PRIME FOCUS
LIMITED

ANNUAL REPORT
2019-20

INTRODUCTION

Inspiration is a key component affecting personal change—which often has a direct effect on business—and everyone. Great businesses are usually built around great leaders, which is why when those leaders are inspired, the business tends to grow organically. Prime Focus has been at the forefront to nurture its people, employees to achieve greater heights and expand their creativity with the changing technology and trends.

Successfully completing 23 years in the industry, Prime Focus has positioned itself to be one of the go to companies for Indian and International clients around the globe. From providing creative production to shooting equipment to shooting floors and to complete post production facilities, Prime Focus promises to be a one stop solution company for all. The company was the first company in India to offer high-end post production finishing system; film scanning and recording system; and first in South Asia to offer 4K DI Facility.

Our global presence helped Prime focus introduce and adopt new technologies and services to the international M&E industry. Our technology division, Prime Focus Technologies, deployed the World's first Hybrid Cloud platform in 2009, and a year later we became the first company in the world to convert an entire Hollywood film from 2D to 3D - transforming the stereo conversion services landscape forever.

The company over the years have made strategic mergers and acquisitions which were made with Tier 1 VFX house DNEG, Indian Film & Media Services giant Reliance MediaWorks, Emmy Award - winning U.S. technology company DAX and Canadian stereo conversion innovator Gener8, propelling Prime Focus to be a global leader in the international Media & Entertainment services industry.

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

Prime Focus as a company has evolved over the years and has transformed itself with time and has grown tremendously. The company has won 5 Academy Award wins in 6 years, maintaining their spot on 'Fortune India 500' companies, increasing revenue and ever-expanding list of workforce and facilities, and maintaining a sustained growth over the years.

CONTENTS

CHAIRMAN'S MESSAGE

Naresh Malhotra

Chairman and Whole-time Director
Prime Focus Limited

Prime Focus has had a tremendous year of growth in creativity, technology and its people. By starting from one editing room in Mumbai to growing into a global creative and technological enterprise, Prime Focus has played an important role in shaping the industry and continues to pave the way to a promising future.

In the last 23 years, Prime Focus has grown its strategic partnerships and positioned itself as the world's leading integrated media service powerhouse. Our transformational partnership with DNEG has helped us adapt to new technological advancements and trends and be future-ready in the industry. This merger was aimed to combine the strengths of both companies and to achieve exponential growth within the domestic and international markets. Following this, DNEG has bagged 5 Oscars and has established the importance of industry collaboration and consolidation to enable progressive growth in our industry.

Every year, we have been successfully creating new opportunities, and opening new markets by rationalising our business. Our company has further expanded its growth and widened its creative services by introducing 'ReDefine' - a company headquartered in Mumbai, with the main objective of contributing to the VFX and Animation services for the ever-growing local and global independent productions.

We are dealing with a significant global challenge today. The coronavirus (COVID-19) outbreak is causing widespread concern to businesses and communities across the globe. Understandably, there is a great sense of unease everywhere. None of us can say when the worst of this situation will be behind us, but we feel that the measures we are taking will put us in the best possible position to not just to ride out the storm, but to come out on the other side with a strong and sustainable business, ready to carry on doing what we do best - delivering award-winning creative work for our clients.

HIGHLIGHTS OF THE YEAR

23 YEARS OF EXCELLENCE

DNEG INTERNATIONAL CREATIVE SERVICES

DNEG is a market leader in the International Creative Services space. It is one of the largest independent Tier-1 Visual Effects players 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 4 out of the Top 10 Hollywood blockbusters in 2019, including the highest grossing film of 2019 – 'Avengers: Endgame'.

For the fourth time in the five 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 VES and Emmy awards for its work on 'Chernobyl', while delivering projects for Netflix, BBC, Hulu, NBC and many others. Meanwhile, the Feature Animation team continued production on its first animated feature 'Ron's Gone Wrong' with production partner Locksmith Animation.

PRIME FOCUS TECHNOLOGIES GLOBAL CLOUD TECHNOLOGY BUSINESS

PFT is a valued technology and media services partner for some of the world's biggest broadcasters, studios, brands and service providers. The company's multi-cloud technology enabled software CLEAR was created as the world's first Media ERP Suite, with the vision to provide ONE software for the enterprise, bringing together departments, vendors, suppliers and distributors across the supply chain. 12 years after inception, CLEAR remains as relevant as ever and continues to witness growing adoption by content creators across the globe. PFT's transformational solutions and services help customers enhance efficiencies, realize new monetization opportunities and reduce Total Cost of Operations (TCOP) on the back of automation. 2019 has been an action-packed year for PFT with exciting product launches, international expansion, strategic partnership with clients, enhanced our services portfolio, secured coveted certifications and strengthened our global leadership. Its passion for excellence has won us numerous awards at prestigious global forums.

PRIME FOCUS LIMITED INDIA FILM & MEDIA SERVICES

Prime Focus stands as the one stop solution company which provides a variety of creative, technical and advanced solutions and services to the industry. PFL has been part of delivering some of the major hits of the year like Kabir Singh, Super 30, Chhichhore, Housefull 4 and Good Newwz. We have also progressed our work in the Digital Media Entertainment space by providing services for shows like House Arrest (Netflix), Ghost Stories (Netflix), Forgotten Army (Amazon Prime), Barot House (Zee5) and Posham Pa (Zee5).

Our team has been associated with most of the mega blockbusters which has fairly increased our contribution of services in the regional and digital space. Our EQR division was felicitated with 3 awards at the 4th Annual Digital Studio Awards 2019 winning the best National Equipment Rental Company; Mr. Gowrishankar was awarded in the Hall of Fame and Kamalkar Rao won the Editor's Choice Award. This financial year we have been part of projects like Kabir Singh, Super 30, Housefull 4 and Good Newwz which crossed more than INR 200 crore at the box office. Our future pipeline looks promising by having projects like 83, Radhe, Gangubai Kathiawadi, Jayesh Bhai Jordar and the most awaited mythology thriller; Brahmastra still under production.

Jam8, in association with Pritam, which was started last year has been part of the major TV shows, brands and film to provide sound and sonic requirements.

AWARDS

- PFT's National Geographic India's Mega Icons – APJ Abdul Kalam won the Best Original TV Film at the Indian Television Academy Awards 2019
- DNEG has been named 'Media Company of the Year' at the Evening Standard Business Awards 2019
- The Film Equipment Division (EQR) won the best National Equipment Rental Company at the 4th Annual Digital Studio Awards 2019
- PFT won TVBEurope's 'Best of Show' Award at IBC 2019
- DNEG won the Emmy Award for 'Outstanding Special Visual Effects in a Supporting Role' for the work on the critically acclaimed series 'Chernobyl' for HBO
- Mr.Gowrishankar was awarded in the Hall of Fame at the 4th Annual Digital Studio Awards 2019
- PFT's digital film for Brooke Bond Red Label was awarded a Creative Abby at Goafest 2019
- 'Best VFX Project' title at the Broadcast Tech Innovation Awards in London for 'Chernobyl'
- KamalkarRao won the Editor's Choice Award at the 4th Annual Digital Studio Awards 2019
- PFT's CLEAR Vision Cloud won the 2019 NAB Show Product of the Year Award under the AI/Machine Learning category and TV Technology's Best of Show Award
- DNEG won a VES award for 'Chernobyl' in the 'Outstanding Supporting Visual Effects in a Photoreal
- CLEAR Media ERP was one of the 6 products to be featured in 'What Caught My Eye', an initiative where guest experts reveal their favorite products from the show floor that are changing the face of broadcast and on-demand publishing at IBC 2019
- DNEG STEREO won the Lumiere Award for 'Best 3D Scene or Sequence in a Feature Film' for its work on 'Aladdin'
- PFT featured in Nimdzi Insights' Top 100 LSPs 2020 Report
- Mega Icons (Series) by National Geographic India, produced by PFT, won accolades at the Asian Television Awards 2019 and Asian Academy Creative Awards 2019
- PFT won the award for "Best Brand Film GOLD – Food & Beverages" at Indiantelevision.com'sBrandVid Awards 2019
- PFT won two prestigious awards at the Dada SahebPhalke Film Festival 2019 - Best Cinematography for the Mega Icons episode on His Holiness
- PFT was awarded the prestigious Trusted Partner Network (TPN) certification for one of its global operations hubs, True North, located in Mumbai (India) - TPN is a new, global, industry-wide film and television content protection initiative

LAUNCHES

- PFT announced the rebranding of its patented DAX® Digital Dailies to CLEAR™ with transformational new features in Feb 2020
- PFT enhanced CLEAR™ to empower content businesses with greater ease of operations & security showcased at IBC 2019
- PFT showcased the latest innovations to its industry first media recognition Artificial Intelligence (AI) engine, CLEAR™ Vision Cloud at IBC 2019
- Prime Focus Technologies debuted power-packed suite of AI-led Micro Services custom-made for M&E enterprises at NAB 2019
- PFT announced new updates to CLEAR™ Media ERP in June 2019

DEALS

- PFT signed a strategic deal with UK's public service broadcaster, Channel 4 for managing media processing and centralised content operations using its flagship product, CLEAR™ Media ERP
- Mobile Premier League partnered with PFT for content creation, creating multiple ad films and videos for the brand
- PFT partnered with Prestige Ice Cream's Rollick for a new brand campaign, delivering two 30-second TV commercials and creatives for their print campaign
- PFT was selected by L'Oréal Professionnel as the official event coverage partner for the prestigious Indian Hairdressing Awards (IHA) 2018-19

EVENTS

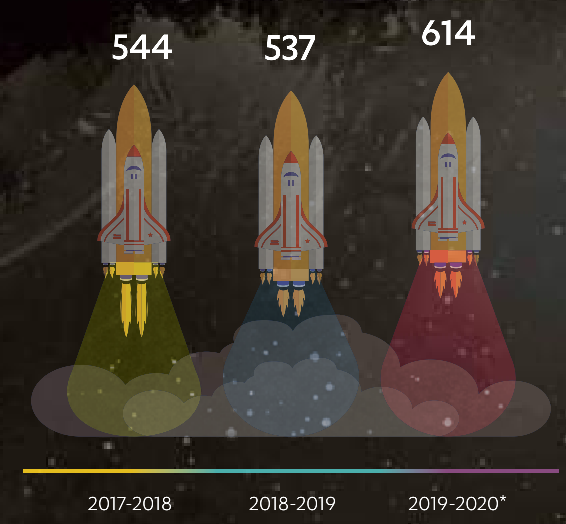
- PFT hosted CLEAR™ Connect, a party for CLEAR users and members of the M&E industry in US, celebrating the transformation from of DAX® to CLEAR in Feb 2020
- PFT participated in the MESA – Take the DAM(n)* Tour! virtually presenting on Production Cloud in April 2020
- Prime Focus Limited opened its new DI facility at Andheri, Mumbai
- PFT showcased the latest updates to its flagship product, CLEAR™ at the HPA Tech Retreat 2020 held in US
- PFT participated in The Content Hub 2020 held in India, focusing on the content business and content creation
- PFT participated in the Global Content Bazar India 2020, highlighting the importance of localization and the rise of Indian content
- We have maintained our position of 432 out of the 'Fortune India 500' list
- PFT was an Associate Sponsor of India Voice Fest 2019, India's first and only conference and awards event dedicated to the Indian voice industry and the craft of voice acting
- PFT participated at the Machine Learning & Big Data Innovation Conference, organized by Techies Meetup in India
- PFT participated in IBC 2019
- PFT participated in TVXchange by NABshow in August 2019

FINANCIAL HIGHLIGHTS

2017-2018 2018-2019 2019-2020

Number of Personnel

Revenue (₹ CR)



ADJUSTED EBITDA (₹ CR)

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

*not comparable with previous years due to adoption of IndAS 116

PROJECT HIGHLIGHTS

BOLLYWOOD


HOUSEFULL 4 – ₹ 280 CRORE


KABIR SINGH – ₹ 379 CRORE

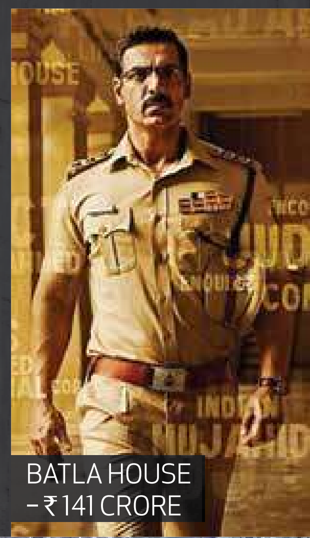

CHHICHHORE – ₹ 215 CRORE


SUPER 30 – ₹ 210 CRORE


BAAGHI 3 – ₹ 137 CRORE


GOOD NEWWZ – ₹ 318 CRORE


DABANGG 3 – ₹ 230 CRORE


BATLA HOUSE – ₹ 141 CRORE

HOLLYWOOD


AVENGERS: ENDGAME – $ 2.79 BN

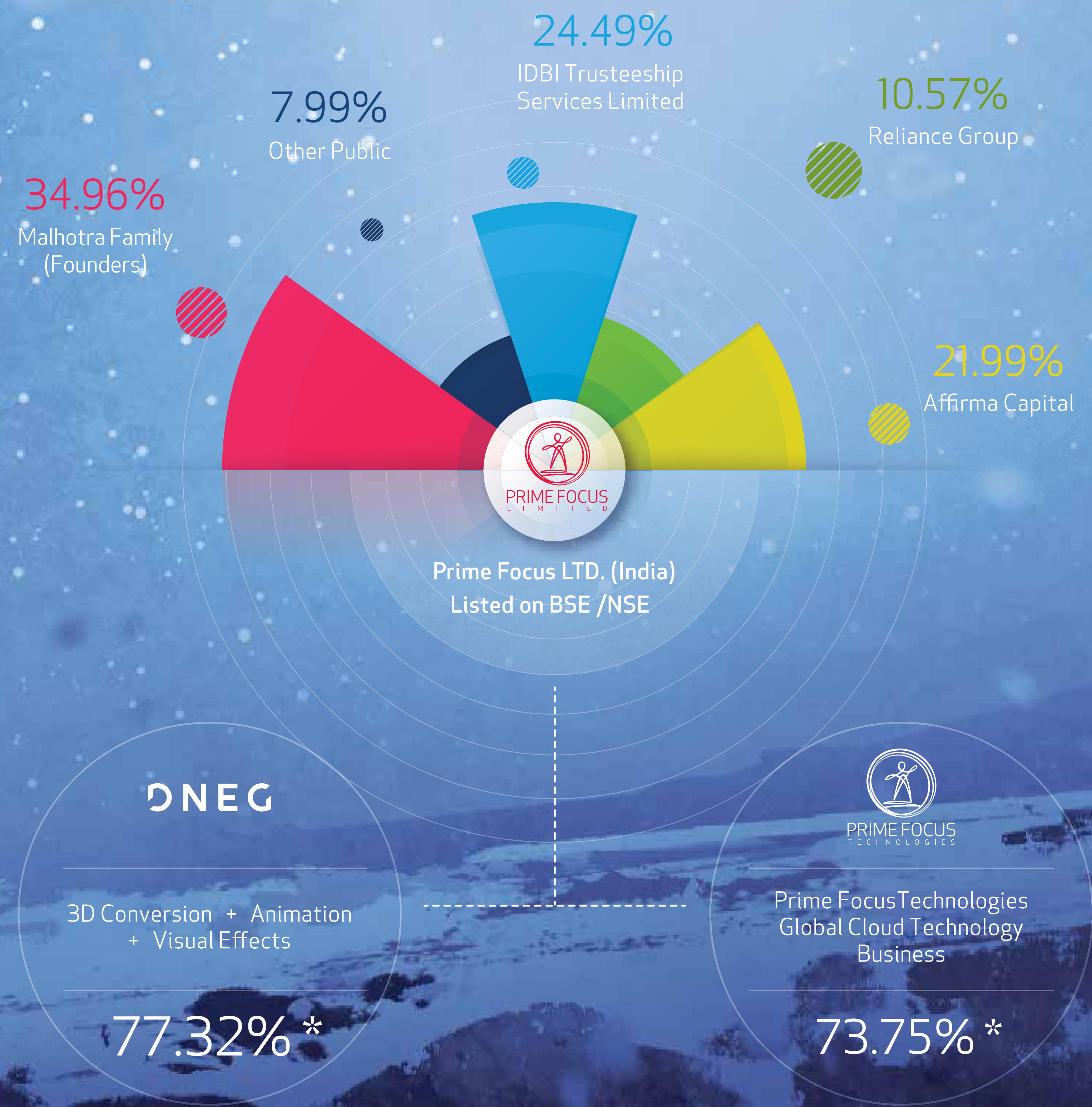

MEN IN BLACK: INTERNATIONAL – $ 253MN


GODZILLA: KING OF THE MONSTERS - $ 386 MN


CAPTAIN MARVEL – $ 1.12 BN


FAST & FURIOUS PRESENTS: HOBBS AND SHAW – $ 759 MN

GROUP STRUCTURE



* on fully diluted basis

GLOBAL PRESENCE

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

5 Continents

7 Time Zones

18 Cities

BUSINESS OVERVIEW

International Creative Service

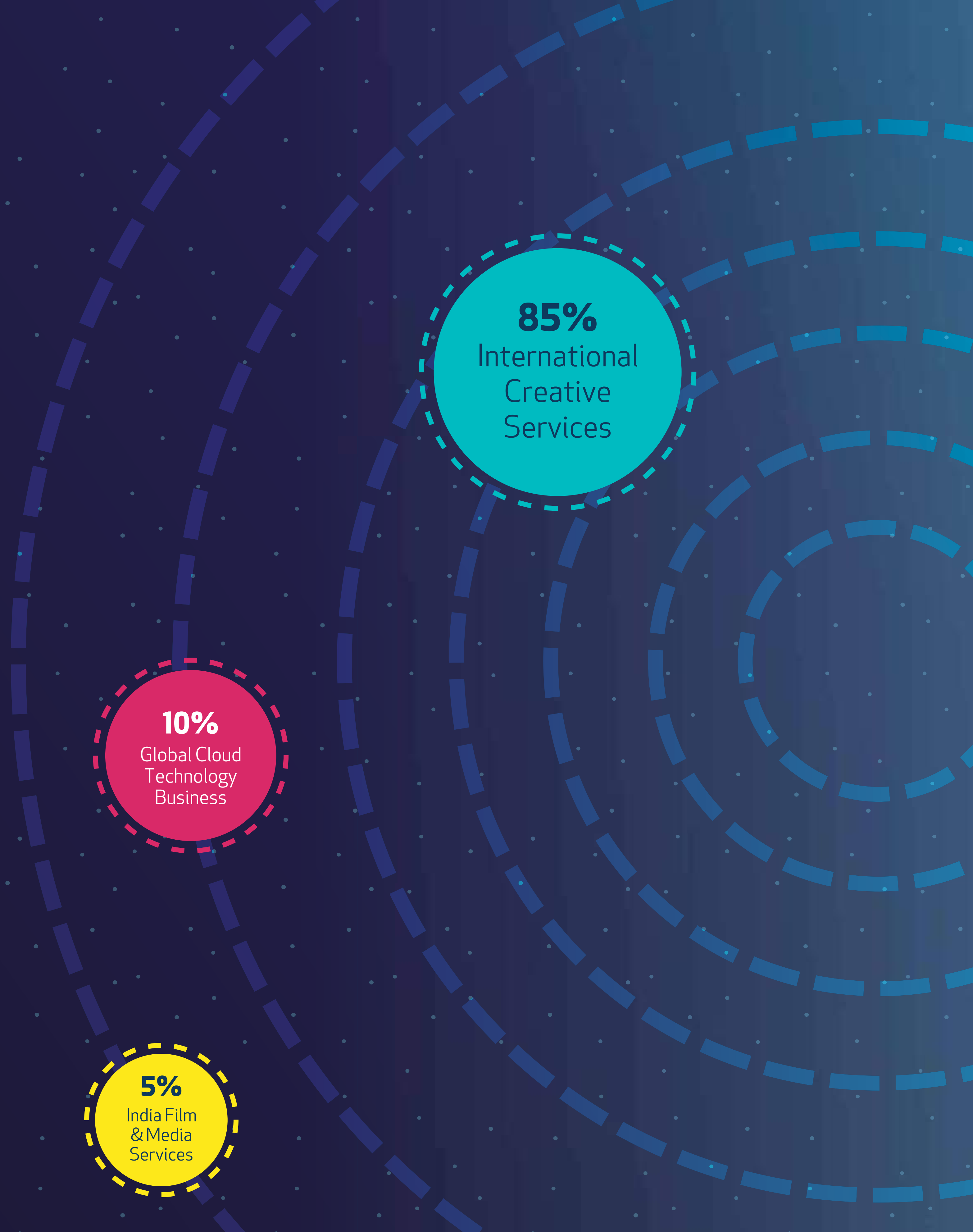
DNEG, our International Creative Services division, offers clients a compelling, full-service solution that allows grouping of services and global sourcing for complete end-to-end delivery of projects of any size; access to the highest-quality, award-winning talent at the most efficient pricing; and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

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 and services that help them lower their Total Cost of Operations (TCOP) by automating business processes around content and managing their business of content better.

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.



INTERNATIONAL CREATIVE SERVICES: VISUAL EFFECTS

DNEG

DNEG began this year by being named as one of Createch's 'Ones to Watch' 2019. This report celebrates the 50 UK companies deemed to be at the forefront of creativity & technology – including DNEG. DNEG was also named 'Media Company of the Year' at the London Evening Standard Business Awards 2019.

DNEG started the award season for 2019 by winning the Emmy Award for 'Outstanding Special Visual Effects in a Supporting Role' for its work on the critically acclaimed series 'Chernobyl' for HBO/Sky, followed with another win for 'Best VFX Project' at the Broadcast Tech Innovation Awards in London and a VES award in the 'Outstanding Supporting Visual Effects in a Photoreal Episode' category.

The awards season culminated with DNEG STEREO bringing home the Lumiere Award for 'Best 3D Scene or Sequence in a Feature Film' for its work on Disney's 'Aladdin'.

In early 2019, 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 2020, delivering work on 10 feature films over the course of the year.

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 Tenet, Dune, Ghostbusters: Afterlife, Wonder Woman 1984, F9: The Fast Saga, No Time To Die, Greyhound and many more.

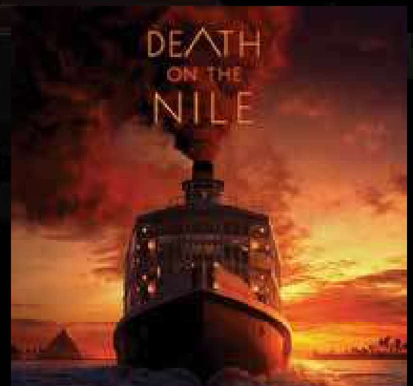
Film VFX

DNEG continues to enjoy strong working relationships with the major Hollywood studios and to nurture partnerships with some of the most creative and well-respected directors working in Hollywood today, including

- Christopher Nolan: Batman Begins, The Dark Knight, Inception, The Dark Knight Rises, Interstellar, Dunkirk, TENET
- Denis Villeneuve: Blade Runner 2049, Dune
- Patty Jenkins: Wonder Woman, Wonder Woman 1984
- Justin Lin: Fast & Furious 6, Star Trek Beyond, F9: The Fast Saga
- Anthony and Joe Russo: Captain America: Civil War, Avengers: Infinity War, Avengers: Endgame
- Edgar Wright: Shaun of the Dead, Hot Fuzz, Scott Pilgrim Vs The World, Grindhouse, World's End, Baby Driver, Last Night In Soho
- David Yates: Harry Potter and the Half-Blood Prince, Harry Potter and the Order of the Phoenix, Harry Potter and the Deathly Hallows Parts 1 and 2, Fantastic Beasts and Where to Find Them, Fantastic Beasts: The Crimes of Grindelwald
- Paul Greengrass: United 93, The Bourne Ultimatum, Greenzone, Captain Phillips, Jason Bourne
- Joe Cornish: Attack the Block, The Kid Who Would Be King
- Robert Rodriguez: Grindhouse, Sin City: A Dame To Kill For, The Limit, Alita: 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 Emmy Award for 'Outstanding Special Visual Effects in a Supporting Role' for the exceptional work it delivered for 'Chernobyl' followed up with 'Best VFX Project' title at the Broadcast Tech Innovation Awards along with a VES Award for 'Outstanding Supporting Visual Effects in a Photoreal Episode'. 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 Season 2, Locke & Key) and the BBC (Doctor Who) amongst many other clients.



INTERNATIONAL CREATIVE SERVICES:

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 'Men In Black: International', 'Avengers: Endgame', 'Godzilla: King of the Monsters' and Disney's live-action remake of 'Aladdin'

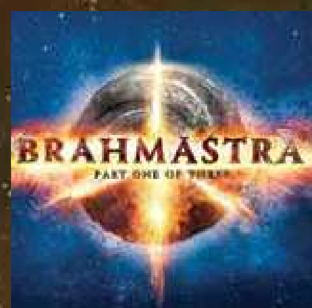
In early 2020, the DNEG Stereo team was recognised with an AIS Lumiere Award for 'Best 3D Scene or Sequence in a Feature Film' for their stereo conversion work on 'Aladdin'.

DNEG has a strong pipeline of work to look forward to, including 'Wonder Woman 1984', 'F9: The Fast Saga', 'Mulan'.

REDEFINE

ReDefine is launched to bridge the gap between the East and the West for creative services for films and episodic content for streaming. It operates alongside DNEG, offering creative visual effects and animation services to expanding international markets, as well as other global independent productions. Redefine will bring local experience, top-end creative supervision, and scale to these rapidly growing markets while leveraging the benefits of access to DNEG's market-leading technology infrastructure.

ReDefine is currently in production on the biggest Bollywood blockbuster 'Brahmastra' starring Amitabh Bachchan, Alia Bhatt and Ranbir Kapoor. Other projects include 'Kung Fury 2' starring Arnold Schwarzenegger and Michael Fassbender, 'Sweet Girl' starring Jason Momoa, '83' starring Ranveer Singh and the latest season of 'The 100'. Animation projects currently in production at ReDefine include 'The Silk Road Rally' and 'Rock Dog 2'.



At ReDefine, we blend the global experience with a local understanding of each culture we operate in. ReDefine will provide an alternative approach, specifically tailored to the creative needs and working styles of ever-expanding global markets. We believe that our combination of high-end technical experience and refined local understanding is something unique in the industry today. It is exciting to see where the future will take us and there is huge potential to unleash the creativity of filmmakers across the globe and help them realise their grandest visions.

Rohan Desai
Global Head - ReDefine

ReDefine brings a wealth of proven knowledge and an award-winning pipeline that will certainly open up brilliant opportunities for storytelling in global cinema. We are already providing big-scale VFX and animation services to high-profile Bollywood and international movies, such as Ayan Mukherjee's 'Brahmastra' and Alexs Stadermann's 100% Wolf.

Yohann Abraham
General Manager - ReDefine, Mumbai

At ReDefine, our strategic approach for the animation team is to enable the growth of a division that not only delivers world-class animation services to global clients but also partners with and co-produces projects with leading filmmakers. We have already produced a number of exciting animated features, including '100% Wolf', a joint production with Flying Bark Productions.

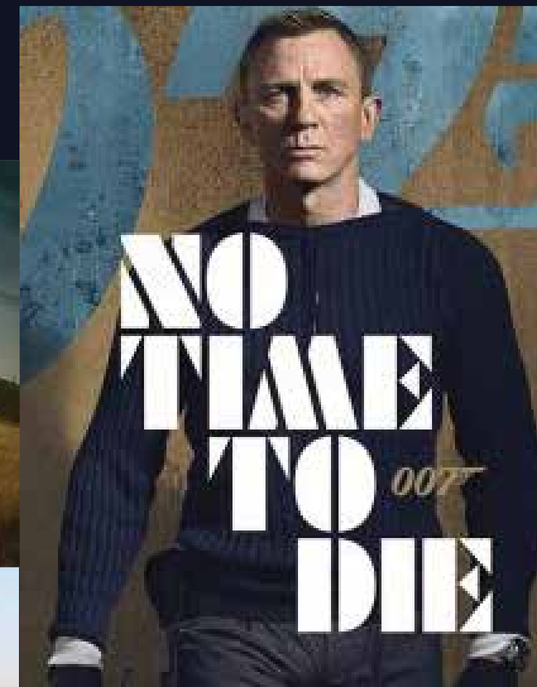
Greg Gavanski
Animation Division Head - ReDefine

INTERNATIONAL CREATIVE SERVICES

STRONG PIPELINE OF UPCOMING WORK

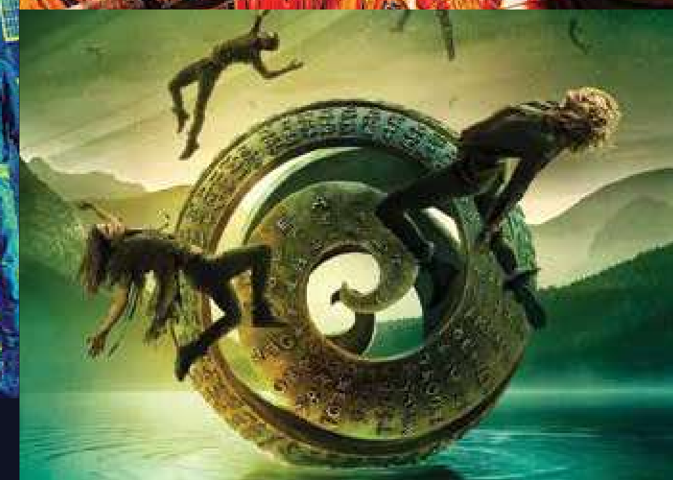












PRIME FOCUS TECHNOLOGIES

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 new features added to our AI Platform, CLEAR Vision Cloud which provides a perfect combination of both Technology and Consulting to solve specific business problems of Media & Entertainment companies.

We also rebranded our patented DAX Digital dailies to CLEAR. The transformation added functionalities that helped studios to unleash their full potential. As part of CLEAR, we expanded DAX from a dailies solution into a holistic content creation and post production supply chain platform. Another landmark achieved was PFT's global operations hub, True North (Mumbai, India) receiving the Trusted Partner Network Certification (TPN). TPN is a new, global, industry-wide film and television content protection initiative. We signed numerous major deals with new customers and renewed a host of existing contracts. We signed a strategic deal with UK's public service broadcaster, Channel 4 for managing media processing and centralised content operations using CLEAR.

At IBC 2019, under the extension of its go-to-market, "Think Automation. Think CLEAR.", PFT showcased its latest AI-led solutions and micro-services. At the event, we also announced powerful updates with improved collaboration, an enhanced user experience and greater security.

PFT brought Carl Segal as Senior Vice-President, Digital Distribution to spearhead the growth of PFT's digital delivery services in the US, including VOD and multi-screen / OTT delivery services for studios, broadcasters, programmers, and MVPDs. To strengthen and expand its leadership base in EMEA region, PFT onboarded Andy Steele on board as Vice President, Operations.

Product Launches:

CLEAR Vision Cloud: Combination of Technology and Services to make AI work for Media & Entertainment companies

PFT's native media recognition AI platform, CLEAR Vision Cloud works provides a perfect combination of our Technology (home grown model + best-of-breed AI engines like Microsoft, AWS, IBM Watson & Google) and Consulting to provide AI Data and AI Action Toolkits to deliver outcomes to real business problems.

CLEAR Vision Cloud's data pack now offers its customers AI Metadata at three levels — a. Basic Metadata b. Advanced Metadata c. Premium Metadata allowing clients the option of modularly deploying the requisite intelligence for the use case in hand. In addition to that, the data pack includes Video Comparison, Transcripts and Compliance data.

CLEAR Vision Cloud also provides powerful Action Toolkits leveraging accurate and best quality data that offer actionable use cases including Discovery, Segmentation, Content Moderator, Comparator and Language Tools.

The Roadmap Ahead

The Media & Entertainment industry is evolving faster than it has in decades. Megamergers and streaming platforms are re-defining the landscape, and originals are being produced at a furious pace. There is incredible pressure to push out countless versions of each video in different languages and formats. Deadlines are tight, operating costs are high, and everyone is feeling the pinch - from broadcasters and studios to OTT platforms and brands. What content creators need is an innovative technology stack that helps deliver content in any format, for any market in the fastest time possible. That's why we created CLEAR, the world's first, proven multi-cloud-enabled Media ERP Suite that automates the content supply chain and builds a connected enterprise. With CLEAR, you get ONE MAM across Creative, Marketing & Technical Operations, ONE software that works across all global sites. And since CLEAR is powered by Work Order Management, you can manage all your assets, tasks and resources on the same system. It's pre-integrated with industry standard applications, AI-enabled, IMF ready, and most importantly - super secure.

M&E companies see the increasing availability of data as an opportunity and many have started AI initiatives with off-the-shelf AI tools, but the business returns have not been great to highly prioritize AI. They feel relevant AI models are not available or mature enough to solve their specific business problems as each company has unique content. There is a need to find a solution which can solve specific business challenges by providing tailored solutions. At PFT, we believe in "Solving for the customer". We offer a combination of technology and consulting to deliver accurate and actionable data that can solve customer specific challenges seamlessly. We make AI work for M&E companies. And that is our promise.

PFT is always looking for new ways to deliver enhanced operational, cost and time efficiencies to customers on the back of our innovative automation-led technology and best-in-class services.

INDIA FILM AND MEDIA SERVICES:

DIGITAL INTERMEDIATE / COLOR GRADING

The Digital Intermediate division with its excellent creative team headed by Ashirwad Hadkar (Creative Head) has contributed to more than 70 movies this year with some of them being mega blockbuster Bollywood and regional movies. This year has also seen a tremendous increase in regional and digital films.

This year also brought with it some challenging yet hit projects like Baaghi 3 and Street Dancer that raised the bar for the technology and vision being incorporated in Bollywood films. Some of our other highlights for the year were Super 30, Batla House, Kabir Singh, Housefull 4 and Good Newwz.

Our future pipeline looks promising by having projects like 83, Radhe, Gangubai Kathiawadi, Jayesh Bhai Jordar and the most awaited mythology thriller; Brahmastra still under production.

ADVERTISING SERVICES

Our Advertising division has always been dedicated to enhance the creativity and work in every project undertaken. The Advertising division provides world class services like online and offline services, CG/VFX, Animation, 2D & 3D Animatics and other post-production services.

This year we ventured into the production of TVC's by providing full pre-production and production services to our clients. We were able to creatively deliver end-to-end pre and post-production for brands like LG, Forever mark, Living Foodz, Merino Restrooms and many more.

The division also set its footprint on the OTT platform by providing creative work for some of the best series and movies available on digital platforms Inside Edge 2, Barot House, Posham Pa and Little Things 3.

EQUIPMENT RENTAL

The Prime Focus EQR division is known for its technology advancement with time and providing the best products and solutions to film makers in the industry. With a wide range of more than 40 high-end feature film cameras, the division serves a large universe of clients from independent filmmakers, large production houses delivering high-budget projects, live sporting events and projects made for digital platforms.

The EQR pipeline also saw a rise in projects for OTT platforms by delivering EQR services for projects like Tripling Season 2, Verdict, Hostages, Chopsticks and Forgotten Army.

The division was felicitated with 3 awards at the 4th Annual Digital Studio Awards 2019 Winning the Best National Equipment Rental Company; Mr. Gowrishankar was awarded in the Hall of Fame and Kamalkar Rao won the Editor's Choice Award.

just · about · music

Our music studio Jam8 has achieved triumphant success and immense growth in this year catering to the Bollywood, Digital, TV and advertising industry. We have been committed towards providing our clients with the best the industry has to offer – skill & creativity of young artists, highest standards of audio recording & sound production equipment.

We have delivered multiple hit tracks that have achieved more than million views on YouTube and are proud to have had the chance to work with the top tv channels such as Star Plus, Colors TV, Sony TV delivering music for the highest TRP shows such as Choti Sarrdaarni, Barrister Babu, Shubharambh, Nati Pinky Ki Lambi Love Story, Yeh Rishta Kya Kehlata Hai.

Some of our other highlights for the year were Bhangra Paa Le movie, Bheegi Bheegi Raaton Mein starring Mouni Roy, Close Up ad starring Mahesh Babu and Nerolac Paints ad.

BROADCAST

PFT works with some of the world's biggest broadcasters, delivering cutting-edge creative services including short-form and long-form production, post production, promo creation and versioning and mastering .

PFT's unique 'data-led creativity' approach helps brands, broadcasters, studios and service providers push the boundaries of creative thought and redefine quality output benchmarks.

Every day, its creative team releases compelling content that cuts across networks, platforms, genres, and language - right from award-winning on-air and digital promos to out-of-the-box brand campaigns, from stunning video catalogues to riveting television commercials starring A-list celebrities.

PFT's specialized on-air promo post-production services have influenced over 10 prestigious industry award wins for broadcasters in 2019.

MAJOR MILESTONES

BEGINNING (1997 - 2008)

1997

- Prime Focus Ltd. (PFL) founded by Namit Malhotra in a garage in Mumbai

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)

EXPANSION (2009 - 2014)

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 recognized as 'Best of IBC'

2011

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

2012

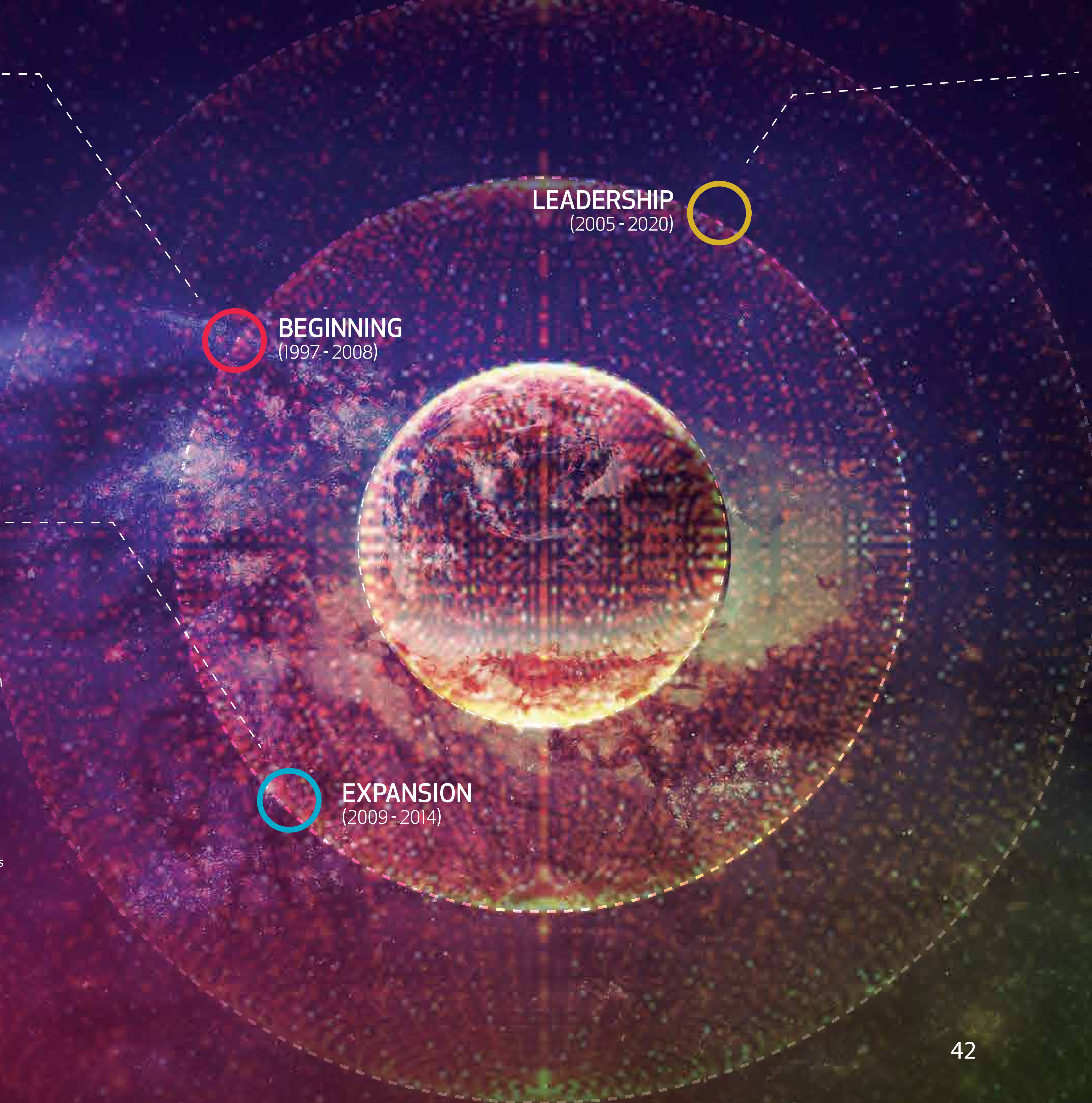
- Prime Focus Animation launched
- Prime Focus raises investment from Standard Chartered Public Equity

2013

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

2014

- PFT acquires DAX® (creators of PrimeTime Emmy® award-winning Digital Dailies®) and Academy® Award winning Lowry Digital
- PFW and Double Negative merge their Hollywood-facing VFX businesses
- PFW secures U.S. Patent for View-D stereo conversion technology
- Reliance Capital picks up 30.2% in Prime Focus; Prime Focus merges Film & Media Services business of Reliance MediaWorks
- PFT-restored Associated Press Archive Digitization wins FOCAL International Award



LEADERSHIP (2015 - 2020)

2015

- Double Negative wins Academy Award, BAFTA and VES Award for Interstellar
- PFW and Gener8 sign Technology Licensing Partnership
- PFT honored with Two MarCom Awards for DIGITAL NEXT Campaign
- Prime Focus wins Best VFX Awards for 'Kick' (IIFA Awards) and 'Sin City: A Dame To Kill For' (Apollo Asia Awards)
- PFT honoured with Frost & Sullivan's 2015 Global Growth Excellence Leadership Award

2016

- Double Negative wins Academy Award and British Independent Film Award for 'Ex Machina'
- Prime Focus wins 'Best VFX' for 'Bhajrangi Bhaijaan' at 24FPS International Awards
- PFW's 'DeepGen' Stereo Technology recognised with AIS Lumiere Technology Award
- PFT picks up two awards at 2016 CMO Asia Awards, including 'Marketing Campaign of the Year'
- Prime Focus divests 30% stake in Digital Domain-Reliance, LLC; to form Virtual Reality and Advertising JV in India; Total Deal Value at US$ 55 million
- Prime Focus Technologies secures investment from Ambit Pragma Private Equity

2017

- Prime Focus delivers post-production services for 12 national award winning films
- Advertising division delivered post-production services for the world's best advertisement of 2016

2018

- Prime Focus limited enters 'Fortune India 500' companies
- Advertising division delivered post production services for 4 ABBY award winners
- DNEG wins academy award, BAFTA and VES award for Blade Runner:2049

2019

- DNEG won an Oscar under the category 'Best Visual Effects' category for 'First Man'
- Ashirwad Hadkar gets awarded 'Best Colorist' at the 49th Kerala State Awards for the film 'Carbon'
- The Animation Department won FICCI BAF Award and 24fps MAAC Award for their phenomenal work for the film 'Here Comes the Grump' under the category of 'Best Animated Film – International
- PFT won TVB Europe's 'Best of Show' Award at IBC 2019'
- Prime Focus Ltd. has collaborated with the Music Producer and Composer, Pritam Chakraborty to set foot into the music industry with their new venture – JAM8

2020

- The Film Equipment Division (EQR) won the best National Equipment Rental Company at the 4th Annual Digital Studio Awards 2019
- Mr. Gowrishankar was awarded in the Hall of Fame at the 4th Annual Digital Studio Awards 2019
- Kamalkar Rao won the Editor's Choice Award at the 4th Annual Digital Studio Awards 2019
- PFT won two prestigious awards at the Dada Saheb Phalke Film Festival 2019 - Best Cinematography for the Mega Icons episode on His Holiness
- PFT announced the rebranding of its patented DAX® Digital Dailies to CLEAR™ with transformational new features in Feb 2020
- As part of the DNEG family of companies, ReDefine was launched to leverage the benefits of access to DNEG's market-leading technology infrastructure.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Naresh Malhotra
Chairman and Whole-time Director

Non-Executive Directors

Mr. Ramakrishnan Sankaranarayanan

Mr. Namit Malhotra

Mr. Kodi Raghavan Srinivasan
Independent Director

Mr. Rivkaran Chadha
Independent Director

Mr. Padmanabha Gopal Aiyar
Independent Director

Mrs. (Dr.) Hemalatha Thiagarajan
Independent Director

Mr. Samu Devarajan
Independent Director

Mr. Udai Dhawan

Mr. Jai Anshul Anil Ambani
(Appointed w.e.f. November 14, 2019)

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

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: mahesh.masurkar@linkintime.co.in
Website: www.linkintime.co.in

Registered Office

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

Corporate Identity Number (CIN)

L92100MH1997PLC108981

Directors' Report

To
The Members of
Prime Focus Limited

Your Company's Directors are pleased to present the Twenty-Third Annual Report together with the Audited Financial Statements for financial year ended March 31, 2020.

1. FINANCIAL PERFORMANCE SUMMARY

The Consolidated and Standalone Audited Financial Results for the financial year ended March 31, 2020 are as follows:

(₹ In Crores)

Particulars	Consolidated		Standalone	
	2019-20	2018-19	2019-20	2018-19
Income from services	2887.67	2510.62	119.63	152.56
Other operating income	41.57	29.63	12.26	9.53
Total revenue from operations	2929.24	2540.25	131.89	162.09
Less: Expenses	2910.18	2485.50	155.19	179.03
Add: Other income	84.00	123.50	20.31	41.12
Less: Finance costs	231.40	236.68	63.32	57.39
Less: Exceptional items	67.56	-	(200.27)	-
Less: Tax expense	(42.02)	(25.48)	(32.71)	0.06
Less: Minority interest	(22.38)	(10.24)	-	-
Profit/ (Loss) for the year	(131.50)	(22.71)	166.67	(33.27)

2. OPERATIONS AND PERFORMANCE REVIEW

Consolidated

During the year under review, total revenue from operations of the Company and its subsidiaries stood at ₹ 2929.24 crores as compared to ₹ 2540.25 crores in the previous year. Loss before tax during the year was ₹ (195.90) crores as compared to ₹ (58.42) crores in previous year. The Net Loss after tax was ₹(131.50) crores as compared to ₹ (22.71) crores in previous year.

Standalone

Total revenue from operations of the Company during the year was ₹131.89 crores as compared to ₹ 162.09 crores in the previous year. Profit / Loss before tax during the year was ₹133.96 crores as compared to ₹ (33.21) crores in the previous year. The Net profit/Loss after tax was ₹166.67 crores as compared to ₹ (33.27) crores in the previous year. A detailed analysis on the Company's performance, both Consolidated & Standalone, is included in the "Management Discussion & Analysis" Report which forms part of this Annual Report.

3. DIVIDEND

In order to conserve the resources of the Company, the Directors do not recommend any dividend for its equity shares for the financial year 2019-20.

4. TRANSFER TO RESERVES

During the year under review, the company has transferred ₹ 82.50 crores from the forfeited Share warrant application money to Capital reserve.

5. SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2020 was ₹29,92,48,978 (Rupees Twenty Nine Crore Ninety Two Lakh Forty Eight Thousand Nine Hundred Seventy Eight) comprising of 29,92,48,978 equity shares of ₹ 1/- each. During the year under review, the Company has allotted 66,666 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, 2020, 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 2019-20.

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 ESOP Compensation Committee of the Company.

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 available electronically for inspection by the Members at the ensuing Annual General Meeting. The disclosures as required under Regulation 14 of the SEBI (Share Based Employee Benefits) Regulations, 2014 read with SEBI Circular dated June 16, 2015 are accessible on Company's website at http://www.primefocus.com/sites/default/files/pdf/ESOP_disclosure_2019_20.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. IMPACT OF PANDEMIC COVID-19

For details on the impact of COVID-19, please refer to the Report on Management Discussion and Analysis and Notes No 41 of the standalone financial statements.

10. DISPOSAL OF THE VFX BUSINESS OF THE COMPANY TO DNEG CREATIVE SERVICES LIMITED, A SUBSIDIARY OF THE COMPANY

The Company has executed a Business Transfer Agreement (BTA) on October 7, 2019 with DNEG Creative Services Limited, a subsidiary of the Company for sale of its business division, VFX business Limited, as a going concern, on a slump sale basis for a lump sum consideration upto ₹ 270 Crores (Rupees Two Hundred and Seventy Crores), subject to closing adjustments, if any as specified in the BTA.

11. DISPOSAL OF INVESTMENT HELD BY THE COMPANY IN PF MEDIA LIMITED (FORMERLY KNOWN AS RELIANCE MEDIAWORKS (MAURITIUS) LIMITED), ITS WHOLLY OWNED SUBSIDIARY

The Company has executed a Share Purchase Agreement (SPA) on March 31, 2020 for sale of 100% equity shares of its wholly owned subsidiary, PF Media Limited to PF World Limited, a wholly owned subsidiary of the Company, for an aggregate consideration upto USD 11 Million and on the terms and conditions as contained in the said SPA.

12. 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.

13. 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.

14. 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.

15. 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, 2020 is 274.

16. 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 2019-20 on sexual harassment.

17. 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.

18. 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/Extract_of_Annual_Return_2019_20.pdf.

19. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Act, Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and applicable Accounting Standards, the Audited Consolidated Financial Statements of the Company for the financial year 2019-20, together with the Auditors' Report form part of this Annual Report.

20. 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, 2020. 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 43 subsidiaries as on March 31, 2020. As on the date of signing this report the following changes have taken place in subsidiary companies:

a. Companies which have become subsidiary Company:

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

b. Companies which ceased to be Subsidiary Company:

1. Prime Focus Malaysia SDN. BHD. and Prime Focus World Malaysia SDN. BHD. were dissolved w.e.f June 27, 2019 and ceased to be subsidiaries of the Company.
2. Double Negative LA LLC (DELAWARE LLC) (Formerly known as 1800 Vine Street LLC) has been dissolved w.e.f December 11, 2019 and cease to be subsidiary of the Company.
3. DNEG Creative Services Limited and Double Negative India Private Limited ceased to be subsidiaries of Prime Focus Limited w.e.f April 01,2020 pursuant to Amalgamation with DNEG India Media Services Limited (formerly known as Gener8 India Media Services Limited).
4. DAX PFT LLC ceased to be subsidiary w.e.f April 8, 2020 pursuant to merger with Prime Focus Technologies, Inc.
5. Prime Focus VFX USA Inc. was dissolved w.e.f April 14, 2020 and ceased to be Subsidiary of the Company.

c. Name changes:

1. Name change of DNEG Limited to DENG PLC w.e.f. October 30, 2019
2. Name of RE:DEFINE FX LTD. has been changed to REDEFINE FX LTD. w.e.f December 12,2019.
3. Name of Reliance Lowry Digital Imaging Services, Inc has been changed to Lowry Digital Imaging Services Inc w.e.f December 23, 2019.
4. Name of Reliance MediaWorks (Mauritius) Limited has been changed to PF Media Ltd. w.e.f January 16, 2020

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.

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

A. CONSERVATION OF ENERGY

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

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

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

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

B. TECHNOLOGY ABSORPTION

i. The efforts made towards technology absorption – The Company adopts the latest trends in the technology development and introduces the same so as to ensure reduction in cost with best quality output.

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

iii. IMPORTED TECHNOLOGY

(a) The details of technology imported - Not Applicable

(b) The year of import - Not applicable

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

(d) If not fully absorbed - Not applicable

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

(C) PARTICULARS OF FOREIGN CURRENCY EARNINGS AND OUTGO:

(₹ In Crores)

Particulars	March 31, 2020	March 31, 2019
Foreign exchange earned in terms of actual inflow	57.15	23.56
Foreign exchange outgo in terms of actual outflow	3.54	15.51

22 MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the financial year ended March 31, 2020 as stipulated under Regulation 34 of SEBI Listing Regulations, is included as a separate section forming part of this Annual Report.

23. 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 2019-20.

24. DIRECTORS

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

i) Appointment/Reappointment of Directors:

a. Mr. Srinivasan Kodi Raghavan (DIN: 00012449), Mr. Padmanabha Gopal Aiyar (DIN: 02722981) and Mr. Rivkaran Singh Chadha (DIN: 00308288) were re-appointed as Independent Directors of the Company at the 22nd Annual General Meeting to hold office for 5 (five) consecutive years upto the conclusion of the 27th Annual General Meeting. Further, Dr. (Mrs.) Hemalatha Thiagarajan (DIN: 07144803), was re-appointed as the Independent Director of the Company at the 22nd Annual General Meeting for the period of 5 years w.e.f. March 31, 2020 upto March 30, 2025.

b. Pursuant to the recommendation of Nomination and Remuneration Committee Mr. Jai Anshul Ambani (DIN: 08054558) (Nominee of Reliance Mediaworks Financial Services Private Limited, wholly owned subsidiary Reliance Mediaworks Limited) was appointed as an Additional Director of the Company by the Board of Directors with effect from November 14, 2019 in respect of whom the company has received a notice in writing under section 160 of the Act from member proposing Mr. Jai Anshul Ambani as Director in the ensuing Annual General Meeting.

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

ii) Change in designation

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

iii) Retirement by Rotation

In accordance with the provisions of Section 152 of the Act read with Companies (Management & Administration) Rules, 2014, Mr. Ramakrishnan Sankaranarayanan (DIN: 02696897), Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offer himself for re-appointment.

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

25. DECLARATION BY INDEPENDENT DIRECTORS

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

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

Regarding proficiency, the Company has adopted requisite steps towards the inclusion of the names of all Independent Directors in the data bank maintained with the Indian Institute of Corporate Affairs, ('IICA'). Accordingly, the Independent Directors of the Company have registered themselves with the IICA for the said purpose. In terms of Section 150 of the Act read with Rule 6(4) of the Companies (Appointment & Qualification of Directors) Rules, 2014, the Independent Directors are required to undertake online proficiency self-assessment test conducted by the IICA within a period of one (1) year from the date of inclusion of their names in the data bank. The Independent Directors to whom the provisions of proficiency test are applicable will take the said online proficiency self-assessment test in due course.

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

Mr. Ramakrishnan Sankaranarayanan, Managing Director* of the Company is in receipt of ₹ 1,81,12,150 (255,865 USD) as remuneration in his capacity as a CEO of Prime Focus Technologies Inc., a Subsidiary Company

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

27. KEY MANAGERIAL PERSONNEL (KMP)

The following Directors / Executives are KMPs as on March 31,2020:

→ Mr. Ramakrishnan Sankaranarayanan, Managing Director *

→ Mr. Nishant Avinash Fadia, Chief Financial Officer

→ Ms. Parina Nirav Shah, Company Secretary and Compliance Officer

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

28. 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.

29. NOMINATION AND REMUNERATION POLICY

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

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

- To formulate the criteria and terms to determine qualifications, attributes and independence of Directors;

- To identify the qualification, key attributes and profile required of persons who may be appointed in Senior Management and Key Managerial positions;

- To determine remuneration of the Directors, Key Managerial Personnel and Senior Management employees and other employees based on the Company's size of business, financial position and trends and practices prevailing in similar companies in the industry;

- To devise mechanism and carry out evaluation of the performance of Directors;

- To devise and achieve diversity on the composition of Board, an essential element to support quality of performance;

- To retain, motivate and promote talent and create a sense of participation and ownership;

- To carry out such other functions as is mandated by Board of Directors and perform such other functions as may be necessary or appropriate for performance of duties.

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

30. BOARD MEETINGS

During the financial year under review, Seven (7) 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, 2020, 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.

31. AUDIT COMMITTEE

The Audit Committee comprises of following members:

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

* Mr. Jai Anshul Ambani was appointed as a member in Audit Committee w.e.f. November 14, 2019.

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

32. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

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

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

33. 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, 2020. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

34. 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 Corporate Social Responsibility Committee comprises of following members:

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

*Mr. Jai Anshul Ambani was appointed as a member in CSR committee w.e.f. November 14, 2019.

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.

35. 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.

36. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

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

Particulars of transactions with related parties referred to in Section 188 (1), as prescribed in Form AOC-2 under Rule 8(2) of the Companies (Accounts) Rules, 2014 is enclosed as **Annexure D**.

37. BUSINESS RESPONSIBILITY REPORT

Pursuant to SEBI (Listing Obligations and Disclosure Requirements) (Fifth Amendment) Regulations, 2019, the requirement of preparing Business Responsibility Report ("BRR") had been extended to top 1000 companies (by market capitalization calculated as on March 31 of every financial year) with effect from December 26, 2019, which was initially applicable to top 500 listed companies. As the Company is one amongst the top 1000 listed entities, to comply with the aforesaid amendment, the Board, at its meeting held on July 31, 2020, has approved its BRR.

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

38. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 and other applicable provisions, if any of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 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 IEPF Authority, till March 31, 2020, transferred 200 equity shares against the claims received by them from the shareholders.

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.

39. AUDITORS

Statutory Auditors

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

The Auditors Report for the Financial year 2019-20 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 2019-20. The report of the Secretarial Auditor in the prescribed Form MR-3 is annexed to this report as **Annexure E**.

The Secretarial Auditors' Report for the Financial year 2019-20 does not contain any qualification, reservation or adverse remark except that the appointment of Independent directors in material foreign subsidiary is still pending as per Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board represents that they are in process of compliance of the same.

In accordance with the 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 2019-20. The same is also submitted to the Stock Exchanges.

40. COST RECORDS

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

41. 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.

42. 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, 2020 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, 2020 and of the profit of the Company for that year on that date;

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

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

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

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

43. WHOLE-TIME DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

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

44. ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Date : July 31,2020
Place: Mumbai

ANNEXURE A

Annexure to Directors' Report

FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 31, 2020

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (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: mahesh.masurkar@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)	-
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)	-

Sr. No.	Name and address of the company	CIN/GLN/LLPIN	Holding/ subsidiary/ associate	% of shares held	Applicable section	Note
5.	**PF Digital Media Services Limited (formerly knownas 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)	13
7.	**DNEG Creative Services Limited** (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** 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.	**PF Media Ltd** (Formerly Known as 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)	1
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 200,1097JB, Amsterdam, The Netherlands	N.A.	Subsidiary	100	2(87)	2
15.	**Prime Focus World N.V.** Address: Prins Bernhardplein 200,1097JB Amsterdam,The Netherlands	N.A.	Subsidiary	93.54*	2(87)	3
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: 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: Capitol Corporate Services, Inc. 455 Capitol Mall Complex, Suite 217 Sacramento, CA 95814	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

Sr. No.	Name and address of the company	CIN/GLN/LLPIN	Holding/ subsidiary/ associate	% of shares held	Applicable section	Note
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.	**Vegas II VFX Limited** Address: 20th Floor, 250 Howe Street, Vancouver, BC V6C 3R8 Canada	N.A.	Subsidiary	100	2(87)	5
23.	**Prime Focus Technologies UK Limited** Address: Suite 55, Rochester Mews, London NW19JB	N.A.	Subsidiary	100	2(87)	6
24.	**Prime Focus Technologies Inc** Address: Capitol Services, Inc. 1675 S State Street Ste B Dover, DE 19901	N.A.	Subsidiary	100	2(87)	6
25.	**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)	7
26.	**Lowry Digital Imaging Services Inc** (Formerly Known as Reliance Lowry Digital Imaging Services Inc) Address: Capitol Corporate Services, Inc. 455 Capitol Mall Complex, Suite 217 Sacramento, CA 95814	N.A.	Subsidiary	100	2(87)	8
27.	**Double Negative Limited** Address: 160 Great Portland Street, London, W1W5QA, United Kingdom	N.A.	Subsidiary	100	2(87)	15
28.	**Double Negative Singapore Pte. Limited** Address: 80 Raffles Place, #32-01, UOB Plaza1, Singapore–048624	N.A.	Subsidiary	100	2(87)	9
29.	**Double Negative Canada Productions Limited** Address: 20th Floor, 250 HoweSt, Vancouver, BCV6C3R8,Canada	N.A.	Subsidiary	100	2(87)	4
30.	**Double Negative Films Limited** Address:160 Great Portland Street, London, W1W5QA, United Kingdom	N.A.	Subsidiary	100	2(87)	9
31.	**DAXPFTLLC ****** 1675S State StSteB, Dover, DE, 19901US	N.A.	Subsidiary	100	2(87)	10
32.	**DAX Cloud ULC** Address:1500, 850–2 Street SW, Calgary, Alberta, T2P0R8	N.A.	Subsidiary	100	2(87)	11
33.	**Prime Post (Europe) Limited** (formerly known as Prime Focus (MW) Limited) Address: Suite 55 Rochester Mews, London NW19JB	N.A.	Subsidiary	100	2(87)	12
34.	**Double Negative India Private Limited**** Address:2nd Floor, Building-H, Main Frame ITPark, Royal Palms, Near–Aarey Colony, Goregaon(East),Mumbai-400065	U72900MH2008PTC183047	Subsidiary	100	2(87)	13
35	**Double Negative Huntsman VFX Ltd.** Address: 20th Floor, 250 Howe Street, Vancouver BCV6C3R8, Canada	N.A.	Subsidiary	100	2(87)	5
36	**Prime Focus Acade my 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)	13
37	**DNEG PLC** (Formerly Known as DNEG Limited) 160 Great Portland Street, Fitzrovia, London, W1W 5QA, United Kingdom	NA	Subsidiary	100	2(87)	3

Sr. No.	Name and address of the company	CIN/GLN/LLPIN	Holding/ subsidiary/ associate	% of shares held	Applicable section	Note
38	**Double Negative LA LLC** Capitol Corporate Services, Inc. 455 Capitol Mall Complex, Suite 217 Sacramento, CA 95814	NA	Subsidiary	100	2(87)	9
39	**Double Negative Montréal Productions Ltd.** 3900-1 Place Ville-Marie Montreal, Quebec H3B4M7 Canada	NA	Subsidiary	100	2(87)	4
40	**Apptarix Mobility Solutions Private Limited** First Floor, Block D, Janardhana Towers, #562/640, Bilekahalli, Bannerghatta Road, Bangalore – 560076	U72200KA2012PTC064731	Subsidiary	100	2(87)	6
41	**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)	12
42	**REDEFINE FX LTD** (Formerly Known as Formerly Known as RE:DEFINE FX LTD) 3900-1 Place Ville-Marie Montreal, Quebec H3B4M7 Canada	NA	Subsidiary	100	2(87)	4
43	**JAM8 Prime Focus LLP** Prime Focus House, Linking Road, Opp. Citi Bank, Khar (West), Mumbai 400052	NA	Subsidiary	51	2(87)	-

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 Double Negative Canada Productions Limited
6. Subsidiary of Prime Focus Technologies Limited
7. Subsidiary of Prime Focus China Limited
8. 90% held by PF Media and 10% held by Prime Focus Limited
9. Subsidiary of Double Negative Holdings Limited
10. Subsidiary of Prime Focus Technologies Inc.
11. Subsidiary of DAX PFT LLC.
12. Subsidiary of Prime Focus Technologies UK Limited
13. Subsidiary of DNEG Creative Services Limited (formerly known as Prime Focus World Creative Services Private Limited)
14. Jam8 Prime Focus LLP became subsidiary of the Company w.e.f. April 22, 2019
15. 74.3% held by Double Negative Holdings Ltd and 25.7% held by Double Negative Films Limited

* 77.32% on fully diluted basis after considering Preferred Stock.

** DNEG Creative Services Limited and Double Negative India Private Limited ceased to be subsidiaries of Prime Focus Limited w.e.f April 01,2020 pursuant to Amalgamation with DNEG India Media Services Limited (formerly known as Gener8 India Media Services Limited).

***Prime Focus VFX USA Inc. was dissolved w.e.f April 14, 2020 and ceased to be Subsidiary of the Company.

****DAX PFT LLC ceased to be subsidiary w.e.f April 8, 2020 pursuant to merger with Prime Focus Technologies, Inc.

- Prime Focus Malaysia SDN. BHD. and Prime Focus World Malaysia SDN. BHD. were dissolved w.e.f June 27, 2019 and ceased to be subsidiaries of the Company.
- Double Negative LA LLC (DELAWARE LLC) has been dissolved w.e.f December 11, 2019 and cease to be subsidiary of the Company.

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, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				%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	NA
b) Banks / FI	1,400	Nil	1,400	0.00	0	Nil	0	0.00	0.00
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	29,902,624	Nil	29,902,624	9.99	33,810,508	Nil	33,810,508	11.30	1.30
Insurance Companies	Nil	Nil	Nil	Nil	525,000	Nil	525,000	0.18	0.18
Sub-total (B)(1):-	**29,904,024**	**Nil**	**29,904,024**	**9.99**	**34,335,508**	**Nil**	**34,335,508**	**11.47**	**1.48**
2. Central Govt./ State Govt(s)./ President of India									
Central Govt. / State Govt(s).	1,000	0	1,000	0.00	1,000	Nil	1,000	0.00	0.00
Sub-total (B)(2) :-	**1,000**	**0**	**1,000**	**0.00**	**1,000**	**Nil**	**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
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	8,058,467	20	8,058,487	2.69	8,545,161	20	8,545,181	2.86	0.16
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	3,283,310	0	3,283,310	1.10	2,747,397	0	2,747,397	0.92	-0.18
c) NBFCs registered with RBI	7,481	0	7,481	0.00	2,381	0	2,381	0.00	0.00
Others (Specify)									
i. Bodies Corporate	115,061,800	Nil	115,061,800	38.46	115,931,578	Nil	115,931,578	38.74	0.28
ii. Clearing Members	878,997	Nil	878,997	0.29	45,665	Nil	45,665	0.01	-0.28
iii. Foreign Individuals or NRI	367,722	Nil	367,722	0.12	271,865	Nil	271,865	0.10	-0.03
iv. Foreign Companies	36,549,990	Nil	36,549,990	12.22	32,370,029	Nil	32,370,029	10.82	-1.40
v. Hindu undivided family	452,275	Nil	452,275	0.15	381,348	Nil	381,348	0.13	-0.02

Category of Shareholders	No. of Shares held at the beginning of the year [As on April 1, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				%Change During the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
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	0	9,485	0.00	9,285	0	9,285	0.00	0.00
Sub-total (B)(3):-	**164,669,627**	**20**	**164,669,647**	**55.04**	**160,304,809**	**20**	**160,304,829**	**53.57**	**-1.47**
Total Public Shareholding (B) = (B)(1) + (B)(2) + (B)(3)	**194,574,651**	**20**	**194,574,671**	**65.03**	**194,641,337**	**20**	**194,641,337**	**65.04**	**0.00**
C. Shares held by Custodian for GDRs & ADRs	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Grand Total (A+B+C)	**299,182,292**	**20**	**299,182,312**	**100.00**	**299,248,958**	**20**	**299,248,978**	**100.00**	**Nil**

B) SHAREHOLDING OF PROMOTERS

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year (As on April 1, 2019)			Shareholding at the end of the year (as on March 31, 2020)			% 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 Mahendranath Malhotra	62,201,546	20.79	3.62	62,201,546	20.79	3.62	0.00
2.	Mr. Namit Naresh 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 2019-20. 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, 2019)		Cumulative Shareholding at the end of the year (as on March 31, 2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	IDBI Trusteeship Services Limited**				
	At the beginning of the year	-	-	-	-
	Purchase (s) during the year	73,299,666	24.50	73,299,666	24.50
	At the end of the year	-	-	73,299,666	24.50
2.	Reliance MediaWorks Financial Services Private Limited#/$				
	At the beginning of the year	104,939,361	35.07		
	Sale(s) during the year	(73,299,666)	24.50	31,639,695	10.57
	At the end of the year			31,639,695	10.57
3.	Augusta Investments I Pte. Ltd**				
	At the beginning of the year				
	Purchase(s) during the year	29,241,817	9.77	29,241,817	9.77
	At the end of the year			29,241,817	9.77
4.	Marina IV (Singapore) Pte. Ltd.				
	At the beginning of the year	23,390,875	7.82	23,390,875	7.82
	At the end of the year			23,390,875	7.82
5.	Augusta Investments Zero Pte. Ltd **				
	At the beginning of the year	-	-	-	-
	Purchase (s) during the year	6,278,807	2.09	6,278,807	2.09
	At the end of the year			6,278,807	2.09

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on April 01, 2019)		Cumulative Shareholding at the end of the year (as on March 31, 2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
6	Top Class Capital Markets Private Limited				
	At the beginning of the year	7,526,400	2.52		
	Sale(s) during the year	(2,910,000)	(0.97)	4,616,400	1.54
	At the end of the year			4,616,400	1.54
7.	Marina Iv Lp**				
	At the beginning of the year	-	-	-	-
	Purchase(s) during the year	4,179,961	1.40	4,179,961	1.40
	At the end of the year			4,179,961	1.40
8.	Marina Horizon (Singapore) Pte. Limited				
	At the beginning of the year	2,700,347	0.90		
	At the end of the year			2,700,347	0.90
9	Businessmatch Services (India) Private Limited**				
	At the beginning of the year	-	-	-	-
	Purchase(s) during the year	2,012,813	0.67	2,012,813	0.67
	At the end of the year			2,012,813	0.67
10	Bajrang Karnani .**				
	At the beginning of the year	-	-	-	-
	Purchase(s) during the year	1,101,233	0.37	1,101,233	0.37
	At the end of the year			1,101,233	0.37
11	Reliance Nippon Life Insurance Co Limited*				
	At the beginning of the year	425,000	0.14		
	Purchase(s) during the year	100,000	0.03	100,000	0.03
	At the end of the year			525,000	0.18
12	Standard Chartered Private Equity (Mauritius) III Limited*				
	At the beginning of the year@	10,458,768	3.50		
	Sale(s) during the year	(10,458,768)	(3.50)	0	0
	At the end of the year			0	0
13	Standard Chartered Private Equity (Mauritius)Limited*				
	At the beginning of the year	29,241,817	9.77		
	Sale(s) during the year	(29,241,817)	(9.77)	0	0
	At the end of the year			0	0
14	Madhusudan Murlidhar Kela*				
	At the beginning of the year	1,800,028	0.60		
	Sale(s) during the year	(1,800,028)	(0.60)	0	0
	At the end of the year			0	0
15	Angel Fincap Private Limited*				
	At the beginning of the year	643,217	0.21		
	Sale(s) during the year	(643217)	(0.21)	0	0
	At the end of the year			0	0
16	Securities Holdings India Private Limited*				
	At the beginning of the year	478,000	0.16		
	At the end of the year			478,000	0.16

Note:

1. *Ceased to be in the list of Top 10 as on March 31, 2020. The same is reflected above since the shareholder was one of the Top 10 shareholders as on April 1, 2019.
2. **Not in the list of Top 10 shareholders as on April 1, 2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2020.
3. # Persons Acting In Concert with Promoter's.

4. $ Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):

   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 Naresh Malhotra (PAC 2), Mr. Naresh Mahendranath Malhotra (PAC 3), Monsoon Studio Private Limited (PAC 4) this includes 31,639,695 shares which are currently 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.

   Further, Reliance MediaWorks had 104,939,361 equity shares of the Company which were pledged to IDBI Trusteeship Services Limited (acting in its capacity as the debenture trustee for Credit Suisse AG, Singapore Branch, the debenture holder, as on the date of the IDBI Intimation). Out of which on December 2, 2019 IDBI invoked 7,32,99,666 equity shares of Prime Focus Limited, amounting to 24.5% of its total voting capital.

5. Shareholding is consolidated based on permanent account number (PAN) of the Shareholder.

6. 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.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on April 01, 2019)		Cumulative Shareholding at the end of the year (as on March 31, 2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Naresh Mahendranath 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 Naresh Malhotra				
	At the beginning of the year	14,900,000	4.98	-	-
	At the end of the year	-	-	14,900,000	4.98
3.	Ramakrishnan Sankaranarayanan				
	At the beginning of the year	50	0.00	-	-
	At the end of the year	-	-	50	0.00
4.	Kodi Raghavan Srinivasan				
	At the beginning of the year	-	0.00	-	-
	At the end of the year	-	-	-	0.00
5.	Samu Devarajan				
	At the beginning of the year	-	0.00	-	-
	At the end of the year	-	-	-	0.00
6.	Rivkaran Singh Chadha				
	At the beginning of the year	-	0.00	-	-
	At the end of the year	-	-	-	0.00
7.	Padmanabha Gopal Aiyar				
	At the beginning of the year	-	0.00	-	-
	At the end of the year	-	-	-	0.00
8.	Udai Dhawan				
	At the beginning of the year	-	0.00	-	-
	At the end of the year	-	-	-	0.00
9.	Hemalatha Thiagarajan				
	At the beginning of the year	-	0.00	-	-
	At the end of the year	-	-	-	0.00
10.	Jai Anshul Ambani *				
	At the beginning of the year	-	0.00	-	-
	At the end of the year	-	-	-	0.00

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year (as on April 01, 2019)		Cumulative Shareholding at the end of the year (as on March 31, 2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
11.	Nishant Avinash Fadia				
	At the beginning of the year	100,000	0.03	-	-
	At the end of the year	-	-	100,000	0.03
12	Parina Nirav Shah				
	At the beginning of the year	6,231	0.00	-	-
	Sale(s) during the year	(6,231)	(0.00)	0	0.00
	At the end of the year	-	-	0	0.00

Note:

* Mr. Jai Anshul Ambani was appointed as the Additional Non-Executive Director w.e.f. November 14, 2019

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	239.37	200.00	-	439.37
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.66	1.65	-	4.31
Total (i+ii+iii)	**242.03**	**201.65**	**-**	**443.68**
Change in Indebtedness during the financial year				
*Addition				
i) Principal Amount	57.65	-	-	57.65
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	33.49	20.12	-	53.61
Total (i+ii+iii)	**91.14**	**20.12**	**-**	**111.26**
* Reduction				
i) Principal Amount	(43.62)	-	-	(43.62)
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	(33.06)	(2.01)	-	(35.07)
Total (i+ii+iii)	**(76.68)**	**(2.01)**	**-**	**(78.69)**
Net Change	14.46	18.11	-	32.57
Indebtedness at the end of the financial year				
i) Principal Amount	253.40	200.00	-	453.40
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	3.09	19.76	-	22.85
Total (i+ii+iii)	**256.49**	**219.76**	**-**	**476.25**

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 Mahendranath Malhotra (Chairman and Whole-Time Director)	Mr. Ramakrishnan Sankaranarayanan * (Managing Director)	
1.	Gross salary	1,17,73,476	Nil	1,17,73,476
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		Nil	
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil
4.	Commission - As % of profit - others, specify...	Nil	Nil	Nil
5.	Others, please specify	Nil	Nil	Nil
	Total (A)	**1,17,73,476**	**Nil**	**1,17,73,476**
	Ceiling as per the Act	As per Schedule V of the Companies Act, 2013.		

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

B. REMUNERATION TO OTHER DIRECTORS

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Mr. Padmanabha Gopal Aiyar	Mr. Rivkaran Singh Chadha	Mr. Kodi Raghavan Srinivasan	Ms. (Dr.) Hemalatha Thiagarajan	Mr. Samu Devarajan	Mr. Udai Dhawan	Mr. Jai Anshul Ambani#	Mr. Namit Naresh Malhotra	Total Amount
1	Non-Executive Independent Directors									
	*Fee for attending board meetings	60,000	120,000	80,000	1,00,000	120,000	NA	NA	NA	4,80,000
	Commission	Nil	Nil	Nil	Nil	Nil	NA	NA	NA	-
	Others, please Specify	Nil	Nil	Nil	Nil	Nil	NA	NA	NA	-
	Total (1)	**60,000**	**120,000**	**80,000**	**1,00,000**	**120,000**	**NA**	**NA**	**NA**	**4,80,000**
2	Non-Executive Directors									
	*Fee for attending board meetings	NA	NA	NA	NA	NA	20,000	0	20,000	40,000
	Commission	NA	NA	NA	NA	NA	Nil	Nil	Nil	Nil
	Others, please Specify	NA	NA	NA	NA	NA	Nil	Nil	Nil	Nil
	Total (2)	**NA**	**NA**	**NA**	**NA**	**NA**	**20,000**	**0**	**20,000**	**40,000**
	Total (B)=(1+2)	**60,000**	**120,000**	**80,000**	**100,000**	**120,000**	**20,000**	**0**	**20,000**	**5,20,000**
	Total Managerial Remuneration	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	-
	Overall Ceiling as per the Act	Rs. 100,000 per meeting as per the provisions of the Companies Act, 2013								

Note :

* ₹20,000 Per Board Meeting

Mr. Jai Anshul Ambani was appointed as an Additional Director w.e.f. November 14, 2019

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

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		
		CS (Ms. Parina Nirav Shah)	CFO (Mr. Nishant Avinash Fadia)	Total
1	Gross salary			
	(a) Salary as per provisions contained in section17(1) of the Income-tax Act, 1961	25,83,622	5,886,744	84,70,366
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	- Others, specify...	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	Total	**25,83,622**	**5,886,744**	**84,70,366**

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, 2020.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Date : July 31,2020
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 2019-20 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary during the financial year:**

(Amount in ₹)

Sr. No.	Names of Directors/Key Managerial Personnel	Designation	Remuneration	Ratio of Directors remuneration to Median remuneration	% increase in the remuneration
DIRECTORS					
1	Mr. Naresh Mahendranath Malhotra	Chairman & Whole – Time Director	1,17,73,476	27.20	NA
2	Mr. Ramakrishnan Sankaranarayanan*	Managing Director	Nil	NA	NA
KEY MANAGERIAL PERSONNEL					
1	Ms. Parina Nirav Shah	Company Secretary	25,83,622	N.A	NA
2	Mr. Nishant Avinash Fadia	Chief Financial Officer	58,86,744	N.A	NA

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

Note:

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

2. **The percentage increase in the median remuneration of employees in the financial year:**
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, 2020 was 274.

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 Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Date : July 31,2020
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 Singh Chadha</td><td>Chairman</td></tr>
<tr><td>2.</td><td>Mr. Naresh Mahendranath Malhotra</td><td>Member</td></tr>
<tr><td>3.</td><td>Mr. Jai Anshul Ambani*</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 as computed under Section 198 of the Companies Act, 2013</td><td>₹ (630,626,847)</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>

*Mr. Jai Anshul Ambani was appointed as member of the Committee w.e.f November 14, 2019

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Rivkaran Singh Chadha
Chairman - CSR Committee
DIN:00308288

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

Place: Mumbai
Date: July 31, 2020

ANNEXURE D

Form No. AOC – 2

[Pursuant to clause (h) of Sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of the Companies (Accounts) Rules, 2014]

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Sub-section (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

1. **Details of contracts or arrangements or transactions not at arm's length basis:**

   There were no contracts or arrangements or transactions entered into during the year ended March 31, 2020, which were not at arm's length basis.

2. **Details of material contracts or arrangement or transactions at arm's length basis**

Name(s) of the related party and nature of relationship	Nature of contracts /arrangements /transactions	Duration of the contracts / arrangements /transactions	Salient terms of the contracts or arrangements or transactions including the value, if any:	Date(s) of approval by the Board, if any:	Amount paid as advances, if any:
DNEG Creative Services Limited, a subsidiary of the Company	Transfer of the VFX Business as a going concern and on a slump sale basis	NA	The Transaction entails transfer of the Company's VFX Business as a going concern and on a slump sale basis for a lumpsum consideration upto ₹ 270 Crores (Rupees Two Hundred and Seventy Crores), subject to closing adjustments, if any	August 22, 2019	-

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Date : July 31,2020
Place: Mumbai

ANNEXURE E

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the Financial year ended March 31, 2020

[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, 2020, 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, 2020 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, the appointment of Independent directors in material foreign subsidiary is still pending as per Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As informed by the management, the Board is in process of compliance of the same.*

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

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

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

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

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

(i) The Members of the Company in the 22nd Annual General Meeting held on September 30, 2019, had approved the proposal to sale of VFX Business undertaking of the Company to DNEG Creative Services Limited ("DNEG"), a subsidiary of the Company for a consideration upto ₹270 crores.

(ii) Pursuant to the PFL Employee Stock Option Scheme 2014 (ESOS 2014) 66,666 Equity shares of face value of ₹1 /- each for cash at exercise price of ₹52/- per Share of the Company was allotted on November 14, 2019 to the grantee who had exercised his vested Options.

For D. M. Zaveri & Co
Company Secretaries

Sd/-
Dharmesh Zaveri
(Proprietor)
FCS. No.: 5418
CP No.: 4363
ICSI Unique Code: S2001MH046100
Peer Review Cer. No.: 294/2015

Place: Mumbai
Date: July 31, 2020
ICSI UDIN: F005418B000536630

Management Discussion & Analysis

Section 1

Company Profile

Prime Focus Limited (PFL, hereafter referred to as the Company) is a world renowned independent and integrated media services provider. The Company provides end-to-end creative services (visual effects, stereo 3D conversion and animation), technology products & services (CLEAR, Media ERP Suite and Cloud-enabled media services) and production & post production services (DI, colour grading, equipment rental, digital intermediate, picture post) to the media and entertainment industry. With a team of over 10,000+ professionals, PFL's operations are spread across 18 cities in 5 continents covering seven time zones.

With more than two decades of rich experience, the Company has established its strong foothold and leadership in the Media and Entertainment (M&E) industry globally. The Company's technologies include View-D™ (stereoscopic 2D to 3D conversion), CLEAR™ (Hybrid Cloud technology-enabled Media ERP Suite) and Primetime Emmy® award winning DAX Digital Dailies®.

Prime Focus' global delivery model offers a significant competitive edge over its competitors through which it is able to deliver the most premium services globally at an unmatched scale and timelines and at the same time ensuring pricing efficiencies for its customers.. Over the years, the group has developed significant inhouse technological capabilities and tools which helps them to manage the workflows seamlessly across its global locations. PFL has partnered with professional content creators at every stage of the process, ensuring creative enablement along with maintaining highest quality, workflow efficiencies and cost optimization. The Company's strong global network enables it to extract location specific benefits and offer most efficient pricing and fastest time to market.

Its major clients include all leading Hollywood studios, OTT players, broadcasters, advertisers, production houses and media companies across the globe. The Company derives more than 86% of its revenue from Hollywood, with leading Hollywood studios like Disney, Warner Bros, Marvel, Paramount, 20th Century Fox, Universal, Neflix, Apple+, Disney+ and Sony contributing to the biggest share of the revenues.

PFL's subsidiaries Prime Focus Technologies (Global Cloud Technology Business) and DNEG (International Creative Services) provide end-to-end services viz. creative services, technology product and services and high end production services. After the acquisition of Double Negative in July 2014, it has become one of the largest independent VFX service providers in the world. The Company continues to be recognized globally as one of the leading Tier-1 player in the highly fragmented VFX industry. DNEG was also privileged with its 4th coveted Oscar in last 5 years for their work on First-Man, and continues to win various awards globally for its premium work across several leading OTT shows and film projects.

Section 2

Financial Year 2019-20 Key Highlights

Financial Year 2019-20 – Robust Performance led by creative services

The Company during the year under review continues to deliver strong financial and operational performance. Significant investments in people and infrastructure were made well ahead of time to cater to the burgeoning visible contracted and confirmed 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 robust growth of 15% in revenues and continues to see improvement in operational efficiencies leading to steady Adjusted EBITDA Margin[1] of 21%.

The Company continued to attract marquee clientele and worked on the biggest blockbusters & Hollywood film franchises for the year as well top OTT series during the year. PFL opened a new Digital Intermediate (DI) facility at Andheri, Mumbai. The Company's combined order book continues to be robust led by strong macro tailwinds in creative services – both in international and domestic markets.

Creative Services

- Delivered Hollywood blockbusters like Avengers: End Game (Global G.B.O. collections US$ 2.7 billion), Hobbs and Shaw, Rim of the World (Netflix), Togo (Disney+), Godzilla: Kings of the Monsters (global G.B.O. collections US$ 387 million), and Men in Black: International (global G.B.O. collections US$ 254 million) etc.
- Worked on TV projects like The New Pope , Doctor Who, Black Mirror, The Dark Crystal: Age of Resistance, Black Mirror S 5, The Boys, West world– Season 3, and the latest big budget mini-series, Chernoby
- 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 and Feature Animation
- Widening revenue base from new age OTT / content studios and new geographies
- Continue to have a robust Order book with high visibility.

[1] After adoption of new lease standard IND AS 116 and excludes non-cash employee stock option expense

- Continued on its profitable growth path with Adjusted EBITDA 1 growing at a robust pace year on year with healthy Adjusted EBITDA margins at 20+%
- DNEG won Evening Standard Business Awards 2019.

Tech/Tech-Enabled Services business

- Introduced powerful functionalities in CLEAR™ Media ERP. CLEAR, known for its interoperability, has been further expanded to support 11 more partner products in thistle latest release.
- Rebranded DAX Production Cloud to CLEAR Production Cloud, with a host of new features that revolutionize the post production processes
- Introduced CLEAR Vision Cloud, a Media Recognition AI platform that offers technology and bespoke strategic consulting to make AI work for the Company's customers
- New hires across Leadership and re-engineered business plans to reboot the business
- Signed a strategic deal with UK's public service broadcaster, Channel 4 for managing media processing and centralized content operations using its flagship product, CLEAR™ Media ERP.

New Client Wins

- PFT signed a strategic deal with UK's public service broadcaster, Channel 4 for managing media processing and centralised content operations using its flagship product, CLEAR™ Media ERP
- Brand campaign for Rollick, Brookbond, Loreal, MPL amongst others.

New Contracts with Existing Clients:

- Renewed existing contracts with Cricket Australia, BCCI, Discovery.

Other Initiatives:

- Company continues to invest in AI/ML in order to reduce TCOP for its customers
- Continued to invest in business development and sales efforts globally
- Prime Focus Technologies awarded Trusted Partner Network certification

India FMS business

- Worked on top blockbusters like Kabir Singh (₹ 275+ crore), Mission Mangal (₹ 290+ crore), Good Newwz (₹ 318+ crore), Dabang3 (₹ 230+ crore), Street Dancer (₹ 100cr+ crore), Jawani Janeman, etc.
- Worked on Web series for Amazon–Leila, Forgotten Army, etc. and other TV Commercials for Spotify, Myntra, Swiggy, etc.
- Continue to have a robust order book
- Higher OTT spends to augment business demand
- Forayed and working on expanding into new business streams – Music IP creation
- The Film Equipment Division (EQR) won the best National Equipment Rental Company at the 4th Annual Digital Studio Awards 2019
- Mr. Gowrishankar was awarded in the Hall of Fame at the 4th Annual Digital Studio Awards 2019
- Mr. Kamalkar Rao won the Editor's Choice Award at the 4th Annual Digital Studio Awards 2019
- Mr. Ashirwad Hadkar won the Best Colourist at the 49th Kerala State Film Awards 2019

Section 3

Economy Overview

Global Economy

The global economy growth was weak but stabilising until the coronavirus (Covid-19) pandemic hit the world. The coronavirus outbreak in early 2020 has unleashed a health and economic crisis, unprecedented in scope and magnitude, with lockdowns and border closures paralyzing economic activity globally. It has further disrupted the global supply chain due to containment attempts across the industries. The global economy is expected to shrink by 4.9% during 2020 in a stunning coronavirus-driven collapse of activity that will mark the steepest downturn since global financial crisis in 2009. Meanwhile, to fight the pandemic and minimize the impact of a catastrophic economic downturn, Governments globally are rolling out fiscal stimulus measures. Liquidity injections by central banks including the US Federal Reserve, the European Central Bank, the Bank of England and the Bank of Japan have fuelled consumer's sentiments.

Most of the major economies in the world are increasing government spending to shield households and enterprises from the downturn, as well as funding the massive increase in health expenses and providing fiscal stimulus. The result will be a big increase in government borrowing and a rise in the debt/GDP ratio. However a partial recovery is expected in 2021 with considerable uncertainty about the strength of the rebound. Major economic policy measures have already been taken globally, concentrating on meeting the requirements of public health care while restricting the emphasis of economic activity and the financial system. The predicted recovery assumes that such policy measures are successful in preventing widespread Company bankruptcies, widespread job losses and financial strains throughout the system. Additional fiscal and monetary policy support and enhanced structural reforms in all countries would help restore growth, improve the confidence of consumers and investors and reduce uncertainty.

Advanced economies are projected to shrink by 8.0% in 2020, emerging market and developing economies are expected to contract by 3.0%. China, where the coronavirus's impacts were first recorded this year is the only country projected to remain in positive growth trajectory in 2020 A partial recovery is projected in 2021 with growth in Emerging Asia seen improving significantly by 7.4% in 2021. However, a varying degree of fiscal support, economic output, commodity exposure and debt structure result in large growth divergences across emerging economies.

World Economies: Performance at a Glance

World Economic output growth in %				
	2018	2019	2020P	2021P
World Output	**3.6**	**2.9**	**-4.9**	**5.4**
Advanced Economies	**2.2**	**1.7**	**-8.0**	**4.8**
United States	2.9	2.3	-8.0	4.5
Euro Area	1.9	1.3	-10.2	6.0
Japan	0.3	0.7	-5.8	2.4
United Kingdom	1.3	1.4	-10.2	6.3
Canada	2.0	1.7	-8.4	4.9
Other Advanced Economies	2.7	1.7	-4.8	4.2
Emerging Market and Developing Economies	**4.5**	**3.7**	**-3.0**	**5.9**
Emerging and Developed Asia	**6.3**	**5.5**	**-0.8**	**7.4**
China	6.7	6.1	1.0	8.2
India	6.1	4.2	-4.5	6.0
ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam)	**5.3**	**4.9**	**-2.0**	**6.2**

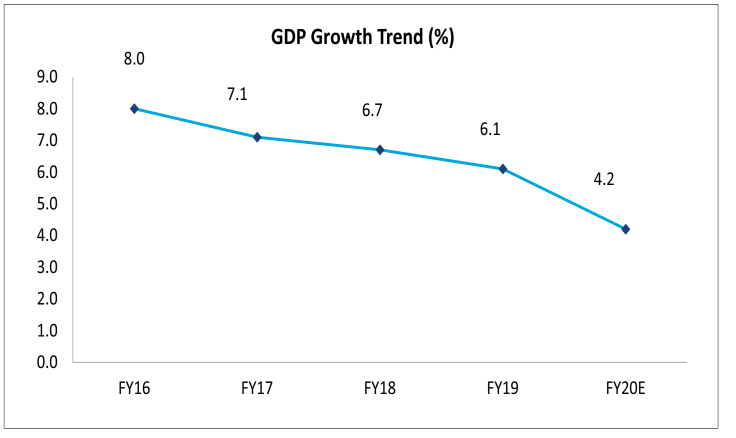
Source: IMF World Economy Outlook Report – June 2020

Indian Economy

According to International Monetary Fund World Economic Outlook (October-2019), India's nominal GDP is estimated at US$2,936 billion in 2019, making it the fifth largest economy in the world with contribution of 3.4% to the world's GDP. India is estimated to be the third largest economy in 2019 on the basis of purchasing power parity (PPP). India's per capita nominal GDP is estimated to have grown by 8.5% in 2019 to ₹ 154,600as compared to a growth of 7.6% in China in the same year.

As per the second advance estimates released by the Central Statistics Organisation (CSO), the growth in real GDP during FY20 is estimated at 4.2% as compared to 6.1% in FY19. The Covid-19 pandemic, resultant lockdown and social distancing measures are likely to worsen the prospects across manufacturing, service and agricultural industries. This will be further aided by lower consumption levels and higher unemployment. However, India is expected to record a sharp turnaround and resume its growth trajectory on the back of digitization, globalization, favourable demographics, Government reforms and fiscal stimulus packages. The growth in India's GDP will be further supported by reinforcement of labour reforms and regulations, savings from oil import bills due to fluctuations in oil prices and improvement in supply chain.

The Inflation measured by the Consumer Price Index (CPI), remained below target of 4% for 13 consecutive months until September 2020. It exceeded the upper tolerance ceiling of 6% by December 2019 and peaked at 7.6% by January 2020 before being moderated to 5.9% by March 2020. The impact of COVID-19 on inflation is ambiguous with possible decline in food prices is likely to be offset by potential cost-push increases in prices of non-food items due to supply disruptions. With softening of food prices, sharp fall in crude prices and expected normal monsoon, RBI expects inflation for current fiscal to be in the range of 3.6-3.8%.



Source: Central Statistics Organisation, 2nd Advance Estimates dated 29th May, 2020

Since end of March, RBI and government policy have already provided around ₹ 9.9 trillion into the system ensuring stability in the financial markets. RBI infused liquidity in the form of TLTROs, CRR cut, enhanced MSF and special refinance windows. In May 2020, the Government has uplifted sprits of the nation fighting with COVID-19 by announcing mega stimulus and reform package to make country self-reliant. The Government has announced ₹ 20 trillion fiscal stimulus package which represents nearly 10% of Indian GDP. It includes both fiscal stimulus and measures already announced by RBI. Overall, the economic plan is unique and includes measures to undertake changes on the first of the 4Ls i.e. Liquidity, Land, Labour and Law. This will make India more competitive and a big player in global supply chains. It will also boost India's attractiveness to investors and businesses considering a shift away from China in the wake of the coronavirus pandemic.

Measures announced by the Government of India provided much-awaited liquidity facility for the vulnerable businesses like MSME segment and non-banking financial institutions. The slews of measures announced are:

- ₹ 3 trillion Collateral-free Automatic Loans for Businesses, including MSMEs
- ₹ 200bn Subordinate Debt for Stressed MSMEs
- ₹ 500bn Equity infusion for MSMEs through Fund of Funds
- ₹ 300bn Special Liquidity Scheme for NBFCs/HFCs/MFIs
- ₹ 450bn Partial Credit Guarantee Scheme 2.0 for NBFC
- ₹ 900bn Liquidity Injection for DISCOMs

In addition, the definition of MSME restructured, Investment limit raised and additional criteria of turnover introduced. The 100% credit guarantee cover on principal plus interest to banks and NBFCs on incremental loan to MSME segment will help channelize the credit flow.

Outlook

Global financial markets remain volatile, and emerging market economies are grappling with capital outflows and volatile exchange rates. If Covid-19 is prolonged and supply chain disruptions get accentuated, the global slowdown could have adverse impact on India as well. However, India is gearing for boosting its own production in order to be a self-sufficient economy. A calibrated fiscal support along with structural reform can unleash India's growth potential. The recovery will largely depend on how well public health and fiscal measures work together to stem the spread of the virus, minimizing reinfection risks, safeguarding employment and restoring consumer confidence, so that people start spending again.

(Source: RBI, CSO, EY, Press Information Bureau of India)

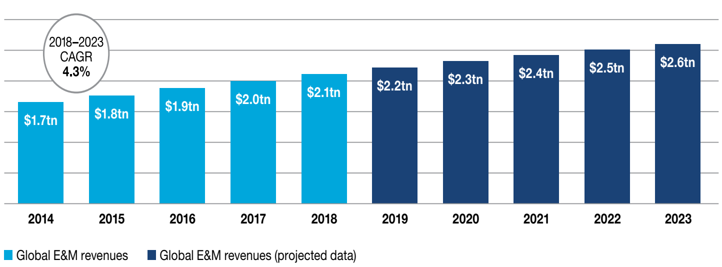
Industry Overview

Global Media & Entertainment Industry Landscape

The world of Global Media & Entertainment (M&E) industry has been transforming rapidly. The advances in technology are blurring global borders for entertainment. In the last century, the industry was dominated by the broadcast sector, where television programs and commercials were the major sources of revenue. The industry is now made up of five significant subsectors including film, TV, Video games, music, and publishing. The internet is fuelling the fundamental shift in content production and consumption. In particular, digitization of the industry has opened new growth opportunities.

The Global Media and Entertainment (M&E) Industry is one of the largest in terms of market size and revenue. As per the Global Entertainment & Media Outlook 2018-2022 by PricewaterhouseCoopers (PwC), the Global M&E industry revenue is expected to reach US$2.6 trillion by 2023, registering a CAGR of 4% over 2018-2023.

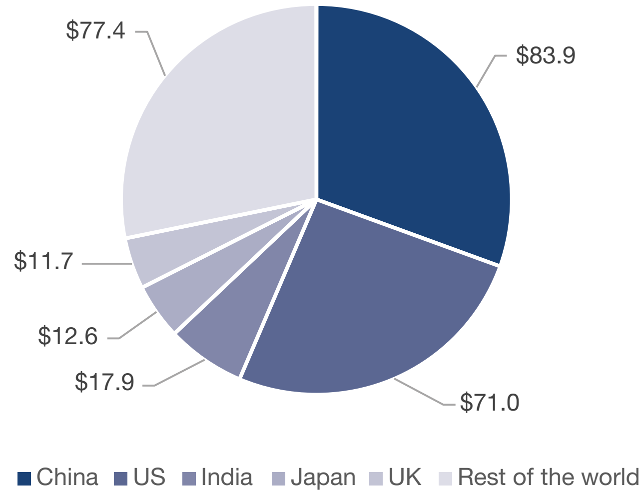
Global M&E Industry Revenue (US$ trillion)



Source: PwC Global Entertainment & Media Outlook 2018-2022

India is the fastest growing entertainment and media market globally and is expected to keep that momentum. However, over the next five years, China's absolute growth in the M&E industry is expected to exceed that of the United States for the first time ever. In that period, the US will add US$71bn (a 2.5% CAGR), while China will add US$84bn (a 7.7% CAGR).

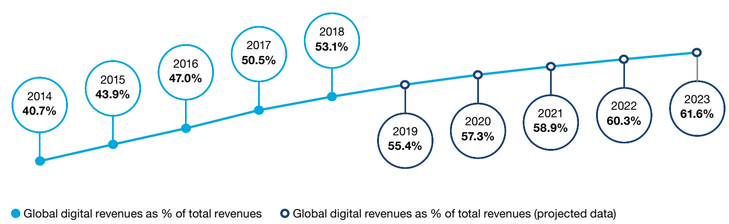
China will add greatest M&E revenues over next five years



Source: PwC Global Entertainment & Media Outlook 2018-2022

Digitization of the M&E industry has, in many ways, threatened the traditional setup. With the growth of the internet, services such as video streaming and video gaming are gaining popularity while advertisers and other publishers are adopting digital platforms. Consequently, the share of digital revenue in industry's total revenue is increasing rapidly and is expected to contribute 60% of industry's revenue by 2023.

Share of Digital Revenue in M&E industry



Source: PwC Global Entertainment & Media Outlook 2018-2022

- The launch of 5G network will enhance the customer experience and accelerate growth for many sub sectors of E&M industry. Virtual reality (VR), over-the-top (OTT) video (including streaming services like Netflix and Amazon Video) and Internet advertising will see the most annual growth between 2018 and 2023. These trends are backed by the increasing shift towards mobile data consumption, which is estimated to exceed fixed broadband usage in the year 2020.
- By 2023, it's expected that media industry marketers will allocate over half of their budgets to digital advertising.

- With the advent of 5G mobile connectivity, operators will partner OTT service provider to bundle their services with subscriptions. Consequently, global OTT revenue is expected to increase at a CAGR of 13.5% over 2018-2023 to reach US$ 72.8 billion by 2023.
- Globally, digital music-streaming revenue is rising rapidly, accounting for 50% of recorded music revenue in 2018. To capitalise on this growing market, key players will redefine themselves as "audio" providers — becoming one-stop shops for consumers browsing music, radio and podcast content.

Although the ever-changing trends in the industry have opened up several growth opportunities, the shift in consumer demand for personalization is putting constant pressure on entertainment companies to drive innovation and embrace new technologies. The increasing need for personalization will continue to be critical for every M&E player in the industry. The slowdown in the global economy owing to the Coronavirus pandemic is expected to take a toll on the overall growth of the M&E industry. However, the digital and video-streaming platforms will continue to gain strength as individuals spent higher time at home due to the lockdown in different parts of the world.

(Source: PWC-Perspectives from the Global Entertainment & Media Outlook 2019–2023)

Indian Media and Entertainment (M&E) Sector

The Indian M&E industry is on the edge of a strong phase of growth, backed by rising consumer demand and improving advertising revenues. According to FICCI EY report - 'The era of consumer A.R.T. – Acquisition Retention and Transaction', the Indian M&E sector reached ₹ 1.82 trillion (US$25.7 billion) in 2019, representing a , a growth of 9% over 2018.The growth was driven by surge in content consumption as digital infrastructure, quantum of content produced and per capita income increased in 2019. The industry is expected to grow at a CAGR of 10% over 2019-2022 to reach ₹ 2.42 trillion (US$34 billion) by 2022 with the exponential progress expected towards digital accessibility and adoption.

The growth of M&E sector in India is primarily led by growing subscription-based business models and India's attractiveness as a content and post production destination. While television and print still reigns their positions as the two largest segments, digital media overtook filmed entertainment in 2019 to become the third largest segment of the M&E sector in 2019. It is further expected to overtake print by 2021, to become the second largest segment.

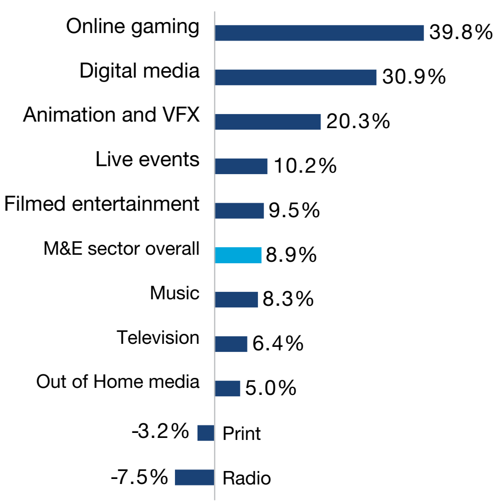
Indian M&E Industry: size and projections (in ₹ billion)

	2018	2019	2020E	2022E	CAGR 2019-22
Television	740	787	790	882	4%
Print	305	296	301	309	1%
Digital Media	169	221	279	414	23%
Filmed entertainment	175	191	207	244	8%
Animation and VFX	79	95	112	156	18%
Live events	75	83	94	122	14%
Online gaming	46	65	91	187	43%
Out of Home media	37	39	41	46	5%
Radio	34	31	33	36	5%
Music	14	15	17	20	10%
Total	**1674**	**1822**	**1965**	**2416**	**10%**

Source: EY; Note: 2020 estimates have been created prior to the advent of the Coronavirus

The M&E industry in India continues to undergo significant change. The rapid spread of mobile access is enabling on-demand, anytime-anywhere content consumption nationwide. The sector firmly pivoted towards a B2C operating model driven by the ability to create direct-to-customer relationships.

In 2019, the major growth was driven by direct-to-customer segments (YoY Growth)



Source: EY

Online gaming retained its position as the fastest growing segment on the back of transaction-based games mainly fantasy sports, increased in-app purchases and a 31% YoY growth in the number of online gamers to reach around 365 million in 2019.

Digital Media grew 31% in 2019 led by significant increase in digital subscription. Digital subscription revenues continued its robust growth trajectory and increased by more than two times from 2018 level as Indians paid for online quality contents. Digital advertising revenues grew to command 24% of total advertising spend. Further, Online video, audio, news and social media consumers also increased in 2019. Digital video has seen an explosion in terms of consumption with 378 million online video viewers out of a total of 661 million broadband subscribers in 2019. Online audio streamers grew 33% YoY to reach 200 million.

During the year 2019, the Government permitted 26% FDI for uploading/ streaming of news and current affairs through digital media. FDI policy was silent so far for digital media and due to its online nature several foreign strategic intermediaries have set up their operations in India categorising digital media as 100% FDI under the automatic route. However, the recent 26% cap in FDI limit by the Government reflects liberalizing FDI norms coupled with fulfilling ambitious initiatives such as Start-up India and Digital India.

Animation and VFX segment benefitted owing to increasing 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 Film Industry

The Indian film segment grew 10% in 2019 to reach ₹ 191 billion, driven by a 41% and 13% growth in digital/OTT rights and domestic theatricals respectively over 2018. The home video segment continued to witness a decline. Domestic film revenues recorded at ₹ 115 billion with gross box office collections (GBOC) for Hindi films reaching its highest ever at ₹ 49.5 billion. GBOC of Hollywood films in India (inclusive of all their Indian language dubbed versions) grew 33% YoY to reach ₹ 16 billion, which contributed 13% of total domestic theatrical revenues. Overseas theatrical revenues fell 10% despite more films being released abroad.

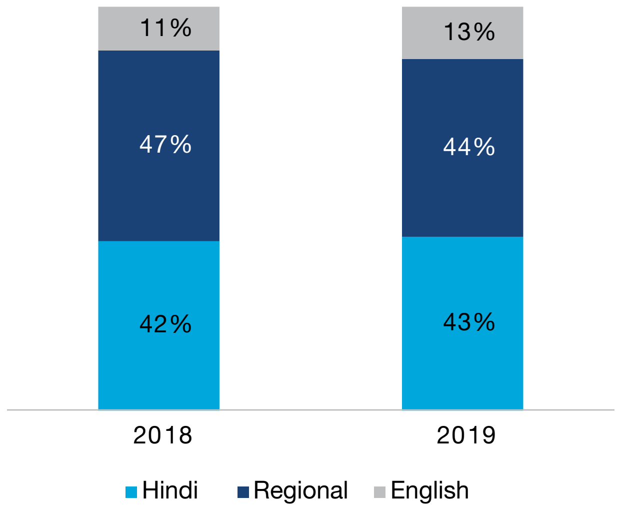
Film entertainment gross of taxes (in ₹ billion)

	2018	2019	2020E	2022E
Domestice theatricals	102.1	115.2	126.7	146.4
Overseas theatericals	30	27	25	30
Broadcast rights	21.2	22.1	23.2	25.5
Digital / OTT rights	13.5	19	23.8	32.8
In-cinema advertising	7.5	7.7	8	8.9
Home video	0.2	0.1	0.1	0
Total	**174.5**	**191**	**206.7**	**243.6**

Source: EY

Hindi films contributed approximately 43% of the GBOC, despite comprising only 14% of films released. Films in other regional languages, which accounted for 80% of films released in 2019, contributed approximately 44% to the GBOC. Share of English and Hindi movies in domestic theatrical market increased from 11% and 42%in 2018 to 13% and 43% respectively in 2019.

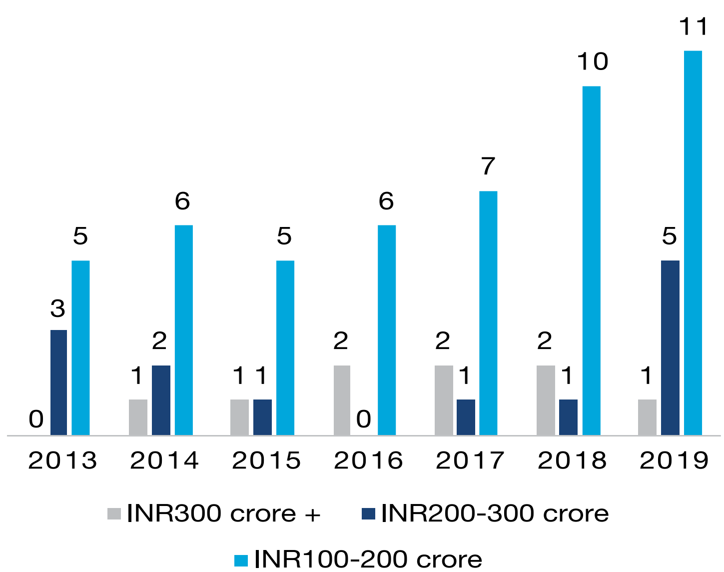
Language Composition of Domestic Theatricals



Source: EY

In 2019 seventeen films joined the coveted ₹ 1 billion club, which is the highest ever as there were thirteen such films in 2018. Out of this, six films recorded GBOC of ₹ 200 crore and above in 2019. War emerged as one of India's all-time blockbusters earning a GBOC of ₹ 3.4 billion at the box office followed by Kabir Singh, Uri-The Surgical Strike, Bharat, Mission Mangal, Good Newz, Housefull-4, Kesari, Total Dhamaal, Chhichhore, Super 30, Dabangg 3, Saaho, Dream Girl, Gully Boy, Bala and De De Pyaar De. In addition, four Hollywood films entered the ₹ 100 crore club and one film grossed over ₹ 400 crore in 2019.

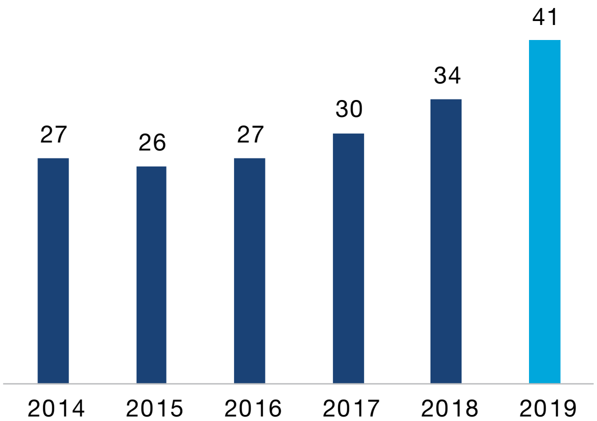
Number of releases by box office revenue



Source: EY

The top 50 Hindi / Bollywood films contributed approximately 83% of the total Hindi gross box office collections in 2019. The top 10 Hindi films of 2019 earned a GBOC of ₹ 25.6 billion contributing 52% of total Hindi GBOC. Biopics and patriotic films gained popularity in 2019. The year 2019 started with a movie patriotic films – Uri: The Surgical Strike, followed by Kesari, Bharat, Mission Mangal, Romeo Akbar Walter, etc. Biopics also made a mark in 2019, with releases like Manikarnika, The Accidental Prime Minister, Super 30 etc. Success of films like Uri, Dream Girl, Bala, Chhichore, etc. proved that the audience is no longer attracted only to star cast driven commercial film products.

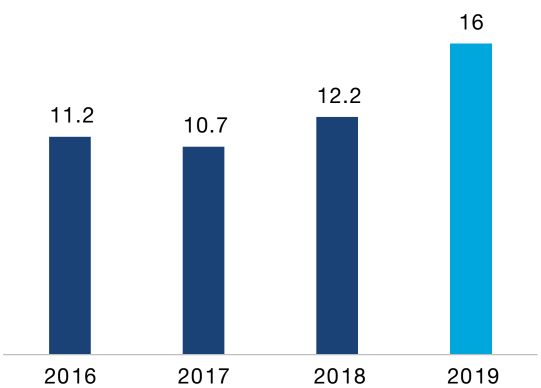
GBOC of top 50 Domestic Bollywood films (₹ billion)



Source: EY

GBOC of Hollywood films (including dubbed versions) grew 33% over 2018 owing to 108 films released in 2019 as compared to 98 in 2018. This growth has been largely due to the efforts of foreign studios to localize and market films for Indian audiences by releasing the film in multiple Indian languages, engaging with popular Indian stars to dub and promote local versions, hiring Indian film writers to script Indian versions, etc. Avengers: Endgame grossed ₹ 4 billion and also turned out to be India's highest Hollywood grosser of all time. Besides other three Hollywood movies, which were in the top 10 highest grossing movies of all time were – The Lion King, Spider- Man: Far From Home and Captain Marvel.

GBOC of top 10 Hollywood films (including dubbed versions) (₹ billion)



Source: EY

In 2019, 1,460 regional language films were released contributing to 80% of films released in India and generated ₹ 50.4 billion in domestic theatricals vis-à-vis ₹ 47.9 billion in 2018. 63 Gujarati films were released in 2019 with GBOC of ₹ 0.62 billion. Hellaro, released in November 2019, was the first Gujarati film to win a National award. Several Telugu films like Sahoo, Fun & Frustration (F2), Maharshi and Sye Raa Narasimha Reddy earned worldwide gross revenue of above ₹ 1 billion. Kannada film industry won 13 awards in 2019 and enjoyed significant revenue growth of approximately 36% YoY with domestic GBOC reaching ₹ 5.2 billion. Kannada movies like Kurukshetra and Pailwaan were released in Tamil, Telugu, Malyalam and Hindi, enabling both films to earn worldwide gross revenues of above ₹ 1 billion.

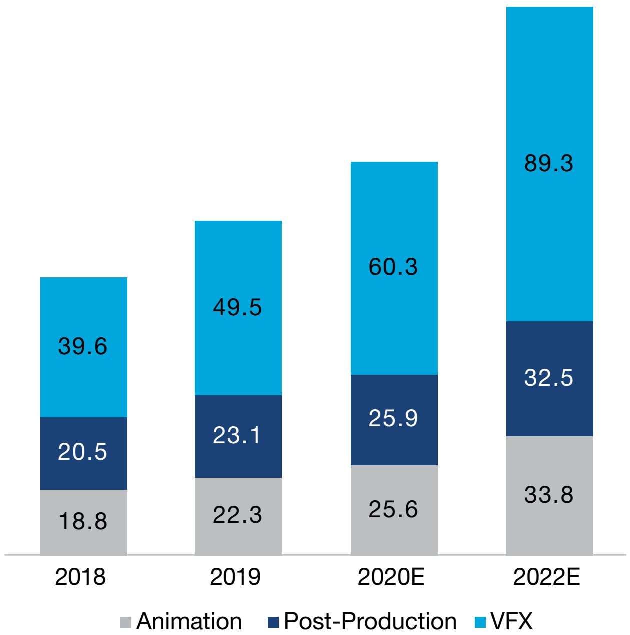
The Government is setting up a single window clearance system for shooting permissions in order to promote India as local destination for foreign production houses. Further, co-production agreements have been signed with Italy, Germany, Brazil, UK, France, New Zealand, Poland, Spain and Canada.

Streaming services have helped Bollywood, where satellite rights are earning strong revenue. Digital rights segment represented 41% YoY increase in revenues to ₹ 19 billion driven by a growth in both rates and volumes of films purchased. Digital-only film market has emerged led by increasing investment by online platforms. Amazon Prime acquired the digital rights for 12 of the 30 highest grossing Hindi films of 2019, followed by Netflix (9 films), Zee5 (8 films), Hotstar (3 films). Revenues from sale of broadcasting rights grew from ₹ 21 billion in 2018 to ₹ 22 billion in 2019.

Digitalisation has played the major role in the growth of Indian film industry. Several film makers released small and low budget films like Chopstick, House Arrest, Soni, etc. directly on OTT platform. The paid OTT subscriber base is around 10 million, while the theatre going audience is 100 million. Since, geography is not an issue for OTT, it will lead to increased rates for regional titles as any individual can access to their native-language diaspora in other states.

Animation, VFX and Post-Production

The total animation, Visual Effects (VFX) and post-production segment grew up by 20% YoY to reach ₹ 94.9 billion in 2019, with 25% growth in VFX, 18% in animation and 13% in post-production. By 2022, it is estimated that India's animation, VFX and post-production segment will grow at 18% CAGR to reach ₹ 155.6 billion. Demand for premium content has been driving increased usage of VFX with technology becoming an integral part of film making. OTT platforms will continue to increase VFX content to attract and engage more with subscription audiences who demand high quality content. The Indian animation industry is driven by outsourced international TV and film projects and a pick-up in domestic animation IP production. Demand for animated content will also be driven across ancillary sectors like education, training, healthcare, durables, IoT, etc. The Companies like Netflix and Amazon are increasingly looking at emerging markets for the original content to accelerate their growth, which resulted in an increased demand for this segment in India.



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

Source: EY

The revenues from animation segment grew up by 18% to reach ₹ 22.3 billion in 2019 and is expected to reach ₹ 33.8 billion by 2022. The composition of the Indian animation industry remained the same as last year – about 30-35% of total revenues came from the domestic market. The animation industry in India has progressed from being an outsourcing service provider for global players, to content developers and now the content producers (IP owner). Companies in India are increasingly garnering global recognition, in line with their efforts to penetrate international geographies with original IPs, or acquisition of local players in those regions. Indian animation companies expect that average realization per IP from domestic clients is expected to rise soon, driving further growth.

The revenues from VFX segment grew up by 25% to reach ₹ 49.5 billion in 2019 and is expected to reach a size of ₹ 89.3 billion by 2022. Growth in international animation films, especially 3D productions and the subsequent work for Indian production houses will help the growth in this segment. Unlike the rest of the segment, VHX had equal revenue split between domestic and international market. The growth in domestic market in 2019 was driven by original content created by broadcasters and OTT platforms. VFX international revenue remained stable, due to pricing pressures driven by large studios rationalizing their budgets.

Post the success of VFX-heavy films like Manikarnika: The Queen of Jhansi which featured 3,000 VFX shots, Bollywood has witnessed increased demand for big budget VFX productions. VFX will be critical for film segment growth in India and abroad as the need for creating spectacular experiences to grow theatrical footfalls has increased in India.

The revenues from post production segment grew by 13% YoY to reach ₹ 23.1 billion in 2019, and is expected to reach ₹ 32.5 billion by 2022. In 2019, about 70% of post-production work done was for the domestic market and this is expected to grow at a rate of around 15% year on year. The share of regional content consumption increases to 55% on television and 50% on OTT platforms, leading to higher demand for post-production services. The demand is expected to increase further led by niche films for multiplex audiences, dubbed vernacular content and growth in digital web series, originals, etc.

In terms of future outlook, demand for animation will be driven by kids' generation and ancillary sectors. VFX will be critical for the growth of film segment both in India and abroad. The demand for content across smaller screens such as smart phones and other different formats will drive growth for post-production services. Immersive technologies will be used for education, health, retail gaming and a host of other applications enabled by 5G / wired broadband. Automation and analytics will reduce operating costs as various companies have launched AI – powered software for this industry.

(Source: EY FICCI Report; IBEF report on Media and Entertainment Industry March 2020)

Section 4

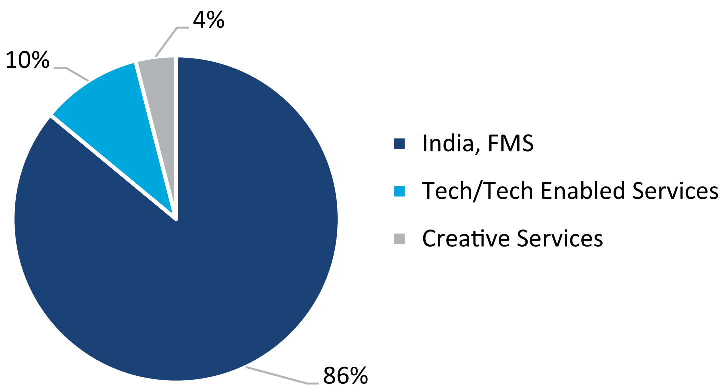
Company/Business Overview

PFL was founded by Mr. Namit Naresh Malhotra in 1997. Over the years the Company has expanded from its modest beginnings in a Mumbai to its current position as one of the world's largest independent and integrated media services provider. At present, the Company has presence in Mumbai, Kolkata, Noida, Hyderabad, Chandigarh, Bengaluru, Chennai and Goa in India. The Company has international presence in Abu Dhabi, Capetown, Johannesburg, London, Los Angeles, Montreal, New York, Toronto, Sydney, and Vancouver. PFL enjoys strong leadership in all the three business segments it operates in owing to strong business model, highly skilled professionals, firm balance sheet along with full back-up of reputed investors. The major investors include Standard Chartered Private Equity, Reliance Group, Horizon Coast and Ambit Pragma Private Equity.

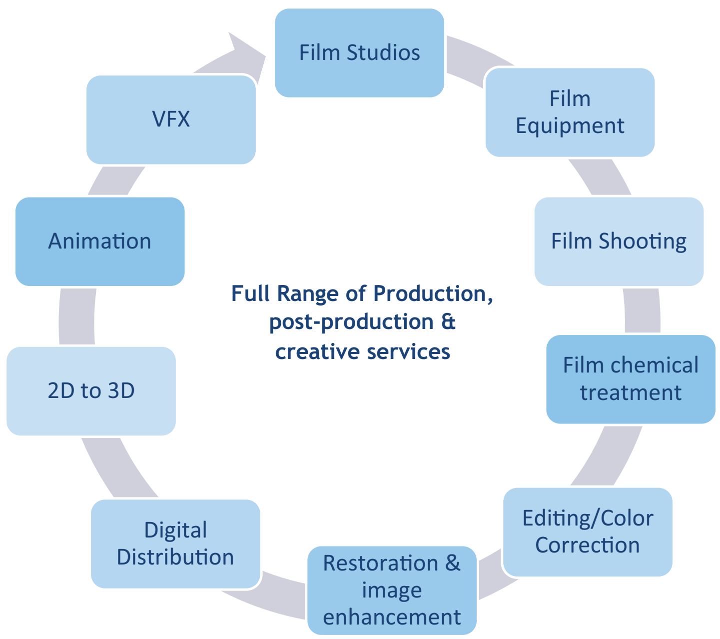
The Company operates in three major segments which includes

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

Divisional Revenue Share FY2019-20



PFL offers full bouquet of comprehensive solutions to leading studios, broadcast and advertising industries worldwide. PFL delivers high-end franchise movies in association with top-tier studios.



PFL derives more than 85% of revenues from the international market. In order to provide complete solutions to its clients across geographies, and further to win more international clients, the Company is leveraging its talent and technological strength as well as building strong sales team across geographies. The Global Digital Pipeline and pioneering World Sourcing delivery model, offers a competitive edge to PFL as it enables affiliating with content creators, enhancing efficiencies and optimising the cost.

Over the years, PFL has made deep inroads and embarked on several strategic mergers and acquisitions to augment its capabilities and enhance its global footprints, these include

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

PFL caters to marquee players across the entire media industry value chain and across the product lifecycle of media content. Its major clients include top Hollywood and Indian studios and media companies across the globe.

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

Key Business Divisions

Creative Services

Creative Service caters to the marquee Hollywood studios that produce high-end VFX, 3D and animation-based movies as well as new geographies such as India and China. In July 2014, PFW merged its operations with UK-based DNEG – a premiere VFX player having top-tier relationships with large studios. DNEG today is one of the largest independent Tier-1 visual effects players globally well diversified across content formats and geographies. This merger has provided a major uplift to DNEG's competitive standing in the US post-production market, and also helped it become one of the largest independent and integrated VFX players in the world. DNEG has also expanded its service offering to cater to VFX requirements for mainstream Indian and Chinese M&E industry. The Company has successfully delivered bundled services for some of the biggest Hollywood blockbusters titles this year.

DNEG has a long standing record of working with the largest Hollywood studios - (Marvel, Universal, Warner Bros, Paramount, Twentieth Century Fox, Sony, Disney and Lionsgate) and directors (Christopher Nolan, David Yates, Ron Howard, Zack Snyder and Steven Spielberg amongst others), having a roster of worked on few of the biggest global film & OTT franchises.

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 (World Sourcing) to deliver high-end projects whereas ensuring high efficiencies, quality and cost optimization.

Creative Services: Selected 2019-20 Hollywood Projects

1. Avengers: End Game
2. Rim of the World
3. Godzilla: King of Monsters
4. Men in Black: International
5. Hobbs & Shaw
6. The New Mutants
7. Fast and Furious: 9
8. The Eight Hundred
9. Mini-series- Chernobyl
10. TV work includes Doctor Who, Black Mirror, Altered Carbon 2, etc

Production & Post-Production Services

Production and post-production services is another crucial segment of the Company. PFL is India's largest organized and integrated production and post production player offering a complete range of media services across the spectrum – production (studio rentals, equipment rental and line production), post-production (digital intermediate/colour grading and picture post) and digital cinema distribution. PFL owns India's largest integrated studio with a large share of the capacity of the Mumbai studio market. In 2015, the Company acquired the film and media services business of Reliance MediaWorks Ltd. with an objective to enhance its market share and further strengthen its offerings.

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

Production & Post-Production: Selected Projects 2019-20

1. Kabir Singh
2. Mission Mangal
3. Good news
4. Dabang3
5. The Sky is Pink
6. Street Dancer
7. Jawani Janeman
8. Web series for OTT – Leila, Forgotten Army, etc.

Tech/Tech-Enabled Services

PFL's ERP and tech business (through its subsidiary Prime Focus Technologies (PFT)) is a combination of media and IT skills, assisted by a deep knowledge of the global M&E industry. The Company is pioneer and leader in providing cloud solution for M&E industry. PFT owns and operates World's only hybrid cloud enabled Media ERP platform CLEARTM. This along with its high quality Cloud Media Services offers broadcasters, studios, brands and service providers transformational solutions that help them lower total cost of operations (TCOP) by virtualizing business processes around content and managing the business of content better. It also helps manage content digitally from the time it is produced to the time it is exhibited on various mediums like TV sets and OTT platforms. PFT also provides services like content localization (subtitling, dubbing), content transformation (digitization, QC) and data analytics. Further, the relationship with major studios and production houses on the back of creative services also helps cross-sell of these services to them. PFT acquired US-based DAX in Apr'14 to make inroads into the world's largest content market. PFT has strong revenue model in this segment with 91% Annuity contribution & 29% from International markets

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

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

PFT can boast of some big-scale achievements

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

Highlights: 2019-20

- Introduced powerful functionalities in CLEAR™ Media ERP. CLEAR, known for its interoperability, has been further expanded to support 11 more partner products in thistle latest release.

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

Awards & Accolades:

- CLEAR™ Vision Cloud recognized with 2019 NAB Show 'Product of the Year' Award & TV Technology's 'Best of Show' Award
- CLEAR™ Vision Cloud's AI for Cricket solution won TVBEurope's 'Best of Show' Award at IBC 2019
- Won the Creative Abby Bronze award at Goa Fest 2019 for its digital film for Brooke Bond Red Label
- Won the award for "Best Brand Film GOLD – Food & Beverages" at Indiantelevision.com's BrandVid Awards 2019
- Won two prestigious awards at the Dada Saheb Phalke Film Festival 2019 for National Geographic India's Mega Icons, produced by PFT
- Bagged the Best Original TV Film at the Indian Television Academy (ITA) Awards 2019 for National Geographic India's Mega Icons, produced by PFT
- Won accolades at the Asian Academy Creative Awards 2019 for National Geographic India's Mega Icons, produced by PFT

COVID-19 Impact

The COVID-19 outbreak is expected to have after-effects on the M&E industry, turning out to be disastrous for films, entertainment events and theme parks. It will, however, boost digital media consumption globally. The pandemic may lead to movie releases being deferred and could impact the work delivery schedule for PFL, especially if the shutdown of the movie industry lasts for a prolonged period. It is expected that Animation and VFX demand is likely to sustain despite the crisis. However, PFL's exposure to this risk is mitigated to some extent in the form of minimising receivable issues as its key customers include several large well capitalised studios. In order to remain competitive in the industry, PFL is experimenting all the potential means and revitalising itself including rationalisation of employee workforce and austerity measures.

Financial performance and highlights

PFL delivered stellar financial performance with significant improvement in profitability led by Creative Service. The Company reported Income from Operations of ₹ 3,013 crores in Financial Year 2019-20, with 86% and 10% contribution from Creative and Tech/ Tech- Enabled Services, respectively. Adjusted EBITDA margin[1] remained robust at 21% as revenue synergies realized in terms of cross-selling and execution from lower cost-centres, such as India and Vancouver, climbed.

Financial Highlights of Financial Year 2019-20 (Consolidated Audited Financials):

- Total Income of the company is at ₹ 3,013 crores, compared to ₹ 2,664 crores for the year ended March 31, 2019
- Adjusted EBITDA margin[1] is maintained at 21%
- Cash Profit (PAT + Depreciation + non-cash employee stock option expense) is at ₹ 357 crore; Cash Profit Margin at 12%.
- Creative Services revenue has grown 18% to ₹ 2,620 crores in Financial Year 2019-20 from ₹ 2,212 crores in the year ended March 2019. This business now contributes 86% to Group revenues and has an Adjusted EBITDA margin[1] of 20+%
- Tech/Tech-Enabled Services revenue at ₹ 304 crores in Financial Year 2019-20 as against ₹ 302 crores in the year ended March 2019; Adjusted EBITDA Margin[1] at 0.2%
- India FMS revenue at ₹ 152 crores in Financial Year 2019-20 from ₹ 184 crores in the year ended March 2019. Adjusted EBITDA Margin[1] is at 44.9% in the price-competitive Indian Market, a testimony to PFL's quality work.

Net Debt (Debt – Cash) is at ₹ 2,499 crores as of March 2020 (after adjusting for additional leases liabilities recognised due to change in accounting standards and Convertible Preference shares issued by subsidiaries)

The Company is undertaking constant efforts towards reducing high-cost India debt via refinancing with cheaper and longer-tenure debt.

Key Change in Financial Ratios

Ratios	Consolidated			
	March 31, 2020	March 31, 2019	Change	Remarks
Debtors Turnover	5.75	6.51	-12%	Collections over last 2 weeks of March month were less due to Covid-19, consequently there is reduction in Debtors Turnover during the year
Inventory Turnover	NA	NA	NA	We are not in trading or manufacturing business this measure is not needed or not applicable
Interest Coverage Ratio	0.45	0.75	-41%	Operating profit of this year includes higher non-cash employee stock option expense and bad debts provision/ write off
Current Ratio	0.65	0.71	-8%	As per new lease accounting standard adopted in current year operating lease liabilities of future years are recognised in balance sheet at present value which has increased the liabilities in current year hence decrease in this ratio
Debt Equity Ratio	8.89	4.79	85%	As per new lease accounting standard adopted in current year operating lease liabilities of future years are recognised in balance sheet at present value which has increased the lease liabilities in the current year significantly hence this ratio is not comparable with previous year
Operating Profit Margin (%)	3.57%	7.10%	-50%	Operating profit of this year includes higher non-cash employee stock option expense and bad debts provision/ write off leading to significant dip in Operating Profit margin
Net Profit Margin (%)	-5.33%	-1.31%	306%	Net profit of this year includes write off of IPO related expenses of subsidiary, higher non-cash employee stock option expense and bad debts provision/ write off leading to significant dip in Net Profit margin
Return on Net worth – RoNW (%)	-39.21%	-6.24%	529%	Net profit of this year includes write off of IPO related expenses of subsidiary, higher non-cash employee stock option expense and bad debts provision/ write off leading to significant dip in RoNW margin

Section 5

Business Strategy

PFL is a Tier 1 player in the global Visual Effects market and is well recognised for industry leading services in the post production services and tech services business respectively. Over the years, the Company had largely grown profitably with an acquisition-led strategy that helped them gain rapid global scale and helped catapult them into a leading global independent services powerhouse. The Company's revenue has grown at 12% CAGR in last four years with Adjusted EBITDA margin1 of 21% in FY2019-20. Going ahead, PFL targets to continue this stride of profitable growth led by following key drivers:

In Creative Services, the Company aims to continue to expand their global footprint and continue to diversify the business across content formats and geographies. The Company will continue cross selling through bundled VFX, 3D and high-end CG Animation offerings in order to drive revenue growth and optimising the cost. PFL's steadily improving client profile, strong network and relationship will help sustain growth and provide cross-selling opportunities.

In Tech/Tech-Enabled Services, PFT has signed a strategic deal with UK's public service broadcaster, Channel 4 for managing media processing and centralised content operations. Further, the Company targets to strengthen its customer base by signing contracts to cross-sell tech enabled services and increase revenue from existing clients. The Company also focuses on improving its product suite to include new modules and analytics.

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

Section 6

Outlook

The Indian and Global Media and Entertainment industry is on an impressive growth path. However, the current environment of Covid-19 is unprecedented and could result in a shift in media consumption channels. Some segments such as TV, gaming, digital and OTT seeing consumption growth during the lockdown. On other hand, outdoor consumption models like films, events, theme parks are witnessing a dramatic fall with social distancing norms in place. The coming years are likely to usher in greater innovation in content formats, means of dissemination, and business models. The sector witnessed an increase in content consumption as digital infrastructure and quantum of content produced increased in 2019 and this trend for growth in Indian content demand for is going to rise further. Technology has revolutionised the way of content and has allowed catering to a wider audience base. India is expected to see a significant growth in OTT, Online Gaming and

Internet advertising led by the growing trends around personalisation and increased digitalisation. With the evolution of digital behaviour and advent of 5G technology, subscription models will have greater role in monetization of digital platforms.

The Government of India has supported M&E industry's growth by taking various initiatives such as digitising the cable distribution sector, increasing FDI limit from 74% to 100% in cable and DTH satellite platforms and granting industry status to the film industry for easy access to institutional finance. The Government of India has agreed to set up the National Centre of Excellence for Animation, Gaming, Visual Effects and Comics industry in Mumbai.

The industry is expected to perform better owing to greater focus on monetization of emerging digital business model, strong regional opportunities and favourable regulatory and operating scenarios across traditional business. Further, the structural growth drivers of the industry are in place viz. rising VFX spends, higher outsourcing to India and increasing penetration of content management solutions. PFL is uniquely positioned to deliver, being one of the world's largest independent integrated media services Company and a Tier-1 VFX provider to Hollywood with multiple Oscar wins. The Company's growth in both revenues and profitability are likely to remain high on the back of strong order backlog, good momentum in ERP and tech business, access to cutting-edge technology and increasing effort to make the overall content supply chain more efficient across the geographies.

Section 7

Opportunities & Threats

India is the fastest growing M&E market globally and is expected to keep that momentum. The industry is evolving as consumers are expecting M&E provider to deliver choice, convenience and value, all wrapped inside personalized, customized experiences that are available on demand. The transformation phase of the industry has led to the emergence of many new trends and opportunities across content, distribution, consumption and monetization. New products and business models are being imagined to capitalize on the rise in media consumption. Global players are recognizing the need to build India-centric offerings-with localized products and localized pricing models.

The opportunities presented by the emergence of smart television sets and digital connectivity can improve the engagement between creators of content and consumers. An estimation of over 40 million connected TVs by 2025 will provide a huge opportunity for content creators to reach family consumers. Pure-play OTT players are aggressively investing in content in both English and regional languages giving huge competition to local TV broadcasters. OTT subscription market is expected to take approximate 10% of the total TV subscription market by 2025.

International companies with a large digital presence are looking at setting up their own infrastructure in India, which provides the ability to address the end-to-end value chain and thereby increase opportunities for growth for VFX. The future of film will be driven by immersive technology and VFX rich content experiences to drive theatrical footfalls.

Within digital advertising, online video and social media are gaining market share from paid search, display and classified ads. The combination of AI with 5G will fuel the rapid growth of segments such as video games and VR. The industry is on the verge of an exponential increase in engagement through the nascent online gaming industry. The coming years are likely to usher in greater innovation in content formats, means of dissemination, and business models.

Going forward, macro-economic turbulence and softening advertisement revenue are tangible risks. The Covid-19 has impacted various segments of M&E including postponement / cancellation of events, impact on theatrical revenues due to loss of weekends, stoppage / delay of content production and post-production, etc. However, the lockdown is likely increase internet literacy in India, which may accelerate digital adoption. The battle for developing and acquiring the best content is likely to get intensified. Globalization is critical to M&E companies looking to build scale, open new markets and remain competitive. During these times of transformative change, greater regulatory certainty and a conducive business environment are the need to ensure that the M&E sector can achieve its full potential.

Section 8

Risks and Concerns

The Company maintains a comprehensive network of internal controls, tailored to the scale and scope of its businesses. It ensures reliability, efficiency and effectiveness of Company's operations and provides adequate safeguarding of the Company's assets. It ensures business operations are recorded in a transparent and accountable manner in all respects. The Company has an external and independent internal audit firm to monitor its finances and other processes. Internal Auditors report their findings directly to the Audit Committee, which shall forward them to the departments / business verticals concerned for corrective action. Internal examination also guarantees that the laws in force are complied with reasonable adequacy. The management is prompt in early identification of important risk factors and its effective mitigation. PFL's risks are outlined below along with the possible steps can be taken to alleviate the same.

COVID-19 Risk – The world has been threatened by the novel Coronavirus pandemic. It has changed the way of life both personally and professionally. It has the ability of impacting the Company's business, customersand employees alike.

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

Industry risk: The preferences of the audience are continuously changing and hard to predict with precision. The preferences of the people are often affected by new trends and the world in which they live. Any disruption in the macro-economic environment that impacts M&E sector growth prospects puts the Company's growth potential at risk. Moderating growth, along with high inflation, will adversely affect the advertising revenues of the Company. The M&E business is regulated by the laws and regulations laid down by the authorities and regulatory bodies of the various countries in which the Company operates. The policies and regulations issued by them, could have an impact on the environment of the industry as well as the Company's profits.

Mitigation Strategy: The Indian M&E industry is expected to continue its robust growth trajectory, with digital access and consumption boosting. Robust GDP growth also supports strong domestic demand, with increasing penetration in non-urban and regional user base particularly in rural regions. Due to its diverse portfolio and strong order book, the Company stands in a balance point to reduce any risks resulting from macro-economic sluggishness.

Competition risk: The advent of digital media, along with mobile and radio production, causes a shift away from television in part of the advertising revenue. The potential for growth in the M&E sector is exposed to growing competition from national and foreign players on the market. In addition, the proliferation of such media has created a need for significant investments in content and channels to capture / ring-fence audiences that can later be monetized.

Mitigation Strategy: As the Company is competent to deliver high-quality work at a rapid turnaround time, it is securely placed against any competition in the sector. In the dynamic M&E sector landscape, there has been a systemic change, with convergence across telecoms, media and technology companies The Company's emphasis on diversification and creativity combined with years of experience in providing high quality services to leading Hollywood and Bollywood production houses helps reduce competition risks. The Company embarks on ongoing research and growth, recruiting top-notch talent and collaborating closely with leading global media service providers. The Company has always been at the cutting edge of technology and the production of new proprietary inventions to launch path-breaking market initiatives.

Talent Risk: Due to the current dynamics of the sector, the organization is highly dependent on human resources. In such a scenario it is of prime importance to maintain manpower and recruit fresh talent. Inability to change organizational structure and culture may result in a loss of capacity to attract, cultivate and retain key artistic, commercial and managerial talents.

Mitigation Strategy: The Company aims to enhance its talent pool by implementing best practices for its staff and delivering rigorous training across leadership levels to ensure organizational success. The strong HR policies of the Organization have a stimulating and inclusive culture of work. The HR department ensures that workers' personal ambitions are well integrated with organisation's objectives. Additionally, a competitive pay scale ensures high retention rate and low turnover rates in the industry.

Profitability risk: With rising competition, the cost of creating content and obtaining content could increase to a level that is not commensurate with potential for monetization and expected cost recovery. With production houses working on shrinking budgets combined with skilled expertise coming at inflated prices, businesses in the M&E sector experience profitability risk as they operate on thin thresholds.

Mitigation Strategy: The aspiration and preferences of audience for animation, VFX, digitization, good content and post production in India is witnessing great enthusiasm as seen globally. Finding greater acceptance and higher box office receipts is the entertainment driver for films empowered with high quality visual effects and post-production. It has a proven track record of producing critically praised films, high public recognition and great filmmaker returns. This makes PFL a preferred Company for big production houses, enabling it to secure better margins in an otherwise competitive and low margin industry.

Project risk: The Company has to somehow boost the number of endeavours to ensure consistent and prolonged profit margins. With the kind of investments made in content, show / movie non-performance will have an adverse effect on the Company's bottom line. With costs for mobile data going down, consumption of digital content has risen exponentially. This may result in a slower growth in advertising sales for the profitable TV sector.

Mitigation Strategy: The vast geographical reach of the Organization across -four continents allows it to attract several diversified projects. The ever-increasing success of visual effects and animation on the domestic front provides the Company with huge opportunities. Bollywood is piled with huge budget manufacturing houses looking to leverage VFX 's rising phenomenon, animation etc. The Company is well positioned to collaborate with the major directors as well as regional filmmakers (Tamil, Telugu and Kannada).

Information and Cyber Security Risk: Creative media and broadcasting companies are high targets of cyber breaches and fraud, with content being the king. Increased frequency and severity of these attacks allows the Organization to put information security in the forefront. Big Data technology and advanced analytics that support management decision making could restrict the ability to use ecosystem-existing data repositories and resources.

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

Section 9

Internal Control Systems and their Adequacy

The Company is devoted to strong corporate governance practices and has well-defined structures and frameworks that encompass all the roles and units of the business functions and units. The Board of Directors regulate the internal financial controls based on the Company's internal regulation of financial reporting requirements. The Company also engages internal audit firm to provide reasonable assurance regarding operational efficiency and effectiveness, 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 Organization performs frequent employee training to ensure skill enhancement and personal growth through the different levels of the Company. This is achieved by a series of in-house activities that are further assisted by external curriculum that focuses on improving actions and management skills.

The Company supports its pool of workers and strives hard to preserve its best talent by providing sufficient potential for growth. Open door policy makes the work environment straightforward and encourages workers to independently share their views. The Organization maintains an atmosphere of free, sustainable and progressive work. HR strategies ensure that personal and professional growth functions along with the workers. The Organization emphasizes on creating an encouraging work environment which results in high retention. The Organization actively conducts a variety of health and wellness programs. The Company maintains cordial relationship with its employees at all its manufacturing units. The total strength of the Company's workforce as on March 31, 2020 was 10,000+.

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.

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

2. BOARD OF DIRECTORS

The Board of Directors of the Company has an appropriate mix of Executive Directors, Non-Executive Directors and Independent Directors to maintain the Board's independence, and separate its functions of governance and management. As on March 31, 2020 the Board comprises of two (2) Executive Directors, three (3) Non-Executive Directors and five (5) Independent Directors including one (1) Woman Independent Director. In the opinion of the Board, the Independent Directors fulfil the conditions specified in these regulations and are independent of the management. Except Mr. Naresh Mahendranath Malhotra and Mr. Namit Naresh Malhotra who are related to each other by way of father and son relationship, none of the other Directors are related to each other.

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

The required information, including information as enumerated in Part A of Schedule II of the SEBI Listing Regulations is made available to the Board of Directors for discussions and consideration at Board Meetings. The Whole-Time Director ("WTD") and the Chief Financial Officer ("CFO") have certified to the Board upon inter alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting, in accordance with Regulation 17(8) of the SEBI Listing Regulations, pertaining to WTD and CFO certification for the Financial Year ended March 31, 2020.

During the year under review Seven (7) Board meetings were held on May 30, 2019; August 13, 2019; August 22, 2019; October 29, 2019; November 14, 2019; February 14, 2020 and March 11, 2020. The requisite quorum was present at all the meetings. The Company has complied with the terms of section 173(1) of 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.

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

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

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

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

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

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

\# Includes meetings attended via video conference facility.

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

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

3. Mr. Jai Anshul Ambani was appointed as a Non-Executive Director (Nominee of Reliance Media Works Financial Services Private Limited (the wholly owned subsidiary of Reliance Media Works Limited) of the Company w.e.f. November 14, 2019 in place of Mr. Anand Natarajan

4 Mr. Udai Dhawan is a Non-Executive Director (Nominee of Augusta Investments I Pte. Ltd, Augusta Investments Zero Pte. Ltd., Marina IV LP, Marina IV (Singapore) Pte. Ltd. and Marina Horizon (Singapore) Pte. Ltd.)

Further, none of the Directors holds any Convertible instruments.

Annual Independent Directors Meeting: In accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25 (3) and (4) of SEBI Listing Regulations and secretarial standards, a separate meeting of the Independent Directors was held during the year on February 14, 2020, to review the performance of the Non-Independent 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 incompliance of Regulation 18(1) read with Schedule II of SEBI Listing Regulations. As on March 31, 2020, the Audit Committee comprises of Five (5) Directors, out of which four (4) are Independent Directors and one (1) is Non-Executive Director. The Members of the Audit Committee possess financial/accounting expertise/exposure.

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

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

During the year under review, six (6) Audit Committee meetings were held on May 30, 2019; August 13, 2019; August 22, 2019; October 29, 2019; November 14, 2019 and February 14, 2020. 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 March 31, 2020 the Audit Committee comprises of the following members of the Board:

Name of the Member	Category	Position	Meeting attended #1
Mr. Rivkaran Singh Chadha	Independent & Non-Executive Director	Chairman	5
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	3
Mr. Padmanabha Gopal Aiyar	Independent & Non-Executive Director	Member	3
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	5
Mr. Jai Anshul Ambani *	Non-Executive Director	Member	0

Note:

* Mr. Jai Anshul Ambani was appointed as a Member of the Committee w.e.f November 14, 2019 in place of Mr. Anand Natarajan

#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 177of the Act:

a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

b. Recommend to the Board, the appointment, re-appointment, terms of appointment, remuneration and, if required, replacement or removal of Statutory Auditors and fixation of Audit fees.

c. Approval of payment to statutory auditors for any other services rendered by them.

d. Reviewing, with the management the annual financial statement sand auditor's report thereon before submission to the Board for approval with particular reference to the matters stated under sub clause (a) to (g) of Part C of Schedule II of SEBI Listing Regulations.

e. Reviewing, with the management the quarterly financial results before submission to the Board for approval.

f. Reviewing, with the management, the statement of uses /application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.

g. Review and monitor the auditor's independence and performance and effectiveness of audit process.

h. Approval or any subsequent modification of transactions of the Company with related parties.

i. Scrutiny of inter-corporate loans and investments.

j. Valuation of undertakings or assets of the Company, wherever it is necessary.

k. Evaluation of internal financial controls and risk management systems.

l. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.

m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.

n. Discussion with internal auditors of any significant findings and follow up there on.

o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.

p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.

q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of nonpayment 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 100crore 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 Regulation 19 read with Part D of Schedule II of the SEBI Listing Regulations, which are reviewed from time to time.

During the year under review, four (4) meetings of the Committee were held on May 30, 2019, November 14, 2019, February 14, 2020 and March 11, 2020.

As on March 31, 2020, the NRC comprises of Five (5) Directors, all of them being Non-Executive Directors with more than half the composition being Independent Directors.

The Composition of Nomination and Remuneration Committee and attendance at its meeting is as follows:

Name of the Member	Category	Position	Meeting attended [#1]
Mr. Rivkaran Singh Chadha	Independent & Non-Executive Director	Chairman	4
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	3
Mr. Mr. Padmanabha Gopal Aiyar	Independent & Non-Executive Director	Member	3
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	4
Mr. Jai Anshul Ambani*	Non-Executive Director	Member	0

Note:

* Mr. Jai Anshul Ambani was appointed as a Member of the Committee w.e.f. November 14, 2019 in place of Mr. Anand Natarajan

[#1] Includes meetings attended via video conference facility.

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 valuation of independent directors.

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

Nomination and Remuneration Policy

The Company adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees in accordance with the provisions of the Act and the SEBI Listing Regulations and the same is available on the company's website at http://www.primefocus.com/sites/default/files/pdf/NOMINATION_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, 2020 are as follows:

(Amount in ₹)

Name of Director	Remuneration Paid	Sitting Fees	Total
Non-Executive Directors			
Mr. Padmanabha Gopal Aiyar	-	60,000	60,000
Mr. Rivkaran Singh Chadha	-	120,000	120,000
Mr. Kodi Raghavan Srinivasan	-	80,000	80,000
Dr. (Mrs.) Hemalatha Thiagarajan	-	1,00,000	1,00,000
Mr. Samu Devarajan	-	120,000	120,000
Mr. Udai Dhawan	-	20,000	20,000
Mr. Jai Anshul Ambani*	-	0	0
Mr. Namit Naresh Malhotra	-	20,000	20,000

* Mr. Jai Anshul Ambani was appointed as an Additional Director w.e.f. November 14, 2019 in place of Mr. Anand Natarajan.

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, 2020 are as follows:

(Amount in ₹)

Name of Director	Naresh Mahendranath Malhotra (Chairman and Whole-Time Director)*	Ramakrishnan Sankaranarayanan (Managing Director)#
Remuneration	1,17,73,476 p.a.	Nil
Service Contracts	5 years	3 years
Performance linked Incentives	Nil	Nil
Stock options	Nil	Nil

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

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

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

C. Stakeholders Relationship Committee

The Stakeholders' Relationship Committee's composition and the terms of reference meet with the requirements of Regulations 20 of the SEBI Listing Regulations and provisions of Section 178 the Act. During the year under review, four (4) meetings were held on May 30, 2019; August 13, 2019; November 14, 2019 and February 14, 2020.

As on March 31, 2020 the Committee comprises of five (5) Directors of which three (3) are Non-Executive Independent Directors, one (1) Non-Executive Director and one (1) is Executive Director.

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

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

Name of the Member	Category	Position	Meeting attended #1
Mr. Rivkaran Singh Chadha	Independent & Non-Executive Director	Chairman	4
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	3
Mr. Naresh Mahendranath Malhotra	Whole-time Director (Promoter)	Member	4
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	3
Mr. Jai Anshul Ambani *	Non-Executive Non Independent Director	Member	0

* Mr. Jai Anshul Ambani was appointed as a Member of the Committee w.e.f November 14, 2019 in place of Mr. Anand Natarajan.

#1 Includes meetings attended via video conference facility.

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

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

The Stakeholders Relationship Committee is primarily responsible to:

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

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

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

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

Complaints from Investors

The number of complaints received and resolved to the satisfaction of investors during the Financial year ended March 31, 2020 and their break-up is as under:

Particulars	Received	Resolved	Pending
No. of Complaints	2	2	0

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

D. Corporate Social Responsibility (CSR) Committee:

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

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

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

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

During the year under review, one (1) meeting of the CSR Committee was held on May 30, 2019. The composition of the CSR Committee and attendance at its meeting is given hereunder:

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

** Mr. Jai Anshul Ambani was appointed as a Member of the Committee w.e.f. November 14, 2019 in place of Mr. Anand Natarajan.

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, one (1) meetings of the Committee were held on November 14, 2019. The composition of the ESOP Compensation Committee and attendance at its meeting is given hereunder:

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

* Mr. Jai Anshul Ambani was appointed as a Member of the Committee w.e.f November 14 , 2019 in place of Mr. Anand Natarajan.

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 power sand performing the duties as prescribed under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and/or any amendment or repealment thereto.

4. SUCCESSION PLANNING

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

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

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

6. RECOMMENDATIONS OF COMMITTEES OF THE BOARD

There were no instances during the financial year 2019-20,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
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.
2018-19	September 30, 2019	9th Floor, 'True North', Plot no. 63, Road no. 13, Opp. Hotel Tunga Paradise, MIDC, Andheri (East), Mumbai – 400093	10:30 a.m.

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 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 Naresh 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 Mahendranath Malhotra (DIN:00004597), Whole-time Director of the Company for the period of two years w.e.f. April 01, 2018 till March 31, 2020 3. Continuation of Directorship of Mr. Padmanabha Gopal Aiyar ((DIN: 02722981), Independent Non- Executive Director who has attained the age of Seventy Five years 4. Approval of Extension of exercise period under PFL – ESOP Scheme 2014
September 30, 2019	6	1. To re-appoint Mr. Srinivasan Kodi Raghavan (DIN: 00012449) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 2. To re-appoint Mr. Rivkaran Singh Chadha (DIN 00308288) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 3. To re-appoint Mr. Padmanabha Gopal Aiyar (DIN: 02722981), who has attained the age of 75 (Seventy five) years, as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 4. To re-appoint Dr. (Mrs.) Hemalatha Thiagarajan (DIN: 07144803) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 5. To consider and approve increase in the limits for investments, loans, guarantees and security of the Company under Section 186 of Companies Act, 2013 6. To consider and approve the Sale of VFX business undertaking of the Company

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**

During the year under review, no special resolution has been passed through the exercise of postal ballot. However, as on the date of this report the Company has taken the member's approval by way of Postal Ballot on April 18, 2020 for the following business:

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

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

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

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

PERSON WHO CONDUCTED THE POSTAL BALLOT PROCESS

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

PROCEDURE FOR POSTAL BALLOT

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

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

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

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

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

8. DISCLOSURES:

a. Related Party Transactions

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

b. **Compliances with regard to Capital Market**

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities 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 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;

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

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

c. **Whistle Blower Policy/Vigil Mechanism**

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

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

No complaint has been received as at the Financial Year ended March 31, 2020 and no employee of the Company was denied access to meet the Chairman of the Audit Committee in this regard.

d. **Whole-Time Director /Chief Financial Officer certification**

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

e. **Compliance with mandatory and non-mandatory requirements**

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

1. **The Board:**

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

2. **Shareholder Rights:**

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

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

   Company's financial statements are unqualified.

4. **Reporting of internal auditor:**

   The Internal Auditor reports directly to the Audit Committee.

f. **Reconciliation of Share Capital Audit**

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

The said report, duly signed by practicing company secretary is submitted to stock exchange where the securities of the company are listed 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 Whole-Time Director of the Company.

10. MEANS OF COMMUNICATION

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

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

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

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

11. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 and other applicable provisions, if any, of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, the Company transferred 9485 shares in respect of which dividend has not been paid or claimed for seven consecutive year or more to IEPF Authority including shares held in unclaimed suspense account on November 30, 2017. The IEPF Authority till March 31, 2020, transferred 200 equity shares against the claims received by them from the shareholders.

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 , 2020, 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 Regulation16 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 same was amended by the Board at its Meeting held on November 14,2019. 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 ₹ 5.25 Crores (previous year: ₹4.87 crores) for financial year 2019-20, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

17. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

1. Number of complaints filed during the financial year- Nil

2. Number of complaints disposed of during the financial year- Nil

3. Number of complaints pending as on the end of financial year- Nil

a. GENERAL SHAREHOLDER INFORMATION

1.	Annual General Meeting Date, Time and Mode	Date: September 30, 2020 Time: 03:00 p.m. Mode: Video conference and other audio-visual means as set out in the Notice of Annual General Meeting
2.	Financial Year	2019-20
3.	Dividend	In order to conserve the resources of the Company, the Directors do not recommend any dividend for its equity shares for the FY 2019-20.

4.	Listing on Stock Exchanges	The equity shares of your Company are listed on: **BSE Limited (BSE)** Add:- P.J. Towers, Dalal Street, Fort, Mumbai - 400 001; & **National Stock Exchange of India Limited (NSE)** Add:- Exchange Plaza, Bandra-Kurla Complex, Bandra, Mumbai - 400 051. Listing fees as applicable have been paid to the above Stock Exchanges.
5.	Stock Code	For Equity Shares BSE Limited (BSE):- "532748" National Stock Exchange of India Limited (NSE):- "PFOCUS" ISIN Code : INE367G01038
6.	Date of Book Closure	**Thursday, September 24, 2020 to Wednesday September 30, 2020 (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: mahesh.masurkar@linkintime.co.in
8.	Share Transfer System	In accordance with the proviso to Regulation 40(1) of the SEBI Listing Regulations, effective from April 01, 2019, transfer of shares of the Company shall not processed unless the shares are held in dematerialised from with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialised so as to be able to freely transfer them and participate in various corporate actions.
9.	Commodity price risk or foreign exchange risk and hedging activities;	The Company seeks to minimize the effects of adverse exchange rate fluctuations on the financial positions of the Company by closely monitoring the Foreign Exchange Exposure and taking the adequate measures when needed.
10.	Plant Location	The Company is not a manufacturing unit and thus not having any Plant. Following are the Offices where the business of the Company is being conducted: **A. Goregaon-Film City Office** i. FC Main Building, Film City Complex, Dadasaheb Phalke Film City, Goregaon (East), Mumbai-400065. ii. 2nd, 3rd Floor, Mainframe, B Wing, Royal Palms, Aarey Colony, Goregoan (East), Mumbai - 400 065 iii. Groud Floor, Royal Palms, Master Mind - I, Aarey Colony, Goregaon (East), Mumbai – 400 065 iv. Recording & Dubbing Studio, Dadasaheb Phalke Film City Complex, Goregaon (East), Mumbai - 400065. v. Prime Focus Studios, Film City Complex, Dadasaheb Phalke Chitranagri, Goregaon (East), Mumbai - 400 065 vi. Unit 748, B Wing, Royal Palms, Aarey Colony, Goregoan (East), Mumbai - 400 065 **B. Santacruz office** i. 2nd and 3rd Floor, Anandkunj, North Avenue, Linking Road, Santacruz (West), Mumbai – 400 054. **C. Khar Office** i. Prime Focus House, Linking Road, Opposite Citibank, Khar (West) Mumbai-400052. ii. 201, Glacis, Linking Road, Above IndusInd Bank, Khar (West), Mumbai – 400 052.

<table>
<tr><td></td><td></td><td>D. Lower Parel Office
i. 2nd Floor, Raghuvanshi Mills Compound, SB Marg, Lower Parel (West) Mumbai - 400013.
E. Hyderabad Office
i. Rama Naidu Studios Complex, 79, Film Nagar, Jubilee Hills, Hyderabad - 500033, India.
F. Andheri West Office
i. 1st , 2nd and 4th Floor, Blue Wave, Off Link Road, Veera Desai Road, Andheri (West), Mumbai – 400 053.</td></tr>
<tr><td>11.</td><td>Address for Correspondence</td><td>Ms. Parina Nirav Shah, Company Secretary and Compliance Officer
Prime Focus Limited
Registered Office:
Prime Focus House, Linking Road, Opposite Citibank, Khar (West), Mumbai-400052, India.
Phone: +91-22-67155000; Fax: +91-22-67155001
Website: www.primefocus.com ;
email: ir.india@primefocus.com</td></tr>
<tr><td>12.</td><td>Dematerialization of Shares and liquidity</td><td>As on March 31, 2020; 299248958 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.</td></tr>
<tr><td>13.</td><td>Electronic Clearing Services (ECS)</td><td>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.</td></tr>
<tr><td>14.</td><td>Investor Complaints to be addressed to</td><td>Registrar and Share Transfer Agent - M/s Link Intime India Private Limited at helpdesk@linkintime.co.in or to Ms. Parina Nirav Shah, Company Secretary at ir.india@primefocus.com.</td></tr>
<tr><td>15.</td><td>SCORES</td><td>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</td></tr>
<tr><td>16.</td><td>Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.</td><td>During the financial year 2019-20, 3,11,32,076 warrants stands lapsed on August 13, 2019 (allotted by the Company to Promoter and Promoter Group and Non-Promoter on February 14, 2018), as the concerned warrants holders had not exercised their option for conversion / entitlement. Consequently there are no warrants pending for conversion.</td></tr>
<tr><td>17.</td><td>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.</td><td>Indian Ratings and Research (Ind-Ra), the credit rating agency, has downgraded Prime Focus Limited's (PFL) Long-Term Issue Rating to 'IND BBB' from 'IND BBB+'.

The instrument-wise rating action are as follows:
<table>
<tr><th>Name of the agency</th><th>Type of instrument</th><th>Size of Issue (million)</th><th>Rating / Rating Watch</th><th>Rating Action</th></tr>
<tr><td>Indian Ratings and Research (Ind-Ra)</td><td>Term Loans</td><td>INR 1,910</td><td>IND BBB/RWN</td><td>Revised to Negative from Evolving</td></tr>
<tr><td></td><td>Fund-based-working capital limits</td><td>INR 320</td><td>IND BBB/RWN/ INDA2/RWN</td><td>Revised to Negative from Evolving</td></tr>
<tr><td></td><td>Non-fund-based Working capital limits</td><td>INR 140</td><td>IND A2/RWN</td><td>Revised to Negative from Evolving</td></tr>
<tr><td></td><td>Stand-by letter of credit(LC)</td><td>INR 2,618</td><td>IND A2/RWN</td><td>Assigned; placed on RWN</td></tr>
</table></td></tr>
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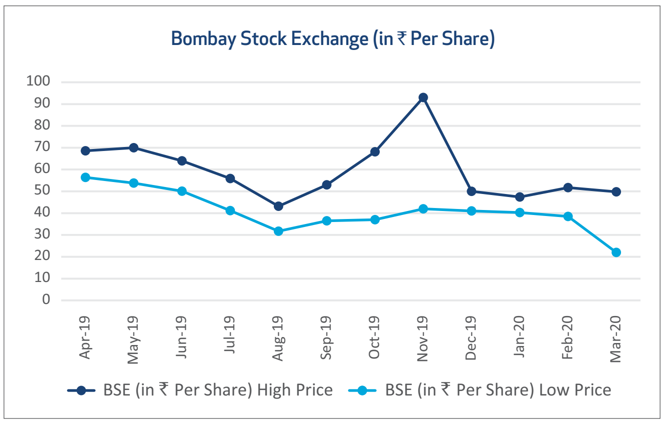
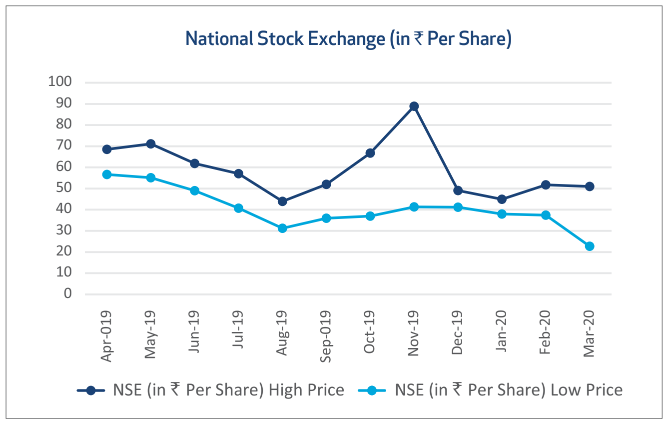
b. **Market Price Data**

The price of the Company's Share-High, Low during each month in the financial year 2019-20 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, 2019	68.55	56.40	25478	68.50	56.65	152053
May, 2019	70.00	53.80	94826	71.00	55.10	4946974
June, 2019	64.00	50.10	41434	61.85	49.00	438403
July, 2019	55.90	41.20	42341	57.00	40.75	255651
August, 2019	43.15	31.75	40837	43.95	31.25	353024
September, 2019	53.00	36.50	73296	52.00	36.00	444649
October, 2019	68.10	37.00	185018	66.75	37.00	1484697
November, 2019	93.00	42.00	32323863	88.90	41.35	6097245
December, 2019	50.00	41.00	1147030	49.10	41.15	811054
January, 2020	47.40	40.30	918353	46.30	38.00	460432
February, 2020	51.75	38.50	68754	51.75	37.40	1184147
March, 2020	49.75	22.00	172505	51.00	22.70	1093945

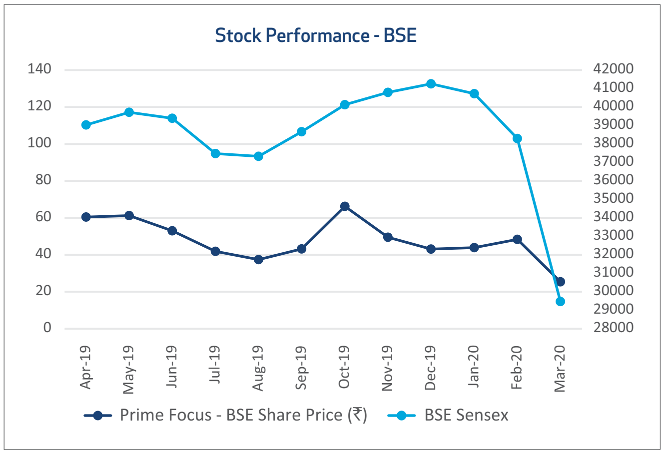


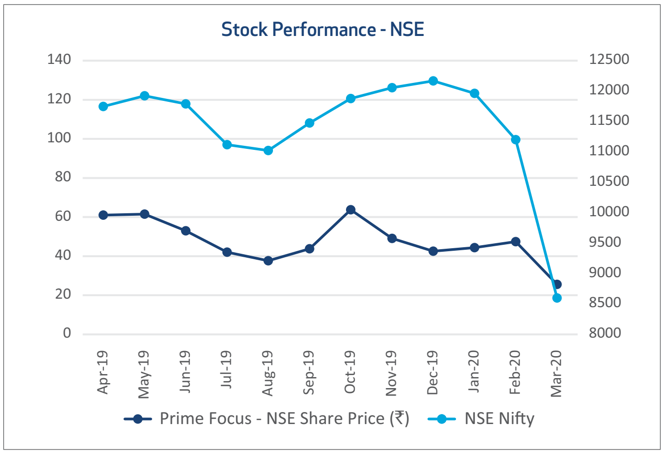


c. **Performance of share price of the Company in comparison with the broad based indices**

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

Month	BSE Share Price (₹)	Sensex (₹)	NSE Share Price (₹)	NSE Nifty (₹)
April, 2019	60.45	39031.55	61.05	11748.15
May, 2019	61.25	39714.2	61.50	11922.80
June, 2019	52.95	39394.64	53.00	11788.85
July, 2019	41.85	37481.12	42.05	11118.00
August, 2019	37.40	37332.79	37.70	11023.25
September, 2019	43.20	38667.33	43.80	11474.45
October, 2019	66.20	40129.05	63.75	11877.45
November, 2019	49.45	40793.81	49.10	12056.05
December, 2019	43.10	41253.74	42.55	12168.45
January, 2020	43.85	40723.49	44.35	11962.10
February, 2020	48.35	38297.29	47.40	11201.75
March, 2020	25.40	29468.49	25.60	8597.75





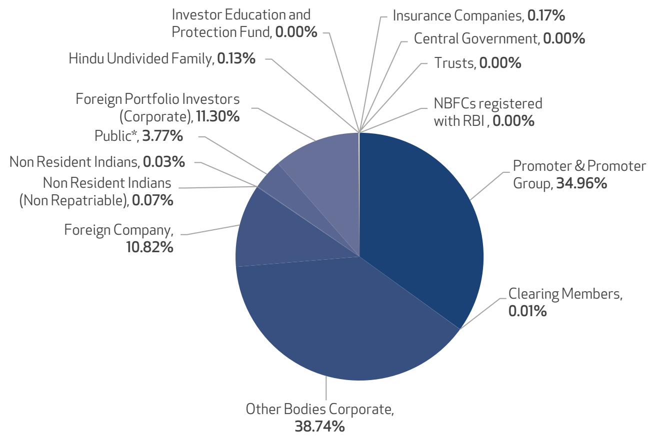
d. Distribution of Shareholding as on March 31, 2020

The broad shareholding distribution of the Company as on March 31, 2020 with respect to categories of investors was as follows:

Sr. No.	Category	No. of Equity Shares	Percentage %
1	Promoter & Promoter Group	104607641	34.96
2	Clearing Members	45665	0.01
3	Other Bodies Corporate	115931578	38.74
4	Foreign Company	32370029	10.82
5	Non Resident Indians	77130	0.03
6	Non Resident Indians (Non Repatriable)	194735	0.07
7	Public*	11292578	3.77
8	Foreign Portfolio Investors (Corporate)	33810508	11.30
9	Trusts	100	0.00
10	Hindu Undivided Family	381348	0.13
11	NBFCs registered with RBI	2381	0.00
12	Central Government	1000	0.00
13	Insurance Companies	525000	0.17
14	Investor Education and Protection Fund	9285	0.00
	Total	299248978	100.00

*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 31,639,695 shares which are currently 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.

Further, Reliance MediaWorks had 104,939,361 equity shares of the Company which were pledged to IDBI Trusteeship Services Limited (acting in its capacity as the debenture trustee for Credit Suisse AG, Singapore Branch, the debenture holder, as on the date of the IDBI Intimation). Out of which on December 2, 2019 IDBI invoked 7,32,99,666 equity shares of Prime Focus Limited, amounting to 24.5% of its total voting capital.



e. **The broad shareholding distribution of the Company as on March 31, 2020 with respect to/ holdings was as follows:**

Range	No. of Holders	Percentage %	Share Amount (₹)	Percentage %
1-500	7909	79.74	1175088	0.39
501-1000	914	9.21	757573	0.25
1001-2000	416	4.19	647301	0.22
2001-3000	166	1.67	429852	0.14
3001-4000	73	0.74	268554	0.09
4001-5000	87	0.88	413646	0.14
5001-10000	127	1.28	1002279	0.34
10001 and above	227	2.29	294554685	98.43
Total	9919	100.00	299248978	100.00

f. **Dematerialization of shares as on March 31, 2020:**

As per the directions of SEBI, the Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2020, 299248958 equity shares constituting nearly 100% of the total share capital of the Company were held in dematerialized form.

Status of Dematerialisation as on March 31, 2020

Particulars	Number of Shares of the face value of Re. 1/- each	% of Total
National Securities Depository Limited	180681029	60.38
Central Depository Services (India) Limited	118567929	39.62
Total Dematerialized	**299248958**	**100.00**
Physical form	20	0.00
Grand Total	**299248978**	**100.00**

18. DISCLOSURES REGARDING COMMODITY RISKS

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Date : July 31,2020
Place: Mumbai

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

As per the requirements of Regulation 26(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I, Naresh Mahendranath Malhotra, Chairman and Whole-Time Director, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year ended March 31, 2020.

For and on behalf of the Board

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

Place : Mumbai
Date : July 31, 2020

Certificate on Corporate Governance

To,

The Members of

PRIME FOCUS LIMITED

I have examined the compliance of conditions of Corporate Governance by Prime Focus Limited ('the Company'), for the Financial Year ended March 31, 2020, 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, 2020. However, the appointment of Independent directors in material foreign subsidiary is still pending as per Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As informed by the management, the Board is in process of compliance of the same.

I further 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: July 31, 2020
ICSI UDIN: F005418B000536951

Certificate of Non-Disqualification of Directors

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

To,

The Members of,

Prime Focus Limited

Prime Focus House, Opp Citi Bank, Linking Road, Khar (West)
Mumbai - 400052

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of Prime Focus Limited having CIN L92100MH1997PLC108981 and having registered office at Prime Focus House, Opp Citi Bank, Linking Road, Khar (West) Mumbai - 400052 (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs.

Sr. No.	Name of Directors	DIN	Date of appointment in the Company
1.	Namit Naresh Malhotra	00004049	24/06/1997
2.	Naresh Mahendranath Malhotra	00004597	24/06/1997
3.	Ramakrishnan Sankaranarayanan	02696897	11/10/2011
4.	Udai Dhawan	03048040	14/12/2016
5.	Jai Anshul Anil Ambani	08054558	14/11/2019
6.	Srinivasan Kodi Raghavan	00012449	19/02/2004
7	Rivkaran Singh Chadha	00308288	29/09/2006
8.	Padmanabha Gopal Aiyar	02722981	03/07/2009
9.	Dr. Hemalatha Thiagarajan	07144803	31/03/2015
10.	Devarajan Samu	00878956	14/12/2016

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

For D. M. Zaveri & Co.
Company Secretaries

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

Place: Mumbai
Date: July 31, 2020
ICSI UDIN: F005418B000536951

Business Responsibility Report

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

INTRODUCTION

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

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

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

1. **ETHICS, TRANSPARENCY AND ACCOUNTABILITY** – Businesses should conduct and govern themselves with Ethics, Transparency and Accountability
2. **PRODUCTS LIFE CYCLE SUSTAINABILITY** – Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle
3. **EMPLOYEES' WELL-BEING** – Businesses should promote well-being of employees
4. **STAKEHOLDERS' ENGAGEMENT** – Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalised
5. **HUMAN RIGHTS** – Businesses should respect and promote human rights
6. **ENVIRONMENT** – Businesses should respect, protect and make efforts to restore the environment
7. **POLICY ADVOCACY** – Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner
8. **INCLUSIVE GROWTH** – Businesses should support Inclusive growth and equitable development
9. **CUSTOMER VALUE** – Businesses should engage with and provide value to their customers and consumers in a responsible manner

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L92100MH1997PLC108981
2. **Name of the Company:** Prime Focus Limited (PFL)
3. **Registered Address:** Prime Focus House Opp. Citi Bank, Linking road, Khar (West), Mumbai – 400052
4. **Website:** www.primefocus.com
5. **E-mail id:** brr.india@primefocus.com
6. **Financial Year reported:** 2019-2020
7. **Sector(s) that the Company is engaged in (industrial activity code-wise):** 5912 – Services
8. **List three key products/services that the Company manufactures/ provides (as in balance sheet)**
   - Film, video camera, light equipment & accessories renting
   - Post Production – Advertisement, digital intermediation
   - Visual effects, animation and digital cinema packaging
9. **Total number of locations where business activity is undertaken by the Company**
   i. **Number of International Locations (Provide details of major 5)** - None
   ii. **Number of National Locations** – 12 offices including registered office and regional office.
10. **Markets served by the Company** – We serve the Domestic and International Markets.

SECTION B: FINANCIAL DETAILS OF THE COMPANY

1. **Paid up Capital (INR)** – ₹ 29.92 Crores
2. **Total Turnover (INR)** – ₹ 152.20 Crores
3. **Total profit after taxes (INR)** – ₹ 166.67 crores
4. **Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%):** Nil, we take social responsibility as a paramount importance and have formulated our CSR policy. We did not spend on the CSR activities during FY 2019-20 considering the losses.
5. **List of activities in which expenditure in 4 above has been incurred- Not Applicable**

SECTION C: OTHER DETAILS

1. **Does the Company have any Subsidiary Company/ Companies**?
   Yes, we have 43 subsidiaries.
2. **Do the Subsidiary Company/Companies participate in the BR initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s)**
   Nil. None of our subsidiaries have been involved in our BR initiatives.
3. **Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, more than 60%]**
   None of the entities, we conduct business with, are involved in our BR initiatives.

SECTION D: BR INFORMATION

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

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

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

   b. **Details of the BR head**

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

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

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

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

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

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

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

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

3. GOVERNANCE RELATED TO BR

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

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

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

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

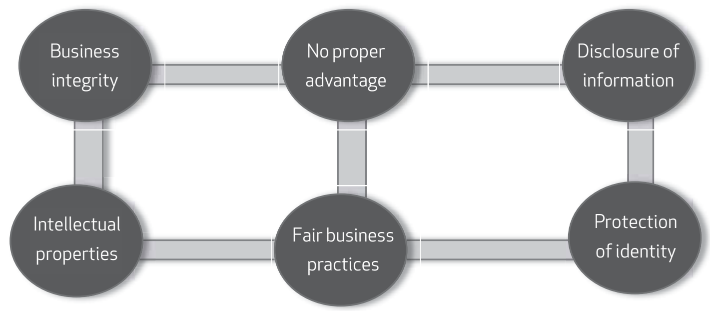
SECTION E: PRINCIPLE-WISE PERFORMANCE

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

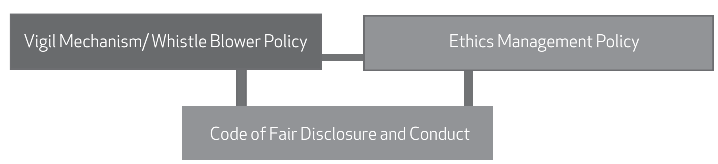
1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

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

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



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



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

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

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

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

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

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

1	2	3
Film, video camera, light equipment & accessories renting	Post Production – Advertisement, digital intermediation	Visual effects, animation and digital cinema packaging

2. **For each such product, provide the following details in respect of resources use (energy, water, raw material etc.) per unit of product (optional)**
   Though the nature of our business does not encompass any manufacturing activity we understand our role in environmental sustainability. We undertake several energy conservation initiatives by implementing energy efficient measures and replacing old equipment with new energy efficient equipment wherever feasible. Continuous efforts are also exerted to conserve energy in our post-production facilities and studio offices.

3. **Does the company have procedures in place for sustainable sourcing (including transportation)?**
   Our policy on safety ascertains that all our goods and services are procured safely and sustainably. We develop and maintain a healthy working relationship with our vendors and suppliers and emphasize greatly on adherence to safe working conditions, prevention of child labour, business ethics and general housekeeping.

4. **Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?**
   We strive to contribute to the local economy by procuring services from suppliers in the vicinity of our operations. We acquire materials such as stationery, cleaning materials and manpower for facility maintenance and security from local agencies. Around 15-30% of our materials and services are procured locally. This serves two purposes, one being provision of regular source of income for local communities other being ready availability of resources for our operations.

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

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

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

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

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

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

Principle 3: Businesses should promote the wellbeing of all employees

1. **Please indicate the Total number of employees.**
   The total number of employees at our organization are 274.

2. **Please indicate the Total number of employees hired on temporary/ contractual/casual basis.**
   The total no of contractual employees recruited through third party agencies for various activities like Housekeeping, Office assistants, janitors, Security, Electricians, etc. are 53.

3. **Please indicate the Number of permanent women employees.**
   The total number of permanent women employees at our organization are 22.

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

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

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

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

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

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

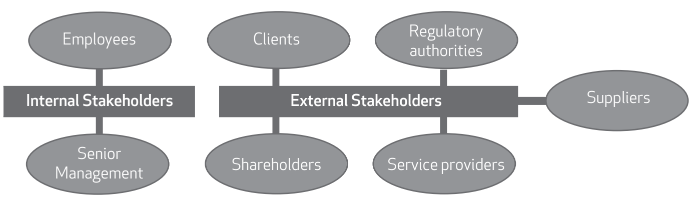
Category	Skill Up-gradation Training	Safety Training
Permanent Employees	100%	75%
Permanent Women Employees	100%	50%
Casual/ Temporary/ Contractual Employees	100%	100%
Employees with disabilities	100%	100%

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

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

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

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



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

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

Principle 5: Businesses should respect and promote human rights

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

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

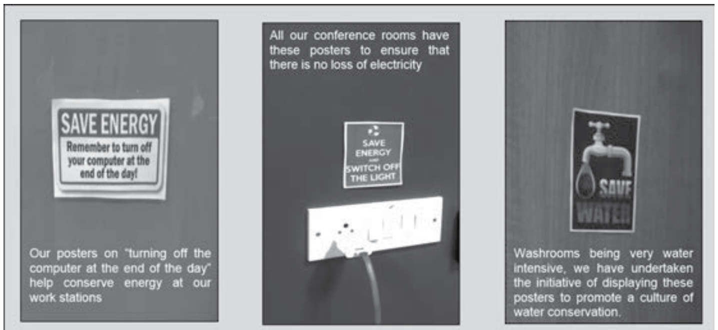
2. **How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?**
   No stakeholder complaints were received during the FY 2019-2020 concerning to violation of human rights.

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

1. **Does the policy related to Principle 6 cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?**
   Our CSR policy extends to our Company and provides guidance on the following aspects of environmental sustainability

Environment sustainability	Ecological balance	Preservation of flora and fauna
Animal welfare and agro forestry	Conservation of natural resources	Maintaining quality of soil, air and water

2. **Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc.? If yes, give hyperlink for the webpage etc.**
   Despite being a service provider, we recognize the impact of our operations on the environment and have implemented initiatives to mitigate these impacts. We understand that awareness is key to effective environmental protection and have undertaken measures to increase awareness among our employees. We have displayed posters and flyers to sensitize on the paper waste reduction, conservation of water and electricity at relevant locations.



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

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

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

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

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

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

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

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

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

1. **Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with**

   We are a gold member of the following associations:

   1. Service Export Promotion Council for Software
   2. Electronic and Computer Software Council
   3. Indian Motion Picture Producers Association
   4. Association of Motion Picture Studios
   5. Industrial Entrepreneurs Memorandum (IEM)

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**
   As a member of these associations, we contribute to the development and growth of the broadcasting industry across the globe through creation, coordination and dissemination of knowledge and information. This includes technology briefings, networking events, regular news bulletins and market intelligence.

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

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**
   CSR is at the core of an organization's sustainability and we are equally responsible towards social well-being along with economic growth. Our CSR policy outlines the approach to implementation of initiatives for social upliftment. However, currently, we do not have any CSR activities being implemented in the view of losses.

2. **Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?**
   Not applicable

3. **Have you done any impact assessment of your initiative?**
   Not applicable

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**
   Not applicable

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**
   Not applicable

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

1. **What percentage of customer complaints/consumer cases are pending as on the end of financial year?**
   As of March 31, 2020 no cases were pending against Prime Focus Limited.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)**
   Yes, the "Ethics Management Policy" outlines a protocol for factual and righteous display of information and truthful disclosure on our services to clients.

   A clear guideline on our approach to ethical advertising and promotions, equitable competition and winning customers by the virtue of the quality of our services has been provided in the "Fair Business Practices" section of this policy.

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.**
   We understand that responsible business assures responsible advertising and marketing. We ensure our advertisements and promotions are not misleading.

   There have not been any cases filed against us either for unfair trade practices, irresponsible advertising, or anti-competitive behavior in the last year.

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**
   We do not have a formal consumer survey mechanism in place, however, we do seek feedback from our clients on closure of engagements. We have received several informal positive feedbacks from our clients for our services.

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

Independent Auditor's Report

To The Members of Prime Focus Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Prime Focus Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2020, 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 (hereinafter referred to as "the standalone financial statements").

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, 2020, its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

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

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the Ind AS and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial 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, 2020 taken on record by the

Board of Directors, none of the Directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164(2) of the Act.

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

g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended,

   In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its Directors during the year is in accordance with the provisions of section 197 of the Act.

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

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

   ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Abhijit A. Damle
(Partner)
(Membership No. 102912)
(UDIN:
20102912AAAAEI3103)

Place: Mumbai
Date: July 31, 2020

Annexure "A" to the Independent Auditor's Report to the Members of Prime Focus Limited

(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, 2020 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, 2020, 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)
(UDIN:
20102912AAAAEI3103)

Place: Mumbai
Date: July 31, 2020

Annexure "B" to the Independent Auditor's Report to the Members of Prime Focus Limited

(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 explanations 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 deeds / conveyance deeds provided to us, we report that, the title deeds, comprising 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 of land and building that have been taken on lease and disclosed as Right-to-Use Assets in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

(ii) The Company does not have any inventory and hence reporting under clause (ii) of the 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 and Limited Liability Partnerships 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 balance sheet date.

(iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

(v) According to the information and explanations given to us, the Company has not accepted any deposit during the year.

(vi) Having regard to the nature of the Company's business / activities, reporting under clause (vi) of 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, Sales Tax, Tax Deducted at Source, Service Tax, Goods and Service tax, Customs Duty, Excise Duty, Value Added Tax, cess and other material statutory dues applicable to it to the appropriate authorities.

(b) There were no undisputed amounts payable in respect of aforesaid dues in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.

(c) There are no cases of non-deposit with the appropriate authorities of disputed dues of Sales Tax, Goods and Services Tax, Service Tax, Customs Duty, Excise Duty, Value Added Tax and Cess. Details of other dues which have not been deposited as on March 31, 2020 on account of disputes are given below:

Name of Statute	Nature of Dues	Forum where Dispute is Pending	Period to which the Amount Relates	Amount (₹ in crores)
Income Tax Act, 1961	Income Taxes	Income Tax Appellate Tribunal	AY 2010-11	0.49
The Mumbai Municipal Corporation Act, 1888	Octroi Duty	Metropolitan Magistrate 42nd court	FY 2016-17	1.73

(viii) In our opinion and according to the information and explanations given to us, the Company has generally been regular in the repayment of loans or borrowings to financial institutions and banks. The Company has not issued any debentures and there were no borrowings or loans from the Government.

(ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

(x) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

(xi) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.

(xii) The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 Order is not applicable.

(xiii) In our opinion and according to the information and explanations given to us the Company is in compliance with Sections 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 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)
(UDIN:
20102912AAAAEI3103)

Place: Mumbai
Date: July 31, 2020

Balance Sheet as at March 31, 2020

₹ Crores

	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
(a) Property, plant and equipment	4	244.17	387.72
(b) Capital work in progress		12.72	20.01
(c) Intangible assets	5	0.58	2.01
(d) Right to use assets	6	319.81	181.71
(e) Financial assets			
(i) Investments	7	781.14	848.61
(ii) Other financial assets	9	5.30	16.94
(f) Deferred tax assets (net)	28 d	-	28.10
(g) Income tax assets (net)		80.84	71.13
(h) Other non-current assets	10	3.23	6.87
Total non-current assets		**1,447.79**	**1,563.10**
Current assets			
(a) Financial assets			
(i) Trade receivables	11	45.00	49.07
(ii) Cash and cash equivalents	12	0.18	0.69
(iii) Bank balances other than (ii) above	12	0.05	0.05
(iv) Loans	8	164.22	78.62
(v) Other financial assets	13	235.18	21.36
(b) Other current assets	10	73.34	29.69
Total current assets		**517.97**	**179.48**
Total assets		**1,965.76**	**1,742.58**
Equity and liabilities			
Equity			
(a) Equity share capital	14	29.92	29.92
(b) Share warrants	14.6	-	82.50
(c) Other equity	15	1,235.07	1,007.34
Total equity		**1,264.99**	**1,119.76**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	323.23	354.59
(ii) Lease liabilities		45.41	20.09
(iii) Other financial liabilities	21	108.79	95.56
(b) Provisions	17	2.64	2.55
(c) Other non-current liabilities	18	-	0.99
Total non-current liabilities		**480.07**	**473.78**

₹ Crores

	Notes	As at March 31, 2020	As at March 31, 2019
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	19	32.13	32.20
(ii) Lease liabilities		14.68	7.90
(iii) Trade payables			
- total outstanding dues of micro enterprises and small enterprises	20	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	20	23.12	24.71
(iv) Other financial liabilities	21	59.20	38.00
(b) Provisions	17	0.36	0.29
(c) Current tax liabilities (net)		15.95	15.96
(d) Other current liabilities	18	75.26	29.98
Total current liabilities		**220.70**	**149.04**
Total liabilities		**700.77**	**622.82**
Total equity and liabilities		**1,965.76**	**1,742.58**

See accompanying notes to the financial statements 1 to 43

In terms of our report attached.

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

Abhijit A. Damle
Partner

Place : Mumbai
Date : July 31, 2020

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Statement of Profit and Loss for the year ended March 31, 2020

₹ Crores

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Revenue from operations	22	131.89	162.09
Other income	23	20.31	41.12
Total income		**152.20**	**203.21**
Expenses			
Employee benefits expense	24	23.98	37.48
Employee stock option expense	32	1.21	21.98
Technician fees		13.71	16.72
Technical service cost		10.08	9.34
Finance costs	25	63.32	57.39
Depreciation and amortisation expense	4 to 6	67.41	37.68
Other expenses	26	38.88	55.68
Exchange (gain) / loss (net)		(0.08)	0.15
Total expenses		**218.51**	**236.42**
(Loss) before exceptional item and tax		**(66.31)**	**(33.21)**
Exceptional items (gain) (net of tax of ₹ 60.83 crores)	27	(200.27)	-
Profit / (Loss) before tax		**133.96**	**(33.21)**
Tax expense	28		
Current tax		-	2.73
Deferred tax (credit)		(32.71)	(2.67)
		(32.71)	**0.06**
Profit / (Loss) for the year		**166.67**	**(33.27)**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans		(0.08)	0.18
Income tax relating to the above		0.02	(0.05)
Total other comprehensive income for the year		**(0.06)**	**0.13**
Total comprehensive income for the year		**166.61**	**(33.14)**
Earnings per equity share	29		
[Nominal value per share: ₹1]			
Before exceptional items (net of tax)			
Basic and diluted (₹)		(1.12)	(1.11)
After exceptional items (net of tax)			
Basic and diluted (₹)		5.57	(1.11)

See accompanying notes to the financial statements 1 to 43

In terms of our report attached.

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

Abhijit A. Damle
Partner

Place : Mumbai
Date : July 31, 2020

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Statement of Changes in Equity for the year ended March 31, 2020

A. Equity Share Capital

₹ Crores

	Total
As at March 31, 2018	**29.92**
Issue of equity shares under employee stock option plan (Refer note 32)*	0.00
As at March 31, 2019	**29.92**
Issue of equity shares under employee stock option plan (Refer note 32)*	0.01
As at March 31, 2020	**29.92**

* Issued, Subscribed and Paid up as at March 31, 2020 is amounting to ₹ 29,92,48,978 (March 31, 2019 ₹ 29,91,82,312) after addition of ₹ 66,666 during the year (March 31, 2019 ₹ 16,667)

B. Other Equity

₹ Crores

	Reserves and Surplus						Total
	Capital Reserve	General Reserve	Debenture Redemption Reserve	Securities Premium	Share Options outstanding account	Retained Earnings	
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 (Refer note 7c)	-	-	-	-	-	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**
Forfeiture of share warrants (Refer note 14.6)	82.50	-	-	-	-		**82.50**
Related to Employee stock options	-	-	-	-	1.21		**1.21**
Exercise of stock options	-	-	-	0.63	(0.29)		**0.34**
Adjustment on adoption of IND AS 116 (Refer note 2.25)	-	-	-	-	-	(1.11)	**(1.11)**
Loss on sale of investment in subsidiary (Refer note 7d)	-	-	-	-	-	(21.82)	**(21.82)**
Profit for the year (net of tax)	-	-	-	-	-	166.67	**166.67**
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(0.06)	**(0.06)**
Balance as at March 31, 2020	**134.27**	**61.09**	**-**	**766.57**	**72.24**	**200.90**	**1,235.07**

See accompanying notes to the financial statements 1 to 43

In terms of our report attached.

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

Abhijit A. Damle
Partner

Place : Mumbai
Date : July 31, 2020

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Cash Flow Statement for the year ended March 31, 2020

₹ Crores

		Year ended March 31, 2020	Year ended March 31, 2019
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit / (Loss) before tax	133.96	(33.21)
	Adjustments for:		
	Depreciation and amortisation expense	67.41	37.68
	(Profit) on sale of property, plant and equipment (net)	(0.10)	(0.27)
	Property, plant and equipment written off / loss on account of fire	3.79	-
	(Profit) on sale of investment in subsidiaries	-	(19.10)
	Unrealized foreign exchange loss (net)	(0.11)	(0.03)
	Gain on sale of VFX business (Refer note 35)	(200.27)	-
	Investment written off	0.06	-
	Bad debts written off	21.98	2.54
	Provision for doubful debts/ advances (net)	(23.34)	5.39
	Stock option expense	1.21	21.98
	Gain on studio and related debt accounting (Refer note 34)	-	(0.14)
	Liabilities/provisions no longer required written back	(2.57)	(3.64)
	Interest income	(16.09)	(14.14)
	Finance costs	63.32	57.39
	Operating profit before working capital changes	**49.25**	**54.45**
	Changes in working capital:		
	Decrease in trade and other receivables	(56.02)	(43.56)
	Increase in trade and other payables	47.39	43.36
	Cash Generated from Operations	**40.62**	**54.25**
	Income taxes (paid)	(9.66)	(9.79)
	Net cash flow generated from operating activities (A)	**30.96**	**44.46**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment and other intangible assets (including CWIP)	(16.25)	(34.21)
	Proceeds from sale of property, plant and equipment (including CWIP)	0.18	0.48
	Consideration towards sale of VFX business (refer note 35)	135.00	-
	Purchase of investment in subsidiary	(36.62)	(0.12)
	Sale of investment in subsidiaries	-	187.48
	Loans given to subsidiaries	(151.65)	(250.53)
	Loans repaid by subsidiaries	96.87	271.29
	Margin money and fixed deposits under lien	0.00	3.24
	Interest received	14.81	13.99
	Net cash flow generated from investing activities (B)	**42.34**	**191.62**

₹ Crores

		Year ended March 31, 2020	Year ended March 31, 2019
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Proceeds from long term borrowings (net of expenses)	-	17.10
	Repayment of long term borrowings	(21.23)	(120.47)
	Repayment of short term borrowings (net)	(0.07)	10.46
	Proceeds from issuance of shares	0.35	0.09
	Payment of lease liability	(12.20)	(5.62)
	Interest costs paid on lease liability	(6.64)	(2.81)
	Finance costs paid	(34.02)	(135.14)
	Net cash (used in) financing activities (C)	**(73.81)**	**(236.39)**
	Net (decrease) in Cash And Cash Equivalents (A+B+C)	**(0.51)**	**(0.31)**
	Cash and cash equivalents at the beginning of the year	0.69	1.00
	Cash and cash equivalent at end of year (Refer note 12a)	**0.18**	**0.69**

Notes:

a. During the previous year, 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 previous year. The Company also additionally invested ₹ 0.12 crores. The Company 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, the Company has completely sold of its entire shareholding of PF Media Limited (Formerly known as Reliance Media Works (Mauritius) Limited to Prime Focus World Mauritius, another subsidiary for a consideration of USD 11 Million (equivalent to ₹ 82.22 crores). The Company booked a loss of ₹ 21.82 crores on account of the same and accounted the same in "Retained earnings", this being in the nature of common control business combination.

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

₹ Crores

	Year ended March 31, 2020	Cash flow	Non Cash movement	Year ended March 31, 2019
Borrowing (refer note 16 and 21.1)	361.19	(21.23)	3.22	379.20
Borrowing - Current (refer note 19)	32.13	(0.07)	-	32.20

See accompanying notes to the financial statements 1 to 43

In terms of our report attached.

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

Abhijit A. Damle
Partner

Place : Mumbai
Date : July 31, 2020

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Notes to the financial statements for the year ended March 31, 2020

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 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalent, the Company has ascertained its operating cycle as twelve (12) months for the purpose of current or non-current classification of assets and liabilities.

The Company's financial statements are presented in Indian Rupees (₹), which is its functional currency and all values are rounded to the nearest crore (₹ 00,00,000),

2.3 Use of Estimates:

The preparation of financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.4 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable for the sale of services. Revenue is shown net of applicable taxes.

2.4.1 Rendering of services

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

Revenue on time-and-material contracts are recognized as the related services are performed and the revenues from the end of the last billing to the balance sheet date are recognized as unbilled revenues. Revenue from services provided under fixed price contracts, where the outcome can be estimated reliably, is recognized following the percentage of completion method, where revenue is recognized in proportion to the progress of the contract activity. The progress of the contract activity is usually determined as a proportion of efforts incurred up to the balance sheet date, which bears to the total days estimated for the contract. If losses are expected on contracts these are recognized when such losses become evident. Further, the company uses significant judgements while determining the transaction price allocated to various performance obligations in the revenue contract.

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

2.4.2 Dividend and interest income

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

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

2.4.3 Rental income

The Company's policy for recognition of revenue from operating leases is described in note 2.5.1 below.

2.5 Leasing

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

2.5.1 The Company as lessor

Leases under which the Company is a lessor are classified as finance or operating leases. Lease contracts where all the risks and rewards are substantially transferred to the lessee, the lease contracts are classified as finance leases. All other leases are classified as operating leases.

For leases under which the Company is an intermediate lessor, the Company accounts for the head-lease and the sub-lease as two separate contracts. The sub-lease is further classified either as a finance lease or an operating lease by reference to the right-to-use asset arising from the head-lease.

In respect of assets provided on finance leases, amounts due from lessees are recorded as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases. In respect of assets given on operating lease, lease rentals are accounted in the Statement of Profit and Loss, on accrual basis in accordance with the respective lease agreements.

2.5.2 The Company as lessee

The Company enters into an arrangement for lease of buildings, plant and machinery including computer software. Such arrangements are generally for a fixed period but may have extension or termination options. The Company assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

a) control the use of an identified asset,

b) obtain substantially all the economic benefits from use of the identified asset, and

c) direct the use of the identified asset

The Company determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Company is reasonably certain to exercise that option.

The Company at the commencement of the lease contract recognizes a Right-to-Use asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-to-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received.

Subsequently, the right-to-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-to-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-to-use asset. The estimated useful life of right-to-use assets are determined on the same basis as those of property, plant and equipment.

The Company applies Ind AS 36 to determine whether an right-to-use asset is impaired and accounts for any identified impairment loss. Refer 2.12 below.

For lease liabilities at the commencement of the lease, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Company would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Company recognizes the amount of the re-measurement of lease liability as an adjustment to the right-to-use assets. Where the carrying amount of the right-to-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

2.6 Foreign currencies

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

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

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

2.7 Borrowing costs

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

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

2.8 Government grants

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Company recognises as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Company should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the balance sheet and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at below-market rate of interest is treated as a government grant measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.9 Employee benefits

2.9.1 Retirement benefit costs and termination benefits

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement plans, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuation being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- Net interest expense or income; and
- Re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

A liability for termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

2.9.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

2.10 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in 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.

During the year, the Company has moved to the lower tax regime under section 115BAA of the Income Tax Act, 1961. Hence, MAT asset is no longer recognised.

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

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

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

2.11.3 Current and deferred tax for the year

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

2.12 Non-current assets held for sale

Non-current assets and disposal group are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the asset (or disposal group) is available for immediate sale in its present condition subject only to terms that are usual and customary for sale of such asset (or disposal group) and its sale is highly probable. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

Non-current assets (and disposal group) classified as held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

2.13 Property, plant and equipment (PPE)

PPE are stated at cost of acquisition or construction. They are stated at historical cost less accumulated depreciation and impairment loss, if any. The cost comprises the purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of PPE is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standards of performance. All other expenses on existing PPE, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the period during which such expenses are incurred.

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.14 Intangible assets

2.14.1 Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounting for on a prospective basis. Intangible assets with indefinite useful lives are acquired separately are carried at cost less accumulated impairment losses.

2.14.2 Internally-generated intangible assets – research and development expenditure

Expenditure on research activities is recognised as an expense in the period in which it is incurred.

An internally generated intangible asset arising from development (or from the development phase of an internal project) is recognised if, and only if all of the following have been demonstrated:

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;
- the intention to complete the intangible asset and use it or sell it;
- the ability to use or sell the intangible asset;
- how the intangible asset will generate probable future economic benefits;
- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and
- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

The amount initially recognised for internally generated intangible assets is the sum of expenditure incurred from the date when the intangible asset first meets the recognition criteria listed above. Where no internally generated intangible asset can be recognised, development expenditure is recognised in profit or loss in the period in which it is incurred.

Subsequent to initial recognition, internally generated intangible assets are reported at cost less accumulated amortisation and accumulated impairment losses, on the same basis as intangible assets that are separately acquired.

2.14.3 Useful lives of intangible assets

Software is amortised on straight line basis over the estimated useful life of 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 has elected to recognise its investments in subsidiaries at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statement'.

2.19 Financial liabilities and equity instruments

2.19.1 Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and equity instrument.

2.19.2 Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilities. Equity instruments issued by a Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

2.19.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.19.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not quality for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.19.4.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition, it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis;

  or
- it forms part of a contract containing one or more embedded derivatives, and the Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that liabilities that are designated as at FVTPL, the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of the liability is recognised in other comprehensive income, unless the recognition of the effects of changes mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified in profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

2.19.4.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.19.4.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

2.19.4. 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 set off the amount it intense, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

2.22 Cash and Cash equivalent

The Company's cash and cash equivalents consists of cash on hand and in banks and demand deposits with banks, which can be withdrawn at any time, without prior notice or penalty on the principal.

For the purposes of cash flow Statement, cash and cash equivalent comprise cash and cheques in hand, bank balances, demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and considered part of the Company's cash management system. In the balance sheet, bank overdraft are presented under borrowings within current financial liabilities.

2.23 Segment reporting

Operating segments are reported in a manner consistent with internal reporting provided to the Chief Operating Decision Maker (CODM) of the Company. The CODM is responsible for allocating resources and assessing performances of the operating segments of the Company.

2.24 Events after reporting date

Where events occurring after the balance sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such event is adjusted within the financial statements. Otherwise, events after the balance sheet date of material size or nature are only disclosed.

2.25 New Accounting standards adopted by the Company: Ind AS 116 – Leases

On April 1, 2019, the Company has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings. The Company has made use of the following practical expedients available in its transition to Ind AS 116 –

- The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2019.
- The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-to- use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.
- The Company excluded the initial direct costs from measurement of the right-to-use asset;
- The Company does not recognize right-to-use assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

The weighted average rate of discount applied to lease liabilities accounted on transition to Ind AS 116 as at April 1, 2019 is 11.50 %.

On adoption of Ind AS 116,

a. The Company had recognized right-to-use assets Rs. 28.82 crores and corresponding lease liabilities Rs. 29.93 crores.

b. The net carrying value of assets procured under the finance lease Rs. 122.63 crores (gross carrying and accumulated depreciation value of Rs. 143.95 crores and Rs. 21.32 crores, respectively) have been reclassified from property, plant and equipment and intangible assets to right- to-use assets.

c. The obligations under finance leases of Rs. 27.99 crores (non-current and current obligation under finance leases Rs. 20.09 crores and Rs. 7.90 crores respectively) have been reclassified to lease liabilities.

d. Prepaid rent, which were earlier classified under "Other Assets" have been reclassified to right-to-use assets by Rs. 2.96 crores.

The adoption of the new standard has resulted in a reduction of Rs. 1.11 crores in retained earnings

During the year ended March 31, 2020, the Company recognized in the Statement of Profit and Loss:

a. Depreciation expense from right-to-use assets (including assets taken on lease accounted for as finance lease under Ind AS 17 till previous year) of Rs. 37.69 crores (Refer to Note 6).

b. Interest expenses on lease liabilities of Rs. 6.92 crores.

c. Rent expense amounting to Rs. 5.07 crores pertaining to leases with less than twelve months of lease term has been included under other expenses.

Refer to Note 6 for additions to right-to-use assets during the year ended March 31, 2020 and carrying amount of right-to-use assets as at March 31, 2020 by class of underlying asset.

Lease payments during the year are disclosed under financing activities in the statement of cash flows.

On adoption of Ind AS 116, the operating lease rentals charged for the year of Rs. 7.27 crores is now substituted by an amortization charge of Rs. 6.27 crores and finance costs of Rs. 3.42 crores. Net impact is increase in charge for the year is Rs. 2.42 crores.

The difference between the lease obligation disclosed as of March 31, 2019 under Ind AS 17 and the value of the lease liabilities as of April 1, 2019 is primarily on account of application of definition of lease term and discounting the lease liabilities to the present value in accordance with Ind AS 116.

Particulars	Rs. Crores
Operating lease commitments disclosed as at March 31, 2019	40.48
Add: Extended lease term considered as per Ind AS 116 lease definition	2.86
Less: Impact of discounting on opening lease liability	12.27
Less: Erstwhile liability created under IND AS 17 for rent straight lining	0.32
Less: Short-term leases not recognized as a liability	0.82
Lease liability recognized as at April 1, 2019	29.93

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

Appendix C to Ind AS 12 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 adoption of Appendix C to Ind AS 12 did not have any material impact on the standalone financial statements of the Company.

Amendment to Ind AS 12 – Income Taxes

The Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any material impact on the standalone financial statements of the Company.

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

The 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. The adoption of amendment to Ind AS 19 did not have any material impact on the standalone financial statements of the Company.

New Accounting Standards not yet adopted by the Company

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, which are described in note 2, the management of the Company is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experiences and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3.1.1 Revenue recognition

The Company derives revenues from fixed price contracts. The revenue recognised on these contracts is dependent on the estimated percentage of completion at a point in time, which is calculated on the basis of the man days of work performed as a percentage of the estimated total man days to complete a contract. The actual man days and estimated man days to complete a contract are updated on a monthly basis.

The estimated man days remaining to complete a project are judgemental in nature and are estimated by experienced staff using their knowledge of the time necessary to the work.

If a contract is expected to be loss making, based on estimated costs to complete, the expected loss is recognised immediately.

3.1.2 Taxation

The Company makes estimates in respect of tax liabilities and tax assets. Full provision is made for deferred and current taxation at the rates of tax prevailing at the year-end unless future rates have been substantively enacted. These calculations represent our best estimate of the tax charge that will be incurred and recovered but actuals may differ from the estimates made and therefore affect future financial results. The effects would be recognised in the Statement of Profit and Loss.

Deferred tax assets arise in respect of unutilised losses and other timing differences to the extent that it is probable that future taxable profits will be available against which the asset can be utilised or to the extent they can be offset against related deferred tax liabilities. In assessing recoverability, estimation is made of the future forecasts of taxable profit, including for transactions expected to be consummated during the current year. If these forecast profits do not materialise, they change, or there are changes in tax rates or to the period over which the losses or timing differences might be recognised, then the value of deferred tax assets will need to be revised in a future period.

The Company has losses and other timing differences for which no deferred tax asset has been recognised in these financial statements. This situation can arise where the future economic benefit of these timing differences is estimated to be not probable. It can also arise where the timing differences are of such a nature that their value is dependent on only certain types of profit being earned, such as capital profits. If trading or other appropriate profits are earned in future, these losses and other timing differences may yield benefit to the Company in the form of a reduced tax charge.

3.1.3 Depreciation and useful lives of property, plant and Equipment and intangible assets

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Intangible assets are amortised over its estimated useful lives. Management reviews the estimated useful lives and residual values of the assets annually in order to determine the amount of depreciation/ amortisation to be recorded during any reporting period. The useful lives and residual values are based on the Company's historical experience with similar assets and take into account anticipated technological changes. The depreciation/ amortisation for future periods is adjusted if there are significant changes from previous estimates.

3.1.4 Expected credit losses on financial assets

The impairment provision of financial assets are based on assumption about risk of default and expected timing of collection. The Company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Company's history of collections, customer's creditworthiness, existing market condition as well as forward looking estimates at the end of each reporting period.

3.1.5 Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

3.1.6 Fair value measurements and valuation process

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. Further, the Company has used valuation experts for the purpose of ascertaining fair value for certain assets and liabilities. In estimating the fair value of an asset or a liability, the Company uses market-observable data to the extent that it is available. Where Level 1 inputs are not available, the Company engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. 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.

3.1.8 Leases:

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right-to-use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Company considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Company reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

4 Property, Plant and Eqiupment

₹ 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, 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**
Reclassification (Refer note 2.25)	(112.20)	(27.30)	-	-	(0.04)	(2.70)	**(142.24)**
Additions	-	10.18	4.26	0.99	1.73	0.08	**17.24**
Deduction ##	-	(74.84)	(18.83)	(3.12)	(6.30)	(1.16)	**(104.25)**
Adjustment #	-	1.37	-	-	0.04	-	**1.41**
Balance as at March 31, 2020	**131.64**	**305.71**	**8.88**	**2.13**	**17.44**	**1.36**	**467.16**
II. Accumulated depreciation							
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**
Reclassification (Refer note 2.25)	(13.75)	(6.13)	-	-	(0.01)	(0.64)	(20.53)
Depreciation for the year	2.34	20.62	2.65	0.37	3.16	0.21	**29.35**
Deduction ##	**-**	(67.56)	(16.83)	(2.96)	(5.54)	(1.04)	**(93.93)**
Adjustment #	-	0.80	-	-	0.02	-	**0.82**
Balance as at March 31, 2020	**10.96**	**201.48**	**2.32**	**0.96**	**6.69**	**0.58**	**222.99**
Net block (I-II)							
Balance as at March 31, 2020	**120.68**	**104.23**	**6.56**	**1.17**	**10.75**	**0.78**	**244.17**
Balance as at March 31, 2019	221.47	142.55	6.95	0.71	12.95	3.09	387.72

Refer note 16 and 19 for assets pledged/ hypothecated.

\# Adjustment is on account of completion of lease term and assets getting transferred as owned assets

\#\# Deduction includes assets transferred on account of VFX division sale; discard on account of fire; assets written off & sale of assets

5 Goodwill and other intangible assets

₹ Crores

Description of Assets	Goodwill	Film Rights	Computer Software	Total
I. Intangible Assets				
Balance as at March 31, 2018	**0.53**	**3.00**	**9.57**	**13.10**
Additions	-		0.27	**0.27**
Deduction	-		-	**-**
Balance as at March 31, 2019	**0.53**	**3.00**	**9.84**	**13.37**
Reclassification (Refer note 2.25)	-	-	(1.71)	**(1.71)**
Additions	-	-	0.06	**0.06**
Deduction ##	-	-	(6.44)	**(6.44)**
Balance as at March 31, 2020	**0.53**	**3.00**	**1.75**	**5.28**
II. Accumulated amortisation				
Balance as at March 31, 2018	**0.53**	**3.00**	**7.12**	**10.65**
Amortisation for the year	-	-	0.71	**0.71**
Deduction	-	-	-	**-**
Balance as at March 31, 2019	**0.53**	**3.00**	**7.83**	**11.36**
Reclassification (Refer note 2.25)	-	-	(0.79)	**(0.79)**
Amortisation for the year	-	-	0.37	**0.37**
Deduction ##	-	-	(6.24)	**(6.24)**
Balance as at March 31, 2020	**0.53**	**3.00**	**1.17**	**4.70**
Net block (I-II)				
Balance as at March 31, 2020	**-**	**-**	**0.58**	**0.58**
Balance as at March 31, 2019	-	-	2.01	2.01

Deduction includes assets written off.

6 Right to use Assets

₹ Crores

Description of Assets	Studio	Premises	Building	Plant and equipment	Office equipments	Vehicles	Software	Total
I. Gross Block								
Balance as at March 31, 2018	-	-	-	-	-	-	-	-
Additions *	184.84	-	-	-	-	-	-	184.84
Deduction	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	**184.84**	**-**	**-**	**-**	**-**	**-**	**-**	**184.84**
Reclassification (Refer note 2.25)	-	-	112.20	27.30	0.04	2.70	1.71	143.95
Transition impact of Ind AS 116 implementation (Refer note 2.25)	-	31.78	-	-	-	-	-	31.78
Additions	0.61	2.93	-	20.08	-	-	0.15	23.77
Deduction ##	-	-	-	(3.35)	-	-	-	(3.35)
Adjustment #	-	-	-	(1.37)	(0.04)	-	-	(1.41)
Balance as at March 31, 2020	**185.45**	**34.71**	**112.20**	**42.66**	**-**	**2.70**	**1.86**	**379.58**
II. Accumulated Depreciation								
Balance as at March 31, 2018	-	-	-	-	-	-	-	-
Amortisation for the year	3.13	-	-	-	-	-	-	3.13
Deduction	-	-	-	-	-	-	-	-
Balance as at March 31, 2019	**3.13**	**-**	**-**	**-**	**-**	**-**	**-**	**3.13**
Reclassification (Refer note 2.25)	-	-	13.75	6.13	0.01	0.64	0.79	21.32
Amortisation for the year	21.59	6.27	3.44	5.75	0.01	0.32	0.31	37.69
Deduction ##	-	-	-	(1.55)	-	-	-	(1.55)
Adjustment #	-	-	-	(0.80)	(0.02)	-	-	(0.82)
Balance as at March 31, 2020	**24.72**	**6.27**	**17.19**	**9.53**	**-**	**0.96**	**1.10**	**59.77**
Net block (I-II)								
Balance as at March 31, 2020	**160.73**	**28.44**	**95.01**	**33.13**	**-**	**1.74**	**0.76**	**319.81**
Balance as at March 31, 2019	181.71	-	-	-	-	-	-	181.71

* Refer note 34

Adjustment is on account of completion of lease term and assets getting transferred as owned assets

Deduction includes assets transferred on account of VFX division sale & discard on account of fire

7 Investments

₹ Crores

	As at March 31, 2020		As at March 31, 2019	
	Units	Amount	Units	Amount
Non Current				
In Equity Shares of Subsidiary Companies				
Unquoted, fully paid up (at cost)				
Prime Focus Technologies Limited of Rs. 10/- each (Refer note (f) below)	16,01,466	33.46	16,01,466	33.46
Prime Focus Production Services Private Limited of Rs. 10/- each	9,999	0.01	9,999	0.01
De-fi Media Limited of British pound 1/- each	2,43,67,188	-	2,43,67,188	-
Prime Focus Motion Pictures Limited of Rs.10/- each	50,000	0.05	50,000	0.05
GVS Software Private Limited of Rs.10/- each	10,000	0.01	10,000	0.01
PF Investments Limited of USD 1/- each	43,000	0.22	43,000	0.22
PF World Limited of USD 1/- each (Refer note (f) below)	1,06,000	209.00	1,06,000	209.00
PF Digital Media Services Limited of Rs.10/- each	50,000	0.05	50,000	0.05
PF Overseas Limited of USD 1/- each *	100	0.00	100	0.00
Prime Focus Malaysia SDN BHD of RM 1/- each (Refer note (g) below)	-	-	35,000	0.06
DNEG India Media Services Limited of Rs.10/- each (refer note (b) and (c) below)	-	-	-	-
PF Media Limited of MUR 1/- each (refer note d below) #	-	-	89,51,11,000	104.03
Lowry Digital Imaging Services Inc. of USD 1/- each (refer note b below) #	100	-	100	-
In Preference Shares of Subsidiary Companies				
Unquoted, fully paid up (at cost)				
GVS Software Private Limited	2,65,000	26.50	2,65,000	26.50
Redeemable Convertible Preference Shares of Rs.10/- each				
PF World Limited	12,76,66,396	511.82	7,66,66,396	475.21
12% optionally convertible preference shares of USD 1/- each				
In Membership Share in LLP, Unquoted (at cost)				
Jam8 Prime Focus LLP	-	0.01	-	-
		781.13		**848.60**
Unquoted equity instruments - fully paid up (at FVTPL)				
Other Investment:				
The Shamrao Vithal Co-operative Bank of Rs 25/- each	4,000	0.01	4,000	0.01
Mainframe Premises Co-Operative Society of Rs 10/- each *	350	0.00	350	0.00
		0.01		**0.01**
		781.14		**848.61**
a) Aggregate amount of quoted Investments		-		-
Aggregate amount of unquoted Investments		**781.14**		**848.61**

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 34).

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 previous year. The Company also additionally invested ₹ 0.12 crores during the previous year. During the previous 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 Company has sold its entire shareholding in PF Media Limited (formerly known as Reliance Media Works (Mauritius) Limited), its wholly owned subsdiary, to Prime Focus World Mauritius, another subsidiary of the Company, for a consideration of ₹ 82.22 crores (USD 11 Million). Loss of ₹ 21.82 crores on such sale has been accounted in "Retained earnings", this being in the nature of common control business combination.

e) 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.

f) Refer note 16 (a) for pledge of shares in subsidiaries.

g) During the year, the Company has written off investment in Prime Focus Malaysia SDN BHD on account of the subsidiary being closed effective October 08, 2019.

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

Lowry Digital Imaging Service Inc (formerly known as Reliance Lowry Digital Imaging Services Inc.)

PF Media Limited (formerly known Reliance Media Works (Mauritius) Ltd.)

8 Loans (Unsecured, Considered good)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Current		
Loan to Subsidiaries (Refer note 33)	164.22	78.62
Total	**164.22**	**78.62**

Note

a. Loans given to Subsidiaries

Name of the Company	As at March 31, 2020	Maximum outstanding balance during the year	As at March 31, 2019	Maximum outstanding balance during the year
PF Digital Media Services Limited	19.93	20.68	6.03	7.92
DNEG India Media Services Limited	-	-	-	41.25
Prime Focus Technologies Limited	141.33	152.46	72.59	84.80
Jam8 Prime Focus LLP	2.96	2.97	-	-
	164.22	**176.11**	**78.62**	**133.97**

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

ii All the above loans carry interest @12% per annum (previous year @15% per annum)

iii All loans are given for general corporate purpose.

9 Other Financial Assets (non-current) (Unsecured, considered good)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Security Deposits	4.49	16.19
Bank Deposits #	0.81	0.75
Total	**5.30**	**16.94**

Fixed deposits are provided as security against fund -based and non -fund based credit facilities and have maturity period of more than 12 months from balance sheet date.

10 Other assets

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Other Non-current assets (unsecured, considered good)		
Capital Advances	3.13	4.15
Other Loans and advances	0.10	2.72
Total	**3.23**	**6.87**
Other current assets		
Other Loans and advances		
Considered good (Refer note 33)	73.34	29.69
Doubtful	-	5.00
Total	73.34	34.69
Less: Provision for doubtful advances	-	(5.00)
Total	**73.34**	**29.69**

a. Other loans and advances includes prepaid expenses, loans and advances to employees and others, advances to suppliers, service tax, VAT receivables and Goods and Services Tax (GST).

11 Trade Receivables (Unsecured)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Trade receivable	52.98	75.39
Less: loss allowances	(7.98)	(26.32)
	45.00	**49.07**
The movement in allowance for bad and doubful debts is as follows:		
Balance as at the beginning of the year	**26.32**	20.93
Loss allowances made / (written back) during the year	(18.34)	5.39
Balance as at the end of the year	**7.98**	**26.32**

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivable are due and the rates as given in the provision matrix.

12 Cash and bank balances

₹ Crores

	As at March 31, 2020	As at March 31, 2019
a. Cash and cash equivalents		
Cash on hand	0.02	0.02
Bank balances		
In current accounts	0.16	0.67
Total	**0.18**	**0.69**
b. Bank balances other than (a) above		
Other Bank balances		
In deposits *	0.05	0.05
Total	**0.05**	**0.05**

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

13 Other Financial Assets (Current)
(Unsecured, Considered good)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Security Deposits	1.21	2.18
Inter Corporate Deposits	2.32	2.39
Advances to Subsidiaries (Refer note 33)	1.86	6.45
Interest accrued on bank deposits *	0.00	0.00
Unbilled Revenue	6.68	10.09
Receivable towards sale of VFX business (Refer note 33 and 35)	138.43	-
Receivable towards sale of Investment (Refer note 7d and 33)	82.22	-
Other Receivable	2.46	0.25
Total	**235.18**	**21.36**

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

14 Equity Share Capital

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Authorised:		
45,00,00,000 Shares of ₹ 1/- each (Previous year 45,00,00,000 Shares of ₹ 1/- each)	45.00	45.00
Issued, Subscribed and Paid up:		
29,92,48,978 Shares of ₹ 1/- each (Previous year 29,91,82,312 Shares of ₹ 1/- each)	29.92	29.92
Total	**29.92**	**29.92**

14.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:
Fully paid equity shares:

	As at March 31, 2020		As at March 31, 2019	
	Number of Shares	Amount	Number of Shares	Amount
Balance as at the beginning of the year	29,91,82,312	29.92	29,91,65,645	29.92
Additions during the year (Refer note 32) *	66,666	0.01	16,667	0.00
Balance as at the end of the year	**29,92,48,978**	**29.92**	**29,91,82,312**	**29.92**

* Issued, Subscribed and Paid up as at March 31, 2020 is amounting to ₹ 29,92,48,978 (March 31, 2019 ₹ 29,91,82,312) after addition of ₹ 66,666 during the year (March 31, 2019 ₹ 16,667)

		As at March 31, 2020	As at March 31, 2019
14.2	Shares reserved for issue under options (Refer note 32) (nos)	1,75,62,734	1,76,29,400

14.3 Rights, preferences and restrictions attached to shares:

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

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

	As at March 31, 2020		As at March 31, 2019	
	Numbers	% of holding	Numbers	% of holding
Naresh Malhotra	6,22,01,546	20.79%	6,22,01,546	20.79%
Reliance MediaWorks Financial Services Private Limited	3,16,39,695	10.57%	10,49,39,361	35.08%
Standard Chartered Private Equity (Mauritius) Limited	-	-	2,92,41,817	9.77%
Marina IV (Singapore) Pte. Limited	2,33,90,875	7.82%	2,33,90,875	7.82%
Monsoon Studio Private Limited	2,75,06,095	9.19%	2,75,06,095	9.19%
IDBI Trusteeship Services Limited	7,32,99,666	24.49%	-	-
Augusta Investments I Pte. Limited	2,92,41,817	9.77%	-	-

14.5 Aggregate number of shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	As at March 31, 2020	As at March 31, 2019
Equity shares allotted as fully paid up pursuant to business transfer agreement for consideration other than cash	6,73,07,692	6,73,07,692

14.6 Share warrants

Pursuant to the special resolution passed by the shareholders of the Company at its Extra-Ordinary General Meeting held on January 5, 2018, the Board of Directors of the Company at its meeting held on February 14, 2018 had 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.

During previous year the Company had 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 was receivable by August 13, 2019, the concerned warrant holders were not able to exercise their option for entitlement on the due date.

Hence the alloted 3,11,32,076 warrants stands cancelled and the application money received stands forfeited. The said forfeited application money has been transferred to Capital reserve during the year.

15 Other Equity

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Securities Premium		
As per last balance sheet	765.94	765.79
Add: Movement during the year	0.63	0.15
	766.57	**765.94**
Capital Reserve		
As per last balance sheet	51.77	51.77
Add: Movement during the year (Refer note 14.6)	82.50	-
	134.27	**51.77**
General Reserve		
As per last balance sheet	61.09	38.81
Add: Movement during the year	-	22.28
	61.09	**61.09**

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Debenture Redemption Reserve		
As per last balance sheet	-	22.28
(Less): Movement during the year	-	(22.28)
	-	-
Retained earnings *		
As per last balance sheet	57.22	76.57
Add / (Less): Movement during the year	143.68	(19.35)
	200.90	**57.22**
Share options outstanding account		
As per last balance sheet	71.32	49.41
Add: Movement during the year	0.92	21.91
	72.24	**71.32**
Total	**1,235.07**	**1,007.34**

* Includes Remeasurement of defined benefit obligations (net of tax), loss of ₹ 0.10 crores (March 31, 2019: loss of ₹ 0.03 crores).

16 Borrowings (non-current)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Term loans (secured)		
from banks (Refer note (a) below)	100.88	127.45
from others (Refer note (b) below)	22.35	27.14
Term loans (Unsecured)		
from others (Refer note (c) below and note 34)	200.00	200.00
Total	**323.23**	**354.59**

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 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 (d) below), Corporate Guarantee of Reliance Capital Limited of ₹ 100 Crores, exclusive charge by way of mortgage of immovable properties, pledge of 30%shares of subsidiaries viz; Prime Focus Technologies Limited, PF World Limited, Mauritius, Prime Focus 3D Cooperatief U.A., Prime Focus Luxembourg s.a.r.l and DNEG India Media Services Limited.

During the previous year, out of the above availed facility, Company took the disbursement aggregating ₹ 188.87 crores. At the year end March 31, 2020, ₹ 100.88 crores (net of transaction fees) is disclosed as non-current and ₹ 33.18 crores is disclosed as current. At the year end March 31, 2019, ₹ 127.45 crore (net of transaction fees) is disclosed as non-current and ₹ 20.37 crore is disclosed as current.

b. On August 13, 2014, the Company had entered into a long-term loan agreement with a party 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, 2020, ₹ 22.35 crores is disclosed as non-current and ₹ 4.79 crores is disclosed as current. At the year end March 31, 2019, ₹ 27.14 crores is disclosed as non-current and ₹ 4.23 crores is disclosed as current

c. On February 25, 2019, the Company had entered into a long-term loan agreement with a party 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 34). At the year end March 31, 2020 and March 31, 2019, ₹ 200 crores is disclosed as non-current.

d. The promoters of the Company have pledged 4.63% of shares as at March 31, 2020 and March 31, 2019 of the Company towards various borrowings commitments, including borrowings by the Company.

17 Provisions

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Provisions (non-current)		
Provision for employee benefits: (Refer note 30)		
Provision for gratuity	2.11	1.98
Provision for compensated absences	0.53	0.57
Total	**2.64**	**2.55**
Provisions (current)		
Provision for employee benefits: (Refer note 30)		
Provision for gratuity	0.36	0.29
Total	**0.36**	**0.29**

18 Other Liabilities

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Other Non-Current Liabilities		
Deferred rent	-	0.99
Total	**-**	**0.99**
Other Current Liabilities		
Advances received from customers	0.82	1.06
Deferred revenue	73.66	23.83
Deferred rent	-	0.41
Other Payable #	0.78	4.68
Total	**75.26**	**29.98**

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

19 Borrowings (current)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Cash credit / overdraft (secured)		
from banks(Refer note (a) below)	32.13	22.20
Short-term demand loan (secured)		
from banks (Refer note (b) below)	-	10.00
Total	**32.13**	**32.20**

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 16e). The cash credit is repayable on demand and carries interest at the rate of 11.00% to 11.25% 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. 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 16d). During the year the said loan is repaid.

20 Trade Payables

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Total outstanding dues to creditors other than micro and small enterprises	22.02	23.80
Dues to Group Company (Refer note 33)	1.10	0.91
Total	**23.12**	**24.71**

20.1 According to the records available with the Company, there were no transactions and dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 for the above years.

21 Other financial liabilities

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Other financial liabilities (non-current)		
Interest accrued and not due on borrowings	19.76	1.66
Deposit Received from group companies (Refer note 33)	89.03	93.90
Total	**108.79**	**95.56**
Other financial liabilities (current)		
Current maturities of long-term debt (Refer note 21.1)	37.97	24.60
Interest accrued but not due on borrowings	3.89	3.34
Accrued salaries and benefits	2.23	3.41
Deposits from customers	3.05	2.63
Capital Creditors	4.19	4.02
Deposit Received from group companies (Refer note 33)	7.87	-
Total	**59.20**	**38.00**

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 31,2020 (March 31, 2019: Nil).

21.1 Current maturity of long term borrowings

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Term loans (secured)		
from banks (Refer note 16 a)	33.18	20.37
from others (Refer note 16 b)	4.79	4.23
Total	**37.97**	**24.60**

22 Revenue from Operations

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
(a) Sale of Services	119.63	152.56
(b) Other Operating Income		
- Property rentals (Refer note 33)	12.23	9.53
- Export incentives	0.03	-
Total Revenue from Operations	**131.89**	**162.09**

Included in revenue arising from sales of services of ₹ 119.63 crores (March 31, 2019: ₹ 152.56 crores) is revenue of ₹ 26.87 Crores (March 31, 2019: ₹ 34.65 crores) which arose from sales to the Company's top 5 customers.

23 Other Income

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income:		
- Bank Deposits	0.06	0.09
- Others (includes loan to subsidiaries)	16.03	13.30
- Income Tax Refund	-	0.75
Dividend income on equity securities *	0.00	0.00
Gain on sale of investment	-	19.10
Gain on disposal of property plant and equipments (net)	0.10	0.27
Liabilities/provisions no longer required written back	2.57	3.64
Gain on studio and related debt accounting (Refer note 34)	-	0.14
Miscellaneous Income	1.55	3.83
Total	**20.31**	**41.12**

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

24 Employee Benefits Expense

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	22.47	35.37
Contribution to Provident and Other Funds (Refer note 30)	0.70	1.08
Gratuity (Refer note 30)	0.44	0.51
Staff Welfare Expenses	0.37	0.52
Total	**23.98**	**37.48**

25 Finance Costs

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Interest on working capital finance	3.42	3.32
Interest on term loan	44.81	27.80
Interest on buyer's credit	-	0.11
Interest and Premium on Non Convertible Debenture	-	13.29
Interest on lease liability	6.92	2.92
Interest on others	8.17	9.95
Total	**63.32**	**57.39**

26 Other Expenses

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Rent (Refer note 2.25)	5.07	12.82
Rates and taxes	2.17	4.59
Rebates and discounts	0.95	1.35
Communication cost	0.55	1.26
Power and fuel	8.29	7.95
Insurance	0.65	0.51
Repairs to buildings	5.01	2.82
Repairs to plant and machinery	2.90	2.70
Legal and professional fees	2.92	5.89
Payment to Auditors:		
- Audit fees	0.28	0.28
- In other matters (certification, limited review,taxation,etc.)	0.17	0.16
Travelling and conveyance	1.52	1.94
Property, Plant and Equipment written off / loss on account of fire	3.79	-
Allowance for bad and doubtful debts / advances	(23.34)	5.39
Bad debts and advances written off	21.98	2.54
Investment written off (Refer note 7g)	0.06	-
Directors Sitting Fees and Commission	0.05	0.06
Miscellaneous expenses	5.86	5.42
Total	**38.88**	**55.68**

27 Exceptional Items

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Gain on sale of VFX business (Refer note 35)	(200.27)	-
Total	**(200.27)**	**-**

28 Income Tax Expense

A. Income tax recognised in Profit and Loss

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Current Tax		
- In respect of prior years / periods (a)	-	2.73
Deferred Tax (b)		
- In respect of the current year	(32.71)	(2.67)
Total Income tax expenses / (credit) recognised in the current year (a+b)	**(32.71)**	**0.06**

B. Income tax recognised in other comprehensive income

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
- Re-measurement of defined benefit obligation	0.02	(0.05)
Tax charge / (credit) recognised in other comprehensive income	**0.02**	**(0.05)**

C. Income tax recognised in exceptional item

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
- Gain on sale of VFX business	60.83	-
Tax charge recognised in exceptional item	**60.83**	**-**

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

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Loss before tax (before exceptional item)	(66.31)	(33.21)
Applicable Tax rate	25.17%	29.12%
Computed Tax Expense	(16.68)	(9.67)
Tax Effect of:		
Effect of expenses that are not deductible	(0.19)	0.08
Tax effect of adjustments related to capital gains/ losses (including indexation benefit)	2.59	(4.37)
MAT asset charged off on opting for lower tax regime	6.85	-
Deferred tax assets recognised now with respect to unused tax losses and depreciation of earlier years	(25.28)	-
Effect of non recognition of deferred tax assets on tax losses and other adjustments	-	7.28
	(32.71)	(6.68)
Set-off of capital gain (Refer note 7c) against business losses	-	4.01
Taxes pertaining to prior years	-	2.73
Income tax expense recognised in profit or loss	**(32.71)**	**0.06**

The tax rate used for reconciliation above is the corporate tax rate payable by corporate entities in India on taxable profit under the Income tax laws

E. Movement in temporary differences

₹ Crores

	Balance as at March 31, 2020	Recognised in Profit / Loss during 2019-20 (including exceptional item) *	Recognised in OCI during 2019-20	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
Deferred tax liability							
Difference between tax books and written down value of PPE and other intangible assets	61.28	6.79	-	54.49	(0.99)	-	55.48
Others	0.76	0.72	-	0.04	(0.01)	-	0.05
	62.04	**7.51**	-	**54.53**	**(1.00)**	-	**55.53**
Deferred tax assets							
Unabsorbed loss / depreciation carried forward	52.08	(13.93)	-	66.01	24.12	-	41.89
Related to premium on redemption of NCD's	-	-	-	-	(24.12)	-	24.12
Provision for doubtful debts / advances	2.00	(7.11)		9.11	1.56	-	7.55
Lease Liability	7.34	7.34		-	-	-	-
Others	0.62	(0.06)	0.02	0.66	0.11	(0.05)	0.60
Mat credit entitlement	-	(6.85)	-	6.85	-	-	6.85
	62.04	**(20.61)**	**0.02**	**82.63**	**1.67**	**(0.05)**	**81.01**
Net deferred tax (assets)	**-**	**28.12**	**(0.02)**	**(28.10)**	**(2.67)**	**0.05**	**(25.48)**

* Tax of ₹ 60.83 crores has been netted off against exceptional gain in the current year.

F. Unrecognised deferred tax assets

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Unabsorbed business loss FY 2018-19 (AY 2019-20)	-	7.28
Unabsorbed business loss FY 2017-18 (AY 2018-19)	-	24.83
Unabsorbed depreciation FY 2017-18 (AY 2018-19)	-	8.94
Unabsorbed depreciation FY 2016-17 (AY 2017-18)	-	4.71
Unabsorbed business loss FY 2014-15 (AY 2015-16)	0.17	2.52
Unabsorbed depreciation FY 2014-15 (AY 2015-16)	-	6.11
Unabsorbed business loss FY 2012-13 (AY 2013-14)	37.13	1.14
Unabsorbed depreciation FY 2012-13 (AY 2013-14)	-	7.05
	37.30	**62.58**

G. Tax lossess carried forward

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

₹ Crores

	As At March 31, 2020	Will expire in FY
Unabsorbed business loss FY 2014-15 (AY 2013-14)	147.52	2020-21
Unabsorbed business loss FY 2014-15 (AY 2015-16)	0.69	2022-23
	148.21	

29 Earnings Per Equity Share (EPS)

Basic EPS amounts are calculated by dividing the net (loss) / profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the net (loss) / profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Net Profit / (loss) after tax as per Statement of Profit and loss attributable to equity shareholders (after exceptional items)	166.67	(33.27)
Less: Exceptional items (net of tax)	(200.27)	-
Loss after tax (before exceptional items)	(33.60)	(33.27)
Weighted average number of Equity shares for basic EPS	29,92,07,631	29,91,67,745
Effects of dilution:		
Weighted average potential Equity shares	-	50,84,030
Weighted average number of Equity shares adjusted for the effect of dilution	29,92,07,631	30,42,51,775
Earnings per share (before exceptional items)		
Basic earnings per share (Rs.)	(1.12)	(1.11)
Diluted earnings per share (Rs.) (Refer note below)	(1.12)	(1.11)
Earnings per share (after exceptional items)		
Basic earnings per share (Rs.)	5.57	(1.11)
Diluted earnings per share (Rs.) (Refer note below)	5.57	(1.11)
Nominal value of shares (Rs.)	1.00	1.00

Note: Potential equity shares are anti-dilutive in nature and hence diluted earnings per share is same as basic earnings per share.

30 Employee benefit plans

30.1 Defined Contribution Plans

The Company makes provident fund, Employee State Insurance and employees' pension scheme contribution to the relevant authorities, which are defined contribution plans for the qualifying employees.

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

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Employer's Contribution to Provident Fund and other funds	0.70	1.08

30.2 Defined Benefit Plans

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

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

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

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

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

(i) Expense recognised in Statement of Profit and Loss:

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
In Income Statement		
Current Service Cost	0.28	0.35
Interest Cost	0.16	0.16
Net cost	**0.44**	**0.51**
In Other Comprehensive Income		
Actuarial (gain) / loss	0.08	(0.18)
Net expenses for the year recognised in OCI	**0.08**	**(0.18)**

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

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Defined Benefit obligation at beginning of the year	2.27	2.08
Current Service Cost	0.28	0.35
Interest Cost	0.16	0.16
Liability Transferred Out / Disinvestments	(0.20)	-
Actuarial (Gain)/Loss on obligation - due to change in financial assumptions *	0.21	(0.00)
Actuarial (Gain)/Loss on obligation - due to experience	(0.13)	(0.18)
Benefits Paid	(0.12)	(0.14)
Defined Benefit obligation at year end	**2.47**	**2.27**

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

(iii) Actuarial Assumptions

	Year ended March 31, 2020	Year ended March 31, 2019
Discount Rate (p.a.)	6.89%	7.79%
Rate of escalation in salary (p.a.)	5.00%	5.00%
Attrition Rate	For Service period 4 years and below 10% p.a. and for service period of above 4 years 2.00% p.a.	For Service period 4 years and below 10% p.a. and for service period of above 4 years 2.00% p.a.
Mortality Table *	IALM 2006-08	IALM 2006-08

* IALM - Indian Assured Lives Mortality

The discount rates reflect the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increase, considered in actuarial valuation, take into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market. The above information is certified by the actuary.

(iv) Sensitivity Analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

	2019-20		2018-19	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (1% movement)	(0.24)	0.28	(0.22)	0.26
Future salary appreciation (1% movement)	0.25	(0.23)	0.24	(0.22)
Attrition rate (1% movement)	0.05	(0.05)	0.06	(0.07)

31 Financial instruments

31.1 Capital risk management

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

The management sets the amounts of capital required in proportion to risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and risk characteristics of the underlying assets.

The capital structure of consists of borrowings, offset by cash and bank balances, equity (comprising issued capital, reserves and retained earnings as detailed in statement of changes in shareholders' equity), and share warrants. The debt equity ratio for current year is 0.33 as on March 31, 2020 (March 31, 2019: 0.37)

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

31.2 Financial Risk Management objectives

A wide range of risks may affect the Company's business and financial results. Amongst other risks that could have significant influence on the Company are market risk, credit risk and liquidity risk.

The Board of Directors of the Company manage and review the affairs of the Company by setting up short term and long-term budgets by monitoring the same and taking suitable actions to minimise potential adverse effects on its operational and financial performance.

31.3 Market risk

The Company is primarily exposed to the following market risks.

31.3.1 Foreign Currency risk management

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

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

Particulars	Foreign Currency Denomination	As at March 31, 2020		As at March 31, 2019	
		Foreign Currency	₹ Crores	Foreign Currency	₹ Crores
Financial Assets *	GBP	4,36,077	4.03	9,98,574	9.02
	AED	-	-	29,791	0.06
	USD	1,11,31,993	83.20	2,00,229	1.39
	EURO	3,012	0.02	-	-
	KES	-	-	71,085	0.00
	CAD	1,19,244	0.63	4,69,846	2.44
	JPY	-	-	3,60,000	0.02
Total			**87.88**		**12.93**

Particulars	Foreign Currency Denomination	As at March 31, 2020		As at March 31, 2019	
		Foreign Currency	₹ Crores	Foreign Currency	₹ Crores
Financial Liabilities	GBP	8,000	0.07	26,925	0.24
	EURO	17,392	0.14	41,765	0.32
	USD	42,600	0.32	62,286	0.43
Total			**0.53**		**0.99**
Net Exposure			**87.35**		**11.94**

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

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 ₹ 4.37 Crores for the year ended March 31, 2020 (March 31, 2019: ₹ 0.60 crores). This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

31.3.2 Interest rate risk management

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

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 ₹ 0.86 crores and ₹ 0.95 crores for March 31, 2020 and March 31, 2019 respectively and a 50 basis point decrease in floating interest rates on such borrowings would have increased equity and profit by the same amount respectively.

31.3.3 Credit risk management

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

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 ₹ 57.02 crores and ₹ 56.47 crores as at March 31, 2020 and March 31, 2019 respectively, being the total of the carrying amount of the balances with banks, bank deposits, investments (excluding equity and preference investments), trade receivables, unbilled revenue and other financial assets (excluding group company receivables).

The Company's exposure to customers is diversified and one single customer contributes to more than 10% of outstanding trade receivables and unbilled revenue as at March 31, 2020 (none in March 31, 2019).

31.4 Liquidity risk management

Liquidity risk refers to the risk that the Company may not be able to meet its financial obligations timely.

Management monitors rolling forecasts of the Company's liquidity position (comprising of undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks and others to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner

The table below analyses the maturity profile of the Company's financial liabilities. The following break up is based on the remaining period at the balance sheet date to the contractual maturity date.

₹ Crores

As at March 31, 2020	Less than 1 year	Between 1 and 5 years
Long term and short term borrowings	70.10	323.23
Lease liabilities	14.68	45.41
Interest accrued but not due	3.89	19.76
Trade Payables	23.12	-
Deposit received	7.87	89.03
Others	9.47	-
	129.13	**477.43**

₹ Crores

As at March 31, 2019	Less than 1 year	Between 1 and 5 years
Long term and short term borrowings	56.80	354.59
Lease liabilities	7.90	20.09
Interest accrued but not due	3.34	1.66
Trade Payables	24.71	-
Deposit received	-	93.90
Others	10.06	-
	102.81	**470.24**

31.5 Fair Value Instruments

₹ Crores

Financial Assets	Carrying Value		Fair Value		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	Fair Value hierarchy
FVTPL					
Investments *	0.01	0.01	0.01	0.01	Level 3
Amortised Cost					
Investments	781.13	848.60	-	-	
Loans	164.22	78.62	-	-	
Trade receivables	45.00	49.07	-	-	
Cash and cash equivalent	0.18	0.69	-	-	
Other Bank balances	0.05	0.05	-	-	
Other financial assets	240.48	38.30	-	-	
Total	**1,231.07**	**1,015.34**	**0.01**	**0.01**	

Financial Liabilities	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	Fair Value hierarchy
FVTPL					
Amortised Cost					
Borrowings	416.98	416.39	-	-	
Lease liabilities	60.09	27.99	-	-	
Trade payable	23.12	24.71	-	-	
Deposits received	96.90	93.90	-	-	
Other financial liabilities	9.47	10.06	-	-	
Total	**606.56**	**573.05**	**-**	**-**	

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, 2020	As at March 31, 2019	Fair Value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Financial Assets						
Investment	0.01	0.01	Level 3	Discounted cash flows	Discount rate and probable cash flows	Higher the discount rate, lower the fair value

32 Share based payments

A. During the financial year 2014-15, the Board of Directors of the Company and its Shareholders' approved a share option plan and reserved 17,932,738 common shares for issuance thereunder. During the financial year 2016-17, options totalling to 17,932,738 ordinary shares were granted to certain identified eligible employees. Detailed description of share based payment arrangements is as below:

(a)	Date of shareholders' approval	August 1, 2014
(b)	Total number of options approved under ESOS	1,79,32,738
(c)	Vesting requirements	Out of the total options granted, 45.88% options vest after 1st year, 45.88% options vest after 2nd year and 8.24% options vest after 3rd year from the date of respective grant.
(d)	Exercise price or pricing formula	₹ 52
(e)	Maximum term of options granted	5 years from each vesting date
(f)	Source of shares (primary, secondary or combination)	Primary
(g)	Variation in terms of options	Modified exercise period from 2 to 5 years (Refer note (c) below)

B. The weighted average fair value of the share option granted during the financial year 2016-17 is ₹32.26/-. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 2 – 4 years.

Inputs into the model were as follows:

(a)	Grant date share price	₹ 68.35
(b)	Exercise Price	₹ 52.00
(c)	Expected Volatility	49.67% – 46.62%
(d)	Expected life	2 – 4 years
(e)	Dividend yield	-
(f)	Risk free interest rate	6.85% to 6.97%

C. During the previous year, the Company had extended the exercise period of all outstanding options from 2 years to 5 years. The weighted average incremental fair value of the share options modified was ₹8.72/-. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 1.90 – 3.40 years.

Inputs into the model were as follows:

(a)	Weighted average share price	₹ 70.80
(b)	Exercise Price	₹ 52.00
(c)	Expected Volatility	49.10% – 46.60%
(d)	Expected life	1.90 – 3.40 years
(e)	Dividend yield	-
(f)	Risk free interest rate	7.90 % to 8.00 %

D. Reconciliation of outstanding share options:

	March 31, 2020		March 31, 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at April 1	1,76,29,400	52.00	1,76,46,067	52.00
Granted during the year	-	-	-	-
Forfeited / lapsed during the year	-	-	-	-
Exercised during the year	66,666	52.00	16,667	52.00
Outstanding at March 31	1,75,62,734	52.00	1,76,29,400	52.00
Exercisable at March 31	1,75,62,734	52.00	1,61,51,820	52.00

Fair value of 14,77,580 option vested during the year is ₹ 6.53 crores (March 31, 2019: 82,27,579 option was ₹ 34.97 crores)

Money realised by exercise of option during the year is ₹ 0.35 crores (March 31, 2019: ₹ 0.09 crores).

The options outstanding at March 31, 2020 have an exercise price of ₹52/- (March 31, 2019: ₹ 52/-) and a weighted average remaining contractual life of 3 year (March 31, 2019: 4 years)

Weighted average share price at the date of the exercise of share options exercised in 2019-20 is ₹ 83.90 (March 31, 2019: ₹ 63.03).

E. Expense recognised in Statement of Profit and Loss

The Company has followed the fair value method to account for the grant of stock options and charge for the year ended March 31, 2020 is ₹ 1.21 Crores (March 31, 2019: ₹ 21.98 Crores).

33 Related party transactions

a. List of Parties where control exists, irrespective of transactions:

i) Subsidiary companies

De-fi Media Limited

Prime Focus Technologies Limited

Prime Focus Production Services Private Limited

GVS Software Private Limited

Prime Focus Motion Pictures Limited

PF World Limited, (Mauritius)

PF Investments Limited (Mauritius)

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

PF Overseas Limited (Mauritius)

Prime Focus Malaysia Sdn. Bhd. (closed w.e.f. June 27, 2019)

Jam8 Prime Focus LLP (Incorporated on April 22, 2019)

ii) Step-down subsidiary companies

Subsidiary companies of PF World Limited (Mauritius)

PF Media Limited (formerly known as Reliance MediaWorks (Mauritius) Limited) (Subsidiary w.e.f. March 31, 2020)

Prime Focus Luxembourg S.a.r.l

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

DNEG Plc (formerly known as DNEG Limited) (Subsidiary of Prime Focus 3D Cooperatief U.A.)

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.)
Vegas II VFX Limited (Subsidiary of Double Negative Canada Production Limited)
REDEFINE FX LTD (Formerly known as RE:DEFINE FX LTD) (Subsidiary of Prime Focus World N.V.)
Prime Focus ME Holdings Limited (Subsidiary of Prime Focus World N.V.)
Prime Focus World Malaysia Sdn. Bhd. (Subsidiary of Prime Focus World N.V.) (closed w.e.f. June 27, 2019)
Prime Focus China Limited (Subsidiary of Prime Focus World N.V.)
Prime Focus (HK) Holdings Limited. (Subsidiary of Prime Focus China 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 India Media Services Limited)
Double Negative Montreal Production Limited (Subsidiary of Prime Focus World N.V.)
DNEG India Media Services Limited ###

Subsidiary companies of Prime Focus Technologies Limited

Prime Focus Technologies UK Limited
Prime Focus Technologies, Inc.
Apptarix Mobility Solutions Private Limited
Prime Post Europe Ltd (Subsidiary of Prime Focus Technologies UK Limited)
Prime Focus MEAD FZ LLC (Subsidiary of Prime Focus Technologies UK Limited)
DAX PFT LLC (Subsidiary of Prime Focus Technologies, Inc.)
DAX Cloud ULC (Subsidiary of DAX PFT LLC)

Subsidiary companies of PF Media Limited (formerly known as Reliance MediaWorks (Mauritius) Limited)

Lowry Digital Imaging Service Inc (formerly known as Reliance Lowry Digital Imaging Services Inc.)

b. Key management personnel (KMP)

Mr. Namit Malhotra – Non Executive Director
Mr. Naresh Malhotra – Chairman and Whole-time Director
Mr. Ramakrishnan Sankaranarayanan – Managing Director (Change in designation to Non Executive Director w.e.f. June 25, 2020)
Mr. Nishant Fadia – Chief Financial Officer
Ms. Parina Shah – Company Secretary

c. Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Blooming Buds Coaching Private Limited
Monsoon Studio Private Limited

d. Enterprises exercising significant influence over the Company

Standard Chartered Private Equity (Mauritius) Limited
Standard Chartered Bank (upto March 31, 2019)

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

(i) Subsidiary companies #

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Revenue		
Prime Focus Technologies Limited	0.67	1.22
De-Fi Media Limited	0.32	0.92
Other operating income - Rent		
Jam8 Prime Focus LLP	1.25	-
Technical service cost		
Prime Focus Technologies Limited	0.19	0.01
PF Digital Media Services Limited	1.13	0.67
Jam8 Prime Focus LLP	0.18	-
Reimbursement of expenses incurred by:		
Prime Focus Technologies Limited	0.10	0.13
Jam8 Prime Focus LLP	0.02	-

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Reimbursement of expenses incurred on behalf of:		
Prime Focus Technologies Limited	1.31	0.98
GVS Software Private Limited *	0.00	0.00
Prime Focus Production Services Private Limited *	-	0.00
DE-Fi Media Limited	(0.13)	4.29
PF Digital Media Services Limited	0.01	0.05
Prime Focus Motion Pictures Limited *	0.00	-
Jam8 Prime Focus LLP	0.04	-
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
Investments		
PF World Limited, Mauritius	36.61	-
Redemption of Investments		
PF World Limited, Mauritius	-	109.05
Advance given		
Prime Focus Motion Pictures Limited	0.75	10.75
Prime Focus Production Services Private Limited *	0.00	-
GVS Software Private Limited *	0.00	-
Loans given		
Prime Focus Technologies Limited	123.17	59.77

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
PF Digital Media Services Limited	25.48	10.06
Jam8 Prime Focus LLP	3.00	-
Loans repaid (including interest, where applicable)		
Prime Focus Technologies Limited	98.32	58.05
PF Digital Media Services Limited	13.14	4.08
Jam8 Prime Focus LLP	0.16	-
Interest on loans		
Prime Focus Technologies Limited	13.87	10.87
PF Digital Media Services Limited	1.56	0.04
Jam8 Prime Focus LLP	0.13	-

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Security deposit given		
PF Digital Media Services Limited	17.85	12.17
Security deposit received		
Prime Focus Technologies Limited	-	-
Interest expense on Security deposit received		
Prime Focus Technologies Limited	7.20	9.00
Interest paid on Security deposit received		
Prime Focus Technologies Limited	7.08	8.34
Investment		
Jam8 Prime Focus LLP	0.01	-

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Balance outstanding ##		
Trade receivables		
Prime Focus Technologies Limited	-	0.03
Prime Focus Motion Pictures Limited	0.32	0.32
De-Fi Media Limited	0.32	0.91
Jam8 Prime Focus LLP	1.35	-
Trade payables		
Prime Focus Technologies Limited	0.02	0.02
Prime Focus Motion Pictures Limited	0.77	0.39
PF Digital Media Services Limited	0.05	0.10
Jam8 Prime Focus LLP	0.22	-
Other payables		
DE-Fi Media Limited	0.13	-

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Other receivable		
Prime Focus Production Services Private Limited *	0.01	0.00
De-Fi Media Limited	-	4.38
GVS Software Private Limited	0.02	0.01
Prime Focus Motion Pictures Limited	0.06	0.06
Prime Focus Technologies Limited	0.37	0.16
PF Digital Media Services Limited *	0.00	0.07
PF World Limited, Mauritius	82.22	-
Jam8 Prime Focus LLP	0.04	-
Loans receivable (including interest, where applicable)		
PF Digital Media Services Limited	19.93	6.02
Prime Focus Technologies Limited @	141.33	72.59
Jam8 Prime Focus LLP	2.96	-
Advance receivable		
Prime Focus Motion Pictures Limited	12.40	11.65
Security deposit receivable		
PF Digital Media Services Limited @	-	12.17
Security deposit payable (including interest, where applicable)		
Prime Focus Technologies Limited	60.80	60.68

(ii) **Step-down Subsidiaries #**

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Other operating income - Rent		
DNEG India Media Services Limited ###	10.32	8.91
Technical service cost		
DNEG India Media Services Limited ###	0.65	0.52
Manpower Cost		
DNEG India Media Services Limited ###	-	0.07
Revenue		
DNEG India Media Services Limited ###	1.01	1.77
Double Negative Montreal Production Limited	-	0.93
Double Negative Limited UK	-	0.62
Prime Focus International Services UK Limited		0.59
Redefine FX Limited	-	0.92
Sale of assets		
DNEG India Media Services Limited ###	-	0.01
Purchase of SFIS License		
DNEG India Media Services Limited ###	-	0.18
Other operating expense - Rent		
DNEG India Media Services Limited ###	0.08	0.27
Reimbursement of expenses incurred by:		
DNEG India Media Services Limited ###	0.29	0.23
Reimbursement of expenses incurred on behalf of:		

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
DNEG India Media Services Limited ###	4.90	1.32
Prime Focus International Services UK Limited	-	0.25
Double Negative Montreal Production Limited	-	1.02
Double Negative Limited UK	-	1.67
Double Negative Canada Productions Limited	-	0.11
Redefine FX Limited *	0.86	0.00
VFX Division Slump Sale Consideration		
DNEG India Media Services Limited ###	273.43	-
Receipt towards VFX Division Slump Sale Consideration		
DNEG India Media Services Limited ###	135.00	-
Investments		
DNEG India Media Services Limited ### (Refer note 7c)	-	0.12
Sale / Redemption of Investments		
DNEG India Media Services Limited ### (Refer note 7c)	-	78.43
PF Media Limited (Refer note 7d)	82.22	-
Loans given		
DNEG India Media Services Limited	-	180.70
Loans repaid (including interest)		
DNEG India Media Services Limited ###	-	220.82

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Interest on loans		
DNEG India Media Services Limited ###	-	1.54
Security deposit received		
DNEG India Media Services Limited ###	203.25	141.59
Security deposit repaid		
DNEG India Media Services Limited ###	201.45	124.35
Balance outstanding ##		
Trade receivables		
DNEG India Media Services Limited ###	1.21	0.29
Redefine FX Limited	-	0.73
Trade Payables		
DNEG India Media Services Limited	0.04	0.40
Other receivable		
Prime Focus International Services UK Limited		0.59
Double Negative Montreal Production Limited	-	2.47
Double Negative Limited UK	-	0.73
Double Negative Canada Productions Limited	-	0.17
DNEG India Media Services Limited ###	139.38	1.60
Redefine FX Limited	0.65	0.17
Security deposit payable		
DNEG India Media Services Limited ###	36.90	35.11

(iii) Key Management Personnel

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Remuneration		
Mr. Naresh Malhotra**	1.18	1.18
Mr. Nishant Fadia	0.59	0.59
Ms. Parina Shah	0.26	0.26

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Balance Outstanding – Remuneration Payable		
Mr. Naresh Malhotra**	0.07	0.06
Mr. Nishant Fadia	0.04	0.04
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, 2020	Year ended March 31, 2019
Rent		
Blooming Bud Coaching Private Limited	-	4.08
Interest expense on lease liability		
Blooming Bud Coaching Private Limited	2.43	-

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Balance outstanding		
Deposit		
Blooming Buds Coaching Private Limited	5.30	5.30
Lease Liability		
Blooming Buds Coaching Private Limited	20.15	-

(v) Enterprises exercising significant influence over the Company

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Premium on NCD		
Standard Chartered Private Equity (Mauritius) Limited	-	13.29
NCD repaid (including premium)		
Standard Chartered Private Equity (Mauritius) Limited	-	190.02

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Balance outstanding		
Bank Balance in current account		
Standard Chartered Bank	-	0.01

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

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Prime Focus Technologies Limited	289.00	289.00
DNEG India Media Services Limited **###**	195.66	195.54
DNEG North America, Inc [USD NIL (March 31, 2019; USD 5,372,904)]	-	37.25
PF World Limited, Mauritius [EUR NIL (March 31, 2019; 14,735,210)]	-	114.58
De-Fi Media Limited [USD 14,500,000 (March 31, 2019; 14,500,000)]	108.38	100.52
Prime Focus Technologies INC [USD 11,000,000 (March 31, 2019; 11,000,000)]	82.22	76.25
	675.26	813.14

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

** This key management personnel has given personal guarantee and has pledged part of his shareholdings for borrowings obtained by the Company (Refer Notes 16 and 19).

The figures of Key management personnel do not include provisions for gratuity / other employee benefit as separate actuarial valuation not available. Under ESOP Scheme 2014, 27,80,000 options were granted to Key management personnel.The stock options outstanding for KMP's as at March 31, 2020 is 27,70,000 (March 31, 2019: 27,70,000) and employee stock option expense for the year March 31, 2020 is ₹ 0.01 crores (March 31, 2019: ₹ 3.33 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.

DNEG Creative Services Limited and Double Negative India Limited has been merged into DNEG India Media Services Limited, this being in the nature of common control business combination.

@ Deposit of ₹ 30.02 crores receivable from PF Digital Media Limited assigned to Prime Focus Technologies Limited, as loan receivable during the year

34 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 previous year, the Company received the additional approvals vide BOT Agreement dated February 07, 2019. Accordingly, the Studios' including other business assets was 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.

35 Pursuant to shareholders' approval, a business transfer agreement (the "BTA") was executed during the year between the Company and DNEG Creative Services Limited, a subsidiary of the Company, for sale of the Company's VFX business on a slump sale basis effective April, 01, 2019. The said sale transaction was consummated for a consideration of ₹ 273.43 crores and gain of ₹ 200.27 crores (net of tax of ₹ 60.83 crores) was recorded as an exceptional item. The Company received ₹ 135.00 crores during the year and expects to receive the balance within the next year as per the BTA.

36 Leases

a. Maturity profile of lease liabilities

₹ Crores

	As at March 31, 2020		As at March 31, 2019	
	Carrying Amount	Undiscounted Cash flow	Carrying Amount	Undiscounted Cash flow
within one year	14.68	21.05	7.90	10.85
later than one year and not later than five years	41.50	51.16	20.09	23.76
later than five years	3.91	4.10	-	-
	60.09	76.31	27.99	34.61

b. Operating lease commitment

₹ Crores

	As at March 31, 2019
within one year	7.88
later than one year and not later than five years	23.23
later than five years	9.37
	40.48

37 Capital and other commitments

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances), and not provided for:	8.55	2.03

38 Contingent Liabilities

₹ Crores

		As at March 31, 2020	As at March 31, 2019
I	Income Tax matters under Dispute*		
	Relates to demands raised by the income tax authorities for various assessment years mainly on account of disallowance of depreciation on computer based assets, addition under Transfer Pricing provisions and Tax Deducted at source (TDS) amounts.	0.49	0.67
II	Guarantees given on behalf of subsidiaries and step-down subsidiaries	675.25	813.14

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

39 Corporate social responsibility

In view of the average net loss in past three immediately preceding financial years, the Company was not required to and did not incur any expenditure towards the Corporate Social Responsibility activities during FY 2019-20 (previous year ₹NIL).

40 Segment Reporting

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

41 Global health pandemic on covid-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company has considered internal and external information up to the date of approval of these financial statements in assessing the recoverability of receivables including unbilled receivables, goodwill, investment, loans and other assets. Based on the current indicators of future economic conditions, the Company expects to recover the carrying amount of these assets.

The impact of COVID-19 remains uncertain and may be different from what the Company have estimated as of the date of approval of these financial statements.

42 Event after reporting period

There were no events after the reporting period requiring adjustments or disclosures in these financial statements (refer note 41 relating to COVID-19 pandemic).

43 Approval of Financial Statements

The financial statements were approved for issue by the Board of Directors on July 31, 2020.

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Place : Mumbai
Date : July 31, 2020

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Independent Auditor's Report

To The Members of Prime Focus Limited

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Prime Focus Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2020, 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, 2020, their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us 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 (Note 3.1.1 to the Financial Statements).** Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has an inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining performance obligations.	**Principal audit procedure performed:** This matter relates to a significant component which has been audited by another auditor. As Parent auditor, procedures performed included reviewing the deliverables provided by the component auditor, engaging in discussions with them to understand the procedures performed by that auditor. Emanating therefrom their audit approach was a combination of test of internal controls and substantive procedures which included the following: • Evaluation of the design of controls relating to recording of efforts incurred and estimation of efforts required to complete the (balance) performance obligations. • Performing test of details for reasonableness of incurred and estimated efforts. • Selecting a sample of contracts and performing a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract. • Reviewing 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 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 of 40 subsidiaries included in the consolidated financial statements, whose financial statements, before giving effect to the consolidation adjustments, reflect total assets of Rs. 5,509.65 crore as at March 31, 2020, total revenues of Rs 2,676.33 crore and net cash inflows amounting to Rs. 168.69 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements 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

As required by Section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries 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, 2020 taken on record by the Board of Directors of the Parent 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, 2020 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 to which the reporting requirement applies. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

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

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

i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group;

ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent and its subsidiary companies incorporated in India.

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

Abhijit A. Damle
Partner
(Membership No. 102912)
UDIN: 20102912AAAAEJ4225

MUMBAI, July 31, 2020

Annexure "A" to the Independent Auditor's Report To The Members of Prime Focus Limited

(Referred to in paragraph (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 Prime Focus Limited (hereinafter referred to as "the Parent") as of and for the year ended March 31, 2020, we have audited the internal financial controls over financial reporting of Prime Focus Limited 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 and to which the reporting requirement is applicable, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India and to which the reporting requirement is applicable, 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 and to which the reporting requirement is applicable.

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, 2020, based on the criteria for internal financial control over financial reporting established by the Parent and 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 6 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matters.

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

Abhijit A. Damle
Partner
(Membership No. 102912)
UDIN: 20102912AAAAEJ4225

MUMBAI, July 31, 2020

Consolidated Balance Sheet as at March 31, 2020

₹ Crores

	Notes	As at March 31, 2020	As at March 31, 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4	424.61	731.56
Capital work-in-progress		32.19	24.21
Goodwill	7	1,083.07	1,023.78
Other Intangible assets	5	491.09	507.58
Right to use assets	6	927.04	181.71
Intangible assets under development	45	14.96	39.19
Financial assets			
Investments	8	4.33	4.23
Trade receivable	9	1.64	17.97
Other financial assets	10	107.58	60.63
Deferred tax assets (net)	33 d	117.48	59.96
Income tax asset (net)		125.61	94.87
Other non-current assets	11	49.05	48.62
Total non-current assets		**3,378.65**	**2,794.31**
Current assets			
Inventories	12	0.45	0.42
Financial assets			
Trade receivables	13	576.78	407.98
Cash and cash equivalents	14 a	256.09	89.68
Bank balance other than (ii) above	14 b	4.30	0.62
Other financial assets	15	600.99	430.71
Income tax asset (net)		-	10.19
Other current assets	16	197.29	172.32
Total current assets		**1,635.90**	**1,111.92**
Total assets		**5,014.55**	**3,906.23**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	17	29.92	29.92
Share warrant money received	17.6	-	82.50
Other equity	18	362.50	415.95
Equity attributable to owners of the Company		**392.42**	**528.37**
Non-controlling interests		84.06	112.72
Total Equity		**476.48**	**641.09**

₹ Crores

	Notes	As at March 31, 2020	As at March 31, 2019
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	19	1,073.92	1,189.00
Lease liabilities	41	744.99	195.23
Other financial liabilities	20	141.07	118.63
Provisions	21	25.91	17.03
Deferred tax liabilities (net)	33 d	45.36	86.18
Other non-current liabilities	22	0.75	96.40
Total non-current liabilities		**2,032.00**	**1,702.47**
Current liabilities			
Financial liabilities			
Borrowings	23	1,183.94	766.36
Lease liabilities	41	175.64	100.16
Trade payables			
total outstanding dues of micro enterprises and small enterprises		0.52	-
total outstanding dues of creditors other than micro enterprises and small enterprises		196.32	145.30
Other financial liabilities	24	320.70	282.96
Provisions	25	59.04	24.56
Current tax liabilities (net)		54.85	49.07
Other current liabilities	26	515.06	194.26
Total current liabilities		**2,506.07**	**1,562.67**
Total liabilities		**4,538.07**	**3,265.14**
Total equity and liabilities		**5,014.55**	**3,906.23**

See accompanying notes to the consolidated financial statements 1 to 49

In terms of our report attached.

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

Abhijit A. Damle
Partner

Place : Mumbai
Date : July 31, 2020

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Consolidated Statement of Profit and Loss

for the year ended March 31, 2020

₹ Crores

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Income			
Revenue from operations	27	2,929.24	2,540.25
Other income	28	17.44	43.18
Exchange gain (net)		66.56	80.31
Total Income		**3,013.24**	**2,663.74**
Expenses			
Employee benefits expense	29	1,806.62	1,560.48
Employee stock option expense		129.84	31.43
Technician fees		33.21	33.70
Technical service cost		120.22	102.17
Finance costs	30	231.40	236.68
Depreciation and amortisation expense	4, 5 & 6	381.38	303.56
Other expense	31	438.91	454.14
Total expenses		**3,141.58**	**2,722.16**
Loss before exceptional item and tax		**(128.34)**	**(58.42)**
Exceptional items - loss (net of tax)	32	67.56	-
Loss before tax		**(195.90)**	**(58.42)**
Tax expense	33		
Current tax		44.85	22.29
Deferred tax credit		(86.87)	(47.76)
		(42.02)	**(25.47)**
Loss for the year		**(153.88)**	**(32.95)**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurements of defined benefit obligation		(4.90)	0.02
(ii) Income tax relating to items that will not be reclassified to profit or loss *		1.22	0.00
B (i) Items that will be reclassified to the profit or loss			
Exchange difference in translating the financial statements of foreign operations		(85.04)	(55.64)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive loss		**(88.72)**	**(55.62)**
Total comprehensive loss for the year		**(242.60)**	**(88.57)**

₹ Crores

	Notes	Year ended March 31, 2020	Year ended March 31, 2019
Loss attributable to			
Owners of the Company		(131.50)	(22.71)
Non-controlling interests / (recoveries)		(22.38)	(10.24)
Other comprehensive income attributable to			
Owners of the Company		(85.43)	(55.20)
Non-controlling interests / (recoveries)		(3.29)	(0.42)
Total comprehensive income attributable to			
Owners of the Company		(216.93)	(77.91)
Non-controlling interests / (recoveries)		(25.67)	(10.66)
* The value 0.00 means amount is below ₹ 50,000/-			
Earnings per equity share of face value of ₹ 1 each	35		
Before exceptional items (net of tax)			
Basic & Diluted (in ₹)		(2.88)	(1.10)
After exceptional items (net of tax)			
Basic & Diluted (in ₹)		(5.14)	(1.10)

See accompanying notes to the consolidated financial statements 1 to 49

In terms of our report attached.

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

Abhijit A. Damle
Partner

Place : Mumbai
Date : July 31, 2020

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Consolidated Statement of Changes in Equity for the year ended March 31, 2020

A. Equity Share Capital

₹ Crores

	Total
Balance as at April 01, 2018	**29.92**
Issue of equity shares under employee stock option plan (refer note 39)*	0.00
Balance as at March 31, 2019	**29.92**
Issue of equity shares under employee stock option plan (refer note 39)*	0.01
Balance as at March 31, 2020	**29.92**

* Issued, Subscribed and Paid up as at March 31, 2020 is amounting to ₹ 29,92,48,978 (March 31, 2019 ₹ 29,91,82,312) after addition of ₹ 66,666 during the year (March 31, 2019 ₹ 16,667)

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		
	Capital reserve	General reserve	Debenture redemption reserve	Securities premium	Share options outstanding account	Retained earnings				
Balance as at April 01, 2018	**51.77**	**52.61**	**27.19**	**916.16**	**82.22**	**(629.86)**	**(36.92)**	**463.17**	**123.38**	**586.55**
Transfer on lapse/forfeiture of Vested Options	-	-	-	-	(0.73)	0.73	-	-	-	-
Transfer to/from	-	22.28	(22.28)	-	-	-	-	-	-	-
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 39)	-	-	-	-	30.61	-	-	30.61	-	30.61
Exercise of stock options	-	-	-	0.15	(0.07)	-	-	0.08	-	0.08
Balance as at March 31, 2019	**51.77**	**74.89**	**4.91**	**916.31**	**112.03**	**(651.82)**	**(92.14)**	**415.95**	**112.72**	**528.67**
Forfeiture of share warrants (Refer note 17.6)	82.50	-	-	-	-	-	-	82.50	-	82.50
Transition impact of Ind AS 116 (net of tax) (Refer note 2.28.1)	-	-	-	-	-	(43.24)	-	(43.24)	(2.99)	(46.23)
Transferred to/from	-	4.91	(4.91)	-	(0.25)	0.25	-	-	-	-
Loss for the year	-	-	-	-	-	(131.50)	-	(131.50)	(22.38)	(153.88)
Other comprehensive income for the year (net of tax)	-	-	-	-	-	(3.48)	(81.95)	(85.43)	(3.29)	(88.72)
Stock compensation expense (refer note 39)	-	-	-	-	123.88	-	-	123.88	-	123.88
Exercise of stock options	-	-	-	0.63	(0.29)	-	-	0.34	-	0.34
Balance as at March 31, 2020	**134.27**	**79.80**	**-**	**916.94**	**235.37**	**(829.79)**	**(174.09)**	**362.50**	**84.06**	**446.56**

See accompanying notes to the consolidated financial statements 1 to 49

In terms of our report attached.

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

Abhijit A. Damle
Partner

Place : Mumbai
Date : July 31, 2020

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Consolidated Cash Flow Statement for the year ended March 31, 2020

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from operating activities		
Loss before tax	(195.90)	(58.42)
Adjusted for:		
Depreciation and amortisation expense	381.38	303.56
Net loss / (gain) on sale or discard of property, plant and equipment	3.70	(0.66)
Unrealised foreign exchange (gain) (net)	(4.87)	(100.24)
Dividend Income *	(0.00)	(0.00)
Bad debts / advances written off	51.10	40.32
Provision for doubful debts/ advances (net)	29.30	6.48
Employee stock option expense	129.84	31.43
Sundry credit balance written back	(3.36)	(13.71)
Interest income	(2.91)	(4.80)
Finance Costs	231.40	236.68
Operating profit before working capital changes	**619.68**	**440.64**
Changes in working capital :		
Decrease in inventories	-	0.18
Increase / (Decrease) in trade and other payables	451.06	(46.07)
(Increase) in trade and other receivables	(488.67)	(222.39)
Cash generated from operations	**582.07**	**172.36**
Direct taxes paid (net)	(60.39)	(52.03)
Net cash generated from operating activities (A)	**521.68**	**120.33**
Cash flow from investing activities		
" Purchase / development of Property, Plant and Equipment and other intangible assets (including capital work in progress) "	(150.56)	(239.87)
" Proceeds from sale of Property, Plant and Equipment and other intangible assets "	0.18	2.00
Payment related to acquisition of businesses	-	(43.04)
(Increase) / Decrease in margin money and fixed deposits under lien	(3.68)	11.98
Interest received	0.11	0.19
Dividend received *	0.00	0.00
Net cash used in investing activities (B)	**(153.95)**	**(268.74)**

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Cash flow from financing activities		
Proceeds from long term borrowings	-	472.87
Repayment of long term borrowings	(132.58)	(323.92)
Payment of lease liabilities	(197.41)	(88.30)
Proceeds from short term borrowings (net)	345.36	412.41
Proceeds from issuance of shares	0.63	0.09
Payment on extinguishment of puttable instrument	-	(147.13)
Interest payment on lease liabilities	(57.80)	(18.58)
Finance costs paid	(159.52)	(148.81)
Net Cash (used in) / generated from financing activities (C)	**(201.32)**	**158.63**
Net increase in cash and cash equivalents (A+B+C)	**166.41**	**10.22**
Cash and cash equivalents at the beginning of the year (refer note 14. a)	89.68	79.46
Cash and cash equivalents at the end of the year (refer note 14. a)	**256.09**	**89.68**

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

₹ Crores

	Year ended March 31, 2019	Cash flow	Non cash movement	Year ended March 31, 2020
Borrowing (refer note 19 and 24)	1,357.14	(132.58)	42.34	1,266.90
Borrowing - Current (refer note 23)	766.36	345.36	72.22	1,183.94

See accompanying notes to the consolidated financial statements 1 to 49

In terms of our report attached.

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

Abhijit A. Damle
Partner

Place : Mumbai
Date : July 31, 2020

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Notes forming part of the consolidated financial statements

for the year ended March 31, 2020

1. Corporate information

Prime Focus Limited (the 'Company') is a public limited company domiciled in India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company and its subsidiaries (collectively referred as "Group") are engaged in the business of post-production activities including digital intermediate, visual effects, 2D to 3D conversion and providing complete solutions in terms of other technical and creative services to the Media and Entertainment industry. The address of the Company's registered office is Prime Focus House, Linking Road Khar (West), Mumbai- 400052, India.

1.1 Subsidiaries of the Group

The consolidated financial statements relate to Prime Focus Limited ("the Company") and its subsidiaries as listed below:

Name of subsidiaries	Principal activity	Country of incorporation	As at March 31, 2020	As at March 31, 2019
Subsidiary companies of Prime Focus Limited				
De-Fi Media Limited	Media and other Investments	England & Wales	100%	100%
Prime Focus Technologies Limited (PFT)	Digital Asset Management	India	73.75%	73.75%
Prime Focus Production Services Private Limited	Dormant	India	100%	100%
GVS Software Private Limited	Dormant	India	100%	100%
Prime Focus Motion Pictures Limited	Post Production Services	India	100%	100%
PF World Limited, (Mauritius)	Investments	Mauritius	100%	100%
PF Investments Limited (Mauritius)	Investments	Mauritius	100%	100%
PF Overseas Limited (Mauritius)	Investments	Mauritius	100%	100%
PF Digital Media Services Limited	Post Production Services	India	100%	100%
PF Media Limited (Formerly known as Reliance MediaWorks (Mauritius) Limited) (Transferred as subsidiary of PF World Limited, (Mauritius)) (w.e.f. March 31, 2020)	Investments	Mauritius	-	100%
Prime Focus Malaysia Sdn. Bhd. (Subsidiary closed on October 08, 2019)	Post Production Services	Malaysia	-	70%
Subsidiary company of PF Media Limited				
Lowry Digital Imaging Services Inc (Formerly known as Reliance Lowry Digital Imaging Services Inc)	Restoration of content	USA	90%#	90%#
# 10% is held by Prime Focus Limited directly				
Subsidiary companies of PF World Limited				
Prime Focus Luxembourg S.a.r.l	Investments	Luxembourg	100%	100%
PF Media Limited (Formerly known as Reliance MediaWorks (Mauritius) Limited) (w.e.f. March 31, 2020)	Investments	Mauritius	100%	-
Subsidiary company of Prime Focus Luxembourg S.a.r.l				
Prime Focus 3D Cooperatief U.A	Investments	Netherlands	99.99%#	99.99%#
# 0.01% is held by PF Investments Limited				

Name of subsidiaries	Principal activity	Country of incorporation	As at March 31, 2020	As at March 31, 2019
Subsidiary companies of Prime Focus 3D Cooperatief U.A.				
Prime Focus World N.V. (PFWNV)	Investments	Netherlands	93.54%	88.34%
DNEG Plc (Formerly known as DNEG Limited)	Investments	England & Wales	100%	-
Subsidiary companies of Prime Focus World N.V.				
REDEFINE Fx Limited (Formerly known as RE:DEFINE Fx Limited)	Post Production Services	USA	100%	100%
DNEG 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 India Media Services Limited *	Post Production and VFX Services	India	100%	100%
Prime Focus China Limited	Post Production and VFX Services	British Virgin Island	70%	70%
Double Negative Holdings Limited	Investments	England & Wales	100%	100%
Double Negative Canada Productions Limited	Post Production and VFX Services	Canada	100%	100%
Double Negative Montreal Production Limited	Post Production and VFX Services	Montreal	100%	100%
Prime Focus World Malaysia Sdn. Bhd (Subsidiary closed on October 08, 2019)	Post Production and VFX Services	Malaysia	-	100%
Prime Focus VFX USA Inc. (Liquidated on April 14, 2020)	Dormant	USA	100%	100%
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				
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 (Liquidated on December 11, 2019)	Administrative	USA	-	100%

Name of subsidiaries	Principal activity	Country of incorporation	As at March 31, 2020	As at March 31, 2019
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 India Media Services Limited.				
Prime Focus Academy of Media and Entertainment Studies Private Limited	Training Institute	India	100%	100%
Subsidiary Companies of Prime Focus Technologies Limited				
Prime Focus Technologies UK Limited (PFT UK)	Digital Asset Management	England & Wales	100%	100%
Prime Focus Technologies Inc.	Post Production Services	USA	100%	100%
Apptarix Mobility Solutions Private Limited	Post Production Services	India	100%	100%
Subsidiary Company of Prime Focus Technologies Inc.				
DAX PFT LLC	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	Post Production Services	Abu Dhabi	100%	100%

*Double Negative India Private Limited and Dneg Creative Services Private Limited merged into DNEG India Media Services Limited w.e.f. April 1, 2019

2. Significant accounting policies

2.1 Basis of preparation and presentation

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (herein after referred to as 'Ind AS') including the Rules notified under the relevant provisions of Companies Act, 2013.

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

All assets and liabilities have been classified as current or non-current as per the Group's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and services and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Group has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

Group's financial statements are presented in Indian Rupees (₹) which is functional currency of the Company.

2.2 Use of Estimates

The preparation of consolidated financial statements requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the consolidated financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its investment with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls, an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give its power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year/ period are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if the results in the non-controlling interests have a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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.

2.6.1 Rendering of services

The Group provides a variety of post-production services including digital intermediate, visual special effects (VFX), two dimensions to three dimension (2D to 3D) conversion and other technical services to its clients in the film, broadcast and commercial sectors.

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

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

2.6.2 Contracts with contingent revenue terms

Some customer contracts for the provision of services are structured so that the economic benefits that flow to the Group are contingent on a future event, such as the performance of the film at the box office. In such cases, the Group estimates the transaction price at contract inception, including any variable consideration, and updates the estimate each reporting date for any changes in circumstances. The Group estimates the amount of variable consideration using the expected value method and determines the portion, if any, of that amount for which it is highly probable that a significant reversal will not subsequently occur. When the determination to recognise revenue is reached, the Group calculates revenue in accordance with the fixed price contract policy.

2.6.3 Dividend and interest income

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

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

2.6.4 Tax credits

The Group's operations based in British Colombia (BC), Canada are eligible to earn tax credits on labour and related costs for the work performed. The Group's operations based in India are eligible to earn custom duty credits on realisation of export proceeds. These credits are not recognised until there is reasonable assurance that the Group will comply with the local compliance regulations attaching to them and that the credits will be received.

Tax credits are recognised in Statement of Profit or Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs which the credits are intended to compensate.

2.7 Leasing

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

The Group as a lessee

The Group enters into an arrangement for lease of buildings, plant and equipment, office equipment, vehicle and computer software. Such arrangements are generally for a fixed period but may have extension or termination options. The Group assesses, whether the contract is, or contains, a lease, at its inception. A contract is, or contains, a lease if the contract conveys the right to –

a) control the use of an identified asset,

b) obtain substantially all the economic benefits from use of the identified asset, and

c) direct the use of the identified asset

The Group determines the lease term as the non-cancellable period of a lease, together with periods covered by an option to extend the lease, where the Group is reasonably certain to exercise that option.

The Group at the commencement of the lease contract recognizes a Right-to-Use (RTU) asset at cost and corresponding lease liability, except for leases with term of less than twelve months (short term leases) and low-value assets. For these short term and low value leases, the Group recognizes the lease payments as an operating expense on a straight-line basis over the lease term.

The cost of the right-to-use asset comprises the amount of the initial measurement of the lease liability, any lease payments made at or before the inception date of the lease, plus any initial direct costs, less any lease incentives received.

Subsequently, the right-to-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, if any. The right-to-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-to-use asset. The estimated useful life of right-to-use assets are determined on the same basis as those of property, plant and equipment and intangible assets.

The Group applies Ind AS 36 to determine whether an RTU asset is impaired and accounts for any identified impairment loss. Refer 2.17 below.

For lease liabilities at the commencement of the lease, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined, if that rate is not readily determined, the lease payments are discounted using the incremental borrowing rate that the Group would have to pay to borrow funds, including the consideration of factors such as the nature of the asset and location, collateral, market terms and conditions, as applicable in a similar economic environment.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

The Group recognizes the amount of the re-measurement of lease liability as an adjustment to the right-to-use assets. Where the carrying amount of the right-to-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognizes any remaining amount of the re-measurement in statement of profit and loss.

Lease liability payments are classified as cash used in financing activities in the statement of cash flows.

2.8 Foreign currencies

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

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

- exchange differences on foreign currency borrowings relating to assets under construction for further productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates for the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisitions of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.9 Borrowing costs

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

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

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

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

2.10 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expense the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred revenue in the consolidated balance sheet and transferred to profit or loss on a systematic basis and rational basis over the useful lives of the related assets.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

The benefit of a government loan at below-market rate of interest is treated as a government grant measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

2.11 Employee benefits

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 39.

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.

During the year, some of the subsidiaries incorporated in India have moved to the lower tax regime under section 115BAA of the Income Tax Act, 1961. Hence, MAT asset is no longer recognised.

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

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

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

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.

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 ₹ 40.09 Crores (March 31, 2019: ₹ 39.13 Crores), net book value is ₹ 12.99 Crores (March 31, 2019: ₹ 14.84 Crores) and depreciation charge for the year is ₹ 2.15 Crores (Previous year: ₹.1.86 Crores)

Cost of leasehold improvements and leasehold building is amortised over a period of lease.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.16 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on a straight-line basis over the estimated useful economic lives.

The group amortised intangible assets pertaining to the 2D to 3D conversion business over 20 years as the Group believes the benefits from the intangible asset will accrue over 20 years.

Film rights

The Group amortises film costs using the individual film forecast method. Under the individual film forecast method, such costs are amortized for each film in the ratio that current year revenue for such films bears to management's estimate of remaining unrecognised ultimate revenue as at the beginning of the financial year. Management regularly reviews and revises, where necessary, its total estimates on a film by film basis, which may result in a change in the rate of amortization and/or a write down of the intangible asset to fair value. The period of amortization only starts at the point at which the asset starts to produce economic returns.

First look rights

Upon commencement of work on each movie over the period of performance of the contract with respect to each movie

Software

Software is amortised on straight line basis over the estimated useful life of upto 8 years.

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 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.

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 Group has right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

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 2.22.3 below).

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 Group's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

2.22.3 Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by the Group are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Group's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

2.22.4 Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not quality for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Group, and commitments issued by the Group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

2.22.4.1 Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies or held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Group as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that liabilities that are designated as at FVTPL, the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of the liability is recognised in other comprehensive income, unless the recognition of the effects of changes mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified in profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Group that are designated by the Group as at fair value through profit or loss are recognised in profit or loss.

2.22.4.2 Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

2.22.4.3 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 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 Group'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 adopted:

1. Ind AS 116 – Leases

On April 1, 2019, the Group has adopted Ind AS 116, Leases, which, applied to all lease contracts outstanding as at April 1, 2019, using modified retrospective method by recording the cumulative effect of initial application as an adjustment to opening retained earnings. The Group has made use of the following practical expedients available in its transition to Ind AS 116 –

(a) The Group will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Group or modified by the Group before April 1, 2019.

(b) The Group has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Group has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental borrowing rate at the date of initial application and the right-to- use asset at its carrying amount as if the standard had been applied since the commencement date of the lease but discounted using the incremental borrowing rate at the date of initial application.

(c) The Group excluded the initial direct costs from measurement of the RTU asset;

(d) The Group does not recognize RTU assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

The weighted average rate of discount applied to lease liabilities accounted on transition to Ind AS 116 as at April 1, 2019 is 4.13% to 14%.

On adoption of Ind AS 116 ;

a) the Group had recognized right-to-use assets ₹ 506.50 Crores and corresponding lease liabilities ₹ 552.73 Crores.

b) the net carrying value of assets procured under the finance lease ₹ 299.64 Crores (gross carrying and accumulated depreciation value of ₹ 591.50 Crores and ₹ 291.86 Crores, respectively) have been reclassified from property, plant and equipment and intangible assets to right- of-use assets.

c) the obligations under finance leases of ₹ 295.39 Crores (non-current and current obligation under finance leases ₹ 195.23 Crores and ₹ 100.16 Crores respectively) have been reclassified to lease liabilities.

d) prepaid rent on buildings, which were earlier classified under "Other Assets" have been reclassified to right-to-use assets by ₹ 8.24 Crores.

The adoption of the new standard has resulted in a reduction of ₹ 46.23 Crores in retained earnings, net of deferred tax asset of ₹ 10.45 Crores.

During the year ended March 31, 2020, the Group recognized in the statement of profit and loss

a) Depreciation expense from right-to-use assets (including assets taken on lease accounted for as finance lease under Ind AS 17 till previous year) of ₹ 179.78 Crores (Refer to Note 6)

b) Interest expenses on lease liabilities of ₹ 57.80 Crores (Refer Note 30)

c) Rent expense amounting to ₹ 29.41 Crores pertaining to leases with less than twelve months of lease term has been included under other expenses (Refer Note 31)

Refer to Note 6 for additions to right-to-use assets during the year ended March 31, 2020 and carrying amount of right-to-use assets as at March 31, 2020 by class of underlying asset.

Lease payments during the year are disclosed under financing activities in the statement of cash flows.

On adoption of Ind AS 116, the operating lease rentals charged for the year of ₹ 89.41 Crores, is now substituted by an amortization charge of ₹ 66.94 Crores and finance costs of ₹ 36.24 Crores. Net impact is increase in charge for the year is ₹ 13.77 Crores.

The difference between the lease obligation disclosed as of March 31, 2019 under Ind AS 17 and the value of the lease liabilities as of April 1, 2019 is primarily on account of application of definition of lease term and discounting the lease liabilities to the present value in accordance with Ind AS 116.

Particulars	₹ Crores
Operating lease commitments disclosed as at March 31, 2019	796.91
Add: Extended lease term considered as per Ind AS 116 lease definition	25.87
Less: Impact of discounting on opening lease liability	(160.98)
Less: Erstwhile liability created under IND AS 17 for rent straight lining	(106.02)
Less: Short-term leases not recognized as a liability	(3.05)
Lease liability recognized as at April 1, 2019	552.73

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

Appendix C to Ind AS 12 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 adoption of Appendix C to Ind AS 12 did not have any material impact on the consolidated financial statements.

3. **Amendment to Ind AS 12 – Income Taxes**

The Ministry of Corporate Affairs issued amendments to Ind AS 12 – Income Taxes. The amendments clarify that an entity shall recognize the income tax consequences of dividends on financial instruments classified as equity according to where the entity originally recognized those past transactions or events that generated distributable profits were recognized. The adoption of amendment to Ind AS 12 did not have any material impact on the consolidated financial statements.

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

The 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. The adoption of amendment to Ind AS 19 did not have any material impact on the consolidated financial statements.

New Accounting Standards not yet adopted by the Group

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

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, 2020 regarding recoverability of its internally generated intangible assets.

3.1.4 Leases

Ind AS 116 defines a lease term as the non-cancellable period for which the lessee has the right to use an underlying asset including optional periods, when an entity is reasonably certain to exercise an option to extend (or not to terminate) a lease. The Group considers all relevant facts and circumstances that create an economic incentive for the lessee to exercise the option when determining the lease term. The option to extend the lease term is included in the lease term, if it is reasonably certain that the lessee would exercise the option. The Group reassesses the option when significant events or changes in circumstances occur that are within the control of the lessee.

3.1.5 Impairment of goodwill

Determining, whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

3.1.6 Depreciation and useful lives of property, plant and equipment and other intangible assets.

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Intangible assets are amortised over its estimated useful lives. The Group reviews the estimated useful lives of all such assets at the end of each reporting period. There has been no requirement to revise the useful lives of any such assets as at the Balance Sheet date.

3.1.7 Fair value measurements and valuation process

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. Further, the Group has used valuation experts for the purpose of ascertaining fair value for certain assets and liabilities. In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent that it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation. The management works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation findings to the Board of Directors of the Group to explain the cause of fluctuations in the fair value of the assets and liabilities.

3.1.8 Expected credit losses on financial assets

The impairment provision of financial assets are based on assumption about risk of default and expected timing of collection. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history of collections, customer's creditworthiness, existing market condition as well as forward looking estimates at the end of each reporting period.

3.1.9 Provisions

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

3.1.10 Defined benefit obligation.

The costs of providing other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 "Employee benefits" over the period during which benefits is derived from the employees' services and is determined based on valuation carried out by independent actuary. The costs are determined based on assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. Due to the complexities involved in the valuation and its long term nature, a defined benefit obligation is highly sensitive to change in these assumptions.

4. Property, plant and equipment (PPE)

₹ Crores

	Buildings	Plant and equipment	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	-	**(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**

₹ Crores

	Buildings	Plant and equipment	Furniture and fixtures	Leasehold Improvements	Office equipments	Vehicles	Total
Gross Block							
As at April 01, 2019	244.51	1,069.82	55.73	207.83	109.65	5.44	**1,692.98**
Erstwhile leased assets transferred to right to use	(112.20)	(403.41)	-	-	(0.05)	(2.70)	**(518.36)**
Additions	-	68.64	7.80	4.70	4.33	0.33	**85.80**
Transfer from right to use on completion of lease term	-	41.69	-	-	0.04	-	**41.73**
Deductions / disposal	-	(45.87)	(1.25)	(1.70)	(1.51)	(1.16)	**(51.49)**
Exchange differences	-	0.62	0.69	0.52	4.18	0.03	**6.04**
As at March 31, 2020	**132.31**	**731.49**	**62.97**	**211.35**	**116.64**	**1.94**	**1,256.70**
Depreciation							
As at April 01, 2019	23.03	655.97	34.68	164.87	80.63	2.24	**961.42**
Erstwhile leased assets transferred to right to use	(13.75)	(214.19)	-	-	(0.02)	(0.64)	**(228.60)**
For the year	2.34	59.77	8.48	22.95	7.54	0.24	**101.32**
Transfer from right to use on completion of lease term	-	38.35	-	-	0.02	-	**38.37**
Deductions / disposal	-	(42.46)	(1.13)	(1.61)	(1.41)	(1.05)	**(47.66)**
Exchange differences	-	3.18	0.89	(0.44)	3.59	0.02	**7.24**
As at March 31, 2020	**11.62**	**500.62**	**42.92**	**185.77**	**90.35**	**0.81**	**832.09**
Net Block							
As at March 31, 2020	**120.69**	**230.87**	**20.05**	**25.58**	**26.29**	**1.13**	**424.61**

4.1 Assets pledged as security

Refer note 19 and 23 regarding details of borrowings where assets have been placed as security.

5. Other Intangible assets

₹ Crores

	Film / First Look rights	Customer relationship and contracts	Trade names, Brand and Non-compete	Software	Total
Gross Block					
As at April 1, 2018	10.07	20.50	6.33	979.45	**1,016.35**
Additions	-	-	-	102.70	**102.70**
Deductions	-	-	-	(48.69)	**(48.69)**
Exchange differences	(0.03)	1.42	0.37	15.52	**17.28**
As at March 31, 2019	**10.04**	**21.92**	**6.70**	**1,048.98**	**1,087.64**
Depreciation					
As at April 1, 2018	6.96	20.50	4.18	460.58	**492.22**
For the year	1.53	-	0.96	125.25	**127.74**
Deductions	-	-	-	(48.69)	**(48.69)**
Exchange differences	(0.03)	1.42	0.19	7.21	**8.79**
As at March 31, 2019	**8.46**	**21.92**	**5.33**	**544.35**	**580.06**
Net Block					
As at March 31, 2019	**1.58**	**-**	**1.37**	**504.63**	**507.58**

₹ Crores

	Film / First Look rights	Customer relationship and contracts	Trade names, Brand and Non-compete	Software	Total
Gross Block					
As at April 1, 2019	10.04	21.92	6.70	1,048.98	**1,087.64**
Erstwhile leased assets transferred to right to use	-	-	-	(73.14)	**(73.14)**
Additions	-	-	-	83.27	**83.27**
Transfer from right to use on completion of lease term	-	-	-	3.03	**3.03**
Deductions	-	-	-	(5.31)	**(5.31)**
Exchange differences	0.06	1.72	0.25	35.38	**37.41**
As at March 31, 2020	**10.10**	**23.64**	**6.95**	**1,092.21**	**1,132.90**
Depreciation					
As at April 1, 2019	8.46	21.92	5.33	544.35	**580.06**
Erstwhile leased assets transferred to right to use	-	-	-	(63.26)	**(63.26)**
For the year	1.51	-	1.32	97.45	**100.28**
Transfer from right to use on completion of lease term	-	-	-	3.03	**3.03**
Deductions	-	-	-	(5.26)	**(5.26)**
Exchange differences	0.10	1.72	0.22	24.92	**26.96**
As at March 31, 2020	**10.07**	**23.64**	**6.87**	**601.23**	**641.81**
Net Block					
As at March 31, 2020	**0.03**	**-**	**0.08**	**490.98**	**491.09**

6. Right to use assets

₹ Crores

	Buildings	Plant and equipment	Office equipments	Vehicles	Leased property	Software	Studio lease	Total
Gross Block								
As at April 01, 2018	-	-	-	-	-	-	-	**-**
Additions	-	-	-	-	-	-	184.84	**184.84**
Deductions / disposal	-	-	-	-	-	-	-	**-**
Exchange differences	-	-	-	-	-	-	-	**-**
As at March 31, 2019	**-**	**-**	**-**	**-**	**-**	**-**	**184.84**	**184.84**
Depreciation								
As at April 01, 2018	-	-	-	-	-	-	-	**-**
For the year	-	-	-	-	-	-	3.13	**3.13**
Deductions / disposal	-	-	-	-	-	-	-	**-**
Exchange differences	-	-	-	-	-	-	-	**-**
As at March 31, 2019	**-**	**-**	**-**	**-**	**-**	**-**	**3.13**	**3.13**
Net Block								
As at March 31, 2019	**-**	**-**	**-**	**-**	**-**	**-**	**181.71**	**181.71**

₹ Crores

	Buildings	Plant and equipment	Office equipments	Vehicles	Leased property	Software	Studio lease	Total
Gross Block								
As at April 01, 2019	-	-	-	-	-	-	184.84	**184.84**
Recognised on adoption of Ind AS 116	-	-	-	-	514.74	-	-	**514.74**
Erstwhile leased assets transferred from PPE / Intangible assets	112.20	403.41	0.05	2.70	-	73.14	-	**591.50**
Additions	-	75.12	-	-	6.53	21.35	0.61	**103.61**
Deductions / disposal	-	(0.06)	-	-	-	-	-	**(0.06)**
Transfer to PPE / Intangible assets on completion of lease term	-	(41.69)	(0.04)	-	-	(3.03)	-	**(44.76)**
Exchange differences	-	6.27	-	-	(3.04)	1.54	-	**4.77**
As at March 31, 2020	**112.20**	**443.05**	**0.01**	**2.70**	**518.23**	**93.00**	**185.45**	**1,354.64**
Depreciation								
As at April 01, 2019	-	-	-	-	-	-	3.13	**3.13**
Erstwhile leased assets transferred from PPE / Intangible assets	13.75	214.19	0.02	0.64	-	63.26	-	**291.86**
For the year	3.44	69.01	0.01	0.32	66.94	18.47	21.59	**179.78**
Deductions / disposal	-	(0.01)	-	-	-	-	-	**(0.01)**
Transfer to PPE / Intangible assets on completion of lease term	-	(38.35)	(0.02)	-	-	(3.03)	-	**(41.40)**
Exchange differences	-	4.28	-	-	(11.89)	1.85	-	**(5.76)**
As at March 31, 2020	**17.19**	**249.12**	**0.01**	**0.96**	**55.05**	**80.55**	**24.72**	**427.60**
Net Block								
As at March 31, 2020	**95.01**	**193.93**	**-**	**1.74**	**463.18**	**12.45**	**160.73**	**927.04**

7. Goodwill

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

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

The carrying amount of goodwill was allocated to cash-generating units as follows:

	As at March 31, 2020	As at March 31, 2019
Creative services business	827.54	775.74
Technology and technology enabled business	198.88	191.39
Others	56.65	56.65
Total	**1,083.07**	**1,023.78**

The recoverable amount for these cash-generating units (CGU) is determined on a value in use calculation which uses cash flow projections based on financial budgets prepared by the management.

Following key assumptions were considered while performing Impairment testing

Long term sustainable growth rates 2% to 5% (previous year: 2% to 5%)

Weighted Average Cost of Capital % (WACC) after tax 12.7% to 13.3% (previous year: 12.6% to 14.6%)

EBITDA margins 0% to 30.0% (previous year: 16.9% to 33.3%)

The projections cover a period of five years, as that is believed to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates used to estimate future performance are based on the conservative estimates from past performance. EBITDA margins are based on historical performance and Group's strategies.

The management has performed sensitivity analysis around the base assumptions and have concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGUs to be less than the carrying value.

Based on the value in use computations, no impairment provision was considered necessary.

8. Investments

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Unquoted equity instruments - fully paid up (at fair value through profit or loss)		
The Shamrao Vithal Co-operative Bank Ltd.	0.01	0.01
4,000 shares of ₹ 25/- each		
Mainframe Premises Co-Operative Society Ltd.	0.00	0.00
350 shares of ₹ 10/- each *		
Locksmith Ltd	4.32	4.22
1,400 shares of £ 0.01 each		
	4.33	**4.23**

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

9. Trade receivables (Non-current) (Unsecured, Considered good)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Trade receivables	1.64	17.97
	1.64	**17.97**

10. Other non-current financial assets (Unsecured, Considered good)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Deposits	26.24	21.43
Deposits with bank	0.81	0.76
Unbilled revenue	10.56	27.27
Other loans and advances - others	69.97	11.17
	107.58	**60.63**

11. Other non-current assets (Unsecured, considered good)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Capital advances	48.41	44.64
Prepaid expenses	0.64	3.98
	49.05	**48.62**

12. Inventories (Lower of cost and net realisable value)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Tapes	0.45	0.42
	0.45	**0.42**

13. Trade receivables (Current) (Unsecured)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Trade receivables	629.61	447.32
Less: Loss allowances	(52.83)	(39.34)
	576.78	**407.98**

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
The movement in allowance for doubtful receivables is as follows:		
Balance as the beginning of the year	39.34	228.81
Movement during the year	29.75	6.48
Bad debts written off against opening provision for doubtful debts	(16.26)	(195.95)
Balance as at the end of the year	**52.83**	**39.34**

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivable are due and the rates as given in the provision matrix.

14. Cash and cash equivalents

₹ Crores

		As at March 31, 2020	As at March 31, 2019
a.	**Cash and cash equivalents**		
	Cash on hand	0.14	0.14
	Bank balances		
	In Current Accounts	255.95	89.54
		256.09	**89.68**
b.	**Bank balances other than (a) above**		
	Other Bank balances		
	In deposits*	4.30	0.62
		4.30	**0.62**

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

15. Other current financial assets (Unsecured, Considered good)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Deposits	4.77	4.48
Unbilled revenue	363.89	306.88
Export incentives receivable	31.81	20.90
Advances towards film projects	124.44	23.63
Other loans and advances - others	76.08	74.82
	600.99	**430.71**

16. Other current assets (Unsecured)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Advances and other receivables*		
Considered good	131.79	68.70
Considered doubtful	0.50	5.50
Total	**132.29**	**74.20**
Less: Provision for doubtful advances	(0.50)	(5.50)
	131.79	**68.70**
Prepaid expenses	29.43	74.27
Tax credits receivable from foreign governments	36.07	29.35
	197.29	**172.32**

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

17. Equity share capital

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Authorised share capital:		
45,00,00,000 equity shares of ₹ 1/- each)	**45.00**	**45.00**
Issued, subscribed and paid-Up:		
29,92,48,978 (Previous year 29,91,82,312) equity shares of ₹ 1/- each	29.92	29.92
	29.92	**29.92**

17.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year.

Fully paid equity shares

	As at March 31, 2020		As at March 31, 2019	
	Number	Amount in ₹ Crores	Number	Amount in ₹ Crores
Balance as at the beginning of the year	29,91,82,312	29.92	29,91,65,645	29.92
Additions during the year (Refer note 39 a) *	66,666	0.01	16,667	0.00
Balance as at the end of the year	29,92,48,978	29.92	29,91,82,312	29.92

* Issued, Subscribed and Paid up as at March 31, 2020 is amounting to ₹ 29,92,48,978 (March 31, 2019 ₹ 29,91,82,312) after addition of ₹ 66,666 during the year (March 31, 2019 ₹ 16,667)

17.2 Shares reserved for issue under options

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Shares reserved for issue under options (Refer note 39 a)	1,75,62,734	1,76,29,400

17.3 Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

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

	As at March 31, 2020		As at March 31, 2019	
	Numbers	% of holding	Numbers	% of holding
Naresh Malhotra	6,22,01,546	20.79%	6,22,01,546	20.79%
Reliance MediaWorks Financial Services Private Limited	3,16,39,695	10.57%	10,49,39,361	35.08%
Standard Chartered Private Equity (Mauritius) Limited	-	-	2,92,41,817	9.77%
Augusta Investments I Pte. Limited	2,92,41,817	9.77%	-	-
Marina IV (Singapore) Pte. Limited	2,33,90,875	7.82%	2,33,90,875	7.82%
Monsoon Studio Private Limited	2,75,06,095	9.19%	2,75,06,095	9.19%
IDBI Trusteeship Services Limited	7,32,99,666	24.49%	-	-

17.5 Aggregate number of shares issued for consideration other than cash during the period of five years immediately preceding the reporting date:

	As at March 31, 2020	As at March 31, 2019
Equity shares allotted as fully paid up pursuant to business transfer agreement for consideration other than cash	6,73,07,692	6,73,07,692

17.6 Share warrants

Pursuant to the special resolution passed by the shareholders of the Company at its Extra-Ordinary General Meeting held on January 5, 2018, the Board of Directors of the Company at its meeting held on February 14, 2018 had 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.

On February 14, 2018 the Company had 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 was receivable by August 13, 2019, the concerned warrant holders were not able to exercise their option for entitlement on the due date.

Hence the alloted 3,11,32,076 warrants stands cancelled and the application money received stands forfeited. The said forfeited application money has been transferred to Capital reserve during the year.

18. Other equity excluding non-controlling interest

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Securities premium		
As per last balance sheet	916.31	916.16
Movement during the year	0.63	0.15
	916.94	**916.31**
Capital reserve		
As per last balance sheet	51.77	51.77
Movement during the year	82.50	-
	134.27	**51.77**
General reserve		
As per last balance sheet	74.89	52.61
Movement during the year	4.91	22.28
	79.80	**74.89**
Debenture redemption reserve		
As per last balance sheet	4.91	27.19
Movement during the year	(4.91)	(22.28)
	-	**4.91**
Retained earnings *		
As per last balance sheet	(651.82)	(629.86)
Movement during the year	(177.97)	(21.96)
	(829.79)	**(651.82)**
Share options outstanding account		
As per last balance sheet	112.03	82.22
Movement during the year	123.34	29.81
	235.37	**112.03**
Other Comprehensive Income (FCTR)		
As per last balance sheet	(92.14)	(36.92)
Movement during the year	(81.95)	(55.22)
	(174.09)	**(92.14)**
	362.50	**415.95**

* Retained earnings includes Re-measurement of defined benefit obligation loss (net of tax) of ₹ 4.19 crores (previous year ₹ 0.71 crores)

19. Non-current borrowings

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Term loans (secured)		
from banks	851.58	961.87
Refer note (a), (b) and (c)		
from others	22.34	27.13
Refer note (d)		
Term loans (unsecured)		
from others	200.00	200.00
Refer note (e) below		
	1,073.92	**1,189.00**

a. The Group has availed a Term Loan facility aggregating to ₹ 408 Crores at an interest rate based on one year MCLR + 1.90% with a reset on yearly basis. This term loan is repayable in 84 months from date of the 1st disbursement including 6 months moratorium, it is to be repaid in 26 quarterly instalments (post 6 months initial moratorium). Considering the COVID-19 pandemic and Reserve Bank of India circular dated March 27, 2020, the Group has obtained moratorium period of up to June 2020 for payment of instalments due in Mar 2020. Such term loan is secured by exclusive charge over present and future current assets and movable fixed assets, personal guarantees of promoters, pledge of shares of the Company held by promoters (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.

   Out of the above availed facility, the Group took disbursement of ₹ 408 Crores. At the year-end, out of the outstanding loan amount ₹ 236.58 Crores (net of transaction fees) is disclosed as non-current and ₹ 56.87 Crores is disclosed as current. As at March 31, 2019 ₹ 279.55 Crores (net of transaction fees) is disclosed as non-current and ₹ 47.65 Crores is disclosed as current.

b. Term Loan from bank includes ₹ 68.72 Crores (Previous year ₹ 70.42 Crores) taken by Prime Focus Technologies Inc. (PFT Inc.) which is secured by exclusive charge over all current assets and movable fixed assets of Prime Focus Technologies Inc., USA, DAX PFT LLC- USA, Prime Focus Technologies UK Ltd. & Prime Post Europe UK Ltd. (Excluding assets charge against financial leases in normal course of business), pledge over 30% Shares and Non Disposal Undertaking over 70% shares of: Prime Focus Technologies Inc., USA, DAX PFT LLC; USA, Prime Focus Technologies UK Ltd.& Prime Post Europe UK Ltd, corporate guarantee of PFT and the Company and personal guarantee of promoter of the Company. Term loan facility is re-payable over 84 months in 26 structured disbursement from March 31, 2019. Interest rate on term loans are based on 6 months libor plus 385 basis points. As at March 31, 2020, ₹ 15.03 Crores (Previous year ₹ 7.63 Crores) is included in current maturities of long-term borrowings and balance of ₹ 53.69 Crores (Previous year ₹ 62.80 Crores) is included in long-term borrowings.

c. During the previous year, a new facility of ₹ 747.43 Crores (USD 100 Million) sanctioned as term loan and ₹ 1,121.14 (USD 150 Million) sanctioned as bank overdraft and working capital loan to PFWNV group. The facility is secured by charge on Property, Plant and Equipment and current assets of Prime Focus World NV Group and Investments of Prime Focus World NV in Double Negative Holdings Limited, Double Negative Canada Productions Limited & Prime Focus International Services UK Limited. The rate of interest of the loan is in the range of LIBOR plus 3%. The term loan is repayable over a period of four years from financial year 2019-20.

   As at March 31, 2020 ₹ 561.31 Crores is disclosed under long term borrowings, ₹ 92.29 Crores under current maturities of long term borrowings and ₹ 1,064.46 Crores under short-term demand loan.

   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.

d. On August 13, 2014, the Company entered into a long-term loan agreement with others to borrow ₹ 45 Crores at an interest rate of 12.50% p.a., to repay the existing term loan and for general corporate purpose which includes working capital and advance payment for capital expenditure. The term loan is to be repayable in 120 equated monthly instalments starting from October 01, 2014 for loan availed on August

29, 2014 and from November 01, 2014 for loan availed on September 05, 2014. Further, the term loan is secured by a specific charge on certain immovable properties of the Company. At the year end March 31, 2020, ₹ 22.34 Crores is disclosed as non-current and ₹ 4.79 Crores is disclosed as current. At the year end March 31, 2019, ₹ 27.13 Crores is disclosed as non-current and ₹ 4.23 Crores is disclosed as current.

e. On February 25, 2019, the Company entered into a long-term loan agreement with others for an amount of ₹ 200 crores at an annual interest rate of 10% per annum. This term loan is payable over the period of 48 months (post 27 months moratorium). The loan principal has to be repaid at the end of the tenure and the interest component has to be paid annually post 27 months of moratorium (refer note 44). At the year end March 31, 2020 and March 31, 2019, ₹ 200 crores is disclosed as non-current.

f. Unsecured term loans from others are availed at interest rate of 15.00% p.a. As at March 31, 2020 ₹ 1.00 Crores (March 31, 2019: ₹ 1.00 Crores) is disclosed under current maturities of long term borrowings.

g. 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. During the year ₹ 8.70 Crores repaid. As at March 31, 2020 ₹ 23.00 Crores and March 31, 2019 ₹ 31.70 Crores is disclosed as current portion of long-term borrowing.

20. Other non-current financial liabilities

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Deposits	1.65	2.25
Interest accrued but and not due on borrowings	19.76	1.65
Class B Convertible Redeemable Preferred Shares and Derivaties (refer note (a) below)	112.88	111.12
Other long term payables	4.17	2.30
Non convertible redeemable preference shares (Refer note (b) below)	2.61	1.31
	141.07	**118.63**

a. Class B convertible redeemable preferred shares

On March 19, 2013, PFWNV issued 187,500 Class B Convertible Redeemable Preferred Shares ("Class B Preferred"), which carry a par value of € 0.01 per share, for ₹ 66.96 Crores ($ 10.0 million).

The Class B Preferred Shares contain two components: a host debt instrument measured at amortised cost and an embedded derivative conversion option measured at FVTPL. The effective interest rate of the host debt instrument element on initial recognition is 7.30% per annum.

The Class B Preferred Shares form a separate class. The Preferred Shares are senior to` the ordinary shares of PFWNV with respect to distribution of assets and rights upon liquidation of PFWNV or a Sale Transaction. The holder of the Class B Preferred is entitled to the same dividend or distribution that the Board may declare to the holders of the Ordinary shares.

The Class B Preferred shareholders are entitled to vote together with Ordinary shareholders and the number of entitled votes is calculated based on an as converted basis according to the then applicable conversion rate of the Class B Preferred Shares to ordinary shares.

All outstanding Class B Preferred Shares automatically convert into ordinary shares in the event of a qualifying initial public offering (QIPO). A QIPO for the purposes of a required conversion is the listing of shares on an internationally recognised stock exchange with a minimum market capitalisation of $ 370 million immediately after such listing. If PFWNV has not consummated an IPO within 66 months of the issuance of the Class B Preferred Shares, the holder has the right to require PFWNV to redeem all of the Class B Preferred Shares for cash at the price of the amount of initial consideration plus a return that yields an internal rate of return of 5%.

At the date of issue, the fair value of the embedded derivative conversion option is based on the present value of the expected proceeds to the security holders as a result of exercising the conversion option of the Convertible Redeemable Preferred shares. These proceeds were estimated based on a multi-step analysis which included a forecast of PFWNV's total equity and an assessment of the probability of the expected total equity value at each quarter-end over a five-year period. Based on these values the probability of investor exit scenarios and related pay-outs were determined and ultimately the present value of the probable pay-out under each scenario, including the conversion option being exercised, was established. At each reporting date, the fair value of the conversion option is determined and any change in fair value is recognised in Statement of Profit or Loss.

Further, based on mutual agreement vide letter dated September 17, 2018, the maturity date has been extended to December 2023.

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

The holder of each Non-convertible redeemable preference shares (NCRPS) shall be entitled to a preferential dividend at the rate of 0.01% per annum on the face value of the NCRPS issued. NCRPS will be redeemed on March 31, 2023. Refer note 46.

21. Provisions (Non-current)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits:		
Provision for gratuity (Refer note 37)	24.65	15.74
Provision for compensated absences	1.26	1.29
	25.91	**17.03**

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

22. Other liabilities (Non-current)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Deferred rent	0.75	96.40
	0.75	**96.40**

23. Current borrowings

₹ Crores

	As at March 31, 2020	As at March 31, 2019
From Banks/ Others (Secured)		
Cash credit/ overdraft (Refer note (a) and (b) below and 19.(c))	57.07	66.90
Short-term demand loan (Refer note (c), (d) below and 19.(c))	1,074.51	545.24
Invoice discounting facility (Refer note (f) below)	52.36	51.37
From Banks/ Others (Unsecured)		
Short-term demand loan (Refer note (e))	-	102.85
	1,183.94	**766.36**

a. Cash credits/ overdraft from banks are secured against first pari passu charge on the Company's current assets both present and future, personal guarantees and pledge of shares of the Company held by promoters (refer note 19(a)). The cash credit is repayable on demand and carries interest at the rate of 11.00% to 11.25% per annum. As at March 31, 2020 the outstanding is ₹ 32.13 Crores and as at March 31, 2019 the cash credits/ overdraft outstanding was ₹ 22.20 Crores.

b. PFT has availed a cash credit facility from bank. These facilities were secured by first and exclusive charge on all existing and future current assets and all existing and future movable fixed assets except financed through equipment loan/lease pari-passu with term loans. The above facilities were further secured by corporate guarantee issued by the Company and personal guarantee of promoters. Refer note 19 (a) 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, 2020 ₹ 24.94 Crores (March 31, 2019 ₹ 28.54 Crores) was included in cash credit / overdraft.

c. During the previous year, one of the subsidiary had availed a short-term facility from a financial institution of ₹ 2.71 Crores (GBP 3,00,006)). During current year, there was additional drawdown under this facility increasing the total borrowed amount to ₹ 10.05 Crores (GBP 11,22,309) This facility is hypothecated against specific assets purchased. The rate of interest of the loan is 3.49%-3.84% and is repayable in 12 months from the date on which it is borrowed. As at March 31, 2020 ₹ 10.05 Crores (March 31, 2019 ₹ 2.04) is disclosed as short-term demand loan.

d. 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 19(a)). During the year this loan has been fully repaid and as at March 31, 2019, ₹ 10.00 Crores was included in short-term demand loans.

e. During the previous year, PF3D 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. During the year this loan has been fully repaid and as at March 31, 2019, ₹ 102.85 Crores was considered under Short-term demand loan.

f. PFWNV 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 India Media Services Limited, exclusive charge by way of mortgage of immovable properties of the Company, pledge of 30% shares of subsidiaries viz: DNEG India Media Services Limited, Prime Focus Technologies Limited, PF World Limited, Mauritius, Prime Focus Luxembourg s.a.r.l., Prime Focus 3D Cooperartief U.A. held by the Company, corporate guarantee of the Company and personal guarantee of the promoter and pledge of shares of the Company held by promoters (refer note 19(a)) and corporate guarantee given by PFWNV. As at March 31, 2020, ₹ 52.36 Crores (March 31, 2019: ₹ 51.37 Crores) included in Invoice discounting facility.

24. Other current financial liabilities

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Current maturity of long term borrowings		
Term loans (secured)		
from banks	164.19	131.21
Refer note (19.a), (19.b) and (19.c)		
from others	4.79	4.23
Refer note (19.d)		
Term loans (unsecured)		
from others	1.00	1.00
Refer note (19.f)		
Other loans and advances (unsecured)		
Inter corporate deposit received	23.00	31.70
Refer note (19.g)		
	192.98	**168.14**
Non convertible redeemable preference shares (Refer note 20.(b))	-	1.47
Interest accrued but not due on borrowings	23.26	20.73
Security deposits	3.90	3.14
Capital Creditors	10.01	14.75
Accrued salaries and benefits	90.55	74.56
Others	-	0.17
	320.70	**282.96**

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, 2020 (March 31, 2019: Nil)

25. Provisions (Current)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Provision for employee benefits:		
Provision for gratuity (Refer note 37)	0.74	0.65
Provision for compensated absences	58.30	23.91
	59.04	**24.56**

26. Other liabilities (Current)

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Deferred rent	0.03	11.77
Deferred revenue	371.74	134.23
Advance received from customers	0.99	1.55
Book overdraft	0.50	2.33
Other payables #	141.80	44.38
	515.06	**194.26**

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.

27. Revenue from operations

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Income from services	2,887.67	2,510.62
Other operating revenues:		
Export incentives	41.57	29.63
	2,929.24	**2,540.25**

28. Other income

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Interest income:		
Bank deposits	0.21	0.15
on income tax refunds	0.23	2.70
Others	2.47	1.95
Dividend income *	0.00	0.00
Net gain on sale of property, plant and equipment	-	0.66
Sundry balance written back	3.36	13.71
Research and development incentives	-	12.77
Others	11.17	11.24
	17.44	**43.18**

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

29. Employee benefits expense

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries and wages	1,625.14	1,394.04
Contribution to provident fund and other funds (refer note 37 a)	134.30	131.84
Gratuity expense (refer note 37 b)	5.78	5.01
Staff welfare expenses	41.40	29.59
	1,806.62	**1,560.48**

30. Finance costs

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
On working capital finance	58.35	41.55
On term loan	83.27	86.38
On buyer's credit	-	0.11
Premium on non convertible debentures	-	13.29
On lease liabilities	57.80	18.58
On inter corporate deposits	-	3.45
On others (including bank charges)	43.47	71.89
Change in fair value of financial liabilities	(11.49)	1.43
	231.40	**236.68**

31. Other expenses

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Rent	29.41	116.90
Communication cost	23.37	23.30
Consumable stores	24.99	5.65
Director's sitting fees	0.09	0.10
Electricity	52.97	49.85
Insurance cost	8.43	8.67
Rebates and discount	0.95	1.35
Traveling and conveyance	40.93	39.33
House keeping expenses	6.95	6.61
Rates and taxes	26.14	18.75
Legal and Professional fees	39.88	48.41
Payment to auditors (see Note below)	5.25	4.87
Repairs and maintenance	45.35	39.36
Bad debts / advances written off	51.10	40.32
Provision for doubtful debts / advances (net)	29.30	6.48
Loss on sale of property, plant and equipment	3.70	0.34
Miscellaneous expenses	50.10	43.85
	438.91	**454.14**

Payment to auditors

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
As auditor		
Audit fees	4.09	4.16
In other matters	1.16	0.71
	5.25	**4.87**
Accounted as part of exceptional item (refer note 32 below)	20.66	-
	25.91	**4.87**

32. Exceptional items (net of tax)

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Cost related to initial public offering of subsidiary *	67.56	-
	67.56	**-**

* Towards costs related to initial public offering which was shelved by a subsidiary.

33. Income tax

a. Amounts recognised in profit or loss

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Current tax		
- in respect of current year (a)	41.05	20.25
- in respect of prior years (b)	3.80	2.04
Total current tax	**44.85**	**22.29**
Deferred tax		
- in respect of current year (c)	(86.87)	(47.76)
Total income tax expense recognied in the current year (a) + (b) + (c)	**(42.02)**	**(25.47)**

b. Income tax recognised in other comprehensive income

	Year ended March 31, 2020	Year ended March 31, 2019
Re-measurement of defined benefit liability *	1.22	0.00
Tax recognised in other comprehensive income	**1.22**	**0.00**

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

c. Reconciliation of effective tax rate

₹ Crores

	March 31, 2020		March 31, 2019	
	% of PBT	Amount	% of PBT	Amount
Loss before tax and exceptional item		(128.34)		(58.42)
Tax using Company's domestic tax rate	25.17%	(32.30)	29.12%	(17.04)
Effect of:				
Expenses that are not deductible and other adjustments		10.43		2.10
Differential tax rate and indexation benefits on capital gain		2.59		(4.37)
Tax charge on taxable income within the Group		53.75		-
Differential tax rates of subsidiaries operating in other jurisdictions		7.69		(2.05)
Reversal of deferred tax liability due to change in tax rate (current year impact u/s 115BAA of the Income Tax Act, 1961)		(5.66)		(4.68)
Deferred tax assets recognised now with respect to unused tax losses and depreciation of earlier years (net)		(82.32)		(1.47)
		(45.82)		**(27.51)**
Tax pertaining to prior years		3.80		2.04
Income tax expenses recongnised in Statement of Profit & Loss		**(42.02)**		**(25.47)**

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, 2020	As at March 31, 2019
Deferred tax assets	117.48	59.96
Deferred tax liabilities	(45.36)	(86.18)
	72.12	**(26.22)**

e. Movement in deferred tax

₹ Crores

	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	Recognised in Profit / Loss during 2019-20	Recognised in other equity during 2019-20 #	Recognised in OCI during 2019-20	Balance as at March 31, 2020
Difference between tax books and written down value of PPE and intangible assets @	(168.37)	31.19	(0.55)	-	(137.73)	42.16	16.65	-	(78.92)
Unabsorbed loss carried forward	49.72	39.97	(0.01)	-	89.68	28.20	(2.75)	-	115.13
Related to premium on redemption of debenture	24.12	(24.12)	-	-	-	-	-	-	-
MAT credit entitlement	9.40	-	-	-	9.40	(9.40)	-	-	-
Others *	12.74	0.72	(1.03)	0.00	12.43	25.91	(3.65)	1.22	35.91
Net deferred tax assets / (liabilities)	**(72.39)**	**47.76**	**(1.59)**	**0.00**	**(26.22)**	**86.87**	**10.25**	**1.22**	**72.12**

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

Includes deferred tax credit of ₹ 10.45 Crores on IND AS 116 transition impact accounted in retained earnings.

@ Net of deferred tax on lease liabilities recorded against right-to-use assets in accordance with IND AS 116.

f. The Group has carried forward losses against which deferred tax asset has not been recognised.

	As at March 31, 2020 (₹ Crores) *	Will expire in FY	As at March 31, 2019 (₹ Crores)	Will expire in FY
Unabsorbed business loss	147.52	2020-21	3.69	2020-21
Unabsorbed business loss	0.00	2021-22	-	2021-22
Unabsorbed business loss	2.73	2022-23	10.56	2022-23
Unabsorbed business loss	6.70	2023-24	7.42	2023-24
Unabsorbed business loss	13.51	2024-25	27.70	2024-25
Unabsorbed business loss	45.11	2025-26	116.90	2025-26
Unabsorbed business loss	63.59	2026-27	90.36	2026-27
Unabsorbed business loss	82.12	2027-28	107.31	2027-28
Unabsorbed business loss	0.23	2028-29	-	2028-29
Unabsorbed business loss	2.38	2031-32	2.23	2031-32
Unabsorbed business loss	0.48	2032-33	0.45	2032-33
Unabsorbed business loss	0.02	2033-34	1.49	2033-34
Unabsorbed business loss	31.84	2034-35	39.40	2034-35
Unabsorbed business loss	1.03	2035-36	27.88	2035-36
Unabsorbed business loss	3.54	2036-37	27.60	2036-37
Unabsorbed business loss	9.08	2037-38	3.38	2037-38
Unabsorbed business loss	48.39	2038-39	35.41	2038-39
Unabsorbed business loss	67.68	2039-40	-	2039-40
Unabsorbed business loss	347.40	Indefinite life	260.48	Indefinite life
Unabsorbed depreciation	0.81	Indefinite life	233.77	Indefinite life
	874.17		**996.04**	

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

34. Segment information

Operating segments:

a. The segment information has been prepared in line with the review of operating results by Chief Operating Decision Maker (CODM) of Group i.e. the Board of Directors.

b. The Group is presently operating as integrated post-production setup. The CODM decides on allocation of the resources to the business taking a holistic view of the entire setup and hence it is considered as representing a single operating segment.

Geographical information

The Group operates in four principal geographical areas – India (Country of Domicile), United Kingdom, Canada and the United States of America (U.S).

The Group's revenue from continuing operations from external customers by location of customers and information about its non-current assets by location of assets are detailed below:

₹ Crores

	Income from services		Segment Non-current assets *	
	Year ended March 31, 2020	Year ended March 31, 2019	As at March 31, 2020	As at March 31, 2019
India	308.76	339.30	1,499.58	1,461.19
United Kingdom	1,207.78	945.41	1,157.21	692.98
U.S.	149.57	277.41	179.46	231.10
Canada	1,202.68	900.13	311.07	265.78
Other Countries	18.88	48.37	0.30	0.47
	2,887.67	**2,510.62**	**3,147.62**	**2,651.52**

*Non-current assets exclude investments, financial assets and deferred tax assets.

None of the customers (Previous year: Nil) contributed 10% or more of the group's total revenue for the year ended March 31, 2020.

35 Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the net profit / (loss) for the year attributable to equity holders of the parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the net profit / (loss) attributable to equity share holders of the parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Net loss after tax as per Statement of Profit and loss attributable to equity shareholders	(153.88)	(32.95)
Less: Exceptional items (net of tax)	67.56	-
Loss after tax before exceptional items	**(86.32)**	**(32.95)**
	Number	Number
Weighted average number of equity shares in calculating basic EPS	**29,92,07,631**	**29,91,67,745**
Weighted average potential Equity shares	**-**	**50,84,030**
Weighted average number of equity shares in calculating diluted EPS	**29,92,07,631**	**30,42,51,775**
Earnings per share (before exceptional items)		
Basic earnings per share (₹)	(2.88)	(1.10)
Diluted earnings per share (₹) (Refer note below)	(2.88)	(1.10)
Earnings per share (after exceptional items)		
Basic earnings per share (₹)	(5.14)	(1.10)
Diluted earnings per share (₹) (Refer note below)	(5.14)	(1.10)

Potential equity shares are anti-dilutive in nature and hence diluted earning per share is same as basic earning per share.

36. Statement of net assets, net profit / loss after tax and other comprehensive income attributable to owners and non-controlling interest.

₹ Crores

Sr No	Name of entity	Net Assets As on March 31, 2020		Share in Profit / (loss) Year ended March 31, 2020		Share in Other Comprehensive Income Year ended March 31, 2020		Share in Total Comprehensive Income Year ended March 31, 2020	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
1	Prime Focus Limited	265.49%	1,264.99	(108.32%)	166.68	0.07%	(0.06)	(68.68%)	166.62
2	Dneg India Media Services Limited *	(11.48%)	(54.72)	(68.33%)	105.15	3.48%	(3.09)	(42.07%)	102.06
3	De-Fi Media Limited	(6.55%)	(31.22)	21.78%	(33.51)	0.00%	-	13.81%	(33.51)
4	Prime Focus Technologies Limited	58.68%	279.58	4.19%	(6.44)	0.63%	(0.56)	2.89%	(7.00)
5	Prime Focus Technologies UK Limited	(0.89%)	(4.26)	5.47%	(8.41)	0.00%	-	3.47%	(8.41)
6	Prime Focus MEAD FZ LLC	4.37%	20.80	1.15%	(1.77)	0.00%	-	0.73%	(1.77)
7	Prime Post (Europe) Limited	0.14%	0.66	0.62%	(0.96)	0.00%	-	0.40%	(0.96)
8	Prime Focus Technologies Inc.	(22.31%)	(106.30)	48.94%	(75.31)	0.00%	-	31.04%	(75.31)
9	DAX PFT LLC	16.25%	77.42	0.72%	(1.11)	0.00%	-	0.46%	(1.11)
10	DAX Cloud ULC	(0.51%)	(2.45)	0.13%	(0.20)	0.00%	-	0.08%	(0.20)
11	Apptarix Mobility Solutions Private Limited	0.04%	0.20	0.08%	(0.12)	0.00%	-	0.05%	(0.12)
12	Prime Focus Production Services Private Limited	(0.00%)	(0.00)	0.00%	(0.00)	0.00%	-	0.00%	(0.00)
13	GVS Software Private Limited	5.56%	26.49	(0.01%)	0.01	0.00%	-	(0.00%)	0.01
14	Jam8 Prime Focus LLP	(0.61%)	(2.93)	1.91%	(2.94)	0.00%	-	1.21%	(2.94)
15	Prime Focus Motion Pictures Limited	(0.07%)	(0.32)	0.04%	(0.06)	0.00%	-	0.02%	(0.06)
16	PF Digital Media Services Limited	(0.16%)	(0.77)	0.05%	(0.07)	(0.01%)	0.01	0.02%	(0.06)
17	PF World Limited (Mauritius)	122.96%	585.88	22.17%	(34.11)	0.00%	-	14.06%	(34.11)
18	Prime Focus Luxembourg S.a.r.l.	19.81%	94.41	2.56%	(3.94)	0.00%	-	1.62%	(3.94)
19	Prime Focus 3D Cooperatief U.A.	53.13%	253.15	1.66%	(2.55)	0.00%	-	1.05%	(2.55)
20	DNEG Plc (formerly known as Dneg Limited)	0.10%	0.46	0.00%	-	0.00%	-	0.00%	-
21	Prime Focus World N.V.	28.49%	135.75	21.76%	(33.49)	0.00%	-	13.80%	(33.49)
22	Double Negative Canada Productions Limited	17.59%	83.81	(7.35%)	11.31	0.00%	-	(4.66%)	11.31
23	Double Negative Huntsman VFX Limited	(0.77%)	(3.66)	(0.12%)	0.19	0.00%	-	(0.08%)	0.19
24	Vegas II VFX Limited	(2.82%)	(13.43)	0.03%	(0.04)	0.00%	-	0.02%	(0.04)
25	Prime Focus International Services UK Limited	39.10%	186.29	(26.51%)	40.79	0.00%	-	(16.81%)	40.79
26	Prime Focus VFX USA Inc.	(0.41%)	(1.94)	0.01%	(0.02)	0.00%	-	0.01%	(0.02)
27	Prime Focus Academy of Media & Entertainment Studies Private Limited	2.64%	12.58	1.52%	(2.34)	(0.02%)	0.02	0.96%	(2.32)
28	DNEG North America Inc.	83.88%	399.67	(9.38%)	14.44	0.00%	-	(5.95%)	14.44
29	Redefine FX LTD	4.60%	21.93	(14.63%)	22.51	0.00%	-	(9.28%)	22.51
30	Double Negative Montreal Productions Limited	36.89%	175.77	(36.36%)	55.95	0.00%	-	(23.06%)	55.95

₹ Crores

Sr No	Name of entity	Net Assets As on March 31, 2020		Share in Profit / (loss) Year ended March 31, 2020		Share in Other Comprehensive Income Year ended March 31, 2020		Share in Total Comprehensive Income Year ended March 31, 2020	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
31	Double Negative Holdings Limited UK	(0.00%)	(0.00)	0.00%	-	0.00%	-	0.00%	-
32	Double Negative Singapore Pte. Limited	(1.75%)	(8.33)	0.03%	(0.05)	0.00%	-	0.02%	(0.05)
33	Double Negative Films Limited, UK	(18.84%)	(89.76)	2.58%	(3.97)	0.00%	-	1.64%	(3.97)
34	Double Negative LA LLC	1.11%	5.30	(2.94%)	4.52	0.00%	-	(1.86%)	4.52
35	Double Negative Limited	10.36%	49.35	(27.89%)	42.91	0.00%	-	(17.69%)	42.91
36	Prime Focus ME Holdings Limited	(0.01%)	(0.06)	0.06%	(0.10)	0.00%	-	0.04%	(0.10)
37	Prime Focus (HK) Holdings Limited	(1.57%)	(7.46)	0.00%	-	0.00%	-	0.00%	-
38	PF Investments Limited (Mauritius)	(0.08%)	(0.40)	0.05%	(0.08)	0.00%	-	0.03%	(0.08)
39	PF Overseas Limited (Mauritius)	(0.11%)	(0.54)	0.01%	(0.01)	0.00%	-	0.00%	(0.01)
40	PF Media Limited (Formerly known as Reliance MediaWorks (Mauritius) Limited)	39.34%	187.43	(11.65%)	17.92	0.00%	-	(7.39%)	17.92
41	Lowry Digital Imaging Services Inc. ((formerly known as Reliance Lowry Digital Imaging Services Inc.)	(23.88%)	(113.79)	(12.85%)	19.78	0.00%	-	(8.15%)	19.78
42	Prime Focus China Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
			3,419.57		290.56		(3.68)		286.88
	Add/(Less): Effects of Inter Company adjustments / eliminations		(3,027.16)		(422.06)		(81.75)		(503.81)
	Less: Minority Interest in all subsidiaries		84.06		(22.38)		(3.29)		(25.67)
			476.48		(153.88)		(88.72)		(242.60)

* Double Negative India Private Limited and Dneg Creative Services Private Limited merged into DNEG India Media Services Limited w.e.f. April 1, 2019

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

Statement of net assets, net profit / loss after tax and other comprehensive income attributable to owners and non-controlling interest.

₹ Crores

Sr No	Name of entity	Net Assets As on March 31, 2019		Share in Profit / (loss) Year ended March 31, 2019		Share in Other Comprehensive Income Year ended March 31, 2019		Share in Total Comprehensive Income Year ended March 31, 2019	
		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) *	30.43%	195.10	33.84%	(11.15)	0.31%	(0.17)	12.78%	(11.32)
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

₹ Crores

Sr No	Name of entity	Net Assets As on March 31, 2019		Share in Profit / (loss) Year ended March 31, 2019		Share in Other Comprehensive Income Year ended March 31, 2019		Share in Total Comprehensive Income Year ended March 31, 2019	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
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)
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	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)
26	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
27	1800 Vine Street LLC (USA)	9.86%	63.24	(0.06%)	0.02	0.00%	-	(0.02%)	0.02
28	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)
29	Double Negative Montreal Productions Limited	19.77%	126.76	(147.80%)	48.70	0.00%	-	(54.98%)	48.70
30	Prime Focus World Malaysia Sdn Bhd	0.00%	-	0.03%	(0.01)	0.00%	-	0.01%	(0.01)
31	Double Negative Holdings Limited U.K	0.00%	-	0.00%	-	0.00%	-	0.00%	-
32	Double Negative Singapore Pte. Limited	0.37%	2.35	0.52%	(0.17)	0.00%	-	0.19%	(0.17)
33	Double Negative Films Limited, UK	(9.60%)	(61.55)	8.59%	(2.83)	0.00%	-	3.20%	(2.83)

₹ Crores

Sr No	Name of entity	Net Assets As on March 31, 2019		Share in Profit / (loss) Year ended March 31, 2019		Share in Other Comprehensive Income Year ended March 31, 2019		Share in Total Comprehensive Income Year ended March 31, 2019	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
34	Double Negative LA LLC	0.08%	0.49	(6.37%)	2.10	0.00%	-	(2.37%)	2.10
35	Double Negative Limited	4.30%	27.56	(403.82%)	133.06	0.00%	-	(150.23%)	133.06
44	Prime Focus ME Holdings Limited	17.50%	112.21	0.76%	(0.25)	0.00%	-	0.28%	(0.25)
45	Prime Focus China Limited	0.00%	-	0.00%	-	0.00%	-	0.00%	-
46	Prime Focus (HK) Holdings Limited	(1.08%)	(6.91)	0.00%	-	0.00%	-	0.00%	-
47	PF Investments Limited (Mauritius)	(0.05%)	(0.29)	0.27%	(0.09)	0.00%	-	0.10%	(0.09)
48	PF Overseas Limited (Mauritius)	(0.08%)	(0.49)	0.24%	(0.08)	0.00%	-	0.09%	(0.08)
49	Reliance MediaWorks (Mauritius) Limited	27.50%	176.32	(14.20%)	4.68	0.00%	-	(5.28%)	4.68
50	Reliance Lowry Digital Imaging Services Inc.	(19.48%)	(124.91)	24.61%	(8.11)	0.00%	-	9.16%	(8.11)
51	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**
	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)**

* Double Negative India Private Limited and Dneg Creative Services Private Limited merged into DNEG India Media Services Limited w.e.f. April 1, 2019
The value 0.00 means amount is below ₹ 50,000/-

37. Employee benefit plans

a. Defined contribution plans

The total amount recognised in profit or loss is ₹ 134.30 Crores (Year ended March 31, 2019 ₹ 131.84 Crores), which is included in note 29 as 'Contribution to Provident Fund and Other Funds' and Gratuity.

The Group contributes towards Provident Fund in India, Saving and Investment plan u/s. 401(k) of internal Revenue Code, Social security and Medicare in USA, National Insurance in UK, Canada pension plan and Quebec pension plan in Canada. Liability in respect thereof is determined on the basis of contribution as required under the respective rules and regulations. There is no further obligation of the Group beyond the contributions made.

b. Defined benefit plans

The Group sponsors defined benefit plans for qualifying employees of the Indian componant of the Group. The defined benefit plans unfunded and are administered by the Group directly. Under the plans, the employee are entitled to a lump-sump payment upon retirement from the services of the Group. An employee becomes eligible to receive payment upon completion of 5 years of service at the rate of 15 days of service for each completed year of service.

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

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

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

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

i. Reconciliation of opening and closing balance of defined benefit obligation

₹ Crores

	March 2020	March 2019
Defined benefit obligation at the beginning of the year	16.39	12.33
Interest cost	1.28	0.97
Current service cost	4.50	4.04
Benefit paid directly by the employer	(1.68)	(0.93)
Actuarial (gains) on obligations - due to change in demographic assumptions	-	(0.66)
Actuarial losses on obligations - due to change in financial assumptions	3.19	0.38
Actuarial losses on obligations - due to experience	1.71	0.26
Present value of benefit obligation at the end of the year	**25.39**	**16.39**

ii. Expenses recognised in Statement of Profit and Loss during the year

₹ Crores

	March 2020	March 2019
Current service cost	4.50	4.04
Interest cost	1.28	0.97
Expenses recognized	**5.78**	**5.01**

iii. Expenses recognized in the Other Comprehensive Income (OCI)

₹ Crores

	March 2020	March 2019
Actuarial (gains)/losses on obligation for the year	4.90	(0.02)

iv. Actuarial assumptions

	March 2020	March 2019
Rate of discounting	6.78%-6.89%	7.76%-7.79%
Rate of salary increase	5.00% -7.00%	5.00% -7.00%
Rate of employee turnover	2.00% -20.00% p.a.	2.00% -20.00% p.a.
Mortality rate during employment	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)

a. The discount rate is based on the prevailing market yields of the Government of India bonds as at the Balance Sheet date for the estimated term of the obligations

b. The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

vi. Sensitivity analysis of the defined benefit obligations:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

₹ Crores

	March 2020		March 2019	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (1% movement)	(3.58)	4.42	(2.21)	2.72
Future salary appreciation (1% movement)	4.23	(3.55)	2.67	(2.24)
Attrition rate (1% movement)	0.34	(0.36)	0.25	(0.31)

38. 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 6.35 as on March 31, 2020 (4.06 as on March 31, 2019).

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

b. Financial risk management

A wide range of risks may affect the Groups's business and financial results. Amongst other risks that could have significant influence on the Group are market risk, credit risk and liquidity risk.

The Board of Directors manage and review the affairs of the Group by setting up budgets, by monitoring the same and taking suitable actions to minimise potential adverse effects on its operational and financial performance.

c. Credit risk management

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

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

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 1,547.38 Crores and ₹ 1,007.59 Crores as at March 31, 2020 and March 31, 2019 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, 2020 and March 31, 2019.

d. Liquidity risk management

Liquidity risk refers to the risk that the Group may not be able to meet its financial obligations timely.

Management monitors rolling forecasts of the Group's liquidity position (comprising of undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks and others to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below analyses the maturity profile of the Group's financial liabilities. The following break up is based on the remaining period at the balance sheet date to the contractual maturity date.

₹ Crores

	March 31, 2020	
	Less than 1 year	More than 1 year
Financial Liabilities		
Borrowings	1,376.92	1,073.92
Lease liabilities	175.64	744.99
Other financial liabilities	127.72	141.07
Trade payables	196.84	-
	1,877.12	**1,959.98**

₹ Crores

	March 31, 2019	
	Less than 1 year	More than 1 year
Financial Liabilities		
Borrowings	934.50	1,189.00
Lease liabilities	100.16	195.23
Other financial liabilities	114.82	118.63
Trade payables	145.30	-
	1,294.78	**1,502.86**

e. Market risk

The primary market risks to which the Group is exposed are foreign currency and interest rate risk.

i. Foreign currency risk management

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound and Singapore Dollar against the respective functional currencies of Prime Focus Limited and its subsidiaries.

The following analysis has been worked out based on the net exposures for each of the subsidiaries and Prime Focus Limited as of the date of Balance sheet which could affect the statement of profit and loss and other comprehensive income and equity.

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

Particulars	Foreign Currency Denomination	As at March 31, 2020		As at March 31, 2019	
		Foreign Currency	₹ Crores	Foreign Currency	₹ Crores
Asset	AED	21,210	0.04	49,523	0.09
	AUD	4,50,388	2.07	4,53,784	2.23
	CAD	99,15,053	52.28	4,78,15,893	248.22
	EUR	51,170	0.42	1,30,64,472	101.59
	GBP	79,72,767	73.73	17,37,036	15.68

Particulars	Foreign Currency Denomination	As at March 31, 2020		As at March 31, 2019	
		Foreign Currency	₹ Crores	Foreign Currency	₹ Crores
	JPY	-	-	3,60,000	0.02
	KES*	-	-	71,085	0.00
	SGD	1,508	0.01	-	-
	USD	9,34,67,838	698.61	10,38,20,567	719.69
Asset Total			**827.16**		**1,087.52**
Liability	AED	-	-	40,920	0.08
	CAD	82,19,726	43.34	78,71,987	40.86
	EUR	1,80,822	1.49	2,62,63,206	204.22
	GBP	6,24,11,005	577.17	5,50,33,767	496.84
	INR	18,55,338	0.19	9,17,749	0.09
	SGD	22,36,184	11.73	22,02,061	11.26
	USD	1,66,30,340	124.30	10,11,19,499	700.97
Liability Total			**758.22**		**1,454.33**

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

5% appreciation/ depreciation of respective foreign currencies with respect to functional currency of Prime Focus Limited and its subsidiaries would result in increase / decrease (previous year decrease/ increase) in the Group's profit before tax by approximately ₹ 3.45 Crores for the year ended March 31, 2020 [March 31, 2019: ₹ 18.34 Crores]. This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

ii. Interest rate risk management

The Group is exposed to interest rate risk because the entities in the group borrow funds at both fixed and floating interest rates. The sensitivity analysis for exposure to interest rates on borrowings as at the end of the reporting period indicates that a 50 basis point increase in floating interest rates on such borrowings would have decreased equity and profit for the year by ₹ 10.17 Crores and ₹ 8.46 Crores for March 2020 and March 2019 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, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	Fair value hierarchy
FINANCIAL ASSETS					
Financial assets measured at fair value					
Investments	4.33	4.23	4.33	4.23	Level 3
Revenue participation in movies	4.34	4.02	4.34	4.02	Level 3
Financial assets measured at amortised cost					
Deposits	31.01	25.91	-	-	
Trade receivables	578.42	425.95	-	-	
Cash and cash equivalents	256.09	89.68	-	-	

₹ Crores

	Carrying value		Fair value		
	As at March 31, 2020	As at March 31, 2019	As at March 31, 2020	As at March 31, 2019	Fair value hierarchy
Bank balance others	4.30	0.62	-	-	
Other financial assets	673.22	461.41	-	-	
	1.551.71	**1,011.82**	**8.67**	**8.25**	
FINANCIAL LIABILITIES					
Financial liabilities measured at fair value					
Class B Convertible Redeemable Preferred Share Derivative	7.47	18.02	7.47	18.02	Level 3
Cash settled options	4.17	2.31	4.17	2.31	Level 3
Non Convertible Redeemable Preferrence Shares (NCRPS)	2.61	2.78	2.61	2.78	Level 3
Financial liabilities measured at amortised cost					
Class B Convertible Redeemable Preferred Shares	105.41	93.10	-	-	
Borrowings	2,450.84	2,123.50	-	-	
Lease liabilities	920.63	295.39	-	-	
Trade payables	196.84	145.30	-	-	
Other financial liabilities	149.13	117.24	-	-	
	3,837.10	**2,797.64**	**14.25**	**23.11**	

Basis of valuation technique for level 3 financial instruments

₹ Crores

(Financial Assets) / Financial Liabilities	Fair Value as at		Fair Value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31-Mar-20	31-Mar-19				
Revenue participation in movies	(4.34)	(4.02)	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	(4.33)	(4.23)	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	**(8.67)**	**(8.25)**				
Derivatives for Redeemable Convertible Preferred Shares Class B	7.47	18.02	Level 3	Third party valuation using Probability Expected Return Methodology ("PWERM")	Discount rate and probable cash flows	The higher the expected payouts, the higher the fair value. The higher the discount rate, the lower the fair value

₹ Crores

(Financial Assets) / Financial Liabilities	Fair Value as at		Fair Value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31-Mar-20	31-Mar-19				
Cash settled options	4.17	2.31	Level 3	Third party valuation using Probability Expected Return Methodology ("PWERM")	Discount rate and probable cash flows	The higher the expected payouts, the higher the fair value.
Non Convertible Redeemable Preferrence Shares (NCRPS)	2.61	2.77	Level 3	Discounted cash flows	Discount rate and probable cash flows	The higher the expected payouts, the higher the fair value. The higher the discount rate, the lower the fair value
Total Financial Liabilities	**14.25**	**23.10**				

Movement in level 3 instruments during the year

₹ Crores

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**
Mark to Market change in embedded derivative of Preferred shares Class B recognised in Profit or Loss	(10.55)
Fair value change towards cash settled options	1.86
Change in fair value of NCRPS	(0.16)
Closing balance as at March 31, 2020 (Financial liabilities)	**14.25**
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)**
Exchange fluctuation in Investment	(0.42)
Closing balance as at March 31, 2020 (Financial assets)	**(8.67)**

39. 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	01-Aug-14
Total number of options approved under ESOS	1,79,32,738
Vesting requirements	Out of the total options granted, 45.88% options vest after 1st year, 45.88% options vest after 2nd year and 8.24% options vest after 3rd year from the date of respective grant.
Exercise price or pricing formula	₹ 52

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. During the previous year, the Company had extended the exercise period of all outstanding options from 2 years to 5 years. The weighted average incremental fair value of the share options modified was ₹8.72/-. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 1.90 – 3.40 years.

Inputs into the model were as follows:

(a) Grant date share price	₹ 70.80
(b) Exercise Price	₹ 52.00
(c) Expected Volatility	49.10% - 46.60%
(d) Expected life	1.90 – 3.40 years
(e) Dividend yield	-
(f) Risk free interest rate	7.90 % to 8.00 %

iv. **Reconciliation of outstanding share options:**

	31-Mar-20		31-Mar-19	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	**1,76,29,400**	**52.00**	**1,76,46,067**	**52.00**
Granted during the year	-	-	-	-
Forfeited / lapsed during the year	-	-	-	-
Exercised during the year	66,666	52.00	16,667	52.00
Balance at the end of the year	**1,75,62,734**	**52.00**	**1,76,29,400**	**52.00**
Exercisable at the end of the year	**1,75,62,734**	**52.00**	**1,61,51,820**	**52.00**

Fair value of 14,77,580 option vested during the year is ₹ 6.53 crores (March 31, 2019: 82,27,579 option was ₹ 34.97 crores)

Money realised by exercise of option during the year is ₹ 0.35 crores (March 31, 2019: ₹ 0.09 crores)

The options outstanding at March 31, 2020 have an exercise price of ₹52/- (March 31, 2019: ₹ 52/-) and a weighted average remaining contractual life of 3 years (March 31, 2019: 4 years)

Weighted average share price at the date of the exercise of share options exercised in 2019-20 is ₹ 83.90 (March 31, 2019: ₹ 63.03).

v. The Company has followed the fair value method to account for the grant of stock options and charge for the year ended March 31, 2020 is ₹ 1.21 Crores (March 31, 2019: ₹ 21.98 Crores).

b. During fiscal year 2014, the Board of Directors and Shareholders' of PFW approved a share option plan for the PFW Group and reserved 973,285 common shares for issuance thereunder.

Pursuant to such plan, equity-settled options totalling 678,224 ordinary shares were granted to certain executives / consultants and to certain members of the Board of Directors and 57,429 cash-settled options (Phantom stock options) were issued to certain employees in earlier year(s). During the year ended March 31, 2020: 227,070 equity settled options were granted to certain employees.

i. Equity settled options :

Each equity-settled share option converts into one ordinary share of PFW on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of the expiry.

The following equity settled share options were in existence during the current year:

	Number	Grant date	Expiry date	Exercise Price per share	Fair value at grant date
Grant 1	4,08,586	01-Jul-13	01-Jul-23	$13.13	$ 8.92-9.31
Grant 2	2,50,000	15-Aug-17	15-Aug-27	$88.50	$3.48
Grant 3	19,638	07-May-18	07-May-28	$101.85	$66.10
Grant 4	9,778	02-Aug-19	02-Aug-29	$92.40	$39.68
Grant 5	76,055	06-Sep-19	06-Sep-29	$92.40	$39.63
Grant 6	1,16,083	06-Nov-19	06-Nov-29	$0.01	$93.36
Grant 7	21,731	06-Nov-19	06-Nov-29	$50.00	$58.33
Grant 8	3,423	06-Nov-19	06-Nov-29	$50.00	$58.20

All of the options from Grant 1 and Grant 6 are fully vested and are exercisable over a period until ten years from the date of grant, 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 PFW's shares on certain stock exchanges subject to some conditions. All of the options from Grant 4 and 5 vest 25% on the date of grant and 25% over 3 years on 1st July. All of the options from Grant 7 vest 50% on the date of grant and 25% on 1st July, 21 and 1st July, 22 respectively. All of the options from Grant 8 vest two third on the date of grant and balance one third on 15th August 2020.

227,070 equity-settled options were granted during the year ended March 31, 2020. The fair value as on grant date of the share options is $ 39.63 - $ 93.36. Options were priced using a Black Scholes option pricing model.

Inputs into the model for fair valuation of grants during the year:

	Grant date share price	Exercise price	Dividend yield	Volatility	Risk free interest rate
Grant 4	$ 84.20	$ 92.40	0%	54.9% - 55.3%	0.34% - 0.36%
Grant 5	$ 84.20	$ 92.40	0%	54.8% - 55.5%	0.29% - 0.34%
Grant 6	$ 89.89	$ 0.01	0%	53.60%	0.45%
Grant 7	$ 89.89	$ 50.00	0%	49.5% - 53.6%	0.42% - 0.47%
Grant 8	$ 89.89	$ 50.00	0%	52.4% - 53.6%	0.39% - 0.45%

Exercise price of Grant 2, Grant 4 and Grant 5 was modified during the year. Fair value of these grants was re-measured on the date of modification using Black and Scholes option pricing model. The incremental charge due to difference in modification date fair value based on revised terms and original terms is recognised immediately in Profit and Loss account to the extent options are already vested and charge for unvested options is recognised over the remaining vesting period.

Fair value on modification date and the inputs considered for model:

	Grant date share price	Exercise price	Dividend yield	Volatility	Risk free interest rate	Fair value on modification date
Grant 2	$ 91.70	$ 50.00	0%	55.10%	0.66%	$ 9.38
Grant 4	$ 91.70	$ 50.00	0%	54.1% - 54.8%	0.47% - 0.51%	$ 14.28
Grant 5	$ 91.70	$ 50.00	0%	53.9% - 54.6%	0.30% - 0.34%	$ 14.15

Movement in equity settled shares options during the current year

	Fiscal year 2020		Fiscal year 2019	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	**6,78,224**	**$ 43.48**	**6,58,586**	**$ 41.74**
Granted during the year	2,27,070	$ 40.47	19,638	$ 101.85
Balance at the end of the year	**9,05,294**	**$ 28.07 ***	**6,78,224**	**$ 43.48**
Exercisable at the end of the year	**5,71,281**	**$ 13.47**	**4,08,586**	**$ 13.13**

* Post modification of exercise price

The average remaining contractual life in respect of share-based options is 2,159 days as at March 31, 2019 and 2,217 days as at March 31, 2020.

ii. **Cash settled stock options:**

The Board of Directors approved a grant of 57,429 cash settled options on June 27, 2017, which vest over a period of 48 months to 60 months from October 1, 2014 and expire within ten years from the aforesaid date.

The following are the cash-settled share-based payment arrangements:

	Number	Expiry date	Exercise Price per share	Fair value as at reporting date
Grants	57,429	30-Sep-24	€ 0.01	$ 5.53

Movement in cash settled shares options during the current year:

	31-Mar-20		31-Mar-19	
	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**	**50,927**	**€ 0.01**
Granted during the year	-	-	-	-
Forfeited during the year	-	-	-	-
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 2,010 days as at March 31, 2019 and 1,644 days as at March 31, 2020.

In case of phantom stock options, the participants are entitled to a cash payment amounting to the difference between the exercise price of the options and the exit proceeds allocated to each share underlying the options in case of an employee continuing employment and change of control or listing of PFW on certain stock exchanges subject to some conditions.

The fair value as on reporting date of the share options granted is $ 5.53. Using a Monte Carlo option pricing model, PFW has estimated payoffs based on future enterprise value of the PFW 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	€ 62.90
Exercise price	€ 0.01
Dividend	-
Volatility	65.01%
Risk free interest rate	0.13%

c. PFT ("Prime Focus Technologies Limited"), has granted employee stock options under employee's stock options scheme. Each option entitles the holder to one equity share of ₹ 10 each. 259,074 options were outstanding as at March 31, 2020 (Previous year 1,91,606). 88,883 (Previous year 34,000) 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 3 years, exercise period of 5 years and exercise price of ₹ 1,650/-. From options granted, 18,436 were vested during the year (Previous year 57,058)

The current status of the stock options granted to the Employees is as under:

Particulars	31-Mar-20		31-Mar-19	
	Numbers of options	Weighted average exercise price	Numbers of options	Weighted average exercise price
Balance at the beginning of the year	**1,91,606**	**3,132**	**1,90,970**	**2,679**
Granted during the year	88,883	1,650	34,000	3,987
Lapsed/ forfeited during the year	21,415	3,106	10,620	2,960
Exercised during the year	-	-	-	-
Expired during the year	-	-	22,744	662
Balance at the end of the year	**2,59,074**	**2,626**	**1,91,606**	**3,132**
Exercisable at the end of the year	**1,21,415**	**2,765**	**1,09,899**	**2,567**

For stock options outstanding as at March 31, 2020 the range of exercise price is ₹ 263 to ₹ 4,478 and weighted average remaining contractual life is 4.9 years and vesting period of 1 to 4 years.

Weighted average fair value of options granted during the year is ₹ 1,989.10.

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 – ₹ 3,218.80 per share

Expected volatility – 27.0% - 27.7%

Option life – 6 - 8 years

Expected dividends – 0% yield

Risk-free interest rate -6.9% p.a.

During previous year, PFT 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 of PFT at the Annual General Meeting of PFT held on September 28, 2018.

PFT has followed the fair value method to account for the grant of stock options and charge for the year ended March 31, 2020 is ₹ 6.61 Crores (March 31, 2019: ₹ 4.60 Crores).

40. Related party transactions

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

i. Key management personnel (KMP)

Mr. Naresh Malhotra – Chairman and Whole-time Director

Mr. Ramakrishnan Sankaranarayanan – Managing Director (Change in designation to Non Executive Director w.e.f. June 25, 2020)

Mr. Namit Malhotra – Non – Executive Director and Chief Executive Officer of PFWNV Group

Mr. Nishant Fadia – Chief Financial Officer

Ms. Parina Shah – Company Secretary

ii. Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Blooming Buds Coaching Private Limited

N2M Reality 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, 2020	Year ended March 31, 2019
Remuneration		
Mr. Naresh Malhotra	1.18	1.18
Mr. Ramakrishnan Sankaranarayanan	1.81	2.06
Mr. Namit Malhotra	6.81	6.78
Mr. Nishant Fadia	0.59	0.59
Ms. Parina Shah	0.26	0.26

*The figures of Key management personnel do not include provisions for gratuity / other employee benefit as separate actuarial valuation not available.

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Balance payable / (receivable)		
Mr.Naresh Malhotra	0.07	0.06
Mr.Ramakrishnan Sankaranarayanan	0.14	0.04
Mr.Namit Malhotra	1.04	(2.26)
Mr. Nishant Fadia	0.04	0.04
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, 2020	Year ended March 31, 2019
Rent expense		
Blooming Buds Coaching Private Limited	-	4.08
Interest expense on lease liability		
Blooming Buds Coaching Private Limited	2.43	-

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Balance outstanding		
Deposit		
Blooming Buds Coaching Private Limited	5.30	5.30
Lease liability		
Blooming Buds Coaching Private Limited	20.15	-
Capital advance		
N2M Reality Private Limited	26.50	26.50

(iii) Enterprises with significant influence over the Company

₹ Crores

	Year ended March 31, 2020	Year ended March 31, 2019
Finance costs		
Standard Chartered Bank *	-	0.00
Premium on NCD		
Standard Chartered Private Equity (Mauritius) Limited	-	13.29
NCD repaid (including premium)		
Standard Chartered Private Equity (Mauritius) Limited	-	190.02

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Bank Balance in current account		
Standard Chartered Bank *	-	0.01

* 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.

Under ESOP Scheme 2014, 27,80,000 options were granted to Key management personnel. The stock options outstanding for KMP's as at March 31, 2020 is 27,70,000 (March 31, 2019: 27,70,000) and employee stock option expense for the year March 31, 2020 is ₹ 0.01 crores (March 31, 2019: ₹ 3.33 crores).

Under ESOP Schemes of subsidiaries, 143,133 (March 31, 2019: Nil) options were granted to Key management personnel during the year. The stock options outstanding for KMP's as at March 31, 2020 is 402,555 (March 31, 2019: 259,422) and employee stock option expense for the year March 31, 2020 is ₹ 79.62 crores (March 31, 2019: ₹ Nil).

41. Lease liabilities

Maturity profile of lease liabilities

₹ Crores

	As at March 31, 2020	
	Carrying value	Undiscounted cash flow
Within one year	175.64	221.15
Later than one year and not later than five years	433.57	539.68
Later than five years	311.42	359.41
	920.63	**1,120.24**

Maturity profile of lease liabilities

₹ Crores

	As at March 31, 2019	
	Carrying value	Undiscounted cash flow
Within one year	100.16	117.77
Later than one year and not later than five years	195.23	214.96
Later than five years	-	-
	295.39	**332.73**

Operating lease commitment as at March 31, 2019 *

₹ Crores

	As at March 31, 2019
Within one year	90.53
Later than one year and not later than five years	289.13
Later than five years	417.25
	796.91

* related to finance lease liability recognised under IND AS 17.

42. Commitments

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account net of advances, and not provided for:	12.50	12.08

43. Contingent liabilities

₹ Crores

	As at March 31, 2020	As at March 31, 2019
Income Tax matters under dispute * Relates to demands raised by the income tax authorities for various assessment years mainly on account of disallowances of depreciation on computer based assets, additions under the Transfer Pricing provisions and Tax deducted at source (TDS) amounts	0.49	0.67
* in the above matter, the Company is hopeful of succeeding and as such does not expect any significant liability to crystalize.		
Performance guarantees given to cutomers by the Group	147.38	176.76
Disputed Cess Tax Demand pending with Deputy Commissioner, Navi Mumbai Municipal Corporation-Cess Department. The Group believes, being an SEZ unit it is fully exempt from payment of Octroi/Cess Tax as per Maharashtra IT-ITEs policy, 2009. The amount of ₹ 9,656,175 deposited, as Tax demand under protest, for the purpose of admission of Appeal is reflected as Other loans and advances	5.37	5.37

44. 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 compay. 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 previous 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 in the previous year.

45. 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-20	31-Mar-19
Opening Balance	**39.19**	**48.85**
Add:		
Employee Benefit expenses	40.10	44.53
Direct overheads	2.09	1.94
Exchange difference	0.43	0.59
	42.62	**47.06**
Less: Capitalised	66.85	56.72
Closing Balance	**14.96**	**39.19**

For and on behalf of the Board of Directors

Naresh Malhotra
Chairman and Whole-time Director
DIN: 00004597

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Nishant Fadia
Chief Financial Officer

Parina Shah
Company Secretary

Place : Mumbai
Date : July 31, 2020

FORM AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/Associate Companies/ Joint Venture

₹ Crores

Name of the Subsidiary	Prime Focus Technologies Limited	Prime Focus Technologies UK Limited	Prime Focus Technologies Inc.	Prime Post (Europe) Limited	DAX PFT LLC	DAX Cloud ULC
Date of becoming the subsidiary / acquition	08-Mar-08	13-Aug-10	04-Mar-13	28-Apr-06	04-Apr-14	04-Apr-14
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
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
	1.00	92.48	74.74	92.48	74.74	52.74
Share capital (Rs.)	2.17	0.00	0.00	0.00	-	-
Reserves & surplus	277.41	(4.26)	(106.30)	0.66	77.42	(2.45)
Total assets	796.75	85.65	213.81	22.92	77.42	0.05
Total liabilities	517.17	89.91	320.11	22.26	-	2.50
Investments	58.69	-	-	-	-	-
Turnover	228.10	24.26	45.55	2.02	8.91	1.71
Profit before taxation	(44.77)	(8.41)	(77.72)	(0.96)	(1.11)	(0.60)
Provision for taxation	38.33	-	2.41	-	-	-
Profit after taxation	(6.44)	(8.41)	(75.31)	(0.96)	(1.11)	(0.20)
Other Comprehensive Income	(0.56)	-	-	-	-	-
Total Comprehensive Income	(7.00)	(8.41)	(75.31)	(0.96)	(1.11)	(0.20)
Proposed Dividend	-	-	-	-	-	-
% of shareholding	73.75%	100.00%	100.00%	100.00%	100.00%	100.00%

₹ Crores

Name of the Subsidiary	Apptarix Mobility Solutions Private Limited	Prime Focus MEAD FZ LLC	De-Fi Media Limited	Prime Focus Production Services Private Limited	GVS Software Private Limited	Jam8 Prime Focus LLP
Date of becoming the subsidiary / acquition	06-Apr-18	07-Oct-18	19-Dec-07	28-Feb-08	01-Apr-08	22-Apr-19
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
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
	1.00	20.34	92.48	1.00	1.00	1.00
Share capital (Rs.)	0.33	0.00	558.27	0.01	0.28	0.01
Reserves & surplus	(0.13)	20.80	(589.50)	(0.01)	26.21	(2.94)
Total assets	0.37	21.48	136.87	0.00	26.50	2.15
Total liabilities	0.17	0.67	168.10	0.01	0.02	5.08
Investments	-	-	-	-	-	-
Turnover	-	0.03	32.20	-	-	2.37
Profit before taxation	(0.12)	(1.77)	(50.03)	(0.00)	0.01	(2.94)
Provision for taxation	-	-	(16.52)	-	-	-
Profit after taxation	(0.12)	(1.77)	(33.51)	(0.00)	0.01	(2.94)
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	(0.12)	(1.77)	(33.51)	(0.00)	0.01	(2.94)
Proposed Dividend	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

₹ Crores

Name of the Subsidiary	Prime Focus Motion Pictures Limited	PF Digital Media Services Limited	PF Investments Limited (Mauritius)	PF Overseas Limited (Mauritius)	PF World Limited (Mauritius)	Prime Focus Luxembourg S.a.r.l.
Date of becoming the subsidiary / acquition	22-Aug-08	09-Jun-11	23-Jun-11	26-Jul-13	11-May-11	21-Sep-11
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	INR	USD	USD	USD	USD
	1.00	1.00	74.74	74.74	74.74	74.74
Share capital (Rs.)	0.05	0.05	0.32	0.00	611.94	129.46
Reserves & surplus	(0.37)	(0.82)	(0.72)	(0.54)	(26.07)	(35.05)
Total assets	12.31	54.32	0.11	0.00	942.87	259.24
Total liabilities	12.63	55.09	0.51	0.54	356.99	164.83
Investments	-	-	0.01	-	833.06	259.11
Turnover	-	6.55	-	-	-	-
Profit before taxation	(0.06)	(0.07)	(0.08)	(0.01)	(34.11)	(3.94)
Provision for taxation	-	-	-	-	-	-
Profit after taxation	(0.06)	(0.07)	(0.08)	(0.01)	(34.11)	(3.94)
Other Comprehensive Income	-	0.01	-	-	-	-
Total Comprehensive Income	(0.06)	(0.06)	(0.08)	(0.01)	(34.11)	(3.94)
Proposed Dividend	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

₹ Crores

Name of the Subsidiary	Prime Focus 3D Cooperatief U.A.	DNEG Plc (formerly known as Dneg Limited)	Lowry Digital Imaging Services Inc. ((formerly known as Reliance Lowry Digital Imaging Services Inc.)	PF Media Limited (Formerly known as Reliance MediaWorks (Mauritius) Limited)	Prime Focus World N.V.
Date of becoming the subsidiary / acquition	21-Sep-11	03-Dec-18	07-Apr-15	07-Apr-15	16-Aug-11
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD	GBP	USD	MUR	USD
	74.74	92.48	74.74	1.85	74.74
Share capital (Rs.)	259.13	0.46	0.01	165.35	0.55
Reserves & surplus	(5.98)	-	(113.80)	22.08	135.21
Total assets	259.55	0.86	11.62	189.25	1,670.53
Total liabilities	6.40	0.40	125.41	1.82	1,534.78
Investments	259.55	-	-	20.31	1,651.45
Turnover	-	-	-	-	-
Profit before taxation	(2.55)	-	19.78	17.92	(33.49)
Provision for taxation	-	-	-	-	-
Profit after taxation	(2.55)	-	19.78	17.92	(33.49)
Other Comprehensive Income	-	-	-	-	-
Total Comprehensive Income	(2.55)	-	19.78	17.92	(33.49)
Proposed Dividend	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	93.54%

₹ Crores

Name of the Subsidiary	Prime Focus International Services UK Limited	DNEG North America Inc.	Vegas II VFX Limited	Prime Focus VFX USA Inc.	Prime Focus ME Holdings Limited	Prime Focus (HK) Holdings Limited
Date of becoming the subsidiary / acquition	23-Mar-11	01-Apr-08	30-May-13	01-Apr-08	28-Mar-13	01-Apr-13
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	GBP 92.48	USD 74.74	CAD 52.74	USD 74.74	USD 74.74	USD 74.74
Share capital (Rs.)	169.31	0.04	-	0.00	0.05	1.12
Reserves & surplus	16.98	399.67	(13.43)	(1.94)	(0.11)	(8.58)
Total assets	271.37	411.39	0.31	-	0.05	-
Total liabilities	85.08	11.69	13.74	1.94	0.11	7.46
Investments	-	-	-	-	-	-
Turnover	102.60	-	-	-	-	-
Profit before taxation	37.10	12.95	(0.04)	(0.02)	(0.10)	-
Provision for taxation	3.69	1.49	-	-	-	-
Profit after taxation	40.79	14.43	(0.04)	(0.02)	(0.10)	-
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	40.79	14.43	(0.04)	(0.02)	(0.10)	-
Proposed Dividend	-	-	-	-	(114.52)	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

₹ Crores

Name of the Subsidiary	Prime Focus Academy of Media & Entertainment Studies Private Limited	Dneg India Media Services Limited	Double Negative Holdings Limited UK	Double Negative Limited	Double Negative Singapore Pte. Limited	Double Negative Canada Productions Limited
Date of becoming the subsidiary / acquition	01-Oct-16	07-Apr-15	15-Jul-14	15-Jul-14	15-Jul-14	30-Jul-14
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR 1.00	INR 1.00	GBP 92.48	GBP 92.48	SGD 52.48	CAD 52.74
Share capital (Rs.)	0.02	98.08	0.00	0.00	0.00	-
Reserves & surplus	12.56	(152.80)	(0.00)	49.35	(8.33)	83.81
Total assets	13.41	604.98	0.00	1,919.48	1.21	238.69
Total liabilities	0.83	659.70	0.00	1,870.13	9.55	154.88
Investments	-	-	0.00	4.32	-	-
Turnover	1.60	583.94	-	1,042.74	-	453.05
Profit before taxation	(2.35)	62.91	-	72.24	(0.05)	20.69
Provision for taxation	0.01	42.23	-	(29.34)	-	(9.38)
Profit after taxation	(2.34)	105.15	-	42.91	(0.05)	11.31
Other Comprehensive Income	0.02	(3.09)	-	-	-	-
Total Comprehensive Income	(2.32)	102.06	-	42.91	(0.05)	11.31
Proposed Dividend	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

₹ Crores

Name of the Subsidiary	Double Negative Huntsman VFX Limited	Double Negative Films Limited, UK	Double Negative LA LLC	Double Negative Montreal Productions Limited	Redefine FX Limited (Formerly known as Re:Define FX Ltd.)	Prime Focus China Limited
Date of becoming the subsidiary / acquition	15-Apr-15	15-Jun-14	07-Mar-17	22-Jun-17	06-Aug-18	01-Apr-13
Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20	31-Mar-20
Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	CAD	GBP	USD	CAD	CAD	USD
	52.74	92.48	74.74	52.74	52.74	74.74
Share capital (Rs.)	(0.00)	-	-	44.85	-	-
Reserves & surplus	(3.66)	(89.76)	5.30	130.92	21.93	-
Total assets	12.58	29.29	27.59	535.48	163.13	-
Total liabilities	16.24	119.05	22.29	359.71	141.20	-
Investments	-	-	-	-	-	-
Turnover	-	-	65.31	915.82	153.40	-
Profit before taxation	0.19	(3.97)	5.39	78.17	26.20	-
Provision for taxation	-	-	(0.87)	(22.22)	(3.69)	-
Profit after taxation	0.19	(3.97)	4.52	55.95	22.51	-
Other Comprehensive Income	-	-	-	-	-	-
Total Comprehensive Income	0.19	(3.97)	4.52	55.95	22.51	-
Proposed Dividend	-	-	-	-	-	-
% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	70.00%

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

Disclaimer

In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward –looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate,' 'estimate,' 'expect,' 'projects,' 'intend,' 'plans,' 'believe,' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward – looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risk, uncertainties and even inaccurate assumptions. Should known or unknown risk or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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