Borrowing - Current (refer note 18)	32.20	10.46	-	21.74

See accompanying notes to the financial statements 1 to 39

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registartion No. 117364W)

Abhijit A. Damle
Partner
Membership No. 102912

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and
Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

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

The Company is engaged in the business of post-production activities including digital intermediate, visual effects, 2D to 3D conversion 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 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.

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.

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.

Effective April 1, 2018, the Company adopted Ind AS 115, "Revenue from Contracts with Customers" using the cumulative catch-up transition method applied to contracts that were not completed as at April 1, 2018. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of the new accounting standard has not resulted in any changes in the opening retain earnings of the Company. The adoption of Ind AS 115, did not have any impact on the statement of profit and loss for the year ended March 31, 2019.

2.4.1. Rendering of services

The Company provides a variety of post-production services including digital intermediate, visual special effects (VFX), 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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.5.1. The Company as lessor

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

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

2.5.2. The Company as lessee

Assets held under finance lease are initially recognised as assets of the Company at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligations so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Company's general policy on borrowing costs (see note 2.7 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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 note 30.

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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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.

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

Cost of Leasehold improvements and Leasehold building is 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 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 (see note 2.18.3 above).

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-month 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 accounts for its investments in subsidiaries at cost.

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 of 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 18.

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 18.

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 setoff 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 not yet adopted:

Certain new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after April 01, 2018 and have not been applied in preparing these financial statements. New standards, amendments to standards and interpretations that could have potential impact on the financial statements of the Company are:

2.25.1. Ind AS 116

On March 30, 2019, the Ministry of Corporate Affairs issued Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognised assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

The standard allows for two methods of transition:

- the full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or
- the modified retrospective approach, under which the date of initial application of the new-leases standard, lessees recognise the cumulative effect of initial application as an adjustment to the opening balance of equity as at annual periods beginning on or after January 1, 2019.

The Company will adopt this standard using modified retrospective method effective April 1, 2019, and accordingly, the comparative for year ended March 31, 2018 and 2019, will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition. The Company is in the process of evaluating the impact of such amended standard.

2.25.2. Amendment to Ind AS 12 – Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognise the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits were recognised. The effective date of these amendments is annual periods beginning on or after April 1, 2019. The Company is currently assessing the impact of this amendment on the Company's financial statements.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate Affairs issued Appendix C to Ind AS 12, which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The effective date for adoption of Appendix C to Ind AS 12 is April 1, 2019. The Company will apply Appendix C to Ind AS 12 prospectively from the effective date and the effect on adoption of Ind AS 12 on the financial statement is expected to be insignificant.

2.25.3. Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. These amendments are effective for annual reporting periods beginning on or after April 1, 2019. The Company will apply the amendment from the effective date and the effect on adoption of the amendment on the financial statement is expected to be insignificant.

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 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 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. The management reports the valuation findings to the Board of Directors of the Company to explain the cause of fluctuations in the fair value of the assets and liabilities.

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.

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, 2017	**243.84**	**350.68**	**19.12**	**3.91**	**10.69**	**3.20**	**631.44**
Additions	-	32.07	0.03	0.35	0.28	2.36	**35.09**
Deduction	-	(1.58)	-	-	(0.09)	(0.55)	**(2.22)**
Balance as at March 31, 2018	**243.84**	**381.17**	**19.15**	**4.26**	**10.88**	**5.01**	**664.31**
Additions	-	15.17	4.33	-	11.13	0.65	**31.28**
Deduction	-	(0.04)	(0.03)	-	-	(0.52)	**(0.59)**
Balance as at March 31, 2019	**243.84**	**396.30**	**23.45**	**4.26**	**22.01**	**5.14**	**695.00**
II. Accumulated depreciation							
Balance as at March 31, 2017	**10.40**	**206.44**	**13.95**	**3.18**	**7.46**	**1.49**	**242.92**
Depreciation for the year	5.95	23.53	1.36	0.18	0.75	0.49	**32.26**
Deduction	-	(1.11)	-	-	(0.09)	(0.16)	**(1.36)**
Balance as at March 31, 2018	**16.35**	**228.86**	**15.31**	**3.36**	**8.12**	**1.82**	**273.82**
Depreciation for the year	6.02	24.93	1.21	0.19	0.94	0.55	**33.84**
Deduction	-	(0.04)	(0.02)	-	-	(0.32)	**(0.38)**
Balance as at March 31, 2019	**22.37**	**253.75**	**16.50**	**3.55**	**9.06**	**2.05**	**307.28**
Net block (I-II)							
Balance as at March 31, 2019	**221.47**	**142.55**	**6.95**	**0.71**	**12.95**	**3.09**	**387.72**
Balance as at March 31, 2018	**227.49**	**152.31**	**3.84**	**0.90**	**2.76**	**3.19**	**390.49**

a. Addition to plant and equipment includes ₹ Nil [Previous year ₹ 0.31 crores (net loss)] on account of exchange difference during the year.

b. Assets under lease:

₹ Crores

	Plant and equipment		Vehicles		Buildings including leasehold premises	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Gross block	26.62	20.94	2.75	2.75	112.20	112.20
Depreciation charge for the year	3.50	1.34	0.32	0.23	3.52	3.52
Accumulated depreciation	6.07	2.57	0.64	0.32	13.69	10.17
Net block	20.55	18.37	2.11	2.43	98.51	102.03

c. Refer note 15 and 18 for assets pledged/ hypothecated.

d. During the previous year, the Company had created second charge on certain immovable properties of the Company in favor of Bank of India - London for loan taken by Prime Focus Technologies UK Limited, a step-down subsidiary, of ₹ 27.08 crores equivalent to £ 3.00 million. During the year the said loan is being repaid and the charge has been satisfied.

5. Goodwill and other intangible assets

₹ Crores

	Description of Assets	Goodwill	Rights to Use	Computer Software	Total
I.	Intangible Assets				
	Balance as at March 31, 2017	0.53	3.00	9.04	12.57
	Additions	-	-	0.53	0.53
	Deduction	-	-	-	-
	Balance as at March 31, 2018	0.53	3.00	9.57	13.10
	Additions *	-	184.84	0.27	185.11
	Deduction	-	-	-	-
	Balance as at March 31, 2019	0.53	187.84	9.84	198.21
II.	Accumulated amortisation				
	Balance as at March 31, 2017	0.53	2.85	6.11	9.49
	Amortisation for the year	-	0.15	1.01	1.16
	Deduction	-	-	-	-
	Balance as at March 31, 2018	0.53	3.00	7.12	10.65
	Amortisation for the year	-	3.13	0.71	3.84
	Deduction	-	-	-	-
	Balance as at March 31, 2019	0.53	6.13	7.83	14.49
	Net block (I-II)				
	Balance as at March 31, 2019	-	181.71	2.01	183.72
	Balance as at March 31, 2018	-	-	2.45	2.45

* Refer note 32

a. **Assets under lease:**

₹ Crores

	Software		Rights to Use	
	March 31, 2019	March 31, 2018	March 31, 2019	March 31, 2018
Gross block	1.71	1.71	184.84	-
Depreciation charge for the year	0.27	0.25	3.12	-
Accumulated depreciation	0.76	0.49	3.12	-
Net block	0.95	1.22	181.72	-

6. Investments

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Non Current		
Unquoted equity instrument, fully paid up (at cost)		
Invesment in subsidiaries:		
Prime Focus Technologies Limited (Refer note (f) below)	33.46	33.46
16,01,466 equity shares of ₹ 10/- each		
Prime Focus Production Services Private Limited #	0.01	0.01
9,999 equity shares of ₹ 10/- each		
De-fi Media Limited	-	-
2,43,67,188 equity shares of British pound 1/- each		
Prime Focus Motion Pictures Limited	0.05	0.05
50,000 equity shares of ₹10/- each		
GVS Software Private Limited	0.01	0.01
10,000 equity shares of ₹ 10/- each		
PF Investments Limited	0.22	0.22
43,000 equity shares of USD 1/- each		
PF World Limited (Refer note (f) below)	209.00	209.00
1,06,000 equity shares of USD 1/- each		
PF Digital Media Services Limited #	0.05	0.05
50,000 equity shares of ₹ 10/- each		
PF Overseas Limited *	0.00	0.00
100 equity shares of USD 1/- each		
Prime Focus Malaysia SDN BHD	0.06	0.06
35,000 equity shares of RM 1/- each		
DNEG India Media Services Limited #	-	-
Nil (March 31, 2018: 8,50,000) equity shares of ₹ 10/- each (refer note (b) and (c) below)		
Reliance Media Works (Mauritius) Limited	104.03	104.03
89,51,11,000 ordinary shares (March 31, 2018: 89,51,11,000) of MUR 1/- each (refer note (e) below)		
Reliance Lowry Digital Imaging Services Inc.	-	-
100 equity shares of USD 1/- each (refer note (b) below)		
Unquoted Preference Shares, (at cost)		
Invesment in subsidiaries:		
GVS Software Private Limited	26.50	26.50
2,65,000 Redeemable Convertible Preference Shares of ₹ 10/- each		
PF World Limited	475.21	565.28
7,66,66,396 (March 31, 2018: 9,16,65,996) 12% optionally convertible preference shares of USD 1/- each		

	As at March 31, 2019	As at March 31, 2018
DNEG India Media Services Limited #	-	-
Nil (March 31, 2018: 12,00,000) Redeemable non-convertible preference share of ₹ 1/- each (refer note (b) below)		
	848.60	**938.67**
Unquoted equity instruments - fully paid up (at FVTPL)		
Other Investment:		
The Shamrao Vithal Co-operative Bank	0.01	0.01
4,000 equity shares of ₹ 25/- each		
Mainframe Premises Co-Operative Society *	0.00	0.00
350 equity shares of ₹ 10/- each		
	0.01	**0.01**
	848.61	**938.68**
a) Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	**848.61**	**938.68**

b) These investments form part of net assets acquired on slump sale basis, recorded at fair value ₹ NIL based on the valuation report obtained. (Refer note 32).

c) The share application money of ₹ 64.40 crores, that was pending for allotment in DNEG India Media Services Limited, its wholly owned subsidiary, got converted into equity shares in the current year. The Company also additionally invested ₹ 0.12 crores during the year. During the year, the Company has completed the sale of the entire shareholding to DNEG Creative Services Private Limited, another subsidiary for a consideration of ₹ 78.31 crores. The Company realised a gain of ₹ 13.79 crores on account of the same and accounted the same in "Retained earnings", this being in the nature of common control business combination.

d) 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.

e) During the previous year, the Company received 89,51,10,000 equity shares of 1/- MUR each on conversion of loan receivable of ₹ 104.03 crores of Reliance MediaWorks (Mauritius) Ltd.

f) Refer note 15 (a) for pledge of shares in subsidiaries.

* The value 0.00 means amount is below ₹ 50,000/-

#Prime Focus Production Services Private Limited (Formerly known as Prime Focus Visual Effects Private Limited) PF Digital Media Services Limited (formerly known Prime Focus 3D India Private Limited) DNEG India Media Services Limited (formerly known as Gener8 India Media Services Limited) (Transferred as subsidiary of DNEG Creative Services Private Limited w.e.f. Januray 31, 2019).

7. Loans (unsecured, considered good)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Current		
Loan to Subsidiaries (Refer note 31)	78.62	98.58
Total	**78.62**	**98.58**

a. Loans given to subsidiaries

Name of the Company	As at March 31, 2019	Maximum outstanding balance during the year	As at March 31, 2018	Maximum outstanding balance during the year
PF Digital Media Services Limited	6.03	7.92	-	-
DNEG Creative Services Private Limited	-	-	-	24.98
DNEG India Media Services Limited	-	41.25	38.58	94.34
Reliance MediaWorks (Mauritius) Limited	-	-	-	104.03
Double Negative India Private Limited	-	-	-	0.32
Prime Focus Technologies Limited	72.59	84.80	60.00	72.58
	78.62	**133.97**	**98.58**	**296.25**

i. Loans given to subsidiaries are considered under "Current Loans" and are repayable on demand and management intends to receive the loan within the operating cycle.

ii. All the above loans carry interest @15% per annum.

iii. All loans are given for general corporate purpose.

b. Advances in note 12 include amounts due from private companies in which director is a member / director

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Prime Focus Production Services Private Limited *	0.00	0.00
GVS Software Private Limited	0.01	0.01
PF Digital Media Services Limited *	0.07	0.00
DNEG Creative Services Private Limited	0.01	0.07
Double Negative India Private Limited.	0.20	0.06
	0.29	**0.14**

* The value 0.00 means amount is below ₹ 50,000/-

8. Other financial assets (non-current) (unsecured, considered good)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Security Deposits	16.19	0.56
Bank Deposits #	0.75	-
Share Application (Pending allotment)*	-	64.40
Total	**16.94**	**64.96**

Fixed deposits are provided as security against fund -based and non -fund based credit facilities.

* During the previous year, loan of ₹ 64.40 crores to DNEG India Media Services Limited was converted into share application money (pending for allotment of shares). During the year, equity shares were issued against the same (Refer note 6c).

9. Other assets

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Other Non-current assets (unsecured, considered good)		
Capital Advances	4.15	2.45
Other Loans and advances	2.72	0.32
Total	**6.87**	**2.77**
Other current assets		
Other Loans and advances		
Considered good (Refer note 31)	29.69	9.68
Doubtful	5.00	5.00
Total	34.69	14.68
Less: Provision for doubtful advances	(5.00)	(5.00)
Total	**29.69**	**9.68**

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).

10. Trade receivables (unsecured)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Trade receivable	75.39	70.02
Less: loss allowances	(26.32)	(20.93)
	49.07	**49.09**
The movement in allowance for bad and doubtful debts is as follows:		
Balance as at the beginning of the year	20.93	14.10
Loss allowances during the year	5.39	6.83
Balance as at the end of the year	**26.32**	**20.93**

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.

11. Cash and bank balances

₹ Crores

	As at March 31, 2019	As at March 31, 2018
a. Cash and cash equivalents		
Cash on hand	0.02	0.03
Bank balances		
In current accounts	0.67	0.97
Total	**0.69**	**1.00**
b. Bank balances other than (a) above		
Other Bank balances		
In deposits *	0.05	3.29
Total	**0.05**	**3.29**

* Fixed deposits are provided as security against fund -based and non -fund based credit facilities.

12. Other current financial assets (unsecured, considered good)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Security Deposits	2.18	6.75
Inter Corporate Deposits	2.39	6.32
Advances to Subsidiaries (Refer note 7b and 31)	6.45	2.69
Interest accrued on bank deposits *	0.00	0.02
Unbilled Revenue	10.09	11.30
Receivable towards sale of assets	0.25	0.41
Total	**21.36**	**27.49**

* The value 0.00 means amount is below ₹ 50,000/-

13. Equity share capital

₹ Crores

	As at March 31, 2019	As at March 31, 2018
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:		
29,91,82,312 Shares of ₹ 1/- each (Previous year 29,91,65,645 Shares of ₹ 1/- each)	29.92	29.92
Total	**29.92**	**29.92**

13.1 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, 2019		As at March 31, 2018	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	299,165,645	29.92	298,878,974	29.89
Additions during the year (Refer note 30) *	16,667	0.00	286,671	0.03
Balance as at the end of the year	**299,182,312**	**29.92**	**299,165,645**	**29.92**

* The value 0.00 means amount is below ₹ 50,000/-

13.2

	As at March 31, 2019	As at March 31, 2018
Shares reserved for issue under options (Refer note 30) (nos)	17,629,400	17,646,067

13.3 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.

13.4 Details of shares held by each shareholder holding more than 5%

	As at March 31, 2019		As at March 31, 2018	
	Numbers	% of holding	Numbers	% of holding
Naresh Malhotra	62,201,546	20.79%	62,201,546	20.79%
Reliance MediaWorks Financial Services Private Limited	104,939,361	35.08%	104,939,361	35.08%
Standard Chartered Private Equity (Mauritius) Limited	29,241,817	9.77%	29,241,817	9.77%
Marina IV (Singapore) Pte. Limited	23,390,875	7.82%	23,390,875	7.82%
Monsoon Studio Private Limited	27,506,095	9.19%	27,506,095	9.19%

13.5 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:

	As at March 31, 2019	As at March 31, 2018
Equity shares allotted as fully paid up pursuant to business transfer agreement for consideration other than cash	67,307,692	67,307,692

13.6 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 has received ₹ 82.50 crores, 25% of the total consideration for the aforesaid warrants 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 is receivable by August 13, 2019.

14. Other equity

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Securities Premium		
As per last balance sheet	765.79	795.36
Add / (Less) : Movement during the year	0.15	(29.57)
	765.94	**765.79**
Capital Reserve		
As per last balance sheet	51.77	51.77
	51.77	**51.77**
General Reserve		
As per last balance sheet	38.81	1.34
Add: Movement during the year	22.28	37.47
	61.09	**38.81**
Debenture Redemption Reserve		
As per last balance sheet	22.28	59.75
(Less): Movement during the year	(22.28)	(37.47)
	-	**22.28**
Retained earnings *		
As per last balance sheet	76.57	133.06
(Less): Movement during the year	(19.35)	(56.49)
	57.22	**76.57**
Share options outstanding account		
As per last balance sheet	49.41	25.55
Add: Movement during the year	21.91	23.86
	71.32	**49.41**
Total	**1,007.34**	**1,004.63**

* Includes Remeasurement of defined benefit obligations (net of tax), gain of ₹ 0.13 crores (March 31, 2018: ₹ 0.11 crores).

15. Borrowings (non-current)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Term loans (secured)		
From banks (Refer note (a) below)	127.45	143.06
From others (Refer note (b) below)	27.14	31.37
Term loans (Unsecured)		
From others (Refer note (c) below and note 32)	200.00	-
Other loans and advances (secured)		
Finance lease obligations (Refer note (d) below)	20.09	15.33
Total	**374.68**	**189.76**

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 is repayable in 84 months from date of the 1st disbursement (including 6 months moratorium) in 26 quarterly installments (post 6 months moratorium). Such term loan is secured by charge over current assets and movable fixed assets, personal guarantee of Mr. Namit Malhotra, pledge of shares of the Company held by promoters (refer note (e) below), Corporate Guarantee of Reliance Capital Limited of ₹ 100 crores, mortgage of immovable properties, pledge of 30% shares of subsidiaries and group companies viz; Prime Focus Technologies Limited, PF World Limited (Mauritius), Prime Focus Luxembourg s.a.r.l, Prime Focus 3D Cooperatief U.A., and DNEG India Media Services Limited. The company has created charge over all the above referred securities except pledge of 30% shares of subsidiaries viz; PF World Limited (Mauritius), Prime Focus Luxembourg s.a.r.l and Prime Focus 3D Cooperatief U.A., for which the Company is in the process of creating security as at the balance sheet date. As at March 31, 2019 out of the above availed facility, Company took the disbursement aggregating ₹ 188.87 crores. At the year end March 31, 2019, ₹ 127.45 crores (net of transaction fees) is disclosed as non-current and ₹ 20.37 crores is disclosed as current. At the year end March 31, 2018, ₹ 143.06 crore (net of transaction fees) is disclosed as non-current and ₹ 12.94 crore is disclosed as current.

b. 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 installments starting from October 01, 2014 for loan availed on August 29, 2014 and from November 01, 2014 for loan availed on September 05, 2014. Further, the term loan is secured by a specific charge on certain immovable properties of the Company. At the year end March 31, 2019, ₹ 27.14 crores is disclosed as non-current and ₹ 4.23 crores is disclosed as current. At the year end March 31, 2018, ₹ 31.37 crores is disclosed as non-current and ₹ 3.73 crores is disclosed as current.

c. 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 (refer note 32). At the year end March 31, 2019, ₹ 200 crores is disclosed as non-current.

d. Finance Lease

The Company has acquired certain equipment (mainly equipments, office equipments and vehicles) under finance leases. The average lease term is around 5 years. The Company has the 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, office equipment and vehicles taken on lease.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 11.50% to 14.50% per annum.

Finance lease obligation are payable as follows:

₹ Crores

	As at March 31, 2019			As at March 31, 2018		
	Future minimum lease payments	Interest element of MLP	PV of MLP	Future minimum lease payments	Interest element of MLP	PV of MLP
Within one year	10.85	2.95	7.90	9.28	2.60	6.68
Between one and five years	23.76	3.67	20.09	18.30	2.97	15.33
	34.61	**6.62**	**27.99**	**27.58**	**5.57**	**22.01**

e. The promoters of the Company have pledged 4.63% as at March 31, 2019 and 8.30% as at March 31, 2018 of the Company held by them towards various borrowings / commitments, including borrowings by the Company.

16. Provisions

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Provisions (non-current)		
Provision for employee benefits: (Refer note 28)		
Provision for gratuity	1.98	1.79
Provision for compensated absenses	0.57	0.64
Total	**2.55**	**2.43**
Provisions (current)		
Provision for employee benefits: (Refer note 28)		
Provision for gratuity	0.29	0.29
Total	**0.29**	**0.29**

17. Other liabilities

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Other Non-Current Liabilities		
Deferred rent	0.99	1.15
Total	**0.99**	**1.15**
Other Current Liabilities		
Advances received from customers	1.06	1.47
Deferred revenue	23.83	5.79
Deferred rent	0.41	0.55
Other Payable #	4.68	3.82
Total	**29.98**	**11.63**

#Other payables includes withholding taxes, goods and service tax payable, service tax payable and employer and employee contribution to provident and other funds.

18. Borrowings (current)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Cash credit / overdraft (secured)		
From banks(Refer note (a) below)	22.20	11.74
Short-term demand loan (secured)		
From banks (Refer note (b) below)	10.00	10.00
Total	**32.20**	**21.74**

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 15e). The cash credit is repayable on demand and carries interest at the rate of 10.50% to 14.75% per annum.

b. On September 14, 2015, the Company entered into an agreement for a working capital demand loan of ₹ 10 crores from a bank for a term of 90 days at an interest rate of 11.50% per annum (March 31, 2018: 11.50% per annum). This loan is renewed periodically and is secured by 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 15e).

19 . Trade payables

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Total outstanding dues to creditors other than micro and small enterprises	23.80	19.27
Owed to Group Company (Refer note 31)	0.91	0.62
Total	**24.71**	**19.89**

19.1 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.

20. Other financial liabilities

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Other financial liabilities (non-current)		
Interest accrued and not due on borrowings	1.66	-
Deposit Received (Refer note 31)	93.90	76.03
Total	**95.56**	**76.03**
Other financial liabilities (current)		
Current maturities of long-term debt (Refer note 20.1)	32.50	210.30
Interest accrued and not due on borrowings	3.34	2.18
Accrued salaries and benefits	3.41	3.05
Deposits from customers	2.63	3.86
Capital Creditors	4.02	3.49
Total	**45.90**	**222.88**

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 31,2019 (March 31, 2018: Nil).

20.1 Current maturity of long term borrowings

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Debentures (unsecured)		
Non-convertible debentures - series B (Refer note (a) below) (Refer note 31)	-	89.10
Premium on Non-convertible debentures (Refer note (a) below) (Refer note 31)	-	87.63
Term loans (secured)		
from banks (Refer note 15 a)	20.37	12.94
from others (Refer note 15 b)	4.23	3.73
Other loans and advances (secured)		
Finance Lease Obligations (Refer note 15 d)	7.90	6.68
Foreign Currency Loans - Buyers Credit (Refer note (b) below)	-	10.22
Total	**32.50**	**210.30**

a. On November 05, 2012, the Company issued Series B 891 Zero Coupon Unsecured Redeemable Non-Convertible Debentures (NCDs) of ₹ 10 Lakhs each, of the aggregate nominal value of ₹ 89.10 crores to Standard Chartered Private Equity (Mauritius) Limited, redeemable after 6 years.

The amounts payable on redemption on Debentures is an amount equal to 213.41% of the Principal amount of Series B NCDs.

During the year, the said debentures were redeemed for ₹ 190.02 crores on maturity.

b. Foreign currency loans – buyer's credit of ₹ 10.22 crores as at March 31, 2018 was secured by pari passu charge on the immoveable assets of the Company, both present and future (except building in Royal Palms, Goregaon, Mumbai), pari passu charge on the Company's current assets both present and future, personal guarantees of the promoter director and also secured against margin monies – fixed deposits. Interest rate ranges from 1% to 2% p.a. with maturity profile of 2-3 years. During the year, full amount was repaid.

21. Revenue from operations

₹ Crores

		Year ended March 31, 2019	Year ended March 31, 2018
(a)	Sale of Services	152.56	136.44
(b)	Other Operating Income		
	- Property rentals (Refer note 33)	9.53	8.85
	- Export incentives	-	0.03
Total Revenue from Operations		**162.09**	**145.32**

Included in revenue arising from sales of services of ₹ 152.56 crores (March 31, 2018: ₹ 136.44 crores) is revenue of approximately ₹ 34.65 Crores (March 31, 2018: ₹ 31.65 crores) which arose from sales to the Company's top 5 customers.

22. Other income

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income:		
- Bank Deposits	0.09	0.61
- Others (includes loan to subsidiaries)	13.30	12.77
- Income Tax Refund	0.75	1.51
Dividend income on equity securities *	0.00	0.00
Gain on sale of investment	19.10	9.12
Gain on disposal of property plant and equipments (net)	0.27	-
Bad Debts recovered	-	0.66
Liabilities/provisions no longer required written back	3.64	2.02
Gain on studio and related debt accounting (Refer note 32)	0.14	-
Miscellaneous Income (Refer note 31)	3.83	0.07
Total	**41.12**	**26.76**

* The value 0.00 means amount is below ₹ 50,000/-

23. Employee benefits expense

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	35.37	30.80
Contribution to Provident and Other Funds (Refer note 28)	1.08	0.87
Gratuity (Refer note 28)	0.51	0.58
Staff Welfare Expenses	0.52	0.39
Total	**37.48**	**32.64**

24. Finance costs

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on working capital finance	3.32	4.20
Interest on term loan	30.58	30.91
Interest on buyer's credit	0.11	0.26
Interest and Premium on Non Convertible Debenture	13.29	31.85
Interest on others	10.09	6.91
Total	**57.39**	**74.13**

25. Other expenses

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Rent (Refer note 33)	12.82	11.37
Rates and taxes	4.59	3.61
Rebates and discounts	1.35	0.70
Communication cost	1.26	1.50
Power and fuel	7.95	7.68
Insurance	0.51	0.44
Repairs to buildings	2.82	2.60
Repairs to plant and machinery	2.70	2.72
Legal and professional fees	5.89	3.74
Payment to Auditors:		
- Audit fees	0.28	0.28
- In other matters (certification, limited review,taxation,etc.)	0.16	0.19
Travelling and conveyance	1.94	1.82
Loss on disposal of PPE and other intangible assets	-	0.04
Allowance for bad and doubtful debts	5.39	6.83
Bad debts and advances written off	2.54	0.83
Directors Sitting Fees and Commission	0.06	0.04
Miscellaneous expenses	5.42	5.18
Total	**55.68**	**49.57**

26. Income tax expense

A. Income tax recognised in Profit and Loss

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Current Tax		
- In respect of prior years / periods (a)	2.73	-
Deferred Tax (b)		
- In respect of the current year	(2.67)	(12.83)
Total Income tax expenses / (credit) recognised in the current year (a+b)	**0.06**	**(12.83)**

B. **Income tax recognised in other comprehensive income**

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
- Re-measurement of defined benefit obligation	(0.05)	(0.05)
Tax charge / (credit) recognised in other comprehensive income	**(0.05)**	**(0.05)**

C. **Reconciliation of tax expense and the accounting profit/(loss) for the year is as under**

	Year ended March 31, 2019	Year ended March 31, 2018
Loss before tax	(33.21)	(69.43)
Applicable Tax rate	29.12%	34.61%
Computed Tax Expense	(9.67)	(24.03)
Tax Effect of:		
Effect of expenses that are not deductible	0.08	0.36
Effect on changes in income tax rate	-	0.79
Effect of differential tax rates and indexation benefit on capital gains.	(4.37)	(3.15)
Effect of non recognition of deferred tax assets on tax losses and other adjustments	7.28	13.20
	(6.68)	(12.83)
Set-off of capital gain (Refer note 6 (c)) against current year business losses	4.01	-
Taxes pertaining to prior years	2.73	-
Income tax expense recognised in profit or loss	**0.06**	**(12.83)**

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

D. **Recognised deferred tax assets and liabilities**

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Deferred tax on temporary differences	(21.25)	(18.63)
Mat credit entitlement	(6.85)	(6.85)
Net deferred tax (assets)	**(28.10)**	**(25.48)**

E. Movement in temporary differences

₹ Crores

	Balance as at March 31, 2019	Recognised in Profit / Loss during 2018-19	Recognised in OCI during 2018-19	Balance as at March 31, 2018	Recognised in Profit / Loss during 2017-18	Recognised in other equity during 2017-18	Recognised in OCI during 2017-18	Balance as at March 31, 2017
Deferred tax liability								
Difference between tax books and written down value of PPE and other intangible assets	54.49	(0.99)	-	55.48	(11.27)	-	-	66.75
Others	0.04	(0.01)	-	0.05	(0.03)	-	-	0.08
	54.53	**(1.00)**	**-**	**55.53**	**(11.30)**	**-**	**-**	**66.83**
Deferred tax assets								
Unabsorbed loss carried forward	66.01	24.12	-	41.89	(7.89)	-	-	49.78
Related to premium on redemption of NCD's	-	(24.12)	-	24.12	9.62	(31.88)	-	46.38
Provision for doubtful debts / advances	9.11	1.56	-	7.55	0.94	-	-	6.61
Others	0.66	0.11	(0.05)	0.60	(1.14)	-	(0.05)	1.79
Mat credit entitlement	6.85	-	-	6.85	-	-	-	6.85
	82.63	**1.67**	**(0.05)**	**81.01**	**1.53**	**(31.88)**	**(0.05)**	**111.41**
Net deferreds tax (assets)	**(28.10)**	**(2.67)**	**0.05**	**(25.48)**	**(12.83)**	**31.88**	**0.05**	**(44.58)**

Deferred tax assets includes an amount of ₹ 66.01 crores relating to carry forward tax losses. The company has assessed the recoverability of the DTA and concluded that such DTA would be recoverable considering the future forecasts of taxable profits, including from a probable business transaction expected to be consummated during the next financial year.

F. Unrecognised deferred tax assets

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Unabsorbed business loss FY 2018-19 (AY 2019-20)	7.28	-
Unabsorbed business loss FY 2017-18 (AY 2018-19)	24.83	24.83
Unabsorbed depreciation FY 2017-18 (AY 2018-19)	8.94	8.94
Unabsorbed depreciation FY 2016-17 (AY 2017-18)	4.71	4.71
Unabsorbed business loss FY 2014-15 (AY 2015-16)	2.52	2.52
Unabsorbed depreciation FY 2014-15 (AY 2015-16)	6.11	6.11
Unabsorbed business loss FY 2012-13 (AY 2013-14)	1.14	1.14
Unabsorbed depreciation FY 2012-13 (AY 2013-14)	7.05	7.05
	62.58	**55.30**

G. Tax losses carried forward

a. Tax losses for which no deferred tax asset was recognised expires as follows

₹ Crores

	As At March 31, 2019	Will expire in FY
Unabsorbed business loss FY 2018-19 (AY 2019-20)	25.00	2026-27
Unabsorbed business loss FY 2017-18 (AY 2018-19)	85.27	2025-26
Unabsorbed business loss FY 2014-15 (AY 2015-16)	8.65	2022-23
Unabsorbed business loss FY 2012-13 (AY 2013-14)	3.91	2020-21
	122.83	

b. Unabsorbed Depreciation of ₹ 92.06 crores for which no deferred tax asset was recognised has indefinite life

27. 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, 2019	Year end March 31, 2018
Net loss after tax as per Statement of Profit and loss attributable to equity shareholders	(33.27)	(56.60)
Weighted average number of Equity shares for basic EPS	299,167,745	298,959,213
Effects of dilution:		
Weighted average potential Equity shares	5,084,030	8,885,964
Weighted average number of Equity shares adjusted for the effect of dilution	304,251,775	307,845,177
Earnings per share (before exceptional items)		
Basic earnings per share (₹)	(1.11)	(1.89)
Diluted earnings per share (₹) (Refer note below)	(1.11)	(1.89)
Earnings per share (after exceptional items)		
Basic earnings per share (₹)	(1.11)	(1.89)
Diluted earnings per share (₹) (Refer note below)	(1.11)	(1.89)
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.

28. Employee benefit plans

28.1 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, 2019	Year ended March 31, 2018
Employer's Contribution to Provident Fund and other funds	1.08	0.87

28.2 Defined Benefit Plans

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

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

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

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

In respect of the 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 end March 31, 2019	Year end March 31, 2018
In Income Statement		
Current Service Cost	0.35	0.34
Interest Cost	0.16	0.13
Past Service Cost	-	0.11
Net cost	**0.51**	**0.58**
In Other Comprehensive Income		
Actuarial (gain) / loss	(0.18)	(0.16)
Net expenses for the year recognised in OCI	**(0.18)**	**(0.16)**

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

₹ Crores

	Year end March 31, 2019	Year end March 31, 2018
Defined Benefit obligation at beginning of the year	2.08	1.69
Current Service Cost	0.35	0.34
Interest Cost	0.16	0.13
Past Service Cost	-	0.11
Actuarial (Gain)/Loss on obligation - due to change in demographic assumptions	-	(0.09)
Actuarial (Gain)/Loss on obligation - due to change in financial assumptions *	(0.00)	(0.05)
Actuarial (Gain)/Loss on obligation - due to experience	(0.18)	(0.02)
Benefits Paid	(0.14)	(0.03)
Defined Benefit obligation at year end	**2.27**	**2.08**

* The value 0.00 means amount is below ₹ 50,000/-.

(iii) Actuarial Assumptions

	Year end March 31, 2019	Year end March 31, 2018
Discount Rate (p.a.)	7.79%	7.78%
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

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:

	2018-19		2017-18	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (1% movement)	(0.22)	0.26	(0.21)	0.25
Future salary appreciation (1% movement)	0.24	(0.22)	0.23	(0.21)
Attrition rate (1% movement)	0.06	(0.07)	0.06	(0.07)

29. Financial instruments

29.1 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 0.39 as on March 31, 2019 (March 31, 2018: 0.38)

During the year, the Company's strategy was to monitor and manage the use of funds whilst developing business strategies and marketing.

29.2 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.

29.3 Market risk

The Company is primarily exposed to the following market risks.

29.3.1Foreign 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, 2019		As at March 31, 2018	
		Foreign Currency	₹ Crores	Foreign Currency	₹ Crores
Financial Assets *	GBP	998,574	9.02	469,450	4.26
	AED	29,791	0.06	29,791	0.05
	USD	200,229	1.39	668,467	4.33
	KES	71,085	0.00	71,085	0.00
	CAD	469,846	2.44	121,999	0.61
	JPY	360,000	0.02	-	-
Total			**12.93**		**9.25**
Financial Liabilities	GBP	26,925	0.24	296,933	2.70
	EURO	41,765	0.32	375,532	3.00
	USD	62,286	0.43	833,836	5.41
Total			**0.99**		**11.11**
Net Exposure			**11.94**		**(1.86)**

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

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 ₹ 0.60 Crores for the year ended March 31, 2019 (March 31, 2018: ₹ (0.09) crores). This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

29.3.2 Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at floating interest rates also.

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 ₹ 0.95 crores and ₹ 1.00 crores for March 31, 2019 and March 31, 2018 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.

29.3.3Credit 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.

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 ₹ 60.43 crores and ₹ 73.20 crores as at March 31, 2019 and March 31, 2018 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 no single customer contributes to more than 10% of outstanding trade receivables and unbilled revenue as at March 31, 2019 and March 31, 2018.

29.4 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. The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ Crores

	Less than 1 year	Between 1 and 5 years
As at March 31, 2019		
Long term and short term borrowings	64.70	374.68
Interest accrued but not due	3.34	1.66
Trade Payables and accruals	24.71	-
Deposit received	-	93.90
Others	10.06	-
	102.81	**470.24**

₹ Crores

	Less than 1 year	Between 1 and 5 years
As at March 31, 2018		
Long term and short term borrowings	144.41	189.76
Premium on NCD	87.63	-
Interest accrued but not due	2.18	-
Trade Payables and accruals	19.89	-
Deposit received	-	76.03
Others	10.40	-
	264.51	**265.79**

29.5 Fair Value Instruments

₹ Crores

Financial Assets	Carrying Value		Fair Value		Fair Value hierarchy
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	
FVTPL					
Investments *	0.01	0.01	0.01	0.01	Level 3
Amortised Cost					
Investments	848.60	938.67	-	-	
Loans	78.62	98.58	-	-	
Trade receivables	49.07	49.09	-	-	
Cash and cash equivalent	0.69	1.00	-	-	
Other Bank balances	0.05	3.29	-	-	
Other financial assets	38.30	92.45	-	-	
Total	**1,015.34**	**1,183.09**	**0.01**	**0.01**	

₹ Crores

Financial Liabilities	Carrying Value		Fair Value		Fair Value hierarchy
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	
Amortised Cost					
Borrowings	444.38	421.80	-	-	
Trade payable	24.71	19.89	-	-	
Deposits received	93.90	76.03	-	-	
Other financial liabilities	10.06	12.58	-	-	
Total	**573.05**	**530.30**	**-**	**-**	

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, 2019	As at March 31, 2018	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

b. **Reconciliation of Level 3 fair values**

Closing balance as at March 31, 2017 (Financial Liability)	**3.85**
Redemption of financial liability	(3.85)
Closing balance as at March 31, 2018 (Financial Liability)	**-**
Redemption of financial liability	-
Closing balance as at March 31, 2019 (Financial Liability)	**-**

30. 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 ESOS	17,932,738
(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:

Grant date share price	₹ 68.35
Exercise Price	₹ 52.00
Expected Volatility	49.67% – 46.62%
Expected life	2 – 4 years
Dividend yield	-
Risk free interest rate	6.85% to 6.97%

C. The weighted average incremental fair value of the share options modified is ₹ 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:

Weighted average share price	₹ 70.80
Exercise Price	₹ 52.00
Expected Volatility	49.10% – 46.60%
Expected life	1.90 – 3.40 years
Dividend yield	-
Risk free interest rate	7.90 % to 8.00 %

During the year, the Company has extended the exercise period of all outstanding options from 2 to 5 years

D. Reconciliation of outstanding share options:

	March 31, 2019		March 31, 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at April 1	17,646,067	52.00	17,932,738	52.00
Granted during the year	-	-	-	-
Forfeited / lapsed during the year	-	-	-	-
Exercised during the year	16,667	52.00	286,671	52.00
Outstanding at March 31	17,629,400	52.00	17,646,067	52.00
Exercisable at March 31	16,151,820	52.00	7,940,908	52.00

Fair value of 82,27,579 option vested during the year is ₹ 34.97 crores (March 31, 2018: 82,27,579 option was ₹ 24.35 crores)

Money realised by exercise of option during the year is ₹ 0.09 crores (March 31, 2018: ₹ 1.49 crores).

The options outstanding at March 31, 2019 have an exercise price of ₹52/- (March 31, 2018: ₹ 52/-) and a weighted average remaining contractual life of 4 year (March 31, 2018: 2 years)

Weighted average share price at the date of the exercise of share options exercised in 2018-19 is ₹ 63.03 (March 31, 2018: ₹ 99.60).

E. Expense recognised in Statement of Profit and Loss

During the year, Company recorded an additional amount of 14.31 crores on account of the extension of the exercise period for outstanding options under PFL Employee Stock Option Scheme 2014 from 2 years to 5 years. The said extention was approved by the Share Holders at the Twenty-First Annual General Meeting of the Company held on September 28, 2018. The Company has followed the fair value method to account for the grant of stock options and charge for the year ended March 31, 2019 is ₹ 21.98 Crores (March 31, 2018: ₹ 24.71 Crores).

31. 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 (Formerly known as Prime Focus Visual Effects 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)

Reliance MediaWorks (Mauritius) Limited

PF Overseas Limited (Mauritius)

Prime Focus Malaysia Sdn. Bhd.

ii) Step-down subsidiary companies

Subsidiary companies of PF World Limited (Mauritius)

Prime Focus Luxembourg S.a.r.l

Prime Focus 3D Cooperatief U.A. (Subsidiary of Prime Focus Luxembourg S.a.r.l)

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.)

1800 Vine Street LLC (Subsidiary of DNEG North America, Inc.)

Prime Focus Creative Services Canada Inc. (Amalgamated into Double Negative Canada Production Limited w.e.f. April 01, 2018)

Gener8 Digital Media Services Limited, Canada (Amalgamated into Double Negative Canada Production Limited w.e.f. April 01, 2018)

Vegas II VFX Limited (Subsidiary of Double Negative Canada Production Limited)

RE:DEFINE FX LTD (Formerly known as Prime Focus VFX USA, Inc.) (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.)

Prime Focus China Limited (Subsidiary of Prime Focus World N.V.)

Prime Focus (HK) Holdings Limited (Subsidiary of Prime Focus China Limited)

DNEG Creative Services Private Limited (Formerly known as Prime Focus World Creative Services Private Limited) (Subsidiary of Prime Focus World N.V.)

Double Negative India Pvt. Ltd.(Subsidiary of DNEG Creative Services Limited)

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 Canada Productions Limited (Subsidiary of Prime Focus World N.V.)

Double Negative Film Limited (Subsidiary of Double Negative Holdings Limited)

Double Negative Huntsman VFX Limited (Subsidiary of Double Negative Canada Productions Limited)

Double Negative LA LLC (Subsidiary of Double Negative Holdings Limited)

Prime Focus VFX USA Inc. (Subsidiary of Prime Focus World N.V.)

Prime Focus Academy of Media & Entertainment Studies Private Limited (Subsidiary of DNEG Creative Services Private Limited)

Gener8 Digital Media Services Montreal Limited (Amalgamated into Double Negative Montreal Production Limited w.e.f. April 01, 2018)
Prime Focus Creative Services Montreal Inc (Amalgamated into Double Negative Montreal Production Limited w.e.f. April 01, 2018)

Double Negative Montreal Production Limited (Subsidiary of Prime Focus World N.V.)

DNEG India Media Services Limited (formerly known as Gener8 India Media Services Limited) (Transferred as subsidiary of DNEG Creative Services Private Limited w.e.f. Januray 31, 2019)

Subsidiary companies of Prime Focus Technologies Limited

Prime Focus Technologies UK Limited

Prime Focus Technologies, Inc.

Apptarix Mobility Solutions Private Limited w.e.f. 30 September 2018

Prime Post Europe Ltd (Subsidiary of Prime Focus Technologies UK Limited)

Prime Focus MEAD FZ LLC w.e.f. 07th October 2018 (Subsidiary of Prime Focus Technologies UK Limited)
DAX PFT LLC (Subsidiary of Prime Focus Technologies, Inc.)

DAX Cloud ULC (Subsidiary of DAX PFT LLC)

Subsidiary companies of Reliance MediaWorks (Mauritius) Limited

Reliance Lowry Digital Imaging Services Inc.

b) Key management personnel (KMP)

Mr. Namit Malhotra – (change in designation from CEO, Chairman and Executive Director to Non Executive Director w.e.f. 14th Feb 2019)**

Mr. Naresh Malhotra – Chairman and Whole-time Director (appointed as Chairman w.e.f. February 14, 2019)**

Mr. Ramakrishnan Sankaranarayanan – Managing Director

Mr. Vikas Rathee – CFO (resigned w.e.f. February 14, 2018)

Mr. Nishant Fadia – CFO (w.e.f. February 15, 2018)

Ms. Parina Shah – Company Secretary

c) Enterprises owned or significantly influenced by Key Management Personnel or their relatives, with whom transactions have taken place during the year

Blooming Buds Coaching Private Limited

Monsoon Studio Private Limited

d) Enterprises exercising significant influence over the Company, with whom transactions have taken place during the year

Standard Chartered Private Equity (Mauritius) Limited

Standard Chartered Bank

e) List of related parties with whom transactions have taken place during the year

(i) Subsidiary companies #

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Revenue		
Prime Focus Technologies Limited	1.22	0.49
De-Fi Media Limited	0.92	-
Technical service cost		
Prime Focus Technologies Limited	0.01	0.01
PF Digital Media Services Limited	0.67	-
Reimbursement of expenses incurred by:		
Prime Focus Technologies Limited	0.13	0.11
Reimbursement of expenses incurred on behalf of:		
Prime Focus Technologies Limited	0.98	1.19
GVS Software Private Limited *	0.00	0.00
PF World Limited, Mauritius	-	1.55
Prime Focus Production Services Private Limited *	0.00	0.00
DE-Fi Media Limited	4.29	-
PF Digital Media Services Limited *	0.05	0.00
Prime Focus Motion Pictures Limited *	-	0.00
Management fees (Income):		
PF Digital Media Services Limited	0.35	-
Prime Focus Motion Pictures Limited	0.30	-
Sale of assets		
PF Digital Media Services Limited	0.91	-
Loan converted to equity		
Reliance Media Works (Mauritius) Limited (Refer note 6e)	-	104.03
Redemption of Investments		
PF World Limited, Mauritius	109.05	118.75
Advance given		
Prime Focus Motion Pictures Limited	10.75	0.90
Loans given		
Prime Focus Technologies Limited	59.77	106.89
PF Digital Media Services Limited	10.06	-
Loans repaid (including interest, where applicable)		
Prime Focus Technologies Limited	58.05	48.26
PF Digital Media Services Limited	4.08	-
Interest on loans		
Prime Focus Technologies Limited	10.87	1.36
PF Digital Media Services Limited	0.04	-
Security deposit given		
PF Digital Media Services Limited	12.17	-
Security deposit received		
Prime Focus Technologies Limited	-	60.00

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Interest expense on Security deposit received		
Prime Focus Technologies Limited	9.00	-
Interest paid on Security deposit received		
Prime Focus Technologies Limited	8.34	-
Balance outstanding ##		
Trade receivables		
Prime Focus Technologies Limited	0.03	0.21
Prime Focus Motion Pictures Limited	0.32	-
De-Fi Media Limited	0.91	-
Trade payables		
Prime Focus Technologies Limited	0.02	-
Prime Focus Motion Pictures Limited	0.39	-
PF Digital Media Services Limited	0.10	-
Other payables		
PF Digital Media Services Limited	-	0.05
Other receivable		
Prime Focus Production Services Private Limited *	0.00	0.00
De-Fi Media Limited	4.38	-
GVS Software Private Limited	0.01	0.01
Prime Focus Motion Pictures Limited	0.06	0.06
Prime Focus Technologies Limited	0.16	0.13
PF Digital Media Services Limited *	0.07	0.00
Loans receivable (including interest, where applicable)		
PF Digital Media Services Limited	6.02	-
Prime Focus Technologies Limited	72.59	60.00
Advance receivable		
Prime Focus Motion Pictures Limited	11.65	0.90
Security deposit receivable		
PF Digital Media Services Limited	12.17	-
Security deposit payable (including interest, where applicable)		
Prime Focus Technologies Limited	60.68	60.00

(ii) Step-down Subsidiaries #

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Other operating income - Rent		
DNEG Creative Services Private Limited	2.70	2.50
Double Negative India Private Limited	6.21	5.73
Technical service cost		
DNEG Creative Services Private Limited	0.35	0.57
Double Negative India Private Limited	0.07	0.57

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
DNEG India Media Services Limited	0.10	-
Manpower Cost		
DNEG Creative Services Private Limited	0.07	0.04
Revenue		
DNEG Creative Services Private Limited	1.76	-
Double Negative India Private Limited *	0.00	0.37
Double Negative Montreal Production Limited	0.93	-
Double Negative Limited UK	0.62	-
Prime Focus International Services UK Limited	0.59	-
RE:Define FX Limited	0.92	-
Sale of assets		
Prime Focus International Services UK Limited	-	0.02
DNEG Creative Services Private Limited	0.01	-
Purchase of SFIS License		
DNEG Creative Services Private Limited	0.18	1.85
Other operating expense - Rent		
DNEG Creative Services Private Limited	0.27	-
Reimbursement of expenses incurred by:		
DNEG Creative Services Private Limited	0.23	0.15
Reimbursement of expenses incurred on behalf of:		
DNEG Creative Services Private Limited	0.88	0.99
Double Negative India Private Limited	0.43	0.13
Prime Focus International Services UK Limited	0.25	1.13
Prime Focus Creative Services Canada, INC	-	0.08
Gener8 Digital Media Services Ltd., Canada	-	0.61
Double Negative Montreal Production Limited	1.02	0.55
Double Negative Limited UK	1.67	0.12
Gener8 Digital Media Services Montreal Limited	-	0.36
DNEG India Media Services Limited *	0.00	0.02
Prime Focus Creative Services Montreal Inc.	-	0.32
Double Negative Canada Productions Limited	0.11	-
RE:Define FX Limited *	0.00	-
Share application (pending allotment)		
DNEG India Media Services Limited (Refer note 8)	-	64.40
Investments		
DNEG India Media Services Limited (Refer note 6c)	0.12	-
Redemption of Investments		
DNEG India Media Services Limited (Refer note 6c)	78.43	-
Loans given		
DNEG Creative Services Private Limited	-	31.76
DNEG India Media Services Limited	180.70	225.58
Loans repaid (including interest)		
DNEG Creative Services Private Limited	-	55.53
Double Negative India Private Limited	-	0.33

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
DNEG India Media Services Limited	220.82	224.71
Interest on loans		
DNEG Creative Services Private Limited	-	1.61
Double Negative India Private Limited	-	0.03
DNEG India Media Services Limited	1.54	8.96
Security deposit received		
DNEG Creative Services Private Limited	141.59	60.00
Double Negative India Private Limited	-	4.30
Security deposit repaid		
DNEG Creative Services Private Limited	124.35	50.00

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Balance outstanding##		
Trade receivables		
DNEG Creative Services Private Limited	0.09	-
Double Negative India Private Limited	0.20	-
Prime Focus International Services UK Limited	-	0.02
RE:Define FX Limited	0.73	-
Trade Payables		
DNEG Creative Services Private Limited	0.40	0.63
Share application (pending allotment)		
DNEG India Media Services Limited	-	64.40
Other receivable		
Prime Focus International Services UK Limited	0.59	0.17
DNEG Creative Services Private Limited	1.60	0.07
Double Negative India Private Limited	-	0.06
Prime Focus Technologies Inc.	-	0.77
Double Negative Montreal Production Limited	2.47	0.55
Double Negative Limited UK	0.73	0.12
Gener8 Digital Media Services Montreal Limited	-	0.36
Prime Focus Creative Services Montreal Inc.	-	0.32
Double Negative Canada Productions Limited	0.17	0.06
RE:Define FX Limited	0.17	-
Loans receivable (including interest)		
DNEG India Media Services Limited	-	38.58
Security deposit payable		
DNEG Creative Services Private Limited	30.81	13.57
Double Negative India Private Limited	4.30	4.30

(iii) Key Management Personnel**

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Remuneration		
Mr. Naresh Malhotra	1.18	0.60
Mr. Ramakrishnan Sankaranarayanan @	-	0.46
Mr. Namit Malhotra	-	0.50
Mr. Vikas Rathee (resigned w.e.f. February 14, 2018) @	-	0.46
Mr. Nishant Fadia (w.e.f. February 15, 2018)	0.59	0.07
Ms. Parina Shah	0.26	0.23

@During the previous year there was reallocation of senior management compensation within the Company and its subsidiaries

Balance Outstanding – Remuneration Payable

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Mr. Naresh Malhotra	0.06	0.05
Mr. Ramakrishnan Sankaranarayanan	-	-
Mr. Namit Malhotra	-	0.04
Mr. Vikas Rathee	-	-
Mr. Nishant Fadia	0.04	0.05
Ms. Parina Shah	0.02	0.02

(iv) Enterprises owned or significantly influenced by key management personnel or their relatives

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Rent		
Blooming Bud Coaching Private Limited	4.08	4.09
Share warrant		
Monsoon Studio Private Limited	-	75.00

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Balance outstanding		
Deposit		
Blooming Buds Coaching Private Limited	5.30	5.30

(v) **Enterprises exercising significant influence over the Company**

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Loan (repayments) / taken, net		
Standard Chartered Bank	-	(13.34)
Finance costs		
Standard Chartered Bank	-	0.35
Premium on NCD		
Standard Chartered Private Equity (Mauritius) Limited	13.29	32.33
NCD repaid (including premium)		
Standard Chartered Private Equity (Mauritius) Limited	190.02	187.98

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Balance outstanding		
Bank Balance in current account		
Standard Chartered Bank *	0.01	0.00
Non-convertible debentures		
Standard Chartered Private Equity (Mauritius) Limited	-	89.10
Premium on NCD accrued		
Standard Chartered Private Equity (Mauritius) Limited	-	87.63

The Company has given guarantee on behalf of subsidiaries and step-down subsidiaries as described below:

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Prime Focus Technologies Limited	289.00	229.00
DNEG Creative Services Private Limited	121.54	121.44
DNEG India Media Services Limited	74.00	74.00
DNEG North America, Inc [$ 5,372,904 (March 31, 2018: $ 5,372,904)]	37.25	34.83
PF World Limited, Mauritius [€ 14,735,210 (March 31, 2018: NIL)]	114.58	-
De-Fi Media Limited [$ 14,500,000 (March 31, 2018: NIL)]	100.52	-
Prime Focus Technologies INC [$ 11,000,000 (March 31, 2018: NIL)]	76.25	-
Prime Focus Technologies UK Limited [£ NIL (March 31, 2018: £ 3,000,000)]	-	27.24
	813.14	**486.51**

* The value 0.00 means amount is below ₹50,000/-.

** These key management personnel have given personal guarantee and have pledged part of their shareholdings for borrowings obtained by the Company (Refer Notes 15 and 18).

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 during March 31, 2018 (March 31, 2017: 10,30,000) of which 10,000 options were exercised by Key management personnel during March 31, 2018.The stock options outstanding for KMP's as at March 31, 2019 is 27,70,000 (March 31, 2018: 27,70,000) and employee stock option expense for the year March 31, 2019 is ₹ 3.33 crores (March 31, 2018: ₹ 1.62 crores).

There are no provision for doubtful debts / amount write off / written back in respect of due from / to related parties other than disclosed above if any.

All contracts / arrangements with related parties are at arms length.

32 Vide Business Transfer Agreement dated November 19, 2014 between the Company, Reliance Media Works Limited (RMW) and Reliance Land Private Limited, the Company acquired RMW's film and media services business for consideration other than cash. Upon receipt of necessary statutory approvals, with effect from April 07, 2015, net assets of films and media services business including investments and loans in subsidiaries were transferred to and recorded by the Company. Further in accordance with the said Agreement, the transfer of BOT Agreement pertaining to the Studio including other business assets and liabilities related to the BOT Agreement ("Studios") and debt facilities of ₹ 200 crores were to be effected post receipt of the necessary additional approvals. During the year, the Company received the additional approvals vide BOT Agreement dated February 07, 2019. Accordingly, the Studios' including other business assets have been recorded by the Company, basis fair valuation done by an external valuer at ₹ 200.14 Crores and related debt of ₹ 200 Crores has been assumed by the Company with the differential ₹ 0.14 Crores being recognised as an income in the Statement of Profit and Loss.

33. Operating lease arrangement

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Lease payment due within one year	7.88	1.31
Lease payment later than one year and not later than five years	23.23	3.21
Lease payment later than five years	9.37	-
	40.48	**4.52**

The Company has taken certain premises on cancellable and non-cancellable operating lease basis. The tenure of the lease ranges from 11 to 180 months.

Amount of lease rental charged to the Statement of Profit and Loss in respect of non-cancellable operating leases is ₹ 4.10 crore (Previous year: ₹1.48 crore).

Amount of lease rental charged to the Statement of Profit and Loss in respect of cancellable operating leases is ₹8.72 crore (Previous year: ₹9.89 crore).

The Company has sublet certain premises on cancellable operating lease basis. The tenure of the lease is of 60 months. An amount of ₹9.53 crore (Previous year ₹8.85 crore) has been recognised as other operating income in respect of the sublease.

34. Capital and other commitments

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account (net of advances), and not provided for:	2.03	6.12

35. Contingent Liabilities

₹ Crores

		As at March 31, 2019	As at March 31, 2018
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.	0.67	0.67
II	Guarantees given on behalf of subsidiaries and step-down subsidiaries	813.14	486.51

* In the above matter, the Company is hopeful of succeeding and as such does not expect any significant liability to crystalize.

36. Corporate social responsibility

In view of the average net loss in past three years, the Company was not required to and did not incur any expenditure towards the Corporate Social Responsibility activities during FY 2018-19 (previous year ₹ NIL).

37. Segment Reporting

As per Ind AS 108 on "Segment Reporting", segment information has been provided under the Notes to Consolidated Financial Statements.

38. Event after reporting period

There were no events after the reporting period.

39. Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 30, 2019.

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and
Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Place : Mumbai
Date : May 30, 2019

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

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, 2019, 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, 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, 2019, and their consolidated profit, 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 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 matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition in respect of fixed price contracts (Notes 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 Procedures performed:** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • Evaluated the design of controls relating to recording of efforts incurred and estimation of efforts required to complete the performance obligations. • Performed test of details for reasonableness of incurred and estimated efforts. • Selected a sample of contracts and performed 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. • Reviewed a sample of contracts with unbilled revenues to identify possible delays in achieving performance obligations, which require change in estimated efforts to complete the overall project.
2.	**Internally generated intangibles in respect of Prime Focus Technologies Limited (Note 3.1.3 to the financial statements)** Identification of expenses that are directly attributable and reasonably allocable to development of intangible assets involves significant management judgement. In view thereof there is a risk that the capitalisation of such expenses is not as per the requirements of the applicable accounting standards.	**Principal Audit Procedures performed** Our audit approach was a combination of test of internal controls and substantive procedures which included the following: • Obtained an understanding and evaluated the design and operating effectiveness of controls over identification of such costs in compliance with Ind AS 38. • For the samples selected, verified the appropriateness of expenses capitalised. • We tested the source documentation to determine whether the expenditure is of capital nature and has been appropriately approved and segregated into appropriate categories. We reviewed operating expenses to determine appropriateness of accounting. • We reviewed the reasonableness of management's assessment of the ability of intangible asset to generate future economic benefits.

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.
- 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 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 Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or 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. 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 branches or entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the 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 Matters

We did not audit the financial statements / financial information of 42 subsidiaries, whose financial statements / financial information reflect total assets of ₹ 4,391.12 crore as at March 31, 2019, total revenues of ₹ 2,247.56 crore and net cash inflows amounting to ₹ 8.06 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 matter with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the branch auditors and other auditors on the separate financial statements/ financial information of the subsidiaries referred to in the Other Matters 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, returns 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, 2019 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, 2019 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 and 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/ Holding 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 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
(Firm's Registration No. 117364W)

Abhijit A. Damle
Partner
(Membership No. 102912)

Place : Mumbai
Date : May 30, 2019

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 Ind AS financial statements of the Company as of and for the year ended March 31, 2019, we have audited the internal financial controls over financial reporting of Prime Focus Limited (hereinafter referred to as "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 and 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 and 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 other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matters 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 and 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 Matters paragraph below, the

Parent and 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, 2019, 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.

Other Matters

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 7 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
(Firm's Registration No. 117364W)

Abhijit A. Damle
Partner
(Membership No. 102912)

Place : Mumbai
Date : May 30, 2019

CONSOLIDATED BALANCE SHEET as at March 31, 2019

₹ Crores

		Notes	As at March 31, 2019	As at March 31, 2018
Assets				
Non-current assets				
(a)	Property, plant and equipment	4	731.56	766.85
(b)	Capital work-in-progress		24.21	6.26
(c)	Goodwill	5a	1,023.78	973.08
(d)	Other Intangible assets	5	689.29	524.13
(e)	Intangible assets under development	42	39.19	48.85
(f)	Financial assets			
	(i) Investments	6	4.23	4.25
	(ii) Trade receivable	7	17.97	-
	(iii) Other financial assets	8	60.63	22.78
(g)	Deferred tax assets (net)	30d	59.96	25.48
(h)	Income tax asset (net)		94.87	77.47
(i)	Other non-current assets	9	48.62	34.50
Total non-current assets			**2,794.31**	**2,483.65**
Current assets				
(a)	Inventories	10	0.42	0.60
(b)	Financial assets			
	(i) Trade receivables	11	407.98	344.80
	(ii) Cash and cash equivalents	12 a	89.68	79.46
	(iii) Bank balance other than (ii) above	12 b	0.62	12.59
	(iv) Other financial assets	13	430.71	431.13
(c)	Income tax asset (net)		10.19	-
(d)	Other current assets	14	172.32	112.65
Total current assets			**1,111.92**	**981.23**
Total assets			**3,906.23**	**3,464.88**
Equity and liabilities				
Equity				
(a)	Equity share capital	15	29.92	29.92
(b)	Share warrant money received	15.6	82.50	82.50
(c)	Other equity	16	415.95	463.17
Equity attributable to owners of the Company			**528.37**	**575.59**
Non-controlling interests			112.72	123.38
Total equity			**641.09**	**698.97**

₹ Crores

	Notes	As at March 31, 2019	As at March 31, 2018
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	1,384.23	926.86
(ii) Other financial liabilities	18	118.63	129.54
(b) Provisions	19	17.03	13.29
(c) Deferred tax liabilities (net)	30d	86.18	97.87
(d) Other non-current liabilities	20	96.40	109.22
Total non-current liabilities		**1,702.47**	**1,276.78**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	21	766.36	353.95
(ii) Trade payables		145.30	164.39
(iii) Other financial liabilities	22	383.12	683.22
(b) Provisions	23	24.56	11.55
(c) Current tax liabilities (net)		49.07	52.70
(d) Other current liabilities	24	194.26	223.32
Total current liabilities		**1,562.67**	**1,489.13**
Total liabilities		**3,265.14**	**2,765.91**
Total equity and liabilities		**3,906.23**	**3,464.88**

See accompanying notes to the consolidated financial statements 1-45

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registartion No. 117364W)

Abhijit A. Damle
Partner
Membership No. 102912

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and
Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the year ended March 31, 2019

₹ Crores

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
Income			
Revenue from operations	25	2,540.25	2,257.48
Other income	26	43.18	22.86
Exchange gain (net)		80.31	11.58
Total income		**2,663.74**	**2,291.92**
Expenses			
Employee benefits expense	27	1,560.48	1,277.87
Employee stock option expense		31.43	34.79
Technician fees		33.70	46.52
Technical service cost		102.17	76.31
Finance cost	28	236.68	212.30
Depreciation and amortisation expense	4 & 5	303.56	277.31
Other expense	29	454.14	405.59
Total expenses		**2,722.16**	**2,330.69**
Loss before tax		**(58.42)**	**(38.77)**
Tax expense	30		
Current tax		22.29	32.93
Deferred tax credit		(47.76)	(27.30)
		(25.47)	**5.63**
Loss for the year		**(32.95)**	**(44.40)**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurements of defined benefit obligation		0.02	(0.73)
(ii) Income tax relating to items that will not be reclassified to profit or loss *		0.00	0.42
B (i) Items that will be reclassified to the profit or loss			
Exchange difference in translating the financial statements of foreign operations		(55.64)	3.83
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive (loss) / income		**(55.62)**	**3.52**
Total comprehensive loss for the year		**(88.57)**	**(40.88)**

₹ Crores

	Notes	Year ended March 31, 2019	Year ended March 31, 2018
(Loss) / Profit attributable to			
Owners of the Company		(22.71)	(53.18)
Non-controlling interests / (recoveries)		(10.24)	8.78
Other comprehensive income attributable to			
Owners of the Company		(55.20)	3.07
Non-controlling interests / (recoveries)		(0.42)	0.45
Total comprehensive income attributable to			
Owners of the Company		(77.91)	(50.11)
Non-controlling interests / (recoveries)		(10.66)	9.23
* The value 0.00 means amount is below ₹ 50,000/-			
Earnings per equity share of face value of ₹ 1 each	32		
Basic (in ₹)		(1.10)	(1.49)
Diluted (in ₹)		(1.10)	(1.49)

See accompanying notes to the consolidated financial statements 1-45

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registartion No. 117364W)

For and on behalf of the Board of Directors

Abhijit A. Damle
Partner
Membership No. 102912

Naresh Malhotra
Chairman and
Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Place : Mumbai
Date : May 30, 2019

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended March 31, 2019

A. Equity share

₹ Crores

	Amount
Balance as at April 01, 2017	**29.89**
Issue of equity shares under employee stock option plan (refer note 36)	0.03
Balance as at March 31, 2018	**29.92**
Issue of equity shares under employee stock option plan (refer note 36)*	0.00
Balance as at March 31, 2019	**29.92**

B. Other equity

₹ Crores

	Reserves and Surplus								Attributable to Non-controlling interests	Total
	Reserves and Surplus						Other Comprehensive Income Foreign currency translation reserve	Total attributable to owners of the company		
	Securities premium	Capital reserve	General reserve	Debenture redemption reserve	Share options outstanding account	Retained earnings				
Balance as at April 01, 2017	**945.73**	**51.77**	**1.34**	**78.46**	**49.48**	**(576.41)**	**(40.26)**	**510.11**	**114.15**	**624.26**
Taxes related to redemption of NCD (net of tax)	(31.88)	-	-	-	-	-	-	(31.88)	-	(31.88)
Transfer to/from	-	-	51.27	(51.27)	-	-	-	-	-	-
Loss for the year	-	-	-	-	-	(53.18)	-	(53.18)	8.78	(44.40)
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(0.27)	3.34	3.07	0.45	3.52
Related to Employee stock options (refer note 36)	-	-	-	-	33.59	-	-	33.59	-	33.59
Exercise of stock options	2.31	-	-	-	(0.85)	-	-	1.46	-	1.46
Balance as at March 31, 2018	**916.16**	**51.77**	**52.61**	**27.19**	**82.22**	**(629.86)**	**(36.92)**	**463.17**	**123.38**	**586.55**
Exercise of stock options	0.15	-	-	-	(0.07)	-	-	0.08	-	0.08
Transferred to/from	-	-	22.28	(22.28)	-	-	-	-	-	-
Transfer on lapse/forfeiture of Vested Options	-	-	-	-	(0.73)	0.73	-	-	-	-
Loss for the year	-	-	-	-	-	(22.71)	-	(22.71)	(10.24)	(32.95)
Other comprehensive income for the year (net of tax)	-	-	-	-	-	0.02	(55.22)	(55.20)	(0.42)	(55.62)
Stock compensation expense (refer note 36)	-	-	-	-	30.61	-	-	30.61	-	30.61
Balance as at March 31, 2019	**916.31**	**51.77**	**74.89**	**4.91**	**112.03**	**(651.82)**	**(92.14)**	**415.95**	**112.72**	**528.67**

* The value 0.00 means amount is below ₹ 50,000/-

See accompanying notes to the consolidated financial statements 1-45

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registartion No. 117364W)

Abhijit A. Damle
Partner
Membership No. 102912

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and
Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT
for the year ended March 31, 2019

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Cash flow from operating activities		
Loss before tax	(58.42)	(38.77)
Adjusted for:		
Depreciation and amortisation expense	303.56	277.31
Net gain on sale of property, plant and equipment	(0.66)	(3.76)
Unrealised foreign exchange (gain) (net)	(100.24)	(21.86)
Dividend income *	(0.00)	(0.00)
Bad debts written off	40.36	1.88
Provision for doubful debts/ advances (net)	6.44	24.98
Employee stock option expense	31.43	34.79
Sundry credit balance written back	(13.71)	(2.70)
Interest income	(4.80)	(7.19)
Finance costs	236.68	212.30
Operating profit before working capital changes	**440.64**	**476.98**
Changes in working capital :		
Decrease / (increase) in inventories	0.18	(0.15)
(Decrease) in trade and other payables	(46.07)	(111.34)
(Increase) in trade and other receivables	(222.39)	(149.14)
Cash generated from operations	**172.36**	**216.35**
Direct taxes paid (net)	(52.03)	(15.63)
Net cash generated from operating activities (A)	**120.33**	**200.72**
Cash flow from investing activities		
Purchase of Property, Plant and Equipment and other Intangible assets (including capital work in progress)	(239.87)	(311.20)
Proceeds from sale of Property, Plant and Equipment and other Intangible assets	2.00	8.23
Payment related to acquisition of businesses	(43.04)	(80.77)
Decrease in margin money and fixed deposits under lien	11.98	7.33
Interest received	0.19	1.97
Dividend received *	0.00	0.00
Net cash used in investing activities (B)	**(268.74)**	**(374.44)**
Cash flow from financing activities		
Proceeds from long term borrowings	472.87	702.50
Repayment of long term borrowings	(412.22)	(604.89)
Proceeds from short term borrowings (net)	412.41	175.36
Proceeds from issuance of shares and warrants	0.09	83.99
Payment on extinguishment of puttable instrument	(147.13)	-
Finance costs paid	(167.39)	(209.77)
Net Cash generated from financing activities (C)	**158.63**	**147.19**

CONSOLIDATED CASH FLOW STATEMENT
for the year ended March 31, 2019

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Net increase / (decrease) in cash and cash equivalents (A+B+C)	**10.22**	**(26.53)**
Cash and cash equivalents at the beginning of the year (refer note 9 a)	79.46	105.99
Cash and cash equivalents at the end of the year (refer note 9 a)	**89.68**	**79.46**

* The value 0.00 means amount is below ₹ 50,000/-

₹ Crores

	Year ended March 31, 2018	Cash flow	Non cash movement	Year ended March 31, 2019
Borrowing - non current (refer note 17 and 22)	1,283.41	161.57	207.55	1,652.53
Borrowing - current (refer note 21)	353.95	412.41	-	766.36

See accompanying notes to the consolidated financial statements 1-45

In terms of our report attached

For Deloitte Haskins & Sells
Chartered Accountants
(Firm's Registartion No. 117364W)

Abhijit A. Damle
Partner
Membership No. 102912

Place : Mumbai
Date : May 30, 2019

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and
Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

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 Company

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, 2019	As at March 31, 2018
Subsidiary companies of Prime Focus Limited				
De-Fi Media Limited	Media and other Investments	England & Wales	100%	100%
Prime Focus Technologies Limited	Digital Asset Management	India	73.75%	73.75%
Prime Focus Production Services Private Limited (Formerly known as Prime Focus Visual Effects 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)	Investments	Mauritius	100%	100%
PF Digital Media Services Limited (formerly known Prime Focus 3D India Private Limited)	Post Production Services	India	100%	100%
DNEG India Media Services Limited (formerly known as Gener8 India Media Services Limited) (Transferred as subsidiary of DNEG Creative Services Limited w.e.f. January 31, 2019)	Post Production Services	India	-	100%
Reliance MediaWorks (Mauritius) Limited	Investments	Mauritius	100%	100%
Prime Focus Malaysia Sdn. Bhd.	Post Production Services	Malaysia	70%	70%
Subsidiary company of Reliance MediaWorks (Mauritius) Limited				
Reliance Lowry Digital Imaging Services Inc	Restoration	USA	90%#	90%#
# 10% is held by Prime Focus Limited directly				
Subsidiary company of PF World Limited				
Prime Focus Luxembourg S.a.r.l	Investments	Luxembourg	100%	100%
Subsidiary companies 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.	Investments	Netherlands	88.34%	88.34%
Subsidiary Companies of Prime Focus World N.V.				
Prime Focus Creative Services Canada Inc. #	Post Production and VFX Services	Canada	-	100%
Gener8 Digital Media Services Limited, Canada #	Post Production Services	Canada	-	100%

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS for the year ended March 31, 2019

Name of subsidiaries	Principal activity	Country of incorporation	As at March 31, 2019	As at March 31, 2018
RE:DEFINE FX LTD w.e.f. 06th August 2018 (Formerly known as Prime Focus VFX USA, Inc.)	Dormant	USA	100%	100%
DNEG North America Inc. (Formerly known as Prime Focus North America Inc.)	Post Production and VFX Services	USA	100%	100%
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 Creative Services Limited (Formerly known as Prime Focus World Creative Services Private 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%
Double Negative Montreal Production Limited	Post Production and VFX Services	Montreal	100%	100%
Prime Focus World Malaysia Sdn. Bhd	Post Production and VFX Services	Malaysia	100%	100%
Prime Focus Creative Services Montreal Inc (w.e.f. May 25, 2017) ##	Post Production and VFX Services	Montreal	-	100%
Gener8 Digital Media Services Montreal Limited (w.e.f. May 25, 2017) ##	Post Production and VFX Services	Montreal	100%	100%
# Entities were amalgamated into Double Negative Canada Productions Limited on April 01, 2018 ## Entities were amalgamated into Double Negative Montreal Production Limited on April 01, 2018				
Subsidiary companies of Double Negative Holdings Limited				
Double Negative Limited	Post Production and VFX Services	England & Wales	100%	100%
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%
Subsidiary companies of Double Negative Canada Productions Limited				

Name of subsidiaries	Principal activity	Country of incorporation	As at March 31, 2019	As at March 31, 2018
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 DNEG North America Inc.				
1800 Vine Street LLC	Administrative	USA	100%	100%
Subsidiary company of Prime Focus China Ltd.				
Prime Focus (HK) Holdings Limited	Post Production and VFX Services	Hong Kong	100%	100%
Subsidiary companies of DNEG Creative Services Private Limited				
Double Negative India Private Limited	Post Production and VFX Services	India	100%	100%
Prime Focus Academy of Media and Entertainment Studies Private Limited	Training Institute	India	100%	100%
DNEG India Media Services Limited (formerly known as Gener8 India Media Services Limited) (Transferred as subsidiary w.e.f. January 31, 2019)	Post Production Services	India	100%	-
Subsidiary companies of Prime Focus Technologies Limited				
Prime Focus Technologies UK Limited (PFT UK)	Digital Asset Management	England & Wales	100%	100%
Prime Focus Technologies Inc.	Post Production Services	USA	100%	100%
Apptarix Mobility Solutions pvt Ltd w.e.f. September 30, 2018	Post Production Services	India	100%	-
Subsidiary company of Prime Focus Technologies Inc.				
DAX PFT LLC	Digital Asset Management	USA	100%	100%
Subsidiary company of DAX PFT LLC				
DAX Cloud ULC	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 w.e.f. October 07, 2018 (Subsidiary of Prime Focus Technologies UK Limited)	Post Production Services	Abu Dhabi	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 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.

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 entities controlled by 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.

2.3.1 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 (see 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 (see note 2.4 above) 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.

Effective April 1, 2018, the Company adopted Ind AS 115, "Revenue from Contracts with Customers" using the cumulative catch-up transition method applied to contracts that were not completed as at April 1, 2018. Ind AS 115 replaces Ind AS 18 Revenue and Ind AS 11 Construction Contracts. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted – i.e. the comparative information continues to be reported under Ind AS 18 and Ind AS 11. The adoption of the new accounting standard has not resulted in any changes in the opening retain earnings of the Company. The adoption of Ind AS 115, did not have any impact on the statement of profit and loss for the year ended March 31, 2019.

2.6.1 Rendering of services

The Group provides a variety of post-production services including digital intermediate, visual special effects (VFX), two dimension 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 Rental income

The Company's policy for recognition of revenue from operating leases is described in note 2.7.1 below

2.6.5 Tax credits

The Group's operations based in British Colombia (BC), 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 Company 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

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

2.7.1 The Group as lessor

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

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

2.7.2 The Group as lessee

Assets held under finance lease are initially recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the consolidated balance sheet as a finance lease obligation.

Lease payments are apportioned between finance expenses and reduction of the lease obligations so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately in profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see note 2.9 below). Contingent rentals are recognised as expenses in the periods in which they are incurred.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

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 Company 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

2.11.1 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 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.

2.11.2 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 Group in respect of services provided by employees' upto the reporting date.

2.12 Share-based payment arrangements

2.12.1 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 33.

2.13 Taxation

Income tax expense represents the sum of current tax and deferred tax.

2.13.1 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.

2.13.2 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.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, which is likely to give future economic benefits in the form of availability of set off against future income tax liability. Accordingly, MAT is recognised as deferred tax asset in the Balance Sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

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.

2.13.3 Current and deferred tax for the year

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

2.14 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.

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

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 ₹ 39.13 Crores (March 31, 2018: ₹ 39.36 Crores), net book value is ₹ 14.84 Crores (March 31, 2018: ₹ 16.77 Crores) and depreciation charge for the year is ₹ 1.86 Crores (Previous year: ₹.3.05 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 coversion business over 20 years as the Group believes the benefits from the intangible asset will accrue over 20 years.

Film rights

The Company 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.

2.16.1 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 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.

2.16.2 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 ther 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.

The assets are amortised over the estimated useful lives of upto 20 years.

2.16.3 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

2.16.4 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.

2.17 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.

2.19.1 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.

2.19.2 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.

2.19.3 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 18 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.

2.21.1 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 2.21.5

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 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 2.21.5.

All other financial assets are subsequently measured at fair value.

2.21.2 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 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.

2.21.3 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 Company 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.

2.21.4 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 (see note 2.21.3 above).

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.

2.21.5 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 18, 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.

2.21.6 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.

2.21.7 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 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 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.

2.22.3 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.

2.22.4 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 18.

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 18.

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 Company's cash management system. In the balance sheet, bank overdraft are presented under borrowings within current financial liabilities.

2.26 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 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 not yet adopted:

Certain new standards, amendments to standards and interpretations are not yet effective for annual periods beginning after April 01, 2018 and have not been applied in preparing these financial statements. New standards, amendments to standards and interpretations that could have potential impact on the financial statements of the Company are:

2.28.1 Ind AS 116

On March 30, 2019, the Ministry of Corporate Affairs issued Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. IND AS 116 introduces a single lessee accounting model and requires a lessee to recognised assets and liabilities for all leases with a term of more than 12 months, unless the underlying asset is of low value. The Standard also contains enhanced disclosure requirements for lessees.

The standard allows for two methods of transition:

- The full retrospective approach, requires entities to retrospectively apply the new standard to each prior reporting period presented and the entities need to adjust equity at the beginning of the earliest comparative period presented, or
- The modified retrospective approach, under which the date of initial application of the new-leases standard, lessees recognise the cumulative effect of initial application as an adjustment to the opening balance of equity as at annual periods beginning on or after January 1, 2019.

The Company will adopt this standard using modified retrospective method effective April 1, 2019, and accordingly, the comparative for year ended March 31, 2018 and 2019, will not be retrospectively adjusted. The Company has elected certain available practical expedients on transition. The Company is in the process of evaluating the impact of such amended standard.

2.28.2 Amendment to Ind AS 12 – Income Taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognise the income tax consequences of dividends on financial instruments classified as equity should be recognised according to where the entity originally recognised those past transactions or events that generated distributable profits were recognised. The effective date of these amendments is annual periods beginning on or after April 1, 2019. The Company is currently assessing the impact of this amendment on the Company's financial statements.

Appendix C to Ind AS 12 - Uncertainty over income tax treatments

On March 30, 2019, Ministry of Corporate Affairs issued Appendix C to Ind AS 12, which clarifies the accounting for uncertainties in income taxes. The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. The entity has to consider the probability of the relevant taxation authority accepting the tax treatment and the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates would depend upon the probability. The effective date for adoption of Appendix C to Ind AS 12 is April 1, 2019. The Company will apply Appendix C to Ind AS 12 prospectively from the effective date and the effect on adoption of Ind AS 12 on the financial statement is expected to be insignificant.

2.28.3 Amendment to Ind AS 19 - Plan Amendment, Curtailment or Settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements requiring an entity to determine the current service costs and the net interest for the period after the remeasurement using the assumptions used for the remeasurement; and determine the net interest for the remaining period based on the remeasured net defined benefit liability or asset. These amendments are effective for annual reporting periods beginning on or after April 1, 2019. The Company will apply the amendment from the effective date and the effect on adoption of the amendment on the financial statement is expected to be insignificant.

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 IFRS 15, 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, 2019 regarding recoverability of its internally generated intangible assets and no exceptions noted.

3.1.4 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 Company 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.

3.1.5 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.

3.1.6 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 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 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 Company to explain the cause of fluctuations in the fair value of the assets and liabilities.

3.1.7 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.

3.1.8 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.

3.1.9 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

Description of Assets	Buildings	Plant and equipments	Furniture and fixtures	Leasehold Improvements	Office equipments	Vehicles	Total
Gross Block							
As at April 01, 2017	244.51	899.85	34.67	184.70	83.52	3.66	**1,450.91**
Additions	-	172.38	3.73	6.14	6.51	2.41	**191.17**
Deductions / disposal	-	(54.64)	(3.85)	(7.16)	(0.91)	(0.67)	**(67.23)**
Adjustments #	-	(17.37)	12.57	-	4.80	-	**-**
Exchange differences	-	29.45	0.66	16.79	2.78	-	**49.68**
As at March 31, 2018	**244.51**	**1,029.67**	**47.78**	**200.47**	**96.70**	**5.40**	**1,624.53**
Depreciation							
As at April 01, 2017	11.06	505.62	22.77	108.74	71.14	1.82	**721.15**
For the year	5.95	116.69	6.08	28.97	5.09	0.54	**163.32**
Deductions / disposal	-	(50.71)	(3.79)	(7.08)	(0.90)	(0.30)	**(62.78)**
Adjustments #	-	(5.74)	4.53	-	1.21	-	**-**
Exchange differences	-	19.75	0.30	14.98	0.96	-	**35.99**
As at March 31, 2018	**17.01**	**585.61**	**29.89**	**145.61**	**77.50**	**2.06**	**857.68**
Net Block							
As at March 31, 2018	**227.50**	**444.06**	**17.89**	**54.86**	**19.20**	**3.34**	**766.85**

₹ Crores

Description of Assets	Buildings	Plant and equipments	Furniture and fixtures	Leasehold Improvements	Office equipments	Vehicles	Total
Gross Block							
As at April 01, 2018	244.51	1,029.67	47.78	200.47	96.70	5.40	**1,624.53**
Additions	-	102.79	8.98	9.71	12.87	0.65	**135.00**
Deductions / disposal	-	(60.25)	(0.03)	(0.25)	(3.59)	(0.61)	**(64.73)**
Exchange differences	-	(2.39)	(1.00)	(2.10)	3.67	-	**(1.82)**
As at March 31, 2019	**244.51**	**1,069.82**	**55.73**	**207.83**	**109.65**	**5.44**	**1,692.98**
Depreciation							
As at April 01, 2018	17.01	585.61	29.89	145.61	77.50	2.06	**857.68**
For the year	6.02	134.31	5.74	22.74	3.30	0.58	**172.69**
Deductions / disposal	-	(59.22)	(0.02)	(0.15)	(3.59)	(0.40)	**(63.38)**
Exchange differences	-	(4.73)	(0.93)	(3.33)	3.42	0.00	**(5.57)**
As at March 31, 2019	**23.03**	**655.97**	**34.68**	**164.87**	**80.63**	**2.24**	**961.42**
Net Block							
As at March 31, 2019	**221.48**	**413.85**	**21.05**	**42.96**	**29.02**	**3.20**	**731.56**

Adjustments pertains to regrouping from plant and equipment to furniture and fixtures and office equipments.

4.1 Assets pledged as security

Refer note 17 and 21 regarding details of borrowings where assets have been placed as security.

4.2 Building includes leasehold premises:

Gross block: ₹ 112.20 Crores (March 31, 2018: ₹ 112.88 Crores)
Depreciation charge for the year: ₹ 3.52 Crores (period ended March 31, 2018: ₹ 3.52 Crores)
Accumulated depreciation: ₹ 13.69 Crores (March 31, 2018: ₹ 10.85 Crores)
Net block: ₹ 98.51 Crores (March 31, 2018: ₹ 102.03 Crores)

4.3 **Plant and equipment includes assets taken on finance lease as under:**
Gross block: ₹ 402.42 Crores (March 31, 2018: ₹ 355.25 Crores)
Depreciation charge for the year: ₹ 69.64 Crores (Previous year: ₹ 51.95 Crores)
Accumulated depreciation: ₹ 214.05 Crores (March 31, 2018: ₹ 160.65 Crores)
Net block: ₹ 188.36 Crores (March 31, 2017: ₹ 194.60 Crores)

4.4 **Vehicles includes assets taken on finance lease as under:**
Gross block: ₹ 2.75 Crores (March 31, 2018: ₹ 2.75 Crores)
Depreciation charge for the year: ₹ 0.32 Crores (Previous year: ₹ 0.23 Crores)
Accumulated depreciation: ₹ 0.64 Crores (March 31, 2018: ₹ 0.32 Crores)
Net block: ₹ 2.11 Crores (March 31, 2018: ₹ 2.43 Crores)

5. Other Intangible assets

₹ Crores

Description of Assets	Film / First Look rights	Customer relationship and contracts	Trade names, Brand and Non-compete	Software	Total
Gross Block					
As at April 01, 2017	3.00	20.47	6.18	879.81	**909.46**
Additions	4.07	-	-	80.74	**84.81**
Deductions	-	-	-	(6.91)	**(6.91)**
Exchange differences	-	0.03	0.15	25.81	**25.99**
As at March 31, 2018	**7.07**	**20.50**	**6.33**	**979.45**	**1,013.35**
Amortisation					
As at April 01, 2017	2.85	20.47	3.41	337.03	**363.76**
For the year	1.10	-	0.72	112.17	**113.99**
Deductions	-	-	-	(7.06)	**(7.06)**
Exchange differences	0.01	0.03	0.05	18.44	**18.53**
As at March 31, 2018	**3.96**	**20.50**	**4.18**	**460.58**	**489.22**
Net Block					
As at March 31, 2018	**3.11**	**-**	**2.15**	**518.87**	**524.13**

₹ Crores

Description of Assets	Film / First Look rights	Customer relationship and contracts	Trade names, Brand and Non-compete	Software	Total
Gross Block					
As at April 01, 2018	7.07	20.50	6.33	979.45	**1,013.35**
Additions	184.84	-	-	102.70	**287.54**
Deductions	-	-	-	(48.69)	**(48.69)**
Exchange differences	(0.03)	1.42	0.37	15.52	**17.28**
As at March 31, 2019	**191.88**	**21.92**	**6.70**	**1,048.98**	**1,269.48**
Amortisation					
As at April 01, 2018	3.96	20.50	4.18	460.58	**489.22**
For the year	4.66	-	0.96	125.25	**130.87**
Deductions	-	-	-	(48.69)	**(48.69)**
Exchange differences	(0.03)	1.42	0.19	7.21	**8.79**
As at March 31, 2019	**8.59**	**21.92**	**5.33**	**544.35**	**580.19**
Net Block					
As at March 31, 2019	**183.29**	**-**	**1.37**	**504.63**	**689.29**

5.1 Software include assets taken on finance lease as under:

Gross block: ₹ 78.31 Crores (March 31, 2018: ₹ 70.11 Crores)
Depreciation charge for the year: ₹ 25.24 Crores (Previous year: ₹ 16.22 Crores)
Accumulated depreciation: ₹ 68.24 Crores (March 31, 2018: ₹ 44.06 Crores)
Net block: ₹ 10.07 Crores (March 31, 2018: ₹ 26.05 Crores)

5.2 Rights to Use include assets taken on finance lease as under:

Gross block: ₹ 184.84 Crores (March 31, 2018: ₹ Nil)
Depreciation charge for the year: ₹ 3.12 Crores (Previous year: ₹ Nil)
Accumulated depreciation: ₹ 3.12 Crores (March 31, 2018: ₹ Nil)
Net block: ₹ 181.72 Crores (March 31, 2018: ₹ Nil)

5.a Goodwill

Goodwill has been allocated for impairment testing purposes to the following cash-generating units.

- Creative services business
- Technology and technology enabled business
- Others

Before recognition of impairment losses, the carrying amount of goodwill (other than goodwill related to discontinuing operations) was allocated to cash-generating units as follows:

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Creative services business	775.74	731.26
Technology and technology enabled business	191.39	185.17
Others	56.65	56.65
Total	**1,023.78**	**973.08**

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 approved 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) before tax 12.6% to 14.6% (previous year: 12.2% to 17.1%)

EBITDA margins 16.9% to 33.3% (previous year: 21.8% to 39.9%)

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by management covering a five-year period. Cash flow beyond five year period are extra-polated using the estimated growth rates stated above.

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.

6. Investments

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Unquoted equity instruments - fully paid up (at Fair Value Through Profit or Loss)		
The Shamrao Vithal Co-operative Bank Limited	0.01	0.01
4,000 shares of ₹ 25/- each		
Mainframe Premises Co-Operative Society Limited	0.00	0.00
350 shares of ₹ 10/- each *		
Locksmith Limited	4.22	4.24
1,400 shares of £ 0.01 each		
	4.23	**4.25**

*The value 0.00 means amount is below ₹ 50,000/-

7. Trade receivables (non-current) (unsecured, considered good)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Trade receivables	17.97	-
	17.97	**-**

8. Other non-current financial assets (unsecured, considered good)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Deposits	21.43	12.33
Deposits with bank	0.76	-
Unbilled revenue	27.27	-
Employee loans and advances	11.17	10.45
	60.63	**22.78**

9. Other non-current assets (unsecured, considered good)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Capital advances	44.64	31.27
Prepaid expenses	3.98	3.23
	48.62	**34.50**

10. Inventories (lower of cost and net realisable value)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Tapes	0.42	0.60
	0.42	**0.60**

11. Trade receivables (current) (unsecured)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Trade receivables (Considered good)	447.32	573.61
Less: Loss allowances	39.34	228.81
	407.98	**344.80**

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
The movement in allowance for doubtful receivables is as follows:		
Balance as the beginning of the year	228.81	199.86
Movement during the year	6.48	28.95
Bad debts written off against opening provision for doubtful debts	(195.95)	-
Balance as at the end of the year	**39.34**	**228.81**

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.

12. Cash and cash equivalents

₹ Crores

		As at March 31, 2019	As at March 31, 2018
a.	**Cash and cash equivalents**		
	Cash on hand	0.14	0.15
	Bank balances		
	In Current Accounts	89.54	79.31
		89.68	**79.46**
b.	**Bank balances other than (a) above**		
	Other bank balances		
	In deposits*	0.62	12.59
		0.62	**12.59**

* Fixed deposits are provided as security against fund and non-fund based credit facilities.

13. Other current financial assets (unsecured, considered good)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Deposits	4.48	9.90
Unbilled revenue	306.88	323.30
Export incentives receivable	20.90	14.68
Other loans and advances	98.45	83.25
	430.71	**431.13**

14. Other current assets (unsecured)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Advances and other receivables*		
Considered good	68.70	36.20
Considered doubtful	5.50	5.65
Total	**74.20**	**41.85**
Less: Provision for doubtful advances	(5.50)	(5.65)
	68.70	**36.20**
Prepaid expenses	74.27	29.49
Tax credits receivable from foreign government	29.35	46.65
Advance payment of taxes (net of provision for tax)	-	0.31
	172.32	**112.65**

*Others includes loans and advances to employees and others, advances to suppliers, service tax receivable, Goods and Services tax (GST) receivable and VAT receivables.

15. Equity share capital

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Authorised share capital:		
450,000,000 equity shares of ₹ 1/- each	**45.00**	**45.00**
Issued, subscribed and paid-Up:		
299,182,312 (Previous year 299,165,645) equity shares of ₹ 1/- each	29.92	29.92
	29.92	**29.92**

15.1 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, 2019		As at March 31, 2018	
	Number	Amount in ₹ Crores	Number	Amount in ₹ Crores
Balance as at the beginning of the year	299,165,645	29.92	298,878,974	29.89
Additions during the year (Refer note 36) *	16,667	0.00	286,671	0.03
Balance as at the end of the year	299,182,312	29.92	299,165,645	29.92

*The value 0.00 means amount is below ₹ 50,000/-

15.2 Shares reserved for issue under options

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Shares reserved for issue under options (Refer note 36)	17,629,400	17,646,067

15.3 Details of shares held by each shareholder holding more than 5%

	As at March 31, 2019		As at March 31, 2018	
	Numbers	% of holding	Numbers	% of holding
Naresh Malhotra	62,201,546	20.79	62,201,546	20.79
Reliance MediaWorks Financial Services Private Limited	104,939,361	35.08	104,939,361	35.08
Standard Chartered Private Equity (Mauritius) Limited	29,241,817	9.77	29,241,817	9.77
Marina IV (Singapore) Pte. Limited	23,390,875	7.82	23,390,875	7.82
Monsoon Studio Private Limited	27,506,095	9.19	27,506,095	9.19

15.4 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.

15.5 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, 2019	As at March 31, 2018
Equity shares allotted as fully paid up pursuant to business transfer agreement for consideration other than cash	67,307,692	67,307,692

15.6 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 31,132,076 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 has received ₹ 82.50 Crores, 25% of the total consideration for the aforesaid warrants 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 is receivable by September 2019.

16. Other equity excluding non-controlling interest

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Securities premium		
As per last balance sheet	916.16	945.73
Movement during the year	0.15	(29.57)
	916.31	**916.16**
Capital reserve		
As per last balance sheet	51.77	51.77
	51.77	**51.77**
General reserve		
As per last balance sheet	52.61	1.34
Movement during the year	22.28	51.27
	74.89	**52.61**

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Debenture redemption reserve		
As per last balance sheet	27.19	78.46
Movement during the year	(22.28)	(51.27)
	4.91	**27.19**
Retained earnings *		
As per last balance sheet	(629.86)	(576.41)
Movement during the year	(21.96)	(53.45)
	(651.82)	**(629.86)**
Share options outstanding account		
As per last balance sheet	82.22	49.48
Movement during the year	29.81	32.74
	112.03	**82.22**
Other Comprehensive Income (FCTR)		
As per last balance sheet	(36.92)	(40.26)
Movement during the year	(55.22)	3.34
	(92.14)	**(36.92)**
	415.95	**463.17**

* Retained earnings includes Re-measurement of defined benefit obligation gain (net of tax) of ₹ 0.02 crores (previous year, loss of ₹ 0.31 crores)

17. Non-current borrowings

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Term loans (secured)		
from banks	961.87	681.04
(Refer note (b), (c), (d) and (e))		
from others	27.13	31.37
(Refer note (f))		
Term loans (unsecured)		
from others	200.00	-
(Refer note (i) below)		
Other loans and advances (secured)		
Finance lease obligations	195.23	182.75
(Refer note (k) below)		
Other loans and advances (unsecured)		
Inter corporate deposit received	-	31.70
(Refer note (h) below)		
	1,384.23	**926.86**

a. On November 05, 2012, the Company issued Series B 891 Zero Coupon Unsecured Redeemable Non-Convertible Debentures (NCDs) of ₹10 Lakhs each, of the aggregate nominal value of ₹ 89.10 crores to Standard Chartered Private Equity (Mauritius) Limited, redeemable after 6 years.

The amounts payable on redemption on Debentures is an amount equal to 213.41% of the Principal amount of Series B NCDs.

During the year, the said debentures were redeemed for ₹ 190.02 crores on maturity.

b. 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 moratorium). 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 (refer note (l) 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, DNEG India Media Services Limited, Prime Focus Technologies Inc., DAX LLC, Prime Focus Technologies UK Limited and Prime Post (Europe) Limited. The company has created charge over all the above referred securities except pledge of 30% shares of subsidiaries viz; Prime Focus Luxembourg s.a.r.l, Prime Focus Technologies Inc., DAX LLC, Prime Focus Technologies UK Limited, Prime Post (Europe) Limited for which the Company is in the process of creating security as at the balance sheet date .

Out of the above availed facility, the Group took disbursement of ₹ 408 Crores. At the year-end, out of the outstanding loan amount ₹ 279.55 Crores (net of transaction fees) is disclosed as non-current and ₹ 47.65 Crores is disclosed as current. As at March 31, 2018 ₹ 311.54 Crores (net of transaction fees) is disclosed as non-current and ₹ 29.12 Crores is disclosed as current.

c. Term Loan from bank includes ₹ 70.42 Crores (Previous year ₹ Nil) 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, Prime Focus Technologies UK Limited & Prime Post (Europe) Limited (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, Prime Focus Technologies UK Limited & Prime Post (Europe) Limited, corporate guarantee of the Company and ultimate holding Company and personal guarantee of promoter of ultimate holding 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. As at March 31, 2019, ₹ 7.63 Crores (Previous year ₹ Nil) is included in current maturities of long-term borrowings and balance of ₹ 62.80 Crores (Previous year ₹ Nil) is included in long-term borrowings.

d. Term loans from bank include ₹ Nil (Previous year: ₹ 19.45 Crores) taken by Prime Focus Technologies Inc. (PFT Inc.), which was secured by exclusive first charge on all assets including current assets of PFT Inc., cash margin, escrow of receivables, pledge of shares of PFT Inc. and DAX PFT LLC, pledge of certain shares of PFT and of the Company both backed by non-disposal undertaking, corporate guarantee of PFT and personal guarantee of the promoter. Term loan facility of $ 2 million was repayable in 4 year equal instalments beginning from September 30, 2016 and facility 2 of $ 2 million is on bullet payment basis. Interest rate on term loans were based on 6 months Libor plus 450 basis points. As at March 31, 2019 ₹ Nil (March 31, 2018: ₹ 16.21 Crores) is included in current maturities of long-term borrowings and balance of ₹ Nil (March 31, 2018: ₹ 3.04 Crores) is included in long-term borrowings. The loan has been fully repaid during the year.

e. As at March 31, 2018, a Bank held a charge on tangible and current assets of the Group for the loan facility of ₹ 492.67 Crores as working capital loan of ₹ 168.54 Crores ($ 26 million) and Bank overdraft facility of ₹ 31.33 Crores ($ 4.85 million). This facility was secured by way of pledge overall investment property of Prime Focus World NV, including shares held in Prime Focus Creative Services Canada Inc. and Gener8 Digital Media Services Limited, investment property of Double Negative Holdings Limited including shares held in Double Negative Canada Productions Limited and is secured by charge over all the assets and undertakings of Prime Focus Creative Services Canada Inc., Gener8 Digital Media Services Limited and Double Negative Canada Productions Limited. The rate of interest of the loan was in the range of Libor plus 3.25% to 4%. The loan was repayable over a period of four years. As at March 31, 2018, ₹ 366.46 Crores was disclosed under long term borrowings, ₹ 126.24 Crores under current maturities of long term borrowings, ₹ 168.54 Crores under short-term demand loan and ₹ 31.32 Crores under cash credit / overdraft.

This facility was restructured during current year. The new facility comprises of ₹ 693.21 Crores ($ 100 Million) sanctioned as term loan and ₹ 1,039.82 ($ 150 Million) sanctioned as bank overdraft and working capital loan. The facility is secured by charge on Property, Plant and Equipment and current assets of Prime Focus World NV Group, shares of Prime Focus World NV held by Prime Focus 3D Co-operatief and Investments of Prime Focus World NV in Double Negative Holdings Limited, Prime Focus Creative Services Canada Inc, Gener8 Digital Media Services Limited & Prime Focus International Services UK Limited. The rate of interest of the loan is LIBOR plus 3%. The term loan is repayable over a period of four years from financial year 2019-20. As at March 31, 2019 ₹ 619.52 Crores is disclosed under long term borrowings, ₹ 75.93 Crores under current maturities of long term borrowings, ₹ 533.20 Crores under short-term demand loan and ₹ 16.16 Crores under cash credit / overdraft.

f. 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. Further, the term loan is secured by a specific charge on certain immovable properties of the Company. At the year end March 31, 2019, ₹ 27.13 Crores is disclosed as non-current and ₹ 4.23 Crores is disclosed as current. At the year end March 31, 2018, ₹ 31.37 Crores is disclosed as non-current and ₹ 3.73 Crores is disclosed as current.

g. Unsecured term loans from others are availed at interest rate of 15.00% p.a. As at March 31, 2019 ₹ 1.00 Crores (March 31, 2018: ₹ 1.00 Crores) is disclosed under current maturities of long term borrowings.

h. During 2017, unsecured inter corporate deposit of ₹ 31.70 Crores was availed from financial institution at interest rate of 12.5% repayable within 2 years. As at March 31, 2019 ₹ 31.70 Crores is disclosed as current portion of long-term borrowing. As at March 31, 2018 this deposit was disclosed as part of long term borrowings.

i. 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 (refer note 41). At the year end March 31, 2019, ₹ 200 crores is disclosed as non-current.

j. Foreign currency loans

Foreign currency loans – buyer's credit was secured by pari passu charge on the immoveable assets of the Company, both present and future (except building in Royal Palms, Goregaon, Mumbai), pari passu charge on the Company's current assets both present and future, personal guarantees of the promoter director and also secured against margin monies – fixed deposits. Interest rate ranged from 1% to 2% p.a. with maturity profile of 2-3 years. As at March 31, 2018, ₹ Nil disclosed as non-current and ₹ 10.50 Crores disclosed as current. During the year, loan has been repaid fully.

k. Finance lease

The Group leases certain equipment under finance leases. The lease term is in the range of 2 to 5 years. The Group has option to purchase the equipment for a nominal amount at the end of the lease term. The Group's obligation under finance leases are secured by hypothecation of plant and equipment and office equipment.

Interest rates underlying all obligations under finance leases are fixed at respective contract dates ranging from 1.44% to 15.51% per annum in foreign subsidiaries and 5.86% to 15.68% per annum in Indian subsidiaries.

₹ Crores

	Total minimum lease payments outstanding	
	As at March 31, 2019	As at March 31, 2018
Within one year	117.77	95.00
Later than one year and not later five years	214.96	200.96
	332.73	**295.96**

	Future Interest on outstanding lease payments	
	As at March 31, 2019	As at March 31, 2018
Within one year	17.61	14.36
Later than one year and not later five years	19.73	18.21
	37.34	**32.57**

	Present Value of minimum lease payments	
	As at March 31, 2019	As at March 31, 2018
Within one year	100.16	80.64
Later than one year and not later five years	195.23	182.75
	295.39	**263.39**

l. The promoters of the Company have pledged 4.63% as at March 31, 2019 and 8.30% as at March 31, 2018 of the Company held by them towards various borrowings / commitments, including borrowings by the Company.

18. Other non-current financial liabilities

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Deposits	2.25	0.68
Interest accrued and not due on borrowings	1.65	-
Puttable equity instruments (refer note (a) below)	-	110.59
Class B Convertible Redeemable Preferred Shares and Derivaties (refer note (b) below)	111.12	16.47
Other long term payables	2.30	1.80
Non convertible redeemable preference shares (Refer note (c) below)	1.31	-
	118.63	**129.54**

a. Class A convertible redeemable preferred shares

On June 21, 2013, Prime Focus World NV, a subsidiary of the Company ("PFWNV"), issued 827,781 Class A Convertible Redeemable Preferred Shares ("Class A Preferred"), which carry a par value of €0.01 per share, for ₹ 245.94 Crores ($ 38.0 million).

All outstanding Class A Preferred Shares were to mandatorily convert to ordinary shares upon completion of a qualifying initial public offering (QIPO) or at any time at the option of the holder into ordinary shares.

If PFWNV had not consummated a qualified IPO before December 21, 2016, holder had right to require the PFWNV to redeem all of the Class A Preferred Shares for cash at the price of the amount of initial consideration plus all accrued and unpaid dividends. In addition, the redemption feature provides the holders of Class A Preferred Shares the right to receive a Redemption IRR Amount paid out in ordinary shares. The redemption IRR Amount was calculated to ensure a return that yields an internal rate of return of 12% - 17.3% per annum.

In December 2016, PFWNV entered into a term sheet with Class A Preferred shareholders settling the amount at ₹ 305.30 Crores ($45.0 million) of cash (plus 5% interest till the date of settlement) and ₹ 146.54 Crores ($21.6 million) of equity (Ordinary II shares). The aforesaid Ordinary II shares were puttable after 90 days post maturity of borrowing facilities drawn by PFWNV in June 2016, but no later than 48 months from December 21, 2016. Consequently, the Ordinary II shares were split into debt (embedded put option in the instrument) which was valued at amortised cost of ₹ 104.37 Crores ($15.7 million) and residual equity of ₹ 42.17 Crores ($6 million). The debt component was classified under Other Financial Liabilities (Non-current) as 'Puttable equity instrument'. On June 21, 2017, 257,942 Ordinary II shares of €0.01 each, were issued based on fair valuation carried out.

During the year ended March 31, 2019, there was an early settlement of the puttable equity instrument and consequently, PFWNV recognised an accelerated interest charge of ₹ 26.43 Crores ($3.8 million) in the Statement of Profit or Loss.

b. 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 and carry equal rights. 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 the Company 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.

c. **Non convertible redeemable preference shares (NCRPS)**

The holder of each 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 in the following manner:

(a) NCRPS under series A (44107) shall be redeemed at the fifteenth (15th) month from the date of allotment thereof and

(b) NCRPS under series B (44107) shall be redeemed at the thirtieth (30th) month from the date of allotment thereof.

19. Provisions (non-current)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits:		
Provision for gratuity (Refer note 34)	15.74	11.93
Provision for compensated absences	1.29	1.36
	17.03	**13.29**

The Group did not have any long-term contracts including derivative contracts for which any provision was required for any foreseeable losses.

20. Other liabilities (non-current)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Non-Current		
Deferred rent	96.40	109.22
	96.40	**109.22**

21. Current borrowings

₹ Crores

	As at March 31, 2019	As at March 31, 2018
From Banks/ Others (Secured)		
Cash credit/ overdraft (Refer note (a), (b), (c) below and 17.(e))	66.90	87.10
Short-term demand loan (Refer note (d), (e), (g) below and 17.(e))	545.24	193.44
Invoice discounting facility (Refer note (h) and (i) below)	51.37	73.41
From Banks/ Others (Unsecured)		
Short-term demand loan (Refer note (f))	102.85	-
	766.36	**353.95**

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 17(l)). The cash credit is repayable on demand and carries interest at the rate of 10.50% to 14.75% per annum. As at March 31, 2019 the outstanding is ₹ 22.20 Crores and as at March 31, 2018 the cash credits/ overdraft outstanding was ₹ 11.74 Crores.

b. PFT has availed a cash credit and invoice discounting 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 17 (b) for securities details of facilities outstanding as at March 31, 2019. 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, 2019 ₹ 28.54 Crores (March 31, 2018: ₹ 21.37 Crores) was included in cash credit / overdraft.

c. During previous year PFT UK, a subsidiary had availed working capital facility of ₹ 22.67 Crores (£ 2.5 million). The said working capital facility was secured by lien of stock and receivables, first and exclusive charge on all existing and future current assets and existing and movable fixed asset (except for leasehold assets / equipment, stock and receivables of PFT UK), second mortgage charge on property owned by the Company at Goregaon, personal guarantees of the Company's promotor, corporate guarantee of the Company, Prime Focus Technologies Limited, DNEG North America Inc. and 1800 Vine Street LLC.. Interest rate for this facility was 5% p.a. over 3 months GBP LIBOR with quarterly re-sets. The said loan has been repaid fully during the year.

d. During the year, one of the subsidiary has availed a short-term facility from a financial institution for ₹ 2.71 Crores ($ 390,697). This facility is hypothecated against specific assets purchased. The rate of interest of the loan is 5.64% and is repayable in 12 months from the date on which it is borrowed. As at March 31, 2019 ₹ 2.04 Crores (March 31, 2018 : Nil) is disclosed as short-term demand loan.

e. On September 14, 2015, the Company entered into an agreement for a working capital demand loan of ₹ 10.00 Crores from a bank for a term of 90 days at an interest rate of 11.50% per annum. This loan is renewed periodically and is secured by 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 17(l)). As at March 31, 2019 and as at March 31, 2018, ₹ 10.00 Crores is outstanding and is included in short-term demand loans.

f. During the year, one of the subsidiary availed a short-term unsecured facility from a financial institution for ₹ 102.85 Crores (€ 13.23 million) at interest of EURIBOR plus 5% margin for first six months and EURIBOR plus 6% there after. As at March 31, 2019, ₹ 102.85 Crores (March 31, 2018: ₹ Nil) outstanding and considered under Short-term demand loan.

g. As at March 31, 2018, Short term demand loan includes ₹ 14.92 Crores obtained at interest rate of CIBC current prime rate plus 2% (equivalent to 5%), with tax credit receivables as collateral. This loan has been repaid during the year.

h. PFW Group had availed borrowings for pre shipment and post shipment export finance at a rate of interest of LIBOR+4% with a tenor of upto one year. Sanctioned facility of ₹ 20 Crores was secured against current assets and movable assets of DNEG Creative Services Private Limited, corporate guarantee of Prime Focus World NV and the Company, personal guarantee of promoters. As at March 31, 2018 ₹ 19.60 Crores included in invoice discounting facility. The loan has been fully repaid during the year.

i. PFW Group has availed pre shipment and post shipment export finance facility from bank, at a rate of interest of LIBOR+4% with a tenor of upto one year. Sanctioned facility of ₹ 60 Crores is secured against current assets and movable fixed assets of DNEG Creative Services Private Limited, exclusive charge by way of mortgage of immovable properties of the Company, pledge of 30% shares of subsidiaries viz: DNEG Creative Services Private 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 17(l)) and corporate guarantee given by Prime Focus World NV. As at March 31, 2019, ₹ 51.37 Crores (March 31, 2018: ₹ 53.81 Crores) included in Invoice discounting facility.

22. Other current financial liabilities

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Current maturity of long term borrowings		
Debentures (unsecured)		
Non-convertible debentures - series B	-	89.10
(Refer note (17.a))		
Term loans (secured)		
from banks	131.21	171.57
(Refer note (17.b), (17.c), (17.d) and (17.e))		
from others	4.23	3.74
(Refer note (17.f))		
Term loans (unsecured)		
from others	1.00	1.00
(Refer note (17.g))		
Other loans and advances (unsecured)		
Inter corporate deposit received	31.70	-
(Refer note (17.h))		
Other loans and advances (secured)		
Foreign currency loans - buyers credit	-	10.50
(Refer note (17.j))		
Finance lease obligations	100.16	80.64
(Refer note (17.k))		
	268.30	**356.55**
Deferred consideration for acquisition of business	-	38.57
Premium on aforesaid debentures	-	87.63
Class B Convertible Redeemable Preferred Shares and Derivaties	-	81.58
(Refer note 18.(b))		
Non convertible redeemable preference shares (Refer note 18.(c))	1.47	-
Interest accrued but not due on borrowings	20.73	9.64
Security deposits	3.14	10.20
Deposit received from customers	-	6.53
Capital Creditors	14.75	13.83
Accrued salaries and benefits	74.56	62.75
Others	0.17	15.94
	383.12	**683.22**

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, 2019 (March 31, 2018: Nil)

23. Provisions (current)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Provision for employee benefits:		
Provision for gratuity (Refer note 34)	0.65	0.40
Provision for compensated absences	23.91	11.15
	24.56	**11.55**

24. Other liabilities (current)

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Deferred rent	11.77	10.32
Deferred revenue	134.23	171.70
Advance received from customers	1.55	-
Book overdraft	2.33	1.96
Other payables #	44.38	39.34
	194.26	**223.32**

#Other payables include withholding taxes, service tax payable, goods and service tax payable, VAT payable and employer and employee contribution to provident fund and other funds liability.

25. Revenue from operations

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Income from services	2,510.62	2,227.52
Other Operating Income:		
Export incentives	29.63	29.96
Total revenue from operations	**2,540.25**	**2,257.48**

26. Other income

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Interest income:		
Bank deposits	0.15	1.82
on income tax refunds	2.70	2.10
Others	1.95	3.27
Dividend income *	0.00	0.00
Net gain on sale of property, plant and equipment	0.66	3.76
Sundry balance written back	13.71	2.70
Bad debts recovered	-	1.57
Research and development incentives	12.77	-
Others	11.24	7.64
Total other income	**43.18**	**22.86**

* The value 0.00 means amount is below ₹ 50,000/-

27. Employee benefits expense

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Salaries and wages	1,394.04	1,150.90
Contribution to provident fund and other funds (refer note 34)	136.85	103.91
Staff welfare expenses	29.59	23.06
Total employee benefits expense	**1,560.48**	**1,277.87**

28. Finance costs

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Interest on working capital finance	41.55	18.60
Interest on term loan	104.96	111.61
Interest on buyer's credit	0.11	0.34
Interest and premium on non convertible debentures	13.29	31.84
Interest on optionally convertible debentures	-	8.42
Interest on Inter Corporate Deposits	3.45	4.16
Interest on others	71.89	29.16
Change in fair value of financial liabilities	1.43	8.17
Total finance costs	**236.68**	**212.30**

29. Other expenses

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Rent	116.90	103.93
Communication cost	23.30	21.66
Consumable stores	5.65	3.77
Director's sitting fees	0.10	2.74
Electricity	49.85	41.10
Insurance cost	8.67	7.02
Rebates and discount	1.35	0.70
Traveling and conveyance	39.33	42.44
House keeping expenses	6.61	7.51
Rates and taxes	18.75	24.79
Legal and Professional fees	48.41	54.22
Payment to auditors (see Note below)	4.87	4.99
Repairs and maintenance	39.36	30.54
Bad debts written off	40.32	1.88
Provision for doubtful debts / advances (net)	6.48	24.98
Loss on sale of property, plant and equipment	0.34	-
Miscellaneous expenses	43.85	33.32
Total other expenses	**454.14**	**405.59**
Note:		
Payment to auditors		
As auditor		
Audit fees	4.16	4.28
In other matters	0.71	0.71
	4.87	**4.99**

30. Income tax

A. Amounts recognised in profit or loss

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Current tax		
- in respect of current year (a)	20.25	32.93
- in respect of prior years (b)	2.04	-
Total current tax	**22.29**	**32.93**
Deferred tax		
- in respect of current year (c)	(47.76)	(27.30)
Total income tax expense recognised in the current year (a) + (b) + (c)	**(25.47)**	**5.63**

B. Income tax recognised in other comprehensive income

₹ Crores

	Year ended March 31, 2019	Year ended March 31, 2018
Re-measurement of defined benefit liability *	0.00	0.42
Tax recognised in other comprehensive income	**0.00**	**0.42**

* The value 0.00 means amount is below ₹ 50,000/-

C. Reconciliation of effective tax rate

₹ Crores

	March 31, 2019		March 31, 2018	
	% of PBT	Amount	% of PBT	Amount
Loss before tax		(58.42)		(38.77)
Tax using Company's domestic tax rate	29.12%	(17.04)	34.61%	(13.40)
Effect of:				
Effect of expenses that are not deductible and other adjustments		2.10		22.47
Effect on deferred tax balances due to the change in income tax rate		(4.68)		0.79
Effect of differential tax rate and indexation benefits on capital gain		(4.37)		(3.15)
Effect of differential tax rates of subsidiaries operating in other jurisdictions		(2.05)		(13.64)
Effect of unused tax losses and tax offsets not recognised as deferred tax assets and utilisation thereof		(1.47)		12.56
		(27.51)		**5.63**
Tax pertaining to prior years		2.04		-
Income tax expenses recongnised in Statement of Profit & Loss		**(25.47)**		**5.63**

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, 2019	As at March 31, 2018
Deferred tax assets	59.96	25.48
Deferred tax liabilities	(86.18)	(97.87)
	(26.22)	**(72.39)**

E. Movement in deferred tax

₹ Crores

	Balance as at March 31, 2017	Recognised in Profit / Loss during 2017-18	Recognised in other equity during 2017-18	Recognised in OCI during 2017-18	Balance as at March 31, 2018	Recognised in Profit / Loss during 2018-19	Recognised in other equity during 2018-19	Recognised in OCI during 2018-19	Balance as at March 31, 2019
Deferred tax liability									
Difference between tax books and written down value of PPE and intangible assets	(181.85)	13.48	-	-	(168.37)	31.19	(0.55)	-	(137.73)
Others	(0.83)	0.07	-	-	(0.76)	(0.24)	-	-	(1.00)
	(182.68)	**13.55**	**-**	**-**	**(169.13)**	**30.95**	**(0.55)**	**-**	**(138.73)**
Deferred tax assets									
Unabsorbed loss carried forward	50.38	(0.66)	-	-	49.72	39.97	(0.01)	-	89.68
Related to premium on redemption of debenture	46.38	9.62	(31.88)	-	24.12	(24.12)	-	-	-
Others *	10.41	2.24	0.43	0.42	13.50	0.96	(1.03)	0.00	13.43
MAT credit entitlement	6.85	2.55	-	-	9.40	-	-	-	9.40
	114.02	**13.75**	**(31.45)**	**0.42**	**96.74**	**16.81**	**(1.04)**	**0.00**	**112.51**
Net deferred tax (liabilities)	**(68.66)**	**27.30**	**(31.45)**	**0.42**	**(72.39)**	**47.76**	**(1.59)**	**0.00**	**(26.22)**

* The value 0.00 means amount is below ₹ 50,000/-

F. The Group has carried forward losses against which deferred tax asset has not been recognised.

	As at March 31, 2019 (₹ Crores)	Will expire in FY	As at March 31, 2018 (₹ Crores)	Will expire in FY
Unabsorbed business loss	3.69	2020-21	3.91	2020-21
Unabsorbed business loss	10.56	2022-23	10.42	2022-23
Unabsorbed business loss	7.42	2023-24	6.95	2023-24
Unabsorbed business loss	27.70	2024-25	26.69	2024-25
Unabsorbed business loss	116.90	2025-26	105.10	2025-26
Unabsorbed business loss	90.36	2026-27	53.92	2026-27
Unabsorbed business loss	107.31	2027-28	-	NA
Unabsorbed business loss	2.23	2031-32	2.06	2031-32
Unabsorbed business loss	0.45	2032-33	0.41	2032-33
Unabsorbed business loss	1.49	2033-34	0.02	2033-34
Unabsorbed business loss	39.40	2034-35	63.26	2034-35
Unabsorbed business loss	27.88	2035-36	27.09	2035-36
Unabsorbed business loss	27.60	2036-37	19.84	2036-37
Unabsorbed business loss	3.38	2037-38	48.60	2037-38
Unabsorbed business loss	35.41	2038-39	-	NA
Unabsorbed business loss	260.48	Indefinite life	454.29	Indefinite life
Unabsorbed depreciation	233.77	Indefinite life	227.91	Indefinite life
	996.04		**1,050.47**	

31. 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 Group Chief Executive and Chairman.

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, 2019	Year ended March 31, 2018	As at March 31, 2019	As at March 31, 2018
India	339.30	324.71	1,461.19	1,230.30
United Kingdom	945.41	914.12	692.72	711.49
U.S.	277.41	251.39	231.10	212.15
Canada	900.13	696.35	265.78	277.22
Other Countries	48.37	40.95	0.47	-
	2,510.62	2,227.52	2,651.26	2,431.16

*Non-current assets exclude investments, financial assets and deferred tax assets.
None of the customers (Previous year: one) contributed 10% or more of the group's total revenue for the year ended March 31, 2019.

32. 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, 2019	Year ended March 31, 2018
Net loss atributable to equity shareholders	(32.95)	(44.40)
	Number	**Number**
Weighted average number of equity shares in calculating basic EPS	**299,167,745**	**298,959,213**
Weighted average potential Equity shares	**5,084,030**	**8,885,964**
Weighted average number of equity shares in calculating diluted EPS	*** 304,251,775**	*** 307,845,177**
Earnings per share		
Basic EPS (in ₹)	(1.10)	(1.49)
Diluted EPS (in ₹)	(1.10)	(1.49)

*Potential equity shares are anti-dilutive in nature and hence diluted earning per share is same as basic earning per share.

33. 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		Share in Profit / (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
1	Prime Focus Limited	174.67%	1,119.76	100.97%	(33.27)	(0.23%)	0.13	37.42%	(33.14)
2	Dneg India Media Services Limited (formerly known as Gener8 India Media Limited)	(9.75%)	(62.50)	21.37%	(7.04)	0.13%	(0.07)	8.03%	(7.11)
3	De-Fi Media Limited	0.49%	3.15	105.98%	(34.92)	0.00%	-	39.43%	(34.92)
4	Prime Focus Technologies Limited	44.32%	284.15	59.42%	(19.58)	(0.16%)	0.09	22.01%	(19.49)
5	Prime Focus Technologies UK Limited	0.67%	4.28	42.09%	(13.87)	0.00%	-	15.66%	(13.87)
6	Prime Focus MEAD FZ LLC	3.28%	21.00	(64.61%)	21.29	0.00%	-	(24.04%)	21.29
7	Prime Post (Europe) Limited	0.25%	1.58	(12.23%)	4.03	0.00%	-	(4.55%)	4.03
8	Prime Focus Technologies Inc.	(3.87%)	(24.83)	122.67%	(40.42)	0.00%	-	45.64%	(40.42)
9	DAX PFT LLC	11.37%	72.89	(24.07%)	7.93	0.00%	-	(8.95%)	7.93
10	DAX Cloud ULC	(0.34%)	(2.21)	1.31%	(0.43)	0.00%	-	0.49%	(0.43)
11	Apptarix Mobility Solutions Private Limited	0.05%	0.34	0.03%	(0.01)	0.00%	-	0.01%	(0.01)
12	Prime Focus Production Services Private Limited (formerly known as Prime Focus Visual Effects Private Limited) *	0.00%	0.00	(0.00%)	0.00	0.00%	-	(0.00%)	0.00
13	GVS Software Private Limited *	4.13%	26.48	(0.00%)	0.00	0.00%	-	(0.00%)	0.00
14	Prime Focus Motion Pictures Limited	(0.04%)	(0.26)	0.73%	(0.24)	0.00%	-	0.27%	(0.24)
15	PF Digital Media Services Limited (formerly known as Prime Focus 3D India Private Limited)	(0.11%)	(0.71)	2.31%	(0.76)	0.00%	-	0.86%	(0.76)
16	PF World Limited (Mauritius)	84.45%	541.43	30.17%	(9.94)	0.00%	-	11.22%	(9.94)
17	Prime Focus Luxembourg S.a.r.l.	14.26%	91.42	11.75%	(3.87)	0.00%	-	4.37%	(3.87)
18	Prime Focus 3D Cooperatief U.A.	37.01%	237.28	2.91%	(0.96)	0.00%	-	1.08%	(0.96)
19	Prime Focus World N.V.	10.35%	66.35	296.39%	(97.66)	0.00%	-	110.26%	(97.66)
20	Double Negative Canada Productions Limited	1.51%	9.69	(49.04%)	16.16	0.00%	-	(18.25%)	16.16
21	Double Negative Huntsman VFX Limited	(0.59%)	(3.79)	(2.06%)	0.68	0.00%	-	(0.77%)	0.68
22	Vegas 11 VFX Limited	(2.05%)	(13.17)	5.61%	(1.85)	0.00%	-	2.09%	(1.85)

Sr No	Name of entity	Net Assets		Share in Profit / (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
23	Prime Focus International Services UK Limited	22.57%	144.70	(206.92%)	68.18	0.00%	-	(76.98%)	68.18
24	Prime Focus VFX USA Inc.	(0.28%)	(1.78)	0.03%	(0.01)	0.00%	-	0.01%	(0.01)
25	DNEG Creative Services Private Limited (now known as DNEG Creative Services Limited)	39.11%	250.75	27.59%	(9.09)	(0.63%)	0.35	9.87%	(8.74)
26	Prime Focus Academy of Media & Entertainment Studies Private Limited	2.33%	14.91	2.64%	(0.87)	0.05%	(0.03)	1.02%	(0.90)
27	Double Negative India Private Limited	1.07%	6.85	(15.11%)	4.98	0.81%	(0.45)	(5.11%)	4.53
28	DNEG North America Inc. (formerly known as Prime Focus North America Inc.)	56.78%	363.98	(4.13%)	1.36	0.00%	-	(1.54%)	1.36
29	1800 Vine Street LLC (USA)	9.86%	63.24	(0.06%)	0.02	0.00%	-	(0.02%)	0.02
30	Re: Define FX LTD (formerly known as Prime Focus VFX Ltd)	(0.10%)	(0.61)	1.91%	(0.63)	0.00%	-	0.71%	(0.63)
31	Double Negative Montreal Productions Limited	19.77%	126.76	(147.80%)	48.70	0.00%	-	(54.98%)	48.70
32	Prime Focus World Malaysia Sdn Bhd	0.00%	-	0.03%	(0.01)	0.00%	-	0.01%	(0.01)
33	Double Negative Holdings Limited U.K	0.00%	-	0.00%	-	0.00%	-	0.00%	-
34	Double Negative Singapore Pte. Limited	0.37%	2.35	0.52%	(0.17)	0.00%	-	0.19%	(0.17)
35	Double Negative Films Limited, UK	(9.60%)	(61.55)	8.59%	(2.83)	0.00%	-	3.20%	(2.83)
36	Double Negative LA LLC	0.08%	0.49	(6.37%)	2.10	0.00%	-	(2.37%)	2.10
37	Double Negative Limited	4.30%	27.56	(403.82%)	133.06	0.00%	-	(150.23%)	133.06
38	Prime Focus ME Holdings Limited	17.50%	112.21	0.76%	(0.25)	0.00%	-	0.28%	(0.25)
39	Prime Focus China Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
40	Prime Focus (HK) Holdings Limited	(1.08%)	(6.91)	0.00%	-	0.00%	-	0.00%	-
41	PF Investments Limited (Mauritius)	(0.05%)	(0.29)	0.27%	(0.09)	0.00%	-	0.10%	(0.09)
42	PF Overseas Limited (Mauritius)	(0.08%)	(0.49)	0.24%	(0.08)	0.00%	-	0.09%	(0.08)
43	Reliance MediaWorks (Mauritius) Limited	27.50%	176.32	(14.20%)	4.68	0.00%	-	(5.28%)	4.68
44	Reliance Lowry Digital Imaging Services Inc.	(19.48%)	(124.91)	24.61%	(8.11)	0.00%	-	9.16%	(8.11)
45	Prime Focus Malaysia Sdn Bhd	0.00%	-	0.12%	(0.04)	0.00%	-	0.05%	(0.04)
			3,465.91		**26.17**		**0.02**		**26.19**

Sr No	Name of entity	Net Assets		Share in Profit / (loss)		Share in Other Comprehensive Income		Share in Total Comprehensive Income	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
	Add/(Less): Effects of Inter Company adjustments / eliminations		(2,937.54)		(48.88)		(55.22)		(104.10)
	Less: Minority Interest in all subsidiaries		112.72		(10.24)		(0.42)		(10.66)
			641.09		**(32.95)**		**(55.62)**		**(88.57)**

34. Employee benefit plans

a. Defined contribution plans

The total amount recognised in profit or loss is ₹ 131.84 Crores (Year ended March 31, 2018 ₹ 99.70 Crores), which is included in note 27 as 'Contribution to Provident Fund and Other Funds'

b. Defined benefit plans

The Group sponsors defined benefit plans for qualifying employees. 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; investment risk, interest rate risk, longevity risk and salary risk.

Investment risk	The present value of the defined benefit plan liability is calculated using a discount rate which is determined by reference to market yields at the end of the reporting period on government bonds.
Interest risk	A decrease in the bond interest rate will increase the plan liability; however this will be partially offset by an increase in the return on the plan's investments.
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.

During the previous year, the component having funded plan has discontinued such plan.

In respect of the plan in India, the most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out by an external expert, who 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

	Funded		Unfunded	
	March 2019	March 2018	March 2019	March 2018
Defined benefit obligation at the beginning of the year	-	0.44	12.33	7.69
Scheme reclassified to Unfunded	-	(0.44)	-	0.44
Interest cost	-	-	0.97	0.62
Current service cost	-	-	4.04	3.48
Past service cost	-	-	-	0.11
Benefit paid directly by the employer	-	-	(0.93)	(0.71)
Actuarial (gains)/losses on obligations - due to change in demographic assumptions	-	-	(0.66)	(0.08)
Actuarial (gains)/losses on obligations - due to change in financial assumptions	-	-	0.38	1.72
Actuarial (gains)/losses on obligations - due to experience	-	-	0.26	(0.94)
Present value of benefit obligation at the end of the year	**-**	**-**	**16.39**	**12.33**

ii. Reconciliation of opening and closing balances of fair value of plan assets:

₹ Crores

	Funded	
	March 2019	March 2018
Scheme reclassified to Unfunded	-	(0.49)
Present value of benefit obligation at the end of the year	-	-

iii. Reconciliation of fair value of assets and obligations:

₹ Crores

	Funded		Unfunded	
	March 2019	March 2018	March 2019	March 2018
Present value of benefit obligation at the end of the year	-	-	(16.39)	(12.33)
Fair value of plan assets at the end of the year	-	-	-	-
Net (liability)/asset recognized in the balance sheet	**-**	**-**	**(16.39)**	**(12.33)**

iv. Expenses recognised in Statement of Profit and Loss during the year

₹ Crores

	Funded		Unfunded	
	March 2019	March 2018	March 2019	March 2018
Current service cost	-	-	4.04	3.48
Net interest cost	-	-	0.97	0.62
Past service cost	-	-	-	0.11
Expenses recognized	**-**	**-**	**5.01**	**4.21**

v. Expenses recognized in the Other Comprehensive Income (OCI)

₹ Crores

	Funded		Unfunded	
	March 2019	March 2018	March 2019	March 2018
Actuarial (gains)/losses on obligation for the year	-	-	(0.02)	0.70
Return on plan assets, excluding Interest Income	-	-	-	0.03
Net (income) / expense for the year recognized in OCI	**-**	**-**	**(0.02)**	**0.73**

vi. Actuarial assumptions

	Funded		Unfunded	
	March 2019	March 2018	March 2019	March 2018
Expected return on plan assets	N.A.	N.A.	N.A.	N.A.
Rate of discounting	N.A.	N.A.	7.76-7.79%	7.73-7.87%
Rate of salary increase	N.A.	N.A.	5.00 -7.00%	5.00%
Rate of employee turnover	N.A.	N.A.	2.00 -20.00% p.a.	2.00 -10.00% p.a.
Mortality rate during employment	N.A.	N.A.	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality rate after employment	N.A.	N.A.	N.A.	N.A.

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.

c. The Expected Rate of Return on Plan Assets is determined considering several applicable factors, mainly the composition of Plan Assets held, assessed risks, historical results of return on Plan Assets and the Group's policy for Plan Assets Management.

vii. 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 2019		March 2018	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (1% movement)	(2.21)	2.72	(1.70)	2.10
Future salary appreciation (1% movement)	2.67	(2.24)	2.08	(1.73)
Attrition rate (1% movement)	0.25	(0.31)	0.18	(0.24)

35. Financial instruments

a. Capital 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 4.58 as on March 31, 2019 (3.00 as on March 31, 2018).

During the year, the Group's strategy was to monitor and manage the use of funds whilst developing business strategies and marketing.

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 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.

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 ₹ 1,007.59 Crores and ₹ 890.76 Crores as at March 31, 2019 and March 31, 2018 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, 2019 and March 31, 2018.

d. 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. The amounts disclosed in the table are the contractual undiscounted cash flows.

₹ Crores

	March 31, 2019	
	Less than 1 year	More than 1 year
Financial Liabilities		
Borrowings	1,034.66	1,384.23
Other financial liabilities	114.82	118.63
Trade payables	145.30	-
	1,294.78	**1,502.86**

₹ Crores

	March 31, 2018	
	Less than 1 year	More than 1 year
Financial Liabilities		
Borrowings	798.13	926.86
Other financial liabilities	239.04	129.54
Trade payables	164.39	-
	1,201.56	**1,056.40**

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, Australian Dollar, Singapore Dollar and Emirati Dirham 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, 2019		As at March 31, 2018	
		Foreign Currency	₹ Crores	Foreign Currency	₹ Crores
Asset	AED	49,523	0.09	30,969	0.05
	AUD	453,784	2.23	387,068	1.93
	CAD	47,815,893	248.22	14,626,244	73.47
	EUR	13,064,472	101.59	294,355	2.35
	GBP	1,737,036	15.68	21,136,034	191.93
	JPY	360,000	0.02	-	-
	KES *	71,085	0.00	71,085	0.00
	SGD	-	-	2,253,208	11.12
	USD	103,820,567	719.69	155,488,272	1,007.92
Asset Total			**1,087.52**		**1,288.77**
Liability	AED	40,920	0.08	-	-
	AUD	-	-	5,300	0.03
	CAD	7,871,987	40.86	10,780,730	54.16
	EUR	26,263,206	204.22	789,023	6.30
	GBP	55,033,767	496.84	24,862,485	226.76
	INR	917,749	0.09	923,000	0.09
	SGD	2,202,061	11.26	2,251,305	11.11
	USD	101,119,499	700.97	158,485,547	1,027.35
Liability Total			**1,454.32**		**1,325.80**

* 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 decrease/ increase in the Group's profit before tax by approximately ₹ 18.34 Crores for the year ended March 31, 2019 [March 31, 2017: ₹ 1.85 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 risk is managed by the group by maintaining an appropriate mix between fixed and floating rate borrowings. The sensitivity analysis for exposure to interest rates on borrowings as at the end of the reporting period indicates that a 50 basis point increase in floating interest rates on such borrowings would have decreased equity and profit for the year by ₹ 8.46 Crores and ₹ 5.80 Crores for March 2019 and March 2018 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		
	As at March 31, 2019	As at March 31, 2018	As at March 31, 2019	As at March 31, 2018	Fair value hierarchy
FINANCIAL ASSETS					
Financial assets measured at fair value					
Investments	4.23	4.25	4.23	4.25	Level 3
Revenue participation in movies	4.02	8.10	4.02	8.10	Level 3
Financial assets measured at amortised cost					
Deposits	25.91	22.23	-	-	
Trade receivables	425.95	344.80	-	-	
Cash and cash equivalents	89.68	79.46	-	-	
Bank balance others	0.62	12.59	-	-	
Other financial assets	461.41	423.58	-	-	
	1,011.82	**895.01**	**8.25**	**12.35**	
FINANCIAL LIABILITIES					
Financial liabilities measured at fair value					
Class B Convertible Redeemable Preferred Share Derivative	18.02	15.82	18.02	15.82	Level 3
Derivatives - forward contract exchange contracts	-	0.06	-	0.06	Level 2
Contingent consideration	-	8.99	-	8.99	Level 3
Cash settled options	2.31	0.80	2.31	0.80	Level 3
Non Convertible Redeemable Preference Shares (NCRPS)	2.77	-	2.77	-	Level 3
Financial liabilities measured at amortised cost					
Class B Convertible Redeemable Preferred Shares	93.10	82.23	-	-	
Borrowings	2,418.89	1,724.99	-	-	
Deferred consideration	-	29.58	-	-	
Trade payables	145.30	164.39	-	-	
Other financial liabilities	117.25	231.10	-	-	
	2,797.64	**2,257.96**	**23.10**	**25.67**	

₹ Crores

(Financial Assets) / Financial Liabilities	Fair Value as at 31-Mar-19	Fair Value as at 31-Mar-18	Fair Value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Revenue participation in movies	(4.02)	(8.10)	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
Investment	(4.23)	(4.25)	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	**(8.25)**	**(12.35)**				
Derivatives for Redeemable Convertible Preferred Shares Class B	18.02	15.82	Level 3	Third party valuation using Probability Expected Return Methodology ("PWERM")	Probability of expected return	The higher the expected returns, the higher the fair value. The higher the discount rate, the lower the fair value
Forward contracts for receivables from customers	-	0.06	Level 2	Forward rate quotes for same periods obtained from Bankers	None	Not applicable
Contingent consideration	-	8.99	Level 3	Discounted cash flow method was used to capture present value	Risk-adjusted discount rate of 7% and 12%	An increase in discount rate used would result a significant decrease in fair value
Cash settled options	2.31	0.80	Level 3	Third party valuation using Probability Expected Return Methodology ("PWERM")	Probability of expected return	The higher the expected returns, the higher the fair value.
Non Convertible Redeemable Preference Shares (NCRPS)	2.77	-	Level 3	Discounted cash flow method was used to capture present value	Discount rate and probable cash flows	The higher the expected returns, the higher the fair value. The higher the discount rate, the lower the fair value
Total financial liabilities	**23.10**	**25.67**				

₹ Crores

Closing balance as at March 31, 2017 (Financial liabilities)	**27.79**
Mark to Market change in embedded derivative of Preferred shares Class B, Optionally convertible Debentures and Non-Convertible Debentures recognised in Profit or Loss (net of settlements)	(1.14)
Fair value change towards cash settled options	0.80
Contingent consideration for acquisition (net of payments)	(1.84)
Closing balance as at March 31, 2018 (Financial liabilities)	**25.61**
Mark to Market change in embedded derivative of Preferred shares Class B recognised in Profit or Loss (net of settlements)	2.20
Fair value change towards cash settled options	1.51
NCRPS issued during the year	2.47
Change in fair value of NCRPS	0.30
Contingent consideration for acquisition (net of payments)	(8.99)
Closing balance as at March 31, 2019 (Financial liabilities)	**23.10**

	₹ Crores
Closing balance as at March 31, 2017 (Financial assets)	**(13.15)**
Exchange fluctuation in Investment	(0.26)
Payments made for revenue participation in movies (net)	1.06
Closing balance as at March 31, 2018 (Financial assets)	**(12.35)**
Exchange fluctuation in Investment	0.02
Collections from revenue participation in movies (net) and dimunition in value	4.07
Closing balance as at March 31, 2019 (Financial assets)	**(8.25)**

36. Share based payments

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	1-Aug-14
Total number of options approved under ESOS	17,932,738
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
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:

Grant date share price	₹ 68.35
Exercise Price	₹ 52.00
Expected Volatility	49.67 – 46.62%
Expected life	2 – 4 years
Dividend yield	-
Risk free interest rate	6.85% to 6.97%

iii. The weighted average incremental fair value of the share options modified is ₹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:

Grant date share price	₹ 70.80
Exercise Price	₹ 52.00
Expected Volatility	49.10% - 46.60%
Expected life	1.90 – 3.40 years
Dividend yield	-
Risk free interest rate	7.90 % to 8.00 %

During the year, the Company has extended the exercise period of all outstanding options from 2 to 5 years

iv. **Reconciliation of outstanding share options:**

	31-Mar-19		31-Mar-18	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at April 1	17,646,067	52.00	17,932,738	52.00
Granted during the period	-	-	-	-
Forfeited / lapsed during the year	-	-	-	-
Exercised during the year	16,667	52.00	286,671	52.00
Outstanding at March 31	17,629,400	52.00	17,646,067	52.00
Exercisable at March 31	16,151,820	52.00	7,940,908	52.00

Fair value of 8,227,579 option vested during the year is ₹ 34.97 Crores (March 31, 2018: 8,227,579 option was ₹ 24.35 Crores)

Money realised by exercise of option during the year is ₹ 0.09 crores (March 31, 2018: ₹ 1.49 Crores).

The options outstanding at March 31, 2019 have an exercise price of ₹52/- (March 31, 2018: ₹ 52/-) and a weighted average remaining contractual life of 4 year (March 31, 2018: 2 years)

Weighted average share price at the date of the exercise of share options exercised in 2018-19 is ₹ 63.03 (March 31, 2018: ₹ 99.60).

v. During the year, Company recorded an additional amount of ₹ 14.31 crores on account of the extension of the exercise period for outstanding options under PFL Employee Stock Option Scheme 2014 from 2 years to 5 years. The said extention was approved by the Share Holders at the Twenty-First Annual General Meeting of the Company held on September 28, 2018. The Company has followed the fair value method to account for the grant of stock options and charge for the year ended March 31, 2019 is ₹ 21.98 Crores (March 31, 2018: ₹ 24.71 Crores).

b. During fiscal year 2014, the Board of Directors and Shareholders' of PFWNV (Prime Focus World NV) approved a share option plan for PFWNV and reserved 973,285 common shares for issuance thereunder.

Pursuant to such plan, equity settled options totalling 408,586 ordinary shares were granted to certain executives / consultants and to certain members of the Board of Directors of PFWNV and 57,429 cash-settled options (Phantom stock options) were issued to certain key employees in earlier year(s). During fiscal year 2019 and 2018, PFWNV granted 19,638 and 250,000 equity settled options to certain key employees, respectively.

i. **Equity settled options :**

Each equity settled share option converts into one ordinary share of PFWNV 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
Grant 1	408,586	1-Jul-13	1-Jul-23	$13.13	$ 8.92-9.31
Grant 2	250,000	15-Aug-17	15-Aug-27	$88.50	$3.48
Grant 3	19,638	7-May-18	7-May-28	$101.85	$66.10

All of the above options from Grant 1 have fully vested and are exercisable over a period until ten years from the date of grant, or ninety days after the resignation of the optionee, if not exercised. All of the above options from Grant 2 vest equally over the period of 3 years and are exercisable only upon listing of the Company's shares on certain stock exchanges subject to some conditions.

250,000 equity settled options were granted during fiscal 2018. The fair value as on grant date of the share options is $ 3.48. Using a Monte Carlo option pricing model, the Company has estimated payoffs based on future enterprise value of the Group and IPO or change of control trigger points, which are discounted at the valuation date to derive the value of option.

19,638 equity-settled options were granted during the year. The fair value as on grant date of the share options is $66.1. Options were priced using a black scholes option pricing model. The expected life used in the model has been adjusted based on management's best estimate for the targets to be achieved as per the plan. Volatility is based on the average volatility of the comparable companies for the relevant time period.

Inputs into the model for fair valuation of grants during the year:

Grant date share price	$ 87.96
Exercise price	$ 88.50
Dividend	-
Volatility	20.70%
Risk free interest rate	0.23 – 0.50%

Movement in equity settled shares options during the current year

	Fiscal year 2019		Fiscal year 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	**658,586**	**$ 41.74**	**408,586**	**$ 13.13**
Granted during the year	19,638	$ 101.85	250,000	$ 88.50
Balance at the end of the year	**678,224**	**$ 43.48**	**658,586**	**$ 41.74**
Exercisable at the end of the year	**408,586**	**$ 13.13**	**408,586**	**$ 13.13**

The average remaining contractual life in respect of share-based options is 2,283 days as at March 2017; 2,490 days as at March 31, 2018; and 2,159 days as at March 31, 2019.

ii. **Cash settled stock options:**

The Board of Directors approved grant of 57,429 cash settled options on 27 June 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:

	Fiscal year 2019		Fiscal year 2018	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	**50,927**	**€ 0.01**	-	-
Granted during the year	-	€ 0.00	57,429	€ 0.01
Forfeited during the year	-	€ 0.00	6,502	€ 0.01
Balance at the end of the year	**50,927**	**€ 0.01**	**50,927**	**€ 0.01**
Exercisable at the end of the year	-	-	-	-

The average remaining contractual life in respect of share-based options is Nil days as at March 2017; 2,375 days as at March 31, 2018 and 2,010 days as at March 31, 2019.

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 the Company on certain stock exchanges subject to some conditions.

The fair value as on reporting date of the share options granted is $ 4.48. Using a Monte Carlo option pricing model, Company has estimated payoffs based on future enterprise value of the Group and IPO or change of control trigger points, which are discounted at the valuation date to derive the value of option.

Inputs into the model were as follows:

Reporting date share price	€ 100.40
Exercise price	€ 0.01
Dividend	-
Volatility	27.90%
Risk free interest rate	0.77%

c. PFT ("Prime Focus Technologies Limited"), a subsidiary of the Company has granted employee stock options under employee's stock options scheme. Each option entitles the holder to one equity share of ₹ 10 each, 191,608 options were outstanding as at March 31, 2019 (Previous year 190,970). 34,000 (Previous year 47,091) options were granted during the year. Such options entitle the holders to one equity share of ₹ 10/- for each option granted with vesting period of 1 to 4 years, exercise period of 5 years and exercise price of ₹ 3,987/-. From options granted, 57,058 were vested during the year (Previous year 79,954)

The current status of the stock options granted to the Employees is as under:

Particulars	31-Mar-19		31-Mar-18	
	Numbers of options	Weighted average exercise price	Numbers of options	Weighted average exercise price
Outstanding at the beginning of the year	190,970	2,679	203,019	2,415
Granted during the year	34,000	3,987	47,091	3,996
Lapsed/ forfeited during the year	10,620	2,960	59,140	2,823
Exercised during the year	-	-	-	-
Expired during the year	22,744	662	-	-
Outstanding at the end of the year	191,606	3,132	190,970	2,679
Exercisable at the end of the year	109,899	2,567	113,165	2,043

For stock options outstanding as at March 31, 2019 the range of exercise price is ₹ 263 to ₹ 4,478 and weighted average remaining contractual life is 5.07 years and vesting period of 1 to 4 years.

Weighted average fair value of options granted during the year is ₹ 1,095.70

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 – ₹ 3,236.10 per share

Expected volatility – 27.2% - 28.7%

Option life – 6 - 10 years

Expected dividends – 0% yield

Risk-free interest rate – 7.2% – 7.5% p.a.

During the year, Company recorded an additional amount of ₹ 2.58 Crores on account of the extension of the exercise period for outstanding options under ESOP Scheme 2012 from 3 years to 5 years. The said extension was approved by the shareholders at the Annual General Meeting of the Company held on September 28, 2018. The Company has followed the fair value method to account for the grant of stock options and charge for the year ended March 31, 2019 is ₹ 4.60 Crores (March 31, 2018: ₹ 2.15 Crores).

Expenses recognised in Statement of Profit and Loss:

The Group has followed the fair value method to account for the grant of stock options, profit and loss impact for the year ended March 31, 2019 is ₹ 31.43 Crores (previous period ₹ 34.79 Crores)

37. 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 (Appointed as a Chairman w.e.f. February 14, 2019)

Mr. Ramakrishnan Sankaranarayanan – Managing Director

Mr. Namit Malhotra – Non – Executive Director – (change in designation from CEO, Chairman and Executive Director to Non Executive Director w.e.f. February 14, 2019)

Mr. Nishant Fadia – CFO (w.e.f. February 15, 2018)

Mr. Vikas Rathee – CFO (resigned as CFO of the Company w.e.f. February 14, 2018)

Ms. Parina Shah – Company Secretary

ii. **Enterprises owned or significantly influenced by Key Management Personnel or their relatives**

Blooming Buds Coaching Private Limited

N2M Reality Private Limited

Monsoon Studio Private Limited

iii. **Enterprises exercising significant influence over the Company**

Standard Chartered Private Equity (Mauritius) Limited

Standard Chartered Bank

(i) **Key Management Personnel ***

₹ Crores

	Year ended March, 31 2019	Year ended March, 31 2018
Remuneration		
Mr. Naresh Malhotra	1.18	0.60
Mr. Ramakrishnan Sankaranarayanan	2.06	1.41
Mr. Namit Malhotra	6.78	8.15
Mr. Vikas Rathee	-	3.45
Mr. Nishant Fadia	0.59	0.07
Ms. Parina Shah	0.26	0.23

*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, 2019	As at March 31, 2018
Balance payable / (receivable)		
Mr. Naresh Malhotra	0.06	0.05
Mr. Ramakrishnan Sankaranarayanan	0.04	0.04
Mr. Namit Malhotra	(2.26)	2.13
Mr. Vikas Rathee	-	(0.34)
Mr. Nishant Fadia	0.04	0.05
Ms. Parina Shah	0.02	0.02

(ii) Enterprises owned or significantly influenced by key management personnel or their relatives

₹ Crores

	Year ended March, 31 2019	Year ended March, 31 2018
Rent		
Blooming Buds Coaching Private Limited	4.08	4.09
Share warrant		
Monsoon Studio Private Limited	-	75.00

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Balance outstanding		
Deposit		
Blooming Buds Coaching Private Limited	5.30	5.30
Capital advance		
N2M Reality Private Limited	26.50	26.50

(iii) Enterprises with significant influence over the Company

₹ Crores

	Year ended March, 31 2019	Year ended March, 31 2018
Loan (repayments) / taken, net		
Standard Chartered Bank	-	(13.34)
Finance costs		
Standard Chartered Bank *	0.00	0.35
Premium on NCD		
Standard Chartered Private Equity (Mauritius) Limited	13.29	32.33
NCD repaid (including premium)		
Standard Chartered Private Equity (Mauritius) Limited	190.02	187.98

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Balance outstanding		
Loan outstanding		
Standard Chartered Bank	-	-
Bank Balance in current account		
Standard Chartered Bank *	0.01	0.00
Non-convertible debentures		
Standard Chartered Private Equity (Mauritius) Limited	-	89.10
Premium on NCD accrued		
Standard Chartered Private Equity (Mauritius) Limited	-	87.63

*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.

Key management personnel have given personal guarantee and have pledged part of their shareholdings for borrowings obtained by the Company. Under ESOP Scheme 2014, 2,780,000 options have been granted to Key management personnel till balance sheet date, of which 10,000 options have been exercised by Key management personnel. The stock options outstanding for KMP's as at March 31, 2019 is 2,770,000 (March 31, 2018: 2,770,000) and employee stock option expense for the year March 31, 2019 is ₹ 3.33 crores (March 31, 2018: ₹ 1.62 crores).

38. Operating lease arrangement

The Company has taken certain premises on cancellable and non-cancellable operating lease basis. The tenure of the lease ranges from 11 to 240 months.

Amount of lease rental charged to the Statement of Profit and Loss in respect of cancellable operating leases is ₹ 32.17 Crores (Previous year: ₹ 33.09 Crores).

Amount of lease rental charged to the Statement of Profit and Loss in respect of non-cancellable operating leases is ₹ 84.73 Crores (Previous year: ₹ 70.84 Crores).

The future minimum lease payments under non-cancellable operating lease are under:

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Lease Payments due within one year	90.53	73.67
Lease Payments due later than one year and not later than five years	289.13	243.33
Lease Payments due later than five years	417.25	408.13
	796.91	**725.13**

39. Commitments

₹ Crores

	As at March 31, 2019	As at March 31, 2018
Estimated amount of contracts remaining to be executed on capital account net of advances, and not provided for:	12.08	6.90

40. Contingent liabilities

₹ Crores

	As at March 31, 2019	As at March 31, 2018
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	0.67	0.67
* in the above matter, the Company is hopeful of succeeding and as such does not expect any significant liability to crystalize.		
Guarantees given by the Group	176.76	73.83
Disputed Cess Tax Demand pending with Deputy Commissioner, Navi Mumbai Municipal Corporation-Cess Department. The Company 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	5.37
Claims against the Company not acknowledged as debts	-	61.58
Premises of one of the Group's subsidiaries in the UK were searched by the HMRC as part of the VAT investigation in an earlier year. No charges have been made / demand raised against the entity, its Directors or officers till date by the HMRC. The Group has fully cooperated with HMRC in its ongoing investigations. The liability, if any, emanating from this matter remains unascertainable though an internal investigation conducted and legal advice obtained during the year by the management of the Group.	NA	NA

41. Vide Business Transfer Agreement dated November 19, 2014 between the Company, Reliance Media Works Limited (RMW) and Reliance Land Private Limited, the Company acquired RMW's film and media services business for consideration other than cash. Upon receipt of necessary statutory approvals, with effect from April 07, 2015, net assets of films and media services business including investments and loans in subsidiaries were transferred to and recorded by the company. Further in accordance with the said Agreement, the transfer of BOT Agreement pertaining to the Studio including other business assets and liabilities related to the BOT Agreement ("Studios") and debt facilities of ₹ 200 crores were to be effected post receipt of the necessary additional approvals. During the year, the Company received the additional approvals vide BOT Agreement dated February 07, 2019. Accordingly, the Studios' including other business assets have been recorded by the Company, basis fair valuation done by an external valuer at ₹ 200.14 Crores and related debt of ₹ 200 Crores has been assumed by the Company with the differential ₹ 0.14 Crores being recognised as an income in the Statement of Profit and Loss.

42. 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

Particulars	31-Mar-19	31-Mar-18
Opening balance	**48.85**	**16.98**
Add:		
Employee benefit expenses	44.53	52.98
Direct overheads	1.94	1.91
Exchange difference	0.59	2.14
	47.06	**57.04**
Less: Capitalised	56.72	25.17
Closing balance	**39.19**	**48.85**

43. On September 30, 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 Crores and contingent consideration of up to ₹ 3.75 Crores in the form of Non-convertible redeemable preference shares (NCRPS). The fair value of contingent consideration on the date of acquisition is ₹ 2.46 Crores. Total fair value of consideration is ₹ 3.71 Crores. The value of NCRPS as on March 31, 2019 was ₹ 2.78 Crores.

Assets acquired and liabilities recognised at the date of acquisition are as follows:

Particulars	Amount
Intangible assets	3.36
Property, plant and equipment *	0.00
Net current assets	0.34
Total	**3.71**

* The value 0.00 means amount is below ₹ 50,000/-

44. Events after the reporting period

There were no events after the reporting period.

45. Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on May 30, 2019.

For and on behalf of the Board of Directors

	Naresh Malhotra Chairman and Whole-time Director DIN: 00004597	**Ramakrishnan Sankaranarayanan** Managing Director DIN: 02696897
Place : Mumbai Date : May 30, 2019	**Nishant Fadia** Chief Financial Officer	**Parina Shah** Company Secretary

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

Sr. No.	Name of the Subsidiary	Prime Focus Technologies Limited	Prime Focus Technologies UK Limited	Prime Focus Technologies, Inc.	Prime Post Europe Limited	DAX PFT LLC	DAX Cloud ULC
1	Date of becoming the subsidiary / acquisition	08 -Mar-08	13 -Aug-10	04 -Mar-13	28 -Apr-06	04 -Apr-14	04 -Apr-14
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-MAR-19	31-MAR-19	31-MAR-19	31-MAR-19	31-MAR-19	31-MAR-19
3	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	USD	CAD
		1.0000	90.2798	69.3210	90.2798	69.3210	51.9118
4	Share capital (₹)	21,715,780	10	1,549	9,028	-	-
5	Reserves & surplus	2,819,782,330	42,761,655	(248,323,003)	16,086,835	728,922,378	(22,102,731)
6	Total assets	7,754,857,780	69,85,31,591	2,816,398,890	246,394,891	729,875,471	12,174,932
7	Total liabilities	4,913,359,670	65,57,69,933	3,064,720,301	230,299,018	953,094	34,277,645
8	Investments	586,850,000	-	-	-	-	-
9	Turnover	2,089,478,000	2,91,26,928	467,194,575	51,814,202	354,356,812	11,092,638
10	Profit before taxation	(300,862,000)	(13,87,41,066)	(403,078,057)	40,635,884	79,326,553	(5,539,077)
11	Provision for taxation	105,079,000	-	(1,089,888)	-	-	-
12	Profit after taxation	(195,783,000)	(13,87,41,066)	(404,167,945)	40,635,884	79,326,553	(5,539,077)
13	Proposed Dividend	-	-	-	-	-	-
14	% of shareholding	73.75%	100.00%	100.00%	100.00%	100.00%	100.00%

Sr. No.	Name of the Subsidiary	Apptarix Mobility Solutions Private Limited	Prime Focus Mead FZ LLC	De-Fi Media Limited	Prime Focus Production Services Private Limited (Formerly known as Prime Focus Visual Effects Pvt. Ltd.)	GVS Software Private Limited	Prime Focus Motion Pictures Limited
1	Date of becoming the subsidiary / acquisition	06 -Apr-18	07 -Oct-18	19-Dec-07	28 -Feb-08	01-Apr-08	22-Aug-08
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	AED	GBP	INR	INR	INR
		1.0000	18.8699	90.2798	1.0000	1.0000	1.0000
4	Share capital (Rs.)	3,297,746	1,887	5,449,938,263	100,000	2,750,000	500,000
5	Reserves & surplus	(110,727)	210,364,225	(5,418,469,778)	(108,989)	262,066,529	(3,064,639)
6	Total assets	3,824,615	272,248,540	608,256,342	90,400	265,002,300	114,443,736
7	Total liabilities	637,578	61,882,412	576,787,774	99,389	185,771	117,008,375
8	Investments	-	-	-	-	-	-
9	Turnover	202,417	222,721,931	13,216,982	-	-	-
10	Profit before taxation	(337,657)	211,697,309	(349,201,180)	(21,800)	(16,500)	(2,432,199)
11	Provision for taxation	15,779	-	-	-	-	-
12	Profit after taxation	(321,878)	211,697,309	(349,201,180)	(21,800)	(16,500)	(2,432,199)
13	Proposed Dividend	-	-	-	-	-	-
14	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Sr. No.	Name of the Subsidiary	PF Digital Media Services Limited (Formerly known as Prime Focus 3D India Pvt. Ltd.)	PF Investments Limited	PF Overseas Limited	PF World Limited	Prime Focus Luxembourg S.a.r.l.	Prime Focus 3D Cooperatief U.A.
1	Date of becoming the subsidiary / acquisition	09 -June-11	23 -June-11	26-July-13	11 -May-11	21-Sep-11	21-Sep-11
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	USD	USD	USD	USD	USD
		1.0000	69.3210	69.3210	69.3210	69.3210	69.3210
4	Share capital (Rs.)	500,000	2,980,803	6,932	5,321,939,263	1,200,639,720	2,403,263,094
5	Reserves & surplus	(7,600,982)	(5,883,529)	(4,914,318)	92,330,306	(286,486,772)	(30,480,612)
6	Total assets	783,853,151	1,032,139	6,932	7,450,004,627	2,404,309,489	3,465,542,324
7	Total liabilities	790,954,133	3,934,865	4,914,352	2,035,735,082	1,490,156,505	1,092,759,843
8	Investments	-	99,406	-	6,963,687,608	2,403,163,639	2,403,000,265
9	Turnover	32,719,193	-	-	-	-	-
10	Profit before taxation	(7,555,354)	(875,671)	(794,471)	(99,411,489)	(38,726,647)	(9,558,050)
11	Provision for taxation	-	-	-	-	-	-
12	Profit after taxation	(7,555,354)	(875,671)	(794,471)	(99,411,489)	(38,726,647)	(9,558,050)
13	Proposed Dividend	-	-	-	-	-	-
14	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Sr. No.	Name of the Subsidiary	Prime Focus Malaysia SDN BHD	Reliance Lowry Digital Imaging Services Inc	Reliance MediaWorks (Mauritius) Limited	Prime Focus World N.V.	Prime Focus International Services UK Limited	DNEG North America Inc.
1	Date of becoming the subsidiary / acquisition	03-Dec-15	07 -Apr-15	07-Apr-15	16-Aug-11	23-Mar-11	01-Apr-08
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	MYR	USD	MUR	USD	GBP	USD
		16.9715	69.3210	1.9173	69.3210	90.2798	69.3210
4	Share capital (Rs.)	848,573	69,321	1,716,187,369	1,022,772,269	1,675,257,786	346,605
5	Reserves & surplus	(848,573)	(1,249,218,709)	47,043,346	(351,300,360)	(265,070,157)	3,639,417,261
6	Total assets	-	210,008,404	1,779,858,986	15,919,508,245	1,756,202,492	3,735,749,737
7	Total liabilities	-	1,459,157,818	16,628,271	15,248,036,337	346,014,854	95,985,870
8	Investments	-	-	210,839,684	15,316,420,528	-	-
9	Turnover	-	-	-	-	776,810,791	-
10	Profit before taxation	(350,292)	(81,091,156)	46,838,518	(969,608,896)	586,008,012	6,589,698
11	Provision for taxation	-	-	-	-	59,473,303	7,069,322
12	Profit after taxation	(350,292)	(81,091,156)	46,838,518	(969,608,896)	645,481,315	13,659,020
13	Proposed Dividend	-	-	-	-	-	-
14	% of shareholding	70.00%	100.00%	100.00%	88.34%	100.00%	100.00%

Sr. No.	Name of the Subsidiary	1800 Vine Street LLC	Vegas II VFX Limited	Prime Focus VFX USA, Inc.	Prime Focus ME Holdings Limited	Prime Focus (HK) Holdings Limited	Prime Focus World Malaysia sdn bhd	Prime Focus China Limited
1	Date of becoming the subsidiary / acquisition	01-Apr-08	30-May-13	01-Apr-08	28-Mar-13	01-Apr-13	12-Feb-16	01-Apr-13
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD	CAD	USD	USD	USD	MYR	USD
		69.3210	51.9118	69.3210	69.3210	69.3210	69.3210	69.3210
4	Share capital (Rs.)	-	-	693	476,502	10,418,946	848,572	-
5	Reserves & surplus	632,381,654	(131,732,050)	(17,769,918)	1,121,599,049	(79,561,909)	(848,572)	-
6	Total assets	632,381,654	2,735,713	-	1,124,001,796	-	-	-
7	Total liabilities	-	134,467,762	17,769,225	1,926,245	69,142,989	-	-
8	Investments	-	-	-	-	-	-	-
9	Turnover	-	-	-	-	-	-	-
10	Profit before taxation	208,448	(18,468,652)	(139,524)	(2,510,352)	-	(79,013)	-
11	Provision for taxation	-	-	-	-	-	-	-
12	Profit after taxation	208,448	(18,468,652)	(139,524)	(2,510,352)	-	(79,013)	-
13	Proposed Dividend	-	-	-	-	-	-	-
14	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	70.00%

Sr. No.	Name of the Subsidiary	DNEG Creative Services Limited (Formerly Known as DNEG Creative Services Private Limited)	Prime Focus Academy of Media & Entertainment Studies Private Limited	Double Negative India Pvt. Ltd.	DNEG India Media Services Limited (Formerly Known as Gener8 India Media Services Limited)	Double Negative Holdings Limited	Double Negative Limited
1	Date of becoming the subsidiary / acquisition	13-Jun-11	01-Oct-16	11-Feb-16	07-Apr-15	15-July-14	15-July-14
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR	INR	CAD	GBP	GBP
		1.0000	1.0000	1.0000	1.0000	90.2798	90.2798
4	Share capital (Rs.)	3,478,000	200,000	100,000	978,700,000	451	9,479
5	Reserves & surplus	2,508,442,788	149,207,270	68,570,415	(1,603,671,164)	(18,778)	(937,802,354)
6	Total assets	4,414,928,245	155,712,468	997,525,371	452,317,090	6,590	8,485,098,582
7	Total liabilities	1,903,007,457	6,305,198	928,854,955	1,077,288,254	24,917	9,422,891,457
8	Investments	933,264,297	-	-	-	6,500	42,171,821
9	Turnover	1,467,449,098	15,655,262	2,085,526,658	513,504,022	-	9,879,267,180
10	Profit before taxation	(93,810,960)	(8,687,189)	74,344,424	(70,400,616)	-	1,410,491,606
11	Provision for taxation	2,573,991	(30,670)	(24,375,957)	-	-	(76,080,254)
12	Profit after taxation	(91,236,969)	(8,717,859)	49,968,467	(70,400,616)	-	1,334,411,352
13	Proposed Dividend	-	-	-	-	-	-
14	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Sr. No.	Name of the Subsidiary	Double Negative Singapore Pte Limited	Double Negative Canada Productions Limited	Double Negative Huntsman VFX Limited	Double Negative Films Limited	Double Negative LA LLC	Double Negative Montreal Production Limited	Re:Define FX Ltd. (Formerly known as Prime Focus VFX Ltd.)
1	Date of becoming the subsidiary / acquisition	15-July-14	30-July-14	15-Apr-15	15-June-14	07-Mar-17	22-Jun-17	06-Aug-18
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19	31-Mar-19
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	SGD	CAD	CAD	GBP	USD	CAD	CAD
		51.1286	51.9118	51.9118	90.2798	69.3210	51.9118	51.9118
4	Share capital (Rs.)	51	36,301,675	(52)	-	-	441,444,542	-
5	Reserves & surplus	23,449,664	61,385,962	(37,895,692)	(615,481,513)	4,933,500	824,620,704	(3,718,463)
6	Total assets	118,498,620	2,387,838,943	121,104,423	433,295,875	20,399,477	3,145,482,916	101,833,130
7	Total liabilities	95,048,920	2,290,151,306	159,000,155	1,048,777,389	15,465,977	1,879,417,675	105,551,592
8	Investments	-	-	-	-	-	-	-
9	Turnover	-	4,094,424,978	85,321,766	-	243,098,585	5,295,425,356	96,912,626
10	Profit before taxation	(1,728,328)	51,351,827	6,853,550	(28,347,759)	21,665,294	642,771,082	(5,421,319)
11	Provision for taxation	-	111,769,910	-	-	(665,531)	(156,852,417)	1,613,448
12	Profit after taxation	(1,728,328)	163,121,737	6,853,550	(28,347,759)	20,999,763	485,918,665	(3,807,871)
13	Proposed Dividend	-	-	-	-	-	-	-
14	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

PRIME FOCUS LIMITED

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Registered Office: Prime Focus House, Opp. Citi Bank, Linking Road, Khar (West), Mumbai- 400052 Tel: +91 22 6715 5000
Website: www.primefocus.com ; **Email Id:** ir.india@primefocus.com
CIN: L92100MH1997PLC108981
Share Transfer Agent: Link Intime India Pvt. Ltd., C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400052

(FORM MGT-11)
PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules) 2014

Name of the member(s)	: ....
Registered Address	: ....
E-mail ID	: ....
DP ID	: ....
Folio No. / Client ID No.	: ....

I/We, being the member(s) of .... equity shares of the above named company, hereby appoint

1. Name : .... Email ID : ....
   Address : ....
   ....
   Signature : ...., or failing him/her

2. Name : .... Email ID : ....
   Address : ....
   ....
   Signature : ...., or failing him/her

3. Name : .... Email ID : ....
   Address : ....
   ....
   Signature : ...., or failing him/her

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 22nd Annual General Meeting of the Company, to be held on Monday, September 30, 2019 at 10:30 a.m. at 9th Floor, 'True North', Plot no. 63, Road no. 13, Opp. Hotel Tunga Paradise, MIDC, Andheri (East), Mumbai – 400093 and at any adjournment thereof in respect of such resolutions as indicated below:

Sr. No.	RESOLUTIONS	Vote*	
Ordinary business		For	Against
1	To receive, consider and adopt: a. the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2019 together with the Report of the Board of Directors and Auditors thereon. b. the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2019 and the Report of Auditors thereon.		
2	To appoint a Director in place of Mr. Namit Malhotra (DIN: 00004049), who retires by rotation and being eligible offers himself for re-appointment.		
3.	To re-appoint the Statutory Auditors and fix their remuneration		
Special Business			
4	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		
5	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		
6	To re-appoint Mr. Padmanabha Gopal Aiyar (DIN: 02722981), who has attained the age of 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		
7	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		
8	To consider and approve increase in the limits for investments, loans, guarantees and security of the Company under Section 186 of the Companies Act, 2013		
9	To consider and approve the Sale of VFX business undertaking of the Company		

Affix Revenue Stamp

Signed this __________day of ________2019 Signature of the shareholder : .... Signature of Proxy holder(s) : ....

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, either in person or through post, not less than 48 hours before the commencement of the Meeting.
2. A person can act as a proxy on behalf of Members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. Further, a Member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other Member.
3. For the resolutions, explanatory statements and notes, please refer the notice of annual general meeting.
4. The company reserves its right to ask for identification of the proxy.
5. The proxy form should be signed across the revenue stamp as per specimen signature(s) registered with the company/depository participant.
6. *It is optional to put 'X' in the appropriate column against the resolutions indicated in the box. If you leave the 'for' or 'against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.
7. Appointing a Proxy does not prevent a member from attending the meeting in person if he / she so wishes.
8. In the case of joint holders, the signature of any one holding will be sufficient, but names of all the joint holders should be stated.

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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",intent",plans",belive" and words of similar substances 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 in subject to risk, uncertainties and even 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, weather as a result of new information, future events or otherwise.

PRIME FOCUS
LIMITED

Registered Office

Prime Focus House, Linking Road, Khar (West),
Mumbai 400 052 India
Tel: +91 22 6715 5000 | Fax: +91 22 6715 5001
www.primefocus.com