25 YEARS OF EXCELLENCE

ANNUAL REPORT 2021 - 22


25
YEARS
OF EXCELLENCE

INTRODUCTION

25 years ago, four young friends came together in a garage in Mumbai with one vision – to create a company to offer the best in technology-enabled creative services to the Media & Entertainment industry.

Since its inception, Prime Focus has been a unique fusion of diverse skills in creative talent and technology innovation. A perfect example of right brain meeting left brain. Our talented artists create and deliver magical experiences for Film, TV, Streaming, Music and Animation.

Our expert engineers harness hybrid cloud technologies to offer customers transformational solutions that help automate the content supply chain and digitally mediate enterprise workflows to manage not just the content, but the business of content. CLEAR®, our award-winning multi-cloud technology enabled Media ERP software and digital content services, helps content creators drive creative enablement, enhance efficiencies, reduce cost and realise new monetisation opportunities.

Being the first company in India to offer high-end post production finishing systems, film scanning and recording systems, and the first in South Asia to offer 4K DI facilities, we continue to scale new heights in innovation.

Our global expansion over the years has seen us introducing new technologies and processes to the international film and media industry. Strategic deals and mergers 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, have positioned Prime Focus Limited as the No.1 global media services powerhouse.

Today, Prime Focus is ready for the next stage of its evolution; ready to set new benchmarks. With 6 Academy Award wins in the last 8 years, increasing revenues and an ever-expanding workforce and network of facilities, creating new benchmarks has become a constant for the company.

Working alongside DNEG, ReDefine leverages the benefits of access to DNEG's market-leading technology infrastructure while bringing an agile and bespoke service to each market in which it operates. Jam8 Studio has reached new milestones and has achieved strong growth this year, delivering multiple hits in the industry for feature films, TV shows, reality shows, TVC's, and digital shows and movies.

Working together, the last 25 years have seen us consistently improving the standard of our performance, and continually setting new benchmarks for ourselves and for the global content creation industry. Here's to the next 25 years.

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CHAIRMAN'S MESSAGE

Since the commencement of our journey, our compelling and cutting-edge content and technology has been the result of our differentiated thinking and implementation. We continue to transform our business even after 25 years of dominance in the industry. Starting from a garage in Mumbai in 1997 to transforming into a global company in 2006, our position today is at the forefront of the international media and entertainment services industry.

We have always recognised the importance of staying ahead of the curve, and have a proven history of adopting and utilising the latest tools, technology and techniques of its time. We are a company that hasn't taken shortcuts to success and has time and again, proven its mettle on a global stage by pulling off the seemingly impossible.

The transformational partnership with DNEG elevated us into a position of being the world's largest integrated media service group and enabled us to offer our clients premium services for a quality and scale commensurate with top giants of the business. DNEG has since gone on to win 6 Oscars following the merger and this highlights the importance of industry collaboration and consolidation to enable growth and progress in the industry.

With the launch of ReDefine (a company registered under DNEG), we expanded our capabilities to build a substantial presence in European markets to provide Animation and VFX services with top international creative standards.

We have created new opportunities, opened new markets and rationalised our business, and we are beginning to capitalise on the financial advantages that we have created. Every year we see progress. Every year we become more successful. Every year we grow stronger. And as we look to the future we are confident that we have best positioned ourselves for the challenges to come.

We enter our 25th year with confidence; we have built expertise, brand credibility, networks and connections, and have positioned ourselves as a leader in all three of our business areas – International Creative Services, Global Cloud Technology Services and India Film and Media Services. We are witnessing accelerated growth in all our businesses, alongside international industry recognition and acclaim, and as we move forward we will continue to act decisively and strategically, unafraid of stepping into untested waters.

NARESH MALHOTRA

Chairman and Whole-time Director
Prime Focus Limited

25 YEARS OF EXCELLENCE

25 years ago, we stepped into the unknown with passion, ambition and a willingness to learn. With every challenge we faced, we evolved, gradually becoming the multi-faceted, battle-hardened, global company that we are today. A company that has won accolades including Academy Awards, BAFTAs, Emmys and more. And yet, even after achieving so much, I feel that we are just starting to scratch the surface of what we have the potential to become in future.

As we move beyond this great milestone of 25 years of growth and success, with all of this experience and knowledge, with all of the global relationships and infrastructure that we have built, we are ready for what comes next. We stand at an inflection point, poised and ready to move forward into a future full of amazing opportunities and promise.

From our content creation ambitions, with 'Brahmastra' releasing in September 2022 and 'Garfield' and 'Ramayana' in production, to the opportunities that we are pursuing in gaming and the metaverse, to new global locations and new talent joining our team all the time, this is an incredibly exciting time for our company. And that is not to mention some incredible new projects on our slate, including Christopher Nolan's 'Oppenheimer', 'The Last of Us' for HBO Max, 'Entergalactic' and 'Glass Onion: A Knives Out Mystery' for Netflix, and superhero movies 'Shazam: Fury of the Gods', 'The Flash', 'Black Adam' and many more announcing soon.

It has been an incredible journey, but I am still as enthused and as excited about it as I was 25 years ago, looking ahead to almost unimaginable possibilities.

As we move into our next quarter century, I'd like to thank all our clients, investors, bankers and partners who have been on this journey and continue to guide us and support us through all the ups and downs; and our vendors, consultants and advisors who work with us through our constantly changing and evolving business. I assure you, we will continue to forge ahead on our path of innovation and excellence, and we will scale even greater heights than ever before.

NAMIT MALHOTRA

Non-Executive Director & Promoter - Prime Focus Limited
Chairman and CEO - DNEG

25 YEARS OF EXCELLENCE

HIGHLIGHTS OF THE YEAR

DNEG

INTERNATIONAL CREATIVE SERVICES

DNEG is one of the world's leading visual effects (VFX) and animation companies for the creation of feature film, television, and multiplatform content. DNEG employs nearly 7,000 people with worldwide offices and studios across North America (Los Angeles, Montréal, Toronto, and Vancouver), Europe (London), and Asia (Bangalore, Chandigarh, Chennai, and Mumbai).

DNEG's critically acclaimed work has earned the company seven Academy Awards® for Best Visual Effects and numerous BAFTA and Primetime EMMY® Awards for its high-quality VFX work. For the 7th time in the last 11 years, DNEG brought home this year's Academy Award for Best Visual Effects, for its work on 'Dune', as well as a BAFTA Award earlier that year.

PRIME FOCUS TECHNOLOGIES
GLOBAL CLOUD TECHNOLOGY BUSINESS

2021, like its preceding year, saw the pandemic ravage the world but its brighter side also witnessed the introduction of vaccines and stepping up of vaccination drives across the globe allowing economies heave a sigh of relief. With organisations the world over preferentially opting more for virtualisation and working from home, there has not been a turnaround to the pre-pandemic era, in those terms. However, our constant endeavour to deliver our best for our global customers and drive transformations and business continuity during such unprecedented transforming times have been acknowledged and rewarded well.

PFT is a valued cloud technology and media services partner for some of the world's biggest streaming platforms, studios, and broadcasters. The M&E industry is incredibly busy solving their supply chain demands, driven by the need for velocity in a changing landscape of ever-increasing volume and variability. As a result, coordination amongst vendors globally to meet the launch windows and be in control has been challenging. CLEAR® has been instrumental in this regard, helping our clients manage their supply chain on the cloud, powering multi-vendor supply chain network and leveraging automation to coordinate the various tasks amongst them. We aim to maximise the value our customers derive from their investment in CLEAR® and in their experience with us over the engagement lifecycle. Our focus on value and experience drives our customers' success and all our actions are aimed at driving that.

2021-2022 was action packed with exciting product launches, strategic partnership with clients, and multiple awards. We were also able to participate in events, meeting people face-to-face, after a gap of two years.

PRIME FOCUS LIMITED
INDIA FILM & MEDIA SERVICES

For more than two decades Prime Focus Limited has been one of the biggest media services powerhouses for the filmmaking industry in India. From Production, Equipment, and Shooting Floors to outstanding creative post production and music services, PFL has become a 360^0 solution provider to filmmakers around the world. In 2021 alone, PFL delivered more than 50 projects across Indian and OTT platforms like ZEE5, Netflix, Amazon Prime, Disney+ Hotstar and MX Player.

Prime Focus delivered hit projects like 'Radhe', 'Mimi', 'BellBottom', 'Chehre', 'Rashmi Rocket', 'Hum Do Hamare Do', 'Atrangi Re', 'Bhoot Police', '83', 'Human', 'Gangubai Kathiawadi' and 'Rudra'.

The company's future pipeline also looks promising, with projects such as 'Heropanti 2', 'Shamshera', 'Jayesh Bhai Jordar', 'Prithviraj', 'Maidaan', and the highly anticipated 'Brahmastra'.

Jam8 Studios has had a significant influence in the post-production industry, having worked on a number of award-winning and successful projects. Our Recording Engineer, Aaroh Velankar, was awarded the 'Song Engineer' award at the Mirchi Music Awards. Jam8 continues to thrive on OTT platforms such as Netflix, Disney+ Hotstar, ZEE5 and others.

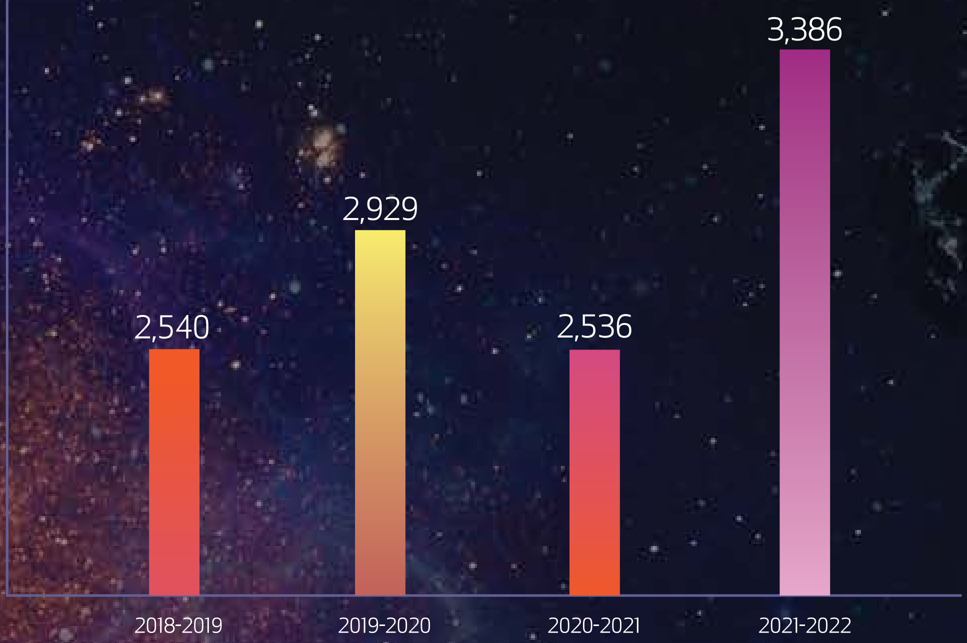
Jam8 continues to expand its offerings to include all industry languages as we provided several regional tracks for '83' with our stellar multilingual expertise. Jam8 delivered the romantic track 'Mere Yaara' for the smashing hit 'Sooryavanshi' starring Akshay Kumar, Katrina Kaif, Ajay Devgan and Ranveer Singh.

FINANCIAL HIGHLIGHTS

EMPLOYEES

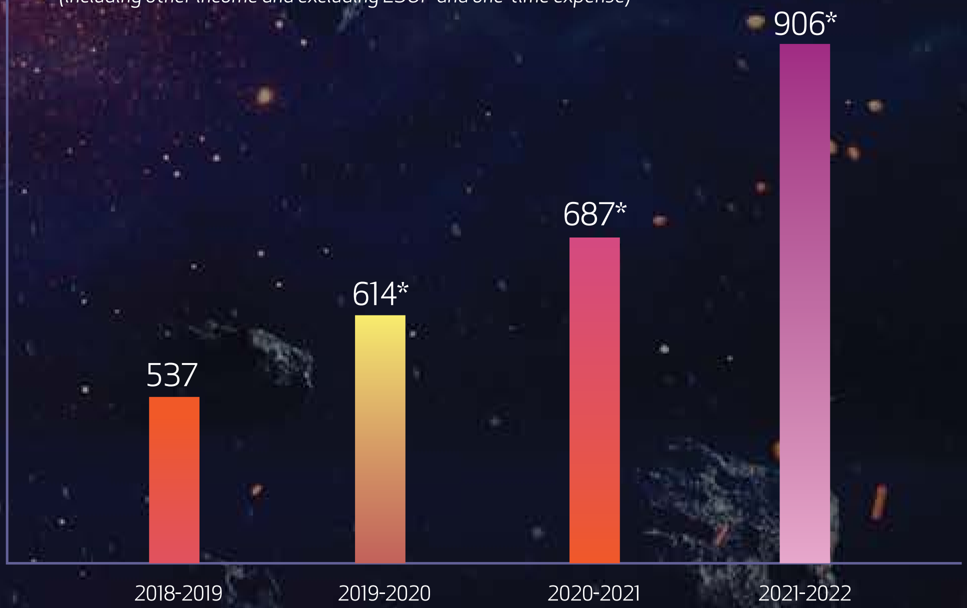
2021 - 2022	9,500
2020 - 2021	8,300+
2019 - 2020	10,652
2018 - 2019	10,446

REVENUE (in ₹ crores)



ADJUSTED EBITDA (in ₹ crores)

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



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

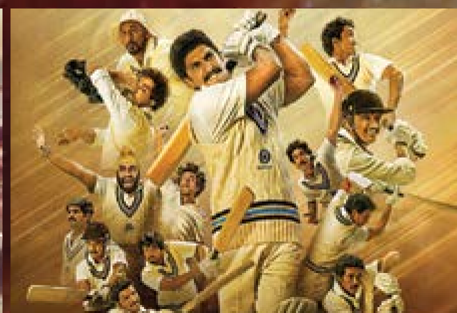
25 YEARS OF EXCELLENCE

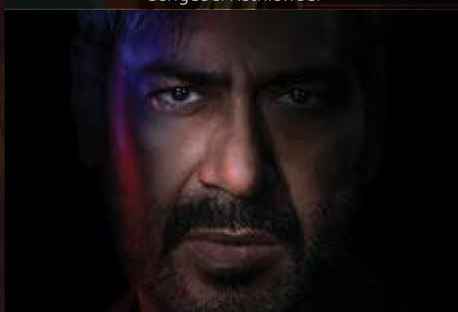
PROJECT HIGHLIGHTS

INDIAN PROJECTS


Gangubai Kathiawadi


Bell Bottom

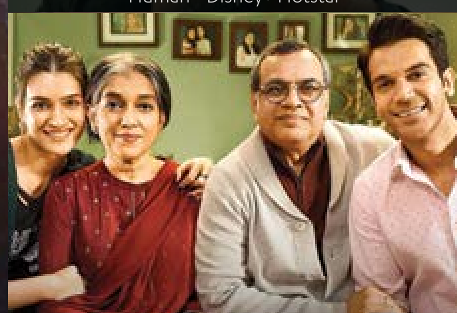

83

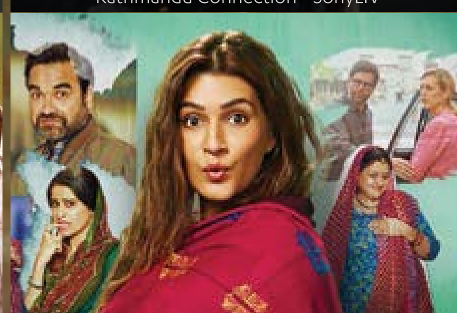

Rudra: The Edge of Darkness - Disney+ Hotstar

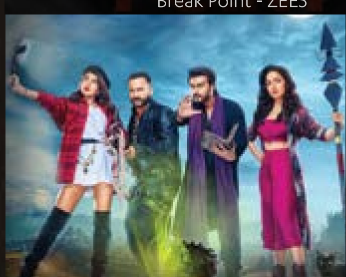

Human - Disney+ Hotstar

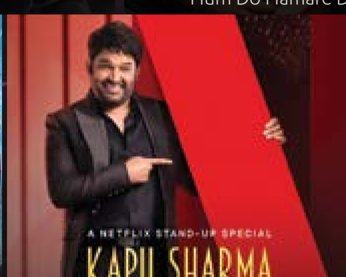
Kathmandu Connection - SonyLIV

Break Point - ZEE5


Hum Do Hamare Do - Disney+ Hotstar


MiMi - Netflix


Bhoot Police - Disney+ Hotstar



Kapil Sharma: I'm Not Done Yet - Netflix


A Thursday - Disney+ Hotstar


Atrangi Re - Disney+ Hotstar

INTERNATIONAL PROJECTS


Jungle Cruise


F9: The Fast Saga

Death On The Nile


Venom: Let There Be Carnage


Dune


Moonfall

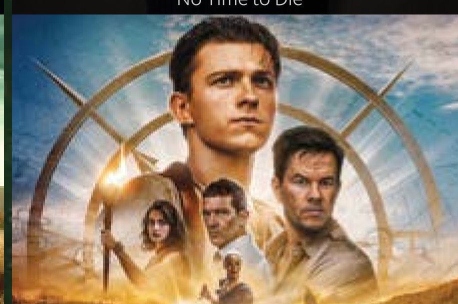

The Wheel of Time - Amazon Prime Video


Ron's Gone Wrong


No Time to Die


The Matrix Resurrections


Ghostbusters: Afterlife


Uncharted

AWARDS

- Academy Award for 'Best Visual Effects' for Dune
- Won BAFTA for 'Special Visual Effects' for Dune
- Won 7 Visual Effects Society Awards
- Prime Focus Limited won the 'Best Equipment Rental Company in India' at the Digital Studio Media Awards, 2021
- Aaroh Velankar from Jam8, was awarded 'Song Engineer Award' at the Mirchi Music Awards, 2021
- DNEG Animation won British Animation Awards - 'Best Long form' for Ron's Gone Wrong
- DNEG Animation won 'Best Animation' at the 2021 New York Shorts International Film Festival for Mr. Spam Gets a New Hat
- DNEG Animation won 'Best 3D Narrative Short' at SPARK ANIMATION 2021 for Mr. Spam Gets a New Hat
- DNEG Animation won 'Best Animated Short' at Cleveland International Film Festival for Mr. Spam Gets a New Hat

- DNEG won Primetime Emmy Award 2021 for 'Outstanding Special Visual Effects In A Single Episode' for Star Trek: Discovery Season 3 Episode 11 'Su'kal'
- The 2021 NAB Show 'Product of the Year Award' was won by Prime Focus Technologies. PFT's media recognition AI Platform, CLEAR® Vision Cloud won this award under the AI/ML category for its AI-led Video Conformance
- PFT was shortlisted at The IABM BaM Awards 2021® for our AI-powered multi-frame rate. PFT's media recognition, CLEAR® Vision Cloud, was shortlisted for this award under the 'Monetize' category
- PFT triumphed at the 26th Asian Television Awards (ATA) winning the awards for the Best Cinematography, Best Direction (Non-Fiction) for 'India From Above'; a nation's modern and mystic story, told over two powerful episodes that showcases India and its people from a never seen before aerial perspective
- PFT registered a delightful win at the Asian Academy Creative Awards (AACA) Singapore. Winner of 'Best Short Form Content' category. PFT has proudly conceptualised and filmed this remarkable initiative- Namma Jala, a BIAL's (Bangalore International Airport Ltd.) CSR initiative to develop water resources in the vicinity of BLR Airport. This film showcases BIAL's initiative to help the people of Devanahalli village get access to water
- We also made it to the Top 50 in 2022 Nimdzi Insights 100 Ranking of the World's Largest Language Service Providers (LSPs).

GROUP STRUCTURE


69.96%
Malhotra Family
(Founders)
21.97%
Affirma Capital
8.07%
Other Public
PRIME FOCUS
LIMITED
Prime Focus Limited (India)
Listed on BSE/NSE
PRIME FOCUS
TECHNOLOGIES
Prime Focus Technologies
Global Cloud Technology Business
73.75%
PRIME FOCUS
+ DNEG
Prime Focus World N.V. (Netherlands)
Global Visual Effects &
Animation Business
74.66%*
*(On fully diluted basis)

GLOBAL PRESENCE

BENGALURU
CHENNAI
HYDERABAD
JOHANNESBURG
KOLKATA
LONDON
LOS ANGELES
MOHALI
MONTRÉAL
MUMBAI
NEW YORK
NOIDA
PUNE
SOFIA
TORONTO
VANCOUVER

4 CONTINENTS

7 TIME ZONES

16 CITIES

BUSINESS OVERVIEW

87% OF GLOBAL REVENUE

INTERNATIONAL CREATIVE SERVICES

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.

10% OF GLOBAL REVENUE

GLOBAL TECHNOLOGY BUSINESS

Our Global Cloud Technology business, Prime Focus Technologies (PFT), is the creator of AI-enabled Enterprise Resource Planning (ERP) software, CLEAR®, for the Media and Entertainment industry. It offers broadcasters, studios, brands and service providers solutions that help them lower their Total Cost of Operations (TCOPs) by automating business processes around content and managing their business of content better.

3% OF GLOBAL REVENUE

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.

25 YEARS OF EXCELLENCE

DNEG

INTERNATIONAL CREATIVE SERVICES

2022 started with winning the Oscar for 'Best Visual Effects' for our work on 'DUNE'. It's the seventh OSCAR win in total, including six in the last 8 years. We also bagged a BAFTA under the 'Special Visual Effects' category for our work on Dune.

Winding the clock back to 2021, we've also been honored with 7 VES awards for our work on 'DUNE', Last Night in Soho and Foundation followed up with a Primetime Emmy Award in the 'Outstanding Special Visual Effects In A Single Episode' category For Star Trek: Discovery Season 3 Episode 11 'Su'kal'.

FILM VFX

As of March 2022, DNEG had provided visual effects for the world's second highest-grossing film of 2021 – 'The Battle at Lake Changjin' - which is also China's highest grossing film of all time.

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

- Christopher Nolan: Batman Begins, The Dark Knight, Inception, The Dark Knight Rises, Interstellar, Dunkirk, **TENET**
- Denis Villeneuve: Blade Runner 2049, **Dune**
- Ruben Fleischer: Venom, **Uncharted**
- Patty Jenkins: Wonder Woman, **Wonder Woman 1984**
- Justin Lin: Fast & Furious 6, Star Trek Beyond, **F9: The Fast Saga**
- 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**
- Francis Lawrence: The Hunger Games: Catching Fire, The Hunger Games: Mockingjay – Part 1 & 2, Red Sparrow, **Slumberland**

TV VFX

In May 2013, we launched a dedicated TV VFX service to enable creators of episodic content worldwide to access DNEG's talent, technical innovation, and infrastructure through a bespoke offering. Our dedicated team of VFX supervisors, producers and artists bring extensive experience and understanding of episodic content to every project they undertake, and their work has been rewarded with three Primetime Emmys and a BAFTA TV Craft Award, among other honours.

DNEG ANIMATION

DNEG Animation collaborates with filmmakers and content owners to create high-end animated feature films and episodic content for audiences all over the world. The team's passion for creating world-class animation shines through in everything they do - all with the goal of creating original animation of the highest-quality that delivers for each filmmaker's unique vision.

DNEG Animation is also leading the charge when it comes to the integration of real-time workflows and machine-learning as part of the animation pipeline. A dedicated technology team develops and integrates tools that elevate animation artist's workflows - and open up new world's of creative collaboration with filmmaking partners.

DNEG Animation's recent work includes Ron's Gone Wrong, a fun-filled and charming coming-of-age movie for Locksmith Animation and Twentieth Century Studios which received great acclaim on its worldwide cinema release in October, and Mr Spam Gets A New Hat, a short film co-produced with Oscar-winning director Bill Joyce, which is pushing the boundaries of what you can do with real-time, game engine technology in the animation pipeline and has already won a number of festival awards.

25 YEARS OF EXCELLENCE

REDEFINE

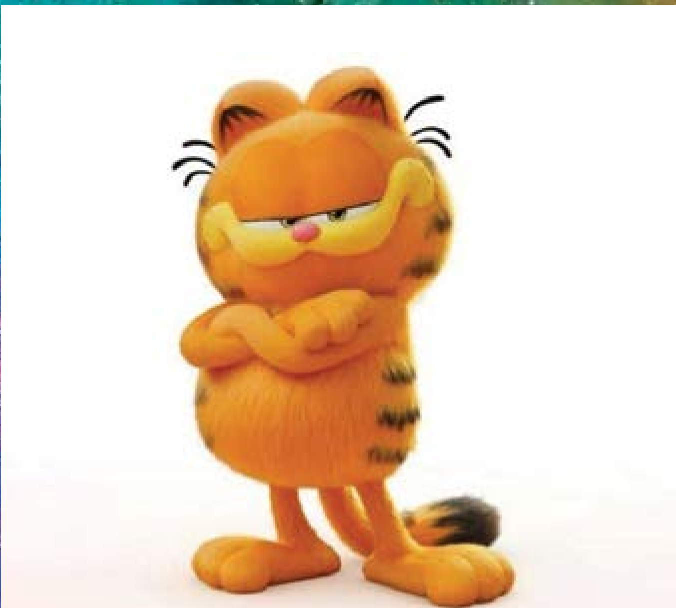
ReDefine is a global VFX and animation company providing high-quality, tailored creative services to studios, filmmakers and streaming companies, to help them efficiently and effectively bring their stories to life.

As part of the DNEG Group, ReDefine has the benefit of access to over 20 years of innovation and award-winning creative excellence, as well as a market-leading technology infrastructure.

ReDefine's agile and flexible approach allows the company to streamline the creative workflow to offer timely solutions to its clients, while its global community of talented VFX and animation artists work hand-in-hand with filmmaking partners to help them realise their grandest visions.

ReDefine is a global company with studios in North America (Montréal, Toronto, Vancouver, Los Angeles), Europe (London, Sofia, Barcelona), and India (Mumbai, Hyderabad, Bangalore, Pune and Kolkata).

STRONG PIPELINE




DC
FLASH


DC
SHAZAM!
FURY OF THE GODS


AQUAMAN
AND THE LOST KINGDOM


THE
MEG2
THE TRENCH


Disney
HAUNTED
MANSION


DC
BLACK
ADAM


ENTERGALACTIC
NETFLIX


THE WITCHER
BLOOD ORIGIN

PRIME FOCUS TECHNOLOGIES

Prime Focus Technologies (PFT), along with its cutting-edge solutions and services to M&E enterprises, continued its steadfast efforts by adding new features to its media recognition AI platform, CLEAR® Vision Cloud, to make AI work for M&E companies. The platform helps solve real world business problems for content enterprises including Streaming platforms, Studios and Broadcasters. PFT now offers Technology, with bespoke strategic consulting services to make AI work for the customers, taking into consideration their specific business challenges and unique content. Today, our Vison Cloud platform is used by customers around the globe across multiple use cases. We also added new features and advanced security enhancements to CLEAR® to help customers embrace the virtual work environment during the global pandemic.

TOPPING IT

- We announced a Hybrid-Cloud Media Centre in Leeds, UK employing over 70 professionals. PFT Leeds provides Channel 4's operations, including receipt and delivery of content, quality control, edit & remastering, archiving, live simulcast of linear channels and transcoding, along with packaging and delivery of non-linear services. The company's physical facility close to the City Centre of Leeds is near Channel 4's new national headquarters.

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

- Our latest infrastructural expansion includes the development of six brand new 5.1 mix rooms at Mumbai headquarters with the help of Munro Acoustics, which are one of the largest secure 5.1 mix infrastructures available in India. These are TPN-certified (the global benchmark for content security preparedness), allowing us to leverage these studios to deliver the service, quality and security assurance that our customers have come to expect.

- PFT this year showcased 5 AI/ML use cases for M&E enterprises to make AI work with conformance, segmentation, localisation, marketing and content QC. PFT's Media Services team deployed PFT's AI Platform, CLEAR® Vision Cloud for their various client facing projects to offer 'in-house' learning to CLEAR® Vision Cloud's home-grown AI engines and best-of-breed AI models like AWS, Google and Microsoft.

INTRODUCTION OF CLEAR® VISION CLOUD TO ACCELERATE BACK CATALOG PREPARATION:

- We encouraged our customers' internal teams to use AI and reduce human effort dramatically by discovering content segments, preparing cut downs, compilations & marketing clips, conform & create new versions, and re-time subs/dubs.
  - With CLEAR® Vision Cloud, they could automatically conform regional edits, subtitles & dub tracks on global masters.
  - Also automatically generate, transcribe, and trans-create subtitles.
- And finally stay connected across the supply chain – create versions of content, packages, share cuts, localize, transcode, and deliver to different platforms, all remotely.

PFT ALSO LAUNCHED CLEAR® REMOTE POST PRODUCTION WORKFLOWS FOR ADOBE PREMIERE PRO THAT HELPS:

- **Access Archive:** We have moved the application to content, so our customers can restore and archive faster. Download proxies, restore hi-res, check in edits and projects to your archives.
- **Media Discovery:** AI & deep Metadata integration across the workflow helps our customers locate clips of interest from both new content and archive to prepare a rough edit timeline.
- **Collaborate on Cloud:** Editors can collaborate on projects, share media and metadata, seek review and approval regardless of where they are, use visual mark-ups and free-hand annotation, chat & share notes.
- **Render & Upload from Adobe Premiere Pro:** Our customers can now render & upload to CLEAR® MAM for review & approval without moving away from Premiere Pro, making it easier - this also helps avoid repetitive manual actions.
- Automatic One-click Backup & Restore: Automatic ONE click back up from home to the Cloud & restore to "my workspace" to the point where the team have it all broken down within your Premiere Projects folder, with different iterations every day.
- MAM:Run all your postproduction workflows within CLEAR® MAM - create work orders, tasks within the postproduction process, and more. Save costs with application-aware Policy-based archival across storage tiers.

PRIME FOCUS TECHNOLOGIES

LAUNCHED AN ENHANCED CLEAR SUPPLY CHAIN AUTOMATION SOLUTION TO AVOID BOTTLENECKS AND 'TAKE CONTROL'

- With this solution, our customers could build a connected supply chain in the cloud using CLEAR® and engage a multi-vendor supply chain network and leverage automation to coordinate the various tasks amongst them

- 'Take control' through key features that include:
  - Work Order Automation to manage tasks, internal resources, assets, and workflow orchestration across the multi-vendor supply chain for content versioning, localisation, QC, mastering and delivery
  - On-board vendors, track consumption, review vendor-specific dashboards, reports, and analytics
  - Modern MAM with a component-based ingest & distribution

- Manage media amongst vendors, including tracking assets, logistics, shares, review, and approval

- Task-centric chat and visual annotation across vendors for live collaboration

- Reuse INGEST Bots: Includes a cross-section of content providers, including the major studios

- Re-use Delivery Bots: Automate deliveries with over 450+ destinations

We signed strategic deals with new customers and renewed a host of existing contracts. We completed and delivered AI-led automation of segmentation workflows of long form content to ITV, a British free-to-air television network, through its AI/ML-powered native media recognition engine CLEAR® Vision Cloud.

PFT's CLEAR® also went live to automate the content supply chain for Channel 4, a British free-to-air public service television network. CLEAR® on-boarded Channel 4's content suppliers, including major studios, migrated petabytes of Channel 4's archive, and qualified its delivery BOTS supplying content to Channel 4's video-on-demand platform, All4, and all other Channel 4 digital partners.

Last but not the least, PFT has joined the Amazon Web Services (AWS) Independent Software Vendor (ISV) Accelerate Program, a co-sell program for organisations that provide software solutions designed to run on or integrate with AWS. The program helps partners drive new business and accelerate sales cycles by connecting the participating ISVs with the AWS Sales organisation.

TECHNO-CREATIVE SOLUTIONS

PFT works with the biggest broadcasters and OTT platforms and brands, delivering cutting-edge Techno-Creative Solutions to them by providing award-winning genre & geo-agnostic long and short form content backed by AI technology. PFT's creative projects for leading content enterprises have won more than 90 excellence awards and established new records in engagement and conversion ratios. From creating breathtaking promos to support content campaigns, compelling shorts from long-form content, 360-degree post production, versioning and distribution to mass scale promotional content – thumbnails, emailers, banners, GIFs, print media adverts, etc. PFT has been doing it all on a global scale for all the major M&E enterprises and brands. Today, we are delivering over 20K unique audio video assets monthly and over 30 hours of premium original content annually. We are also delivering more than 1700 promos monthly in more than 15K versions.

Since 2013, we have been delivering over 140,000 assets annually for 37 channels under our OAP engagement with STAR India –India's largest broadcast network owned by Walt Disney. We have also been delivering over 85K assets to Star Sports and Disney+ Hotstar. In September 2020, in spite of challenges due to COVID-19, we delivered more than 60,000 audio video assets to Disney SEA – from ideation to scripting, to production and post of all promotional content for their broadcast and digital channels of all genres namely, kids, GEC, movies, sports and factual. Going forward, we will continue to deliver creative excellence anchored by our Techno-Creative Solutions powered by artificial intelligence that drives measurable business outcomes for our M&E customers and brands. We have been creating compelling content for more than 100 companies. We deliver content based on specific business needs or strategic marketing objectives, helping them transform into digital content destinations that build loyalty.

IN THE NEWS

Leeds City Council Roundtable

PFT was honored to be part of Leeds City Council business roundtable hosted in partnership with the Indian High Commission and FICCI in 2021. Ramki Sankaranarayanan, Founder and Global CEO, Prime Focus Technologies shared his views on strengthening trade and commerce between Leeds City Region and India.

IABM

Nick Kaimakami, Executive Vice President and Head of EMEA and USA East, Prime Focus Technologies, in a conversation with IABM, talked about PFT's new UK headquarters in Leeds, a world-class hybrid Cloud Media Centre to support Channel 4 and other regional clients.

Pro AVL Asia

Bhaskar Sitholey, SVP, Techno-Creative Solutions talked to Pro AVL Asia about the development of six brand new 5.1 mix rooms at Mumbai headquarters with the help of Munro Acoustics which has given PFT one of the largest secure 5.1 mix infrastructures available in India.

SMPTE

Adrish Bera, Senior VP, AI/ML Products, explained how artificial intelligence is creating smart new opportunities in live sports

IBC 365 webinar

PFT was at IBC365's webinar in July, 2021 to educate organizations more about all aspects of moving a broadcast operation to the #cloud. Aditya Jha, Head of Client Solutions, PFT, shared valuable insights on shifting a broadcast workflow to the cloud. The session also included expert speaker from Avid, Microsoft and Globo.

In conversation with Digital Studio India Mag

- Saumya Dwivedi, Senior VP, Technology, Prime Focus Technologies, talked about five major decision drivers while choosing a software for automating the production pipeline, in a conversation with Digital Studio India Magazine.
- PFT was in the news at Digital Studio India for its 'Just-In-Time Watermarking' to help content owners to secure their content without impacting the user experience.

DPP MEDIA

- PFT was at the Demo Zone of The DPP Media Supply Festival- virtually, to demonstrate our AI-powered Video Comparator that can automatically conform regional edits, subtitles & dub tracks on global masters in a multiple frame rate baseline. The festival was organized by DPP in collaboration with Sky in September 2021.
- Prime Focus Technologies sponsored the DPP's Leaders' Briefing 2021, the pre-eminent business intelligence event for the media industry held on November 17^{th} & 18^{th} virtually. The event featured 30 senior executives from major media organizations who shared exclusive intelligence about their priorities.

CNBC Symposium

PFT was at the #CNBC Media & Entertainment Symposium powered by #AWS in October 2021. At this live event, PFT showcased CLEAR® AI Everywhere.

YOURSTORY

- YOURSTORY covered the fireside chat between AWS & PFT on CLEAR® Vision Cloud becoming the obvious choice for winning the AWS ISV Innovation cup.
- Another write-up in YOURSTORY on how PFT aims to transform the Media and Entertainment sector with its Data Analytics, Cloud Technology and ERP offerings.

Sharing views with tvtechnology

Carl Segal, SVP, Digital Distribution at Prime Focus Technologies shared a compelling view on how AI-led metadata can enhance digital monetisation and unlock the power of catalog content at tvtechnology.com.

IGFUK Quantum Leap

Founder & Global CEO, Ramki Sankaranarayanan discussed 'Technology in Media & Entertainment' and deliberated on the elements to strengthen the UK - India partnership at the India Global Forum UK 2021 #IGFUK Quantum Leap.

In conversation with AWS

Founder and Global CEO Ramki Sankaranarayanan in an insightful conversation with other industry leaders on 'Tech Partners Driving Innovation & Transformation in M&E' presented by Amazon Web Services (AWS) on February 28, 2022.

MESA

Prime Focus Technologies marked its presence at the Content Workflow Management Forum 2022, hosted by MESA in London in March 2022. The event was attended by Jyothi Nayak, SVP, Content Localization & Digital Media Services, and Nav Khangura, Vice President, Business Development.

NAB 2022

PFT participated in NAB 2022 at Las Vegas where it showcased CLEAR® AI for Segmentation to stress on the multiple use cases and benefits of AI.

- PFT showcased next-generation AI-led Supply Chain Automation by Launching Remote Postproduction Workflows for Adobe Premiere Pro.
- PFT introduced CLEAR® Supply Chain Automation to avoid bottlenecks and take control.
- PFT showcased next-generation AI-led Supply Chain Automation to help companies bring back catalog to global streaming platforms faster, using AI
- PFT showcased 5 AI/ML use cases for M&E enterprises to make AI work with conformance, segmentation, localization, marketing and content QC. PFT's Media Services team deployed PFT's AI Platform, CLEAR® Vision Cloud for their various client facing projects to offer 'in-house' learning to CLEAR® Vision Cloud's home-grown AI engines and best-of- breed AI models like AWS, Google and Microsoft.
- PFT's lead AI Scientist Harish Bharadwaj detailed how CLEAR® automates the segmentation flow, to the highest extent possible, with a human operator only needed to decide on the finer, creative boundaries of the detected segments at an exciting speaker session at NAB 2022 at Las Vegas. His session elucidated Segmentation that masters predictability over time and improves itself based on feedback from a human QC.

IN THE NEWS

Deals

- Novator Capital Advisers has invested $250 million in subsidiaries of our parent company, Prime Focus Limited
- DNEG and multi-award winning XR entertainment studio Dimension have announced a virtual production partnership, aligning Dimension's revolutionary volumetric and real-time development capabilities and DNEG's industry-leading creative talent, technology teams and entertainment industry relationships.
- PFT delivered AI-led automation of Segmentation workflows of long form content to ITV through its AI/ML-powered native media recognition engine CLEAR® Vision Cloud.
- PFT's CLEAR® went Live to Automate the Content Supply Chain for Channel 4. CLEAR® onboarded Channel 4's content suppliers, including major studios, migrated petabytes of Channel 4's archive, and qualified its delivery BOTS supplying content to Channel 4's video-on-demand platform, All4, and all other Channel 4 digital partners.

Sustainability Initiative & Plans

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

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

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

Sustainability Goals 2020-24

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

Announcements

- DNEG announced its new offices in Toronto, 4th in North America and Bangalore as its 8th global office around the world.
- DNEG Cares: COVID - 19 Vaccination Drive for all DNEG Employees

INDIA FILM & MEDIA SERVICES

DIGITAL INTERMEDIATE / COLOR GRADING

The Digital Intermediate (DI) division has grown tremendously in providing services for Bollywood and all other regional feature films and digital releases in India. The rise and demand in OTT has been increasing year on year, making 75% of all projects to be released on OTT platforms like Disney+ Hotstar, Amazon Prime, ZEE5 and Netflix.

As the theatres have been fully operational and open to all, this year has been challenging with projects like 83, Gangubhai Kathiwadi and many more. Prime Focus Limited has maintained its hold on the OTT industry by delivering successful projects like Rudra, Human, Kathmandu Connection, Break Point S1, Bhoot Police, Kapil Sharma: I'm not done yet, A Thursday, Atrangi Re

The company's future pipeline looks promising by having projects Heropanti 2, Shamshera, Jayesh Bhai Jordar, Prithviraj, Maidaan, and the most awaited mythology thriller; Brahmastra.

DIGITAL RELEASES

BOLLYWOOD

FUTURE PIPELINE

INDIA FILM & MEDIA SERVICES

ADVERTISING SERVICES

The Advertising division being the oldest division has always been leading from the front in terms of innovation, creativity and latest technological developments. The division has provided end-to-end post production services to most agencies and production houses in India. Some of our work has been for brands like Bajaj, Amazon, Britannia, Suzuki, Samsung and many more. The Advertising division has also produced a few TVCs for Skybags, Zalora, Swift, Caprese, Alpenliebe Eclairs and many more.


WHAT'S YOUR DRIP, YO?!
#MYDRIP
MySkybags


ZALORA
TENTASTIC
BIRTHDAY
ZALORA
HOME OF THE BEST BRANDS
UP TO 80% OFF
Nothing Bigger. Nothing Better.


Introducing SWIFT
LIMITED EDITION
BELIMITLESS

INDIA FILM & MEDIA SERVICES

EQUIPMENT RENTAL

The Equipment Rental business has been awarded as the 'Best Rental Company in India' at the Digital Studio Awards 2021. The Equipment Rental business provides to more than 70+ films every year around India.

With a wide range of more than 40 high-end feature film cameras the division serves to 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 83, Devi, Indian 2, Hungama 2, Tripling Season 3, Badhai Do, Gangubai Kathiawadi, Atrangi Re, Rashmi Rocket and many more.


83

INDIA FILM & MEDIA SERVICES

This year, our Jam8 Studio has reached new heights and experienced exceptional growth. We are proud to have worked on a wide range of demanding projects and to have produced the greatest music in the industry for our clients, all owing to our incredibly talented and creative team.

Jam8 delivered the romantic track 'Mere Yaara' for the smash hit 'Sooryavanshi' starring Akshay Kumar, Katrina Kaif, Ajay Devgan & Ranveer Singh. We also delivered the track 'Uddne Do' for the feature film 'Velle' starring Abhay Deol and Mouni Roy.

Our recording engineer, Aaroh Velankar, was awarded 'Song Engineer Award' at the Mirchi Music Awards 2021.

We delivered multiple tracks for the all-time hit TV series 'Yeh Rishta Kya Kehlata Hai' aired on StarPlus and composed the song 'Maahi Re' for the television series 'Thoda Sa Baadal Thoda Sa Paani'

Jam8 continues to thrive on OTT platforms such as Netflix, Disney+ Hotstar, ZEE5 and others. We delivered the title track for 'Pavitra Rishta' streaming on ZEE5, composed the song 'Nindiya Tu' for Madhuri Dixit Nene's blockbuster Netflix series 'The Fame Game'.

We are proud to be a part of Amazon's 'Fashion Up' series starring multiple stars from Bollywood and YouTube such as BeYouNick, Mumbiker Nikhil, Mrunal Thakur, Kusha Kapila & Ali Fazal. Jam8 composed the promo music and background score for the series.

Jam8 continues to expand its offerings to include all industry languages as we provided several regional tracks for the film '83' with our stellar multilingual expertise.


83
ये रिश्ता क्या कहलाता है
CITY OF DREAMS
SEASON 2
a ROHIT SHETTY film
SOORYAVANSH
amazon.in
FASHION Up
VELLE

MAJOR MILESTONES

BEGINNING (1997-2008)

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

EXPANSION (2009-2014)

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


25
YEARS
OF EXCELLENCE

LEADERSHIP (2015-2022)

- Double Negative wins Academy Award, BAFTA and VES Award for Interstellar
- PFW and Gener8 sign Technology Licensing Partnership
- Prime Focus wins Best VFX Awards for 'Kick' (IIFA Awards) and 'Sin City: A Dame To Kill For' (Apollo Asia Awards)
- Double Negative wins Academy Award and British Independent Film Award for 'Ex Machina'
- Prime Focus wins 'Best VFX' for 'Bajrangi Bhaijaan' at 24FPS International Awards
- PFW's 'DeepGen' Stereo Technology recognised with AIS Lumiere Technology Award
- Prime Focus divests 30% stake in Digital Domain-Reliance, LLC; to form Virtual Reality and Advertising JV in India; Total Deal Value at USD 55 million
- Prime Focus Technologies secures investment from Ambit Pragma Private Equity
- Prime Focus delivers post-production services for 12 National Award winning films
- Advertising division delivered post-production services for the World's Best Advertisement of 2016
- Prime Focus Limited enters 'Fortune India 500' companies
- Advertising division delivered post production services for 4 ABBY award winners
- DNEG wins Academy Award, BAFTA and VES Award for Blade Runner:2049
- DNEG wins Academy Award under the category 'Best Visual Effects' 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 Limited collaborated with the Music Producer and Composer, Pritam Chakraborty to set foot into the music industry with their new venture – JAM8
- The Film Equipment Division (EQR) won the Best National Equipment Rental Company at the 4th Annual Digital Studio Awards 2019
- Mr. Gowrishankar was awarded in the Hall of Fame at the 4th Annual Digital Studio Awards 2019
- Kamalkar Rao won the Editor's Choice Award at the 4th Annual Digital Studio Awards 2019
- PFT won two prestigious awards at the Dadasaheb Phalke Film Festival 2019 - Best Cinematography for the Mega Icons episode on His Holiness
- PFT announced the rebranding of its patented DAX® Digital Dailies to CLEAR® with transformational new features in Feb 2020
- As part of the DNEG family of companies, ReDefine was launched to leverage the benefits of access to DNEG's market-leading technology infrastructure
- DNEG wins its 6th Oscar and and 6th BAFTA for TENET
- Subhadeep Mitraa won the award for the 'Engineer of the Decade' at the Mirchi Music Awards - Bangla 2020
- PFT got listed in the Top 50 in Nimdzi Insights' Top 100 LSPs 2021 Report
- PFT's AI platform, CLEAR® Vision Cloud won AWS ISV Innovation Cup
- Prime Focus Technologies researched, developed, and produced the 2nd season of the innovative multi-part series 'Mega Icons' for National Geographic India.
- PFT has also partnered with Microsoft and Google to bring alive its native media recognition AI platform, CLEAR® Vision Cloud
- New DNEG Studio in Bangalore - Our 8th global location
- DNEG opens its 4th North American studio in Toronto
- Novator to acquire shares in DNEG, invests $250 Million
- DNEG announces paid overtime for UK staff
- Changing the game with the Virtual Production Innovation Project with Dimension Studios
- DNEG wins its 7th Oscar and 7th BAFTA for Dune
- DNEG Animation wins at the British Animation Awards for 'Best Longform' for Ron's Gone Wrong

25 YEARS OF EXCELLENCE

CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Director

Mr. Naresh Malhotra
Chairman and Whole-time Director

Non-Executive Directors

Mr. Namit Malhotra

Mr. Ramakrishnan Sankaranarayanan

Mr. Udai Dhawan
(Resigned w.e.f. closure of business hours of June 30, 2022)

Mr. Vibhav Niren Parikh
(Appointed as an Additional Director w.e.f. July 01, 2022)

Mr. Kodi Raghavan Srinivasan
Independent Director

Mr. Rivkaran Singh Chadha
Independent Director

Mr. Padmanabha Gopal Aiyar
Independent Director

Mrs. (Dr.) Hemalatha Thiagarajan
Independent Director

Mr. Samu Devarajan
Independent Director

Chief Financial Officer

Mr. Nishant Fadia

Company Secretary

Ms. Parina Shah

Statutory Auditors

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

Bankers

Yes Bank Limited

Registrar & Share Transfer Agents

Link Intime India Private Limited
C 101, 247 Park, L B S Marg, Vikhroli (West),
Mumbai 400083 Tel: +91 22 49186000
Fax: +91 22 49186060
Email: rnt.helpdesk@linkintime.co.in
Website: www.linkintime.co.in

Registered Office

Prime Focus House, Opposite Citibank,
Linking Road, Khar (West), Mumbai 400052,
Maharashtra, India.
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 **("the Company")**

Your Company's Directors are pleased to present the Twenty-Fifth Annual Report together with the Audited Financial Statements for Financial Year ended March 31, 2022.

1. FINANCIAL PERFORMANCE SUMMARY

The Consolidated and Standalone Audited Financial Results for the Financial Year ended March 31, 2022 are as follows:

(₹ in Crores)

Particulars	Consolidated		Standalone	
	2021-22	2020-21	2021-22	2020-21*
Income from services	3369.15	2530.00	102.51	62.06
Other operating income	16.76	6.49	18.41	14.64
Total income from operations	3385.91	2536.49	120.92	76.70
Less: Expenses	3006.17	2375.23	120.78	115.00
Add: Other income	91.85	73.79	72.64	123.97
Less: Finance costs	373.34	251.02	32.28	59.17
Less: Exceptional items(gain)	180.52	22.61	(250.20)	-
Less: Tax expense	91.62	17.56	-	-
Less: Minority interest	(2.32)	(12.74)	-	-
Profit / (Loss) for the year	(171.57)	(43.40)	290.70	26.50

* During the year, the Company received an approval for the Scheme of Amalgamation of PF Digital Media Services Limited (PF Digital), Wholly owned Subsidiary, with the Company from National Company Law Tribunal, Mumbai pursuant to Sections 230-232 and other relevant provisions of the Companies Act, 2013 **(the "Act")**. Consequently, PF Digital is merged with the Company from the Appointed date i.e. April 01, 2021. As per Ind AS 103 (Appendix C), "Business Combinations of entities under common control", the financial information in respect of prior periods have been restated as if the business combination had occurred from the beginning of the first year presented i.e. April 01, 2020, accordingly prior periods presented are restated to give this effect.

2. OPERATIONS AND PERFORMANCE REVIEW AND STATE OF COMPANY'S AFFAIRS

Consolidated

During the Financial Year under review, total income from operations of the Company and its subsidiaries stood at ₹ 3385.91 crores as compared to ₹ 2536.49 crores in the previous year. The Net Loss after tax after minority interest was ₹ (171.57) crores as compared to ₹ (43.40) crores in previous year.

Standalone

Total income from operations of the Company during the year was ₹ 120.92 crores as compared to ₹ 76.70 crores in the previous year. The Net profit after tax was ₹ 290.70 crores as compared to ₹ 26.50 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 2021-22.

4. DIVIDEND DISTRIBUTION POLICY

In compliance with the Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 **("Listing Regulations")** your board had formulated a dividend distribution policy. A copy of the said policy is available on the website of the Company: http://www.primefocus.com/sites/default/files/pdf/Dividend-Distribution-Policy.pdf

5. TRANSFER TO RESERVES

Your Company has not transferred any amount to Reserves for the Financial Year under review.

6. SHARE CAPITAL

Authorised Share Capital

Pursuant to the Scheme of Amalgamation of PF Digital Media Services Limited (Wholly owned Subsidiary) with the Company as approved by the National Company Law Tribunal, Mumbai bench, vide its order dated February 17, 2022, the Authorised Share Capital of your Company increased from ₹ 45,00,00,000/- (Rupees Forty Five Crores) to ₹ 45,05,00,000/- (Rupees Forty Five Crores and Five Lakhs) comprising of 45,05,00,000 (Forty Five Crores and Five Lakhs) Equity Shares of Re. 1/- (Rupee One) each.

Paid-Up Share Capital

Pursuant to the approval granted by ESOP Compensation Committee of the Company on February 14, 2022, the Company has alloted 2,87,666 (Two Lakhs Eighty Seven Thousand Six Hundred Sixty Six) Equity Shares of face value of Re. 1/- at an issue price of ₹ 52/-, arising out of the exercise of Employees Stock Option granted to the employees of the Company and its subsidiaries.

Post allotment of the aforesaid equity shares, the issued, subscribed and paid-up share capital of the Company as at March 31, 2022, stood at ₹ 29,95,36,644/- (Rupees Twenty Nine Crores Ninety Five Lakhs Thirty Six Thousand Six Hundred Forty Four) comprising of 29,95,36,644 (Twenty Nine Crores Ninety Five Lakhs Thirty Six Thousand Six Hundred Forty Four) equity shares of Face Value of Re. 1/- each.

The Company has neither issued share with differential voting rights nor sweat equity. As on March 31, 2022, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

7. SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India **('ICSI')** and approved by the Central Government under Section 118 (10) of the Act for the Financial Year ended 2021-22.

8. EMPLOYEE STOCK OPTION SCHEME (ESOP)

The Company has implemented 'PFL-ESOP Scheme 2014' compliant with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **("SEBI SBEB & SE Regulations")** 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 Secretarial Auditors of the Company as required under Regulation 13 of the SEBI SBEB & SE Regulations shall be available electronically for inspection by the Members at the ensuing Annual General Meeting. The disclosures as required to be made under the provisions of the Act and Rules made thereunder and under Regulation 14 of the SEBI SBEB & SE Regulations 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_Reg_14_2021_22.pdf. The details of Employee Stock Options form part of the Notes to Accounts to Financial Statements in this Annual Report. No employee of the Company received grant of options during the year amounting to 5% or more of the options granted or exceeding 1% of issued capital of the Company.

9. AMALGAMATION

During the Financial Year under review, the Hon'ble National Company Law Tribunal, Mumbai Bench vide its order dated February 17, 2022 has sanctioned the Scheme of Amalgamation for merger of PF Digital Media Services Limited (Wholly owned Subsidiary) with the Company. The appointed date of the Amalgamation is April 01, 2021 and the effective date is March 31, 2022.

The rationale for amalgamation was to place a consolidated business for emerging opportunities in the market and it would lead to better business synergies, improved overall operational efficiencies and cost savings.

10. DISPOSAL OF POST PRODUCTION BUSINESS OF THE COMPANY TO DNEG INDIA MEDIA SERVICES LIMITED, A SUBSIDIARY OF THE COMPANY

The Company has executed a Business Transfer Agreement **("BTA")** on March 31, 2022, with DNEG India Media Services Limited, a subsidiary of the Company for sale of the business of all post production related services that is undertaken by the Company through its divisions which carries out this business, but excluding the business of services/rental of shooting floors as referred in the BTA executed by the company, as a going concern, by way of a slump sale, for a lump sum consideration of up to ₹ 365 crores (Rupees Three Hundred and Sixty Five Crores only), subject to closing adjustments, if any, as specified in the BTA. The rationale for transfer was a part of restructuring of the Companies and considering the prospects in the overall interest of the Group, consolidating the post production business under a particular group of entities and for achieving better management and operational efficiencies and also attracting investment for the post production business.

11. SALE / DISPOSAL OF INVESTMENT HELD BY THE COMPANY IN DE-FI MEDIA LIMITED, A WHOLLY OWNED SUBSIDIARY OF THE COMPANY

During the Financial Year under review, the Company has executed a Share Purchase Agreement ("**SPA**") on March 31, 2022 for sale / transfer and dispose-off entire investment of 2,43,67,188 ordinary shares held in De-Fi Media Limited, Wholly-owned Subsidiary of the Company, for an aggregate consideration of up to GBP 1,00,000/- to Pooja Entertainment UK Ltd, on the terms and conditions as contained in the said SPA.

12. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY BETWEEN THE END OF FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THIS REPORT

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.

13. CHANGE IN NATURE OF BUSINESS

There was no change in the nature of business of the Company during the Financial Year ended March 31, 2022.

14. 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.

15. RISK MANAGEMENT

The Company is exposed to inherent uncertainties owing to the sectors in which it operates. A key factor in determining a Company's capacity to create sustainable value is the risks that the Company is willing to take (at strategic and operational levels) and its ability to manage them effectively. Many risks exist in a Company's operating environment and they emerge on a regular basis. The Company's Risk Management processes focuses on ensuring that these risks are identified on a timely basis and addressed. The Board in compliance with the SEBI Circular dated May 05, 2021, has constituted a Risk Management Committee of Directors.

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

The Board approved Risk Management policy has been put in place, which is reviewed periodically, to establish appropriate system and procedures to mitigate all risks faced by the Company.

The Risk Management policy of the Company is available on the website of the Company at http://www.primefocus.com/sites/default/files/pdf/2021_22/PFL_Risk_Management_Policy.pdf.

16. 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 this Annual Report.

17. 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 builds 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, 2022 is 249.

Pursuant to the transfer of Post Production Business as referred above in point no. 10, total number of employees on the payroll of the Company have reduced to 19 as on the date of signing of this Report.

18. 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 made thereunder. The Company is committed to provide equal opportunities without regard to their race, caste, sex, religion, color, nationality, disability, etc. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological. All employees (permanent, contractual, temporary, trainees) are covered.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An

Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment at workplace. During the year under review, Company has not received any complaints on sexual harassment and hence there are no complaints pending as on the end of the Financial Year 2021-22 on sexual harassment.

19. PUBLIC DEPOSITS

The Company has not accepted any deposits from public falling within the ambit of section 73 and Section 76 of the Act, read with the Companies (Acceptance of Deposits) Rules, 2014. Hence, no disclosure is required under Rule 8(5)(v) and (vi) of the Companies (Accounts) Rules, 2014.

20. ANNUAL RETURN

In compliance with the provisions of Section 92 of the Act, the Annual Return of the Company for the Financial Year ended March 31, 2022 has been uploaded on the website of the Company and the web link of the same is http://www.primefocus.com/sites/default/files/pdf/PFL_MGT_7_website.pdf.

21. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Act, Regulation 33 of the Listing Regulations and applicable Indian Accounting Standards notified under the Companies (Indian Accounting Standard) Rules, 2015, the Audited Consolidated Financial Statements of the Company for the Financial Year 2021-22, together with the Auditors' Report forms part of this Annual Report.

22. SUBSIDIARY COMPANIES, JOINT VENTURE AND ASSOCIATE COMPANIES

Financial Performance:

A separate statement containing the salient features of financial statements of subsidiaries/joint venture companies of the Company in the prescribed Form AOC – 1 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 forms part of this Annual Report.

The said Form also highlights the financial performance of each of the subsidiaries included in the Consolidated Financial Statements (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 up to the date of the Annual General Meeting of the Company i.e., September 30, 2022. 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 39 subsidiaries/joint venture and associate companies as on March 31, 2022. As on the date of signing this report the following changes have taken place in subsidiary companies:

a. Companies which have become subsidiary Company:

During the Financial Year under review, following Companies have become the subsidiaries of the Company in accordance with section 2(87) of the Act.

1. DNEG Bulgaria EOOD became subsidiary of the Company w.e.f. October 14, 2021
2. Double Negative Toronto Productions Ltd became subsidiary of the Company w.e.f. August 06, 2021

As on the date of signing this report, below company has become the subsidiary of the Company in accordance with section 2(87) of the Act.

1. DNEG Australia PTY LTD became subsidiary of the Company w.e.f. May 04, 2022.

b. Companies which ceased to be Subsidiary Company:

1. PF Digital Media Services Limited ceased to be a Wholly owned Subsidiary of the Company w.e.f. March 31, 2022, pursuant to amalgamation with the Company.
2. During the Financial Year under review, the Company has disposed-off entire investment of 2,43,67,188 ordinary shares held in De-Fi Media Limited, Wholly-owned Subsidiary of the Company, for an aggregate consideration of up to GBP 1,00,000/- to Pooja Entertainment UK Ltd. De-fi Media Limited ceased to be a Subsidiary Company w.e.f. March 31, 2022.
3. Prime Focus ME Holdings Ltd was dissolved w.e.f. September 27, 2021 and ceased to be Subsidiary of the Company.
4. Redefine FX Ltd. was amalgamated with Double Negative Montreal Productions Ltd. w.e.f. April 01, 2021 and ceased to be subsidiary of the Company.

c. Joint Venture / Associate Companies:

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

23. 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, 2022	March 31, 2021
Foreign exchange earned in terms of actual inflow	23.17	55.04
Foreign exchange outgo in terms of actual outflow	(1.13)	1.10

24. MANAGEMENT DISCUSSION AND ANALYSIS

Management Discussion and Analysis Report for the Financial Year ended March 31, 2022 as stipulated under Regulation 34(2)(e) read with Schedule V of the Listing Regulations, is included as a separate section forming part of this Annual Report.

25. 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 Listing Regulations is included in this Annual Report for the Financial Year 2021-22.

26. DIRECTORS

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

i) Retirement by Rotation:

In accordance with the provisions of Section 152 of the Act read with Companies (Management & Administration) Rules, 2014, Mr. Naresh Malhotra (DIN: 00004597), Whole-time Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Item 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 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.

ii) Re-appointment of Independent Director:

Mr. Samu Devarajan (DIN: 00878956), was appointed as an Independent Non-Executive Director of the Company by the members at the Annual General Meeting of the Company held on September 27, 2017 for a period of 5 (five) consecutive years w.e.f December 14, 2016. The term of office of Mr. Samu

Devarajan (DIN: 00878956), Independent Director, expired on December 13, 2021. Mr. Samu Devarajan being eligible, was re-appointed as an Independent Non- Executive Director in the 24th Annual General Meeting held on September 30, 2021 for second term of five (5) consecutive years w.e.f. December 14, 2021 to December 13, 2026.

27. 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/her 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 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 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 Listing Regulations and are independent of the management.

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

28. KEY MANAGERIAL PERSONNEL (KMP)

The following Directors / Executives are KMPs as on March 31, 2022:

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

→ Mr. Nishant Fadia, Chief Financial Officer

→ Ms. Parina Shah, Company Secretary and Compliance Officer

During the Financial Year under review, there were no changes to the Key Managerial Personnel of the Company.

29. BOARD EVALUATION

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by 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 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 Listing Regulations.

Familiarization Programme for Independent Directors

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

30. 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 Listing Regulations.

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

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

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

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

31. BOARD MEETINGS

During the Financial Year 2021-22, your Board met seven (7) times and the intervening gap between the two Board Meetings was within the period prescribed under the Act and Regulation 17 of 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, which forms part of this Annual Report.

32. AUDIT COMMITTEE

The Audit Committee as on March 31, 2022 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

The Board accepted the recommendation of the Audit Committee whenever made by the Committee, during the Financial Year under review.

Further, details relating to the Audit Committee are provided in the Corporate Governance Report, which forms part of this Annual Report.

33. 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's 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_29.08.2022.pdf.

The details of the Vigil Mechanism/ Whistle Blower Policy are given in the Report on Corporate Governance, which forms part of this Annual Report.

34. 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 this Report as **Annexure A**.

In terms of Section 136 of the Act, the Report and Accounts are being sent to the members, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on all working days up to the date of Annual General Meeting of the Company i.e. September 30, 2022. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

35. 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 as on March 31, 2022 comprises of following members:

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

The brief outline of the CSR Policy of the Company along with the Annual Report on CSR activities is set out in **Annexure B** of this report. The policy is available on the Company's website at http://www.primefocus.com/sites/default/files/pdf/2021_22/PFL_CSR_Policy.pdf

36. 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.

37. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/ transactions entered by the Company with the Related Parties during the Financial Year were on an Arm's length basis and were in compliance with the applicable provisions of the Act and the 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.

The SEBI vide amendments to the Listing Regulations had introduced substantial changes in the related party transaction framework, inter alia, by enhancing the purview of the definition of related party, and overall scope of transactions with related parties effective April 01, 2022 or unless otherwise specified in the amendment.

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.

The Company has amended its Policy on Related Party Transactions pursuant to the recent amendments under the Listing Regulations regarding framework for related party transactions and the same is available on the Company's website at http://www.primefocus.com/sites/default/files/pdf/PRIME_FOCUS_LIMITED-Related_Party_Policy.pdf.

The Company has during the Financial Year under review entered into material contracts or arrangements or transactions with the related party at arm's length basis and as required under the Act, the prescribed Form AOC-2 specifying the particulars of such contracts or arrangements or transactions is appended as **Annexure C** to this Report.

38. BUSINESS RESPONSIBILITY REPORT

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

39. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 and other applicable provisions, if any, of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, the Company transferred 9485 shares in respect of which dividend has not been paid or claimed for seven consecutive years or more to IEPF Authority including shares held in unclaimed suspense account on November 30, 2017. The balance number of shares lying with the IEPF Authority is 9285 shares as on March 31, 2022.

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.

40. AUDITORS

Statutory Auditors

At the Annual General Meeting held on September 30, 2019, M/s Deloitte Haskins & Sells Chartered Accountants LLP (Registration No. 117364W), were re-appointed as Statutory Auditors of the Company for second term of 4 (Four) consecutive years to hold office from the conclusion of 22nd Annual General Meeting till the conclusion of 26th Annual General Meeting of the Company to be held in the year 2023.

The Auditors Report for the Financial Year 2021-22 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 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 2021-22. The report of the Secretarial Auditor in the prescribed Form MR-3 is annexed to this report as **Annexure D1**.

The Secretarial Auditors' Report for the Financial year 2021-22 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 Listing Regulations. The Board represents that they are in process of compliance of the same.

In accordance with the provisions of Regulation 24A of the Listing Regulations, Secretarial Audit Report of two material unlisted Indian subsidiaries of the Company namely, Prime Focus Technologies Limited and DNEG India Media Services Limited are provided as **Annexure – D2** and **Annexure - D3** respectively to this Report.

In accordance with the SEBI Circular No. CIR/CFD/ CMD1/27/2019 dated February 08, 2019, the Company has obtained the Annual Secretarial Compliance Report from the Secretarial Auditor for the Financial Year 2021-22. The same is also submitted to the Stock Exchanges.

41. COST RECORDS

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

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

During the Financial 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.

43. 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 Financial Year ended on March 31, 2022 and to the best of their knowledge and ability, confirm that:

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

b) the directors have 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, 2022 and of the profit of the Company for that year on that date;

c) the directors have taken proper and sufficient care for the 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 fraud and other irregularities;

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

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

44. WHOLE-TIME DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

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

45. INSOLVENCY AND BANKRUPTCY

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

46. THE DETAILS OF DIFFERENCE BETWEEN AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS ALONG WITH THE REASONS THEREOF.

During the Financial Year under review, there has been no incident of one time settlement for loan taken from the banks of financial institutions and hence not being commented upon.

47. IMPACT OF PANDEMIC COVID-19

For details on the impact of COVID-19, please refer to the Report on Management Discussion and Analysis and Note No. 42 of the Standalone Financial Statements.

48. ACKNOWLEDGEMENT

Your Directors would like to express their sincere appreciation to it 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: May 27, 2022
Place: Mumbai

ANNEXURE A

PARTICULARS OF EMPLOYEES

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2021-22 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and 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
DIRECTOR					
1	Mr. Naresh Mahendranath Malhotra	Chairman & Whole – Time Director	1,17,73,476/-	28.07	NA
KEY MANAGERIAL PERSONNEL					
1	Ms. Parina Nirav Shah	Company Secretary	26,78,681/-	N.A	33.05
2	Mr. Nishant Avinash Fadia	Chief Financial Officer	58,86,744/-	N.A	32.55

Note:

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

2. The percentage increase in the median remuneration of employees in the Financial Year:

There is 36.87% increase in the median remuneration of employees in the Financial Year 2021-22.

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, 2022 was 249.

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

There have been 29.24% increase in the salaries of the employees other than the managerial personnel and no increase in the managerial remuneration as compared to last year.

5. Affirmation

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Date: May 27, 2022
Place: Mumbai

ANNEXURE B

Annual Report on Corporate Social Responsibility (CSR) Activities

<table>
<tr><td>1.</td><td>Brief outline of the Company's CSR policy</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/2021_22/PFL_CSR_Policy.pdf</td></tr>
<tr><td>2.</td><td>Composition of the CSR Committee</td><td><table>
<tr><th>Sl. No.</th><th>Name of Director</th><th>Designation / Nature of Directorship</th><th>Number of meetings of CSR Committee held during the year</th><th>Number of meetings of CSR Committee attended during the year</th></tr>
<tr><td>1</td><td>Mr. Rivkaran Singh Chadha</td><td>Chairman</td><td>1</td><td>1</td></tr>
<tr><td>2</td><td>Mr. Naresh Malhotra</td><td>Member</td><td>1</td><td>1</td></tr>
<tr><td>3</td><td>Mr. Samu Devarajan</td><td>Member</td><td>1</td><td>1</td></tr>
</table></td></tr>
<tr><td>3.</td><td>Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company</td><td>http://www.primefocus.com/sites/default/files/pdf/2021_22/PFL_CSR_Policy.pdf</td></tr>
<tr><td>4.</td><td>Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable (attach the report).</td><td>NOT APPLICABLE</td></tr>
<tr><td>5.</td><td>Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the Financial Year, if any</td><td><table>
<tr><th>Sl. No.</th><th>Financial Year</th><th>Amount available for set-off from preceding Financial Years (in ₹)</th><th>Amount required to be set-off for the Financial Year, if any (in ₹)</th></tr>
<tr><td colspan="4">NOT APPLICABLE</td></tr>
</table></td></tr>
<tr><td>6.</td><td>Average net profit of the company as per section 135(5)</td><td>₹ (62,37,87,246)/-</td></tr>
<tr><td>7.</td><td>(a) Two percent of average net profit of the company as per section 135(5)
(b) Surplus arising out of the CSR projects or programmes or activities of the previous Financial Years.
(c) Amount required to be set off for the Financial Year, if any
(d) Total CSR obligation for the Financial Year (7a+7b7c)</td><td>NOT APPLICABLE IN VIEW OF LOSS</td></tr>
</table>

8. (a) CSR amount spent or unspent for the Financial Year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
NOT APPLICABLE					

(b) Details of CSR amount spent against ongoing projects for the Financial Year:

1	2	3	4	5		6	7	8	9	10	11	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Project duration	Amount allocated for the project (in ₹)	Amount spent in the current Financial Year (in ₹).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in ₹).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District						Name	CSR Registration number.
NOT APPLICABLE												

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

1	2	3	4	5		6	7	8	
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act	Local area (Yes/No)	Location of the project.		Amount spent for the project (in ₹)	Mode of Implementation - Direct (Yes/ No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Registration number.
NOT APPLICABLE									

(d) Amount spent in Administrative Overheads- NOT APPLICABLE

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

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

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

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

9. (a) Details of Unspent CSR amount for the preceding three Financial Years:

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

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

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

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the Financial Year (asset-wise details) - Not Applicable

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

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

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

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

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5) - Not Applicable

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

Date: May 27, 2022
Place: Mumbai

ANNEXURE C

FORM NO. AOC -2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act 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 transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	-
b)	Nature of contracts/arrangements/transaction	-
c)	Duration of the contracts/arrangements/transaction	-
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	-
e)	Justification for entering into such contracts or arrangements or transactions'	-
f)	Date of approval by the Board	-
g)	Amount paid as advances, if any	-
h)	Date on which the special resolution was passed in General meeting as required under first proviso to section 188	-

2. Details of contracts or arrangements or transactions at Arm's length basis.

SL. No.	Particulars	Details
a)	Name (s) of the related party & nature of relationship	Name: DNEG India Media Services Limited Nature of Relationship: Subsidiary Company
b)	Nature of contracts/arrangements/transaction	Sale of Post-Production business division
c)	Duration of the contracts/arrangements/transaction	One time
d)	Salient terms of the contracts or arrangements or transaction including the value, if any	Sale of post-production business division of the Company through slump sale to subsidiary of the Company for a lump sum consideration of up to ₹ 365 Crores (Rupees Three Hundred and Sixty-Five Crores), subject to closing adjustments, if any, by way of a Business Transfer Agreement.
e)	Date of approval by the Board	January 25, 2022
f)	Amount paid as advances, if any	Nil

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Ramakrishnan Sankaranarayanan
Director
DIN: 02696897

Date: May 27, 2022
Place: Mumbai

Annexure D-1

SECRETARIAL AUDIT REPORT

Form No. MR-3

For the Financial Year ended March 31, 2022

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

To,
The Members,
Prime Focus Limited

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

Based on my verification of the Prime Focus Limited's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2022, 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, 2022 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 and Sweat Equity) Regulations, 2021;

  (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not relevant / applicable during the year under review)**

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

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not relevant / applicable during the year under review)**

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

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

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

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

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

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

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

I further 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;

- The Board of Directors of the Company at their meeting held on October 22, 2021 had considered and approved Scheme of Amalgamation of PF Digital Media Services Limited ("PF Digital" or "Transferor Company") with Prime Focus Limited ("PFL" or "Transferee Company" or "the Company") and their respective shareholders ("Scheme"). The Hon'ble National Company Law Tribunal, Mumbai Bench has sanctioned the aforesaid Scheme on February 17, 2022.
- Pursuant to resolutions passed through postal ballot on March 27, 2022, the consent of members was obtained for the following;
  - i) Approve the Sale of Company's business relating to Post Production through Slump Sale to DNEG India Media Services Limited, a subsidiary of the Company on a going concern basis, by way of a slump sale, for a lump sum consideration of up to ₹ 365 crores (Rupees Three Hundred and Sixty Five Crores);
  - ii) Approve sale / disposal of the entire investment of 2,43,67,188 ordinary shares of Face value £ 1/- each held in M/s. De-Fi Media Limited (a wholly owned subsidiary of the Company) at an agreed price of up to £ 1,00,000/- (One lakh pound only) to M/s. BRUSTIR PTE.LTD.

For D. M. Zaveri & Co
Company Secretaries

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

Place: Mumbai

Date: May 27, 2022

ICSI UDIN: F005418D000351632
Peer Review Certificate No.: 1187/2021

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

Annexure A

To,
The Members,
Prime Focus Limited

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.

5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

7. Due to the pandemic caused by Covid-19 and prevailing lockdowns/restrictions on movement of people imposed by the Government, for the purpose of issuing this report, i have conducted our audit remotely based on the records and information made available to me by the Company electronically.

For D. M. Zaveri & Co
Company Secretaries

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

Place: Mumbai
Date: May 27, 2022

Annexure D-2

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

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

To,
The Members,
Prime Focus Technologies Limited
Mumbai

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the Financial Year ended on March 31, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the Financial Year ended on March 31, 2022 according to the provisions of:

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

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

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

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

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

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

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

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

   (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 (applicable up to August 12, 2021); and The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 (applicable w.e.f. August 13, 2021) **(not applicable to the Company during the audit period)**;

   (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 (applicable up to August 8, 2021); and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 (applicable w.e.f. August 9, 2021) **(not applicable to the Company during the audit period)**;

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

   (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the audit period)**;

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

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

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

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

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

We further report that

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

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

Majority decision is carried through while the dissenting members' views, if any are captured and recorded as part of the minutes. However, in the minutes of board meetings for the period under review, no dissents were noted and hence we have no reason to believe that decisions by the Board were not approved by all the directors present.

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

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

We further report that during the audit period there were no major corporate events which required to be reported.

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

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

Place: Ghaziabad
Date: May 26, 2022
UDIN: F007343D000388526

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

Annexure A

To,
The Members,
Prime Focus Technologies Limited
Mumbai

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

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

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

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

Place: Ghaziabad
Date: May 26, 2022
UDIN: F007343D000388526

Annexure D-3

SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,
The Members,
DNEG INDIA MEDIA SERVICES LIMITED

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **DNEG INDIA MEDIA SERVICES LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided 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, 2022 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

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, 2022 according to the provisions of:

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

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

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the Company during the period under Audit)**

(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 ("SEBI Act"):

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

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

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

(d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the period under Audit)**

(e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the period under Audit)**

(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; **(Not applicable to the Company during the period under Audit)**

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the period under Audit)**

(h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable to the Company during the period under Audit)**

and

(i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(Not applicable to the Company during the period under Audit)**

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

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

(ii) The Listing Agreements entered into by the Company with Stock Exchanges. **(Not applicable to the Company during the period under Audit)**

During the period under review, the Company has generally complied with the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above:

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

Adequate notice was given to all the directors to schedule the board meetings, agenda and detailed notes on agenda were sent in advance. The Company confirms that the system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

1. An Ordinary resolution was passed at Extra Ordinary General Meeting held on March 28, 2022 by the Members of the Company to approve the purchase of post- production business division of Prime Focus Limited, Holding Company for a lumpsum consideration of up to ₹ 365 crores (Rupees Three Hundred and Sixty Five Crores);

Mehul Raval
Practicing Company Secretary

ACS 18300
Place : Mumbai **CP. No. : 24170**
Dated : May 26, 2022 **UDIN: A018300D000367594**

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

Annexure A

To,
The Members,
DNEG INDIA MEDIA SERVICES LIMITED

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.

2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.

3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.

4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

Mehul Raval
Practicing Company Secretary

ACS 18300
CP. No.: 24170

Place : Mumbai
Dated : May 26, 2022

Management Discussion & Analysis

Section 1

Company Profile

Prime Focus Limited (hereafter referred to as **'PFL' / 'the Company'**) is one of the largest end-to-end post production services companies in the world. As the world's leading independent media Company, the Company provides integrated media services across the globe. Over 9500 professionals work for PFL across 16 cities on 4 continents across 7 time zones. Its end-to-end creative services (visual effects, stereo 3D conversion, and animation), technology products & services (CLEAR, Media ERP Suite, and Cloud-powered media services), production services (equipment rental), and post-production services (Digital Intermediate and picture post) are gearing up the media and entertainment industry.

Established in 1997, PFL has developed a strong global foothold and leadership position. With legacy of more than two decades, PFL is the top player amongst leading global studios, broadcasters, advertisers and production houses. The Company has maintained a seamless workflow across the organization's global locations with strong in-house technologies and tools.

The Company has employed its pioneering technologies including View-D™ (stereoscopic 2D to 3D conversion), CLEAR™ (Hybrid Cloud technology-enabled Media ERP Suite) and Primetime Emmy® award winning DAX Digital Dailies®. PFL's highly inspiring World Sourcing Delivery Model ensures a consequential competitive edge in dispatching the most premium services globally at an unrivalled scale and timelines along with securing cost efficiency for its privileged customers. Moreover, PFL's extensive global network widely assists in proactive marketing in addition to gain area specific advantages.

PFL has bagged renowned client base which includes all leading Hollywood studios, OTT players, broadcasters, advertisers, production houses and media companies across the world. The Company has taken vigorous efforts in preserving exceptional quality, work system efficiency and price optimisation across all business segments. At every process level, PFL has collaborated with professional content creators in order to assure creative enablement. PFL derives more than 85 % of its revenue from Hollywood, with major contribution from leading Hollywood studios like Disney, Warner Bros, Marvel, Paramount, 20th Century Fox, Universal, Netflix, Apple+, Disney+ and Sony.

The Company's subsidiaries namely Prime Focus Technologies (Global Cloud Technology Business) and Double Negative -DNEG (International Creative Services) delivers end-to-end services including creative services, technology product and services and high end production services. Double Negative has become a leading technology-enabled visual effects (VFX) and animation Company since its acquisition in July 2014. DNEG's critically acclaimed work has earned the Company Seven Academy Awards® for Best Visual Effects and numerous BAFTA and Primetime EMMY® Awards for its high-quality VFX work. DNEG is positioned to be a true global media powerhouse, with its fast-growing visual effects and animation businesses and significant opportunity to expand into new geographic markets.

Section 2

Financial Year 2021-22 Highlights

The Company has continuously raised the bar for itself in the worldwide filmmaking business by enhancing the quality of its financial performance. The India Film & Media Services business has retained its position as the largest provider of production, post-production, and creative services to the film, television, advertising, and OTT Industries in India after expanding its horizons to meet the demands of the OTT Sector. The Company has accelerated its business recovery plan in response to the pandemic and has showed potential by generating positive EBITDA (adjusted for non-cash ESOP charges) despite a decline in revenue. The year witnessed a growth of 33.2% in revenue while operational improvements led to a stable Adjusted EBITDA of 26.1%. Despite the impact of Covid-19 multiple waves, the Company's order book remained robust. The Company continued to attract well-known clients and worked on the year's biggest blockbusters and Hollywood film franchises, as well as the year's top OTT series.

Creative Services

- Future projects for the company include Shamshera, Prithviraj, Maidaan and the most anticipated mythology thriller, Brahmastra.
- Maintained its profitable growth trajectory, with Adjusted EBITDA increasing by 36% YoY and Adjusted EBITDA margins exceeding 24.0%.

Tech/Tech-Enabled Services

- Registered growth of 27.6% increase in revenue.
- The pandemic continued to plague the world in 2021, as it had in the previous year, but the development of vaccinations and the intensification of vaccination campaigns around the world allowed economies to breathe a sigh of relief.
- In many respects, there has not been a return to the pre-pandemic era, as enterprises across the globe have opted for virtualization and working from home more frequently.
- Order Book continued to be robust for FY 2022-23.

New Client Wins

- Novator Capital Advisers has invested $250 million in PFL's subsidiaries
- Prime Focus Technologies (**PFT**) delivered AI-led automation of Segmentation workflows of long form content to ITV through its AI/ML-powered native media recognition engine CLEAR® Vision Cloud.
- PFT's CLEAR® went Live to Automate the Content Supply Chain for Channel 4. CLEAR on boarded Channel 4's content suppliers, including major studios, migrated petabytes of Channel 4's archive, and qualified its delivery BOTS supplying content to Channel 4's video-on- demand platform, All4, and all other Channel 4 digital partners.

India FMS Business

- PFL won the 'Best Equipment Rental Company in India' at the Digital Studio Media Awards 2021
- Aaroh Velankar from JAM8, was awarded Song Engineer Award at the Mirchi Music Awards 2021

Other Initiatives

PFT was honoured to be part of Leeds City Council business roundtable hosted in partnership with the Indian High Commission and FICCI in 2021. Ramakrishnan Sankaranarayanan, Founder and Global CEO of PFT shared his views on strengthening trade and commerce between Leeds City Region and India.

PFT showcased next-generation AI-led Supply Chain Automation by Launching Remote Postproduction Workflows for Adobe Premiere Pro aiding in preventing bottlenecks and in better control of operations. Moreover, it would guide the companies to bring back catalogue to global streaming platforms faster by using AI.

DNEG announced its new offices in Toronto, 4th in North America and Bangalore as its 8th global office around the world.

DNEG Cares: COVID - 19 Vaccination Drive for all DNEG Employees

Section 3

Economy Overview

Global Economy

The world economy was gradually putting the COVID-19 pandemic behind it, with numerous regions removing restrictions and a few economies regained their pre-COVID-19 strength in the early 2021. Vaccination initiatives were rapid and efficient in the majority of developed economies, but took longer in a few of rising and emerging nations. The global economy grew by 6.1% in 2021, supported by consumer spending, investments, and international trade. Since late February 2022, the prolonged war between the Russian government and Ukraine has generated a humanitarian calamity. The end of 2021 was distinguished by escalating inflation, supply chain issues, and the gradual withdrawal of government assistance.

World Economic Output (%)

	2021	2022P	2023P
World Output	**6.1**	**3.6**	**3.6**
Advanced Economies	**5.2**	**3.3**	**2.4**
United States	5.7	3.7	2.3
Euro Area	5.3	2.8	2.3
Japan	1.6	2.4	2.3
United Kingdom	7.4	3.7	1.2
Canada	4.6	3.9	2.8
Other Advanced Economies	5.0	3.1	3.0
Emerging Market and Developing Economies	**6.8**	**3.8**	**4.4**
Emerging and Developing Asia	**7.3**	**5.4**	**5.6**
China	8.1	4.4	5.1
India	**8.9**	**8.2**	**6.9**
ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam)	**3.4**	**5.3**	**5.9**

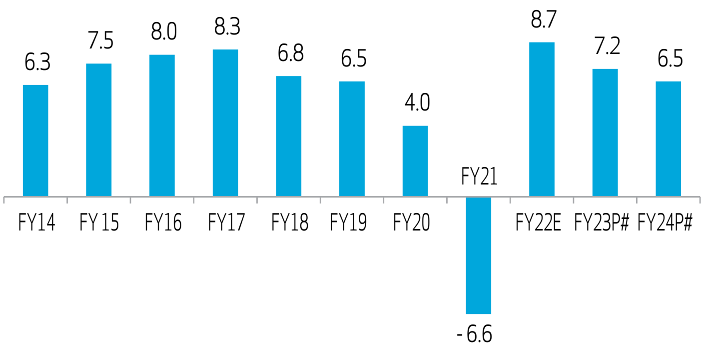
Source: IMF World Economic Outlook April 2022

In 2022, the rate of global economic recovery is projected to slow due to geopolitical tensions, pandemic-related challenges, income disparities, persisting supply chain problems, growing inflation and debt levels. It is anticipated that India, China, and other Southeast Asian nations would continue to fuel global economic expansion. The Russia-Ukraine war and China's high viral infection are anticipated to lower global growth to 3.6% in 2022 and 2023, respectively. As inflationary pressures increased, numerous governments tightened their monetary policy. Significantly heightened risks to the global economic outlook have made policy trade-offs increasingly challenging. The trajectory of COVID-19 and the development of vaccines, as well as inflation, continue to be the fundamental drivers of economic activity worldwide and in India.

Indian Economy

India remained a major contributor to the global economic recovery in 2021. It is anticipated that India would become one of the top three economic powers in the near future due to its robust democracy and strategic relations. Despite well-designed fiscal and monetary policy support, the COVID-19 pandemic resulted in a 6.6% GDP decline for India in FY2020-21. India repressed the third wave of COVID-19 while simultaneously pursuing economic recovery on the strength of fast vaccination campaign rollouts and government help. Multiple consecutive gains in indicators, including the mobility index, direct tax receipts, and power consumption, showed positive economic growth in FY 2020-21. The National Statistics Office predicts that India's GDP growth would reach roughly 8.7% in FY2021-22, letting India rank among the economies with the quickest growth.

Indian Economic Outlook (%)



Source: National Statistics Office 2nd Advance Estimates dated 31st May, 2022.

#RBI SPF report

Improved business environment & market conditions as well as growing demand have contributed to India's steady economic expansion. Due to a consistent emphasis on infrastructure, investment, manufacturing improvement, better logistical capabilities, assistance for MSMEs, green economy goals, expanding digitalization, and banking expansion, the budget for fiscal year 2022-23 met expectations for an accelerated economic trajectory. The annual inflation rate in India increased to 6.95% in March 2022, the highest level since October 2020. The Reserve Bank of India recently increased the policy repo rate by 50 basis points to 4.90% to combat the inflation. The RBI predicts that conflict-related inflation will reduce India's GDP growth to 7.2% in FY2022-23 and to 6.5% in FY 2023-24. The outlook for private sector investment remains optimistic, and the financial system is well positioned to assist economic recovery.

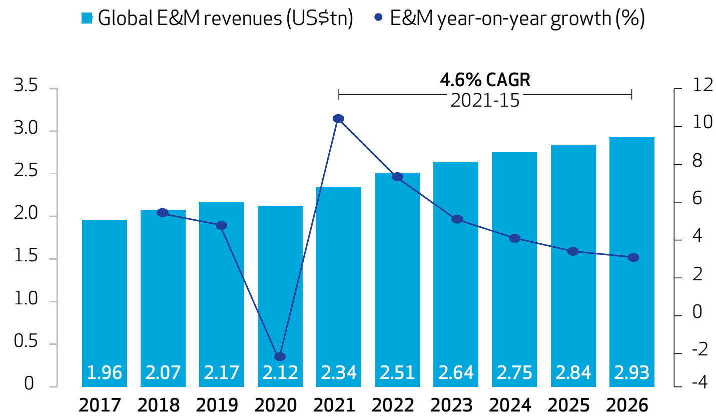
The government has played an active role in supporting the media and entertainment sector, especially through policies aimed at increasing digitization and developing digital communication infrastructure. With a vision to provide equal access to e-services, communication facilities, and digital resources to the rural population as compared to their urban counterparts, the government announced the laying of optical fibre cables in the Union Budget 2022. The project is projected to be finished in 2025. The government plans to undertake 5G spectrum auctions in 2022-2023 to help fulfil the "Digital India" vision. The economic impact of deploying 5G technology is estimated to exceed US$ 1 trillion by 2035. FY2022-23 is predicted to be the first regular year after COVID-19, which effectively stopped economic growth over a two-year period. Consumption growth particularly in the media and entertainment sector, is expected to be bolstered by the growth of India's nominal per capita income.

Section 4

Global Media & Entertainment (M&E) Industry Landscape

In 2021, there was a significant amount of unpredictability about public health, supply networks, and geopolitics. But despite all of the above, a greater level of clarity has emerged regarding the broad trends of the media and entertainment (M&E) industry. Major factors driving growth included knowledge of the new patterns that are building in consumer behaviours, business models, competitors, and laws. Emerging trends in the current entertainment and media landscape have repositioned the whole sector. The lockdowns caused by COVID-19 pandemic enhanced customer interest in digital content and services, including exercise programmes, streaming entertainment, and online shopping. However, there is no quick rebound to pre-COVID consumption and leisure activity levels. This type of activity has increased demand for online and digital content. As social and online video channels become increasingly available, this bodes well for the expansion of prospects for all types of online retailers and marketers. According to PricewaterhouseCoopers' Perspectives from Global Entertainment & Media Outlook 2022-2026 (PwC), after a contraction of 2.3% in 2020, global revenue from M&E industry bounced back and grew by 10.4% to US$ 2.5 trillion in 2021, continuing its trend of exceeding global growth. The global media and entertainment (M&E) industry grew significantly faster than the global economy last year. The global M&E industry is anticipated to grow by 7.3% in 2022 and with a CAGR of 4.6% between 2022 and 2026. As the sector becomes more digital, more mobile, and more youth-focused, virtual reality (VR) and gaming are significant growth drivers, while digital advertising pervades the entire industry.

Global M&E Industry Revenue (US$ trillion)



Note: 2021 is the latest available date 2022-2026 values are forecasts.

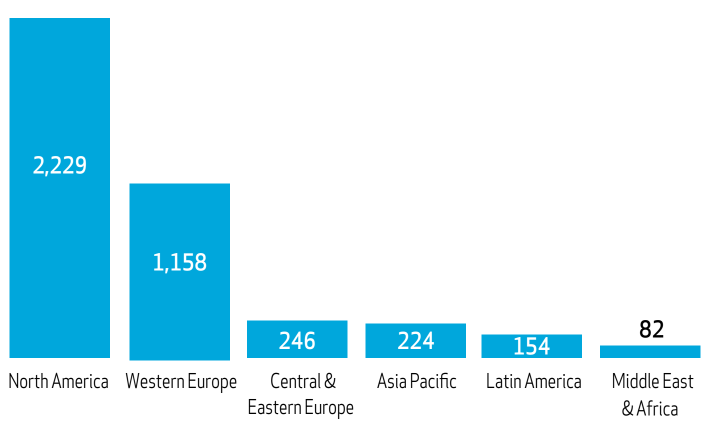
Source: PwC Global Entertainment & Media Outlook 2022-2026

Over-the-top (OTT) video grew by 22.8% in 2021, reaching to revenue level of US$ 79.1bn. The pace of OTT revenue growth is expected to grow at a 7.6% CAGR through 2026, thereby reaching a revenue level of US$114.1billion. Video games segment grew by 32% between 2019 and 2021. It is further expected to rise at an 8.4% CAGR reaching revenue worth US$ 321 billion by 2026. Traditional television, troubled by competition from OTT streaming services, will see its global revenue decrease at a CAGR of -0.8%, from US$ 231 billion in 2021 to US$ 222 billion in 2026 and the revenue from cinemas are expected to reach its pre-pandemic level of US$ 45.2 billion until 2023.

Advertising's expansion into the digital realm has elevated it to a prominent industrial category. After a decline of roughly 7% in 2020, advertising rose by an astonishing 22.6% in 2021 to reach US$ 747.2 billion. The advertising industry is projected to increase at a CAGR of 6.6% through 2026, driven nearly entirely by digital advertising. Internet advertising revenue is anticipated to increase at a 9.1% CAGR. Advertising is anticipated to be the greatest revenue stream for E&M in 2026, surpassing consumer expenditure and internet access.

Income and access to technology are two of the most significant driving factors for the growth of the M&E industry. In 2021, 72.7% of households had fixed broadband internet connectivity and 60.7% of the population had mobile internet access. This means that there are still billions of individuals who do not have regular access to high-speed internet. Regionally, North America has the largest E&M spending per capita, at US$ 2,229, about double that of Western Europe at US$ 1,029. In comparison, Asia-Pacific, the largest E&M market by sales in 2021, spends only US$ 224 per capita. At US$ 82 per capita, the Middle East and Africa have the lowest E&M expenditures of any area worldwide.

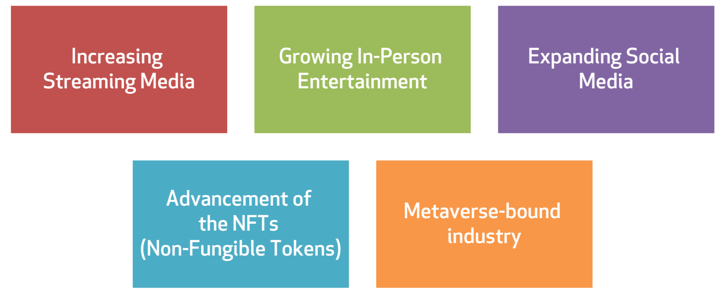
2021 M&E spending per capita, by region (US$)



Note: 2021 is the latest available date 2022-2026 values are forecasts.

Source: PwC Global Entertainment & Media Outlook 2022-2026

The M&E industry has a clear and robust growth trajectory through 2023 and beyond. Customers are expected to devote a higher amount of their attention to E&M content, services, and experiences as their availability grows over time. Major upcoming trends include the following:



Indian Media and Entertainment (M&E) Sector

The Indian media and entertainment sector is one of the fastest growing media industries in the world. According to FICCI EY report – "Tuning into Consumer- Indian M&E rebounds with a customer-centric approach", the Indian Media and Entertainment (M&E) sector recovered by 16.4% YoY (year over year) growth rate by reaching revenues worth ₹ 1.61 trillion (US$ 21.5 billion) in 2021 as compared to ₹ 1.39 trillion recorded in 2020. The growth level in 2021 remained about 11% below pre-pandemic 2019 levels due to the second wave of COVID-19 pandemic. While television remained the largest segment, digital media solidified its position as the second-largest segment, followed by the revival of print media. All M&E segments expanded in 2021, with the exception of in-cinema advertising and TV subscription.

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

	2019	2020	2021	2022E	2024E	CAGR 2021-2024
Television	787	685	720	759	826	5%
Digital media	221	235	303	385	537	21%
Print	296	190	227	241	251	3%
Online gaming	65	79	101	120	153	15%
Filmed entertainment	191	72	93	150	212	32%
Anumation and VFX	95	53	83	120	180	29%
Live enents	83	27	32	49	74	32%
Out of Home media	39	16	20	26	38	25%
Music	15	15	19	21	28	15%
Radio	31	14	16	18	21	9%
Total	**1,822**	**1,386**	**1,614**	**1,889**	**2,320**	**13%**

Source: EY

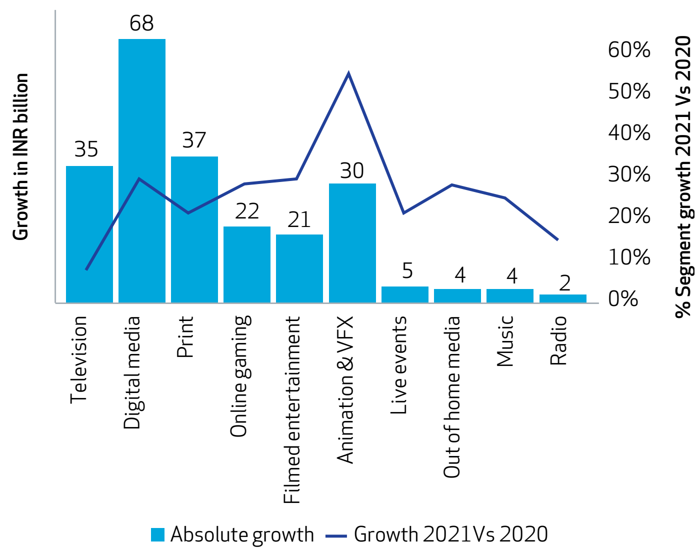
The subscription revenues were 18% below 2019 levels due to lower theatrical revenues as lockdowns and capacity restrictions impacted film releases, a decline in pay TV households and decreased television ARPUs, and a decline in absolute print circulation, especially in metropolitan areas and for English dailies. Overall, subscriptions including the Television, Digital, Print and Film subscriptions increased by ₹ 15 billion by growing from ₹ 617 billion in 2020 to ₹ 632 billion in 2021 thereby recording a growth rate of 2.4%. The television subscriptions declined from ₹ 434 billion in 2020 to ₹ 407 billion in 2021. The Digital, Print and Film subscriptions increased from ₹ 44, ₹ 68 and ₹ 71 billion in 2020 to ₹ 56, ₹ 76 and ₹ 92 billion respectively in 2021. While the share of total subscription revenue decreased from 51.5% of total revenues in 2020 to 46.5% in 2021. Lower theatre revenues were as a result of lockdowns and capacity constraints affecting film releases. A decline in pay TV households and average revenue per user (ARPU) for television and a decline in absolute print circulation notably in metropolitan areas also affected the decline in the growth of the total subscriptions.

The M&E sector is projected to increase 17% in 2022 to reach ₹ 1.89 trillion (US$ 25.2 billion) and regain its 2019 levels, then rise 11% annually to reach ₹ 2.32 trillion (US$ 30.9 billion) by 2024. In three years, the Indian M&E industry will increase at a CAGR of 13% and contribute ₹ 707 billion. The primary contributors to this development will be digital, cinema and television (together adding 65% of the growth), followed by animation and VFX (14%) and online gaming (7%). Video remained the highest-earning segment in 2021, retaining its gains from 2020, as work-from-home and school-from-home continued to be significant for the majority of Indians.

Digital media grew the most at ₹ 68 billion and consequently, raised its contribution to the M&E sector from 16% in 2019 to 19% in 2021. The percentage contribution of traditional media (television, print, filmed entertainment, OOH, music, radio) stood at 68% of M&E sector sales in 2021, declining from 75% in 2019. Despite people returning to work as the pandemic's impacts subsided and despite of the regulatory uncertainties, the online gaming market gained 28% in 2021 to reach ₹ 101 billion. The number of online gamers increased by 8% from 360 million in 2020 to 390 million in 2021. Real money gaming accounted for almost 70% of the total online gaming segment revenues.

Segment growth 2021 Vs 2020

All segments recovered and recorded growth in 2021



Source: EY

In addition, digital subscriptions increased by 29% to reach ₹ 56 billion in 2021 as compared to ₹ 43.8 billion recorded in 2020. About 80 million paid video subscriptions were recorded in 2021 as compared to 63 million paid subscriptions recorded in 2020 It generated revenue worth ₹ 54 billion in 2021 as compared to ₹ 42 billion recorded in 2020. Due to the abundance of free audio options, audio subscriptions grew by 49% by generating revenue worth ₹ 1.6 billion as compared to ₹ 1.1 billion recorded during the previous year. In 2021, around 170 films will be released on digital platforms, ranging from blockbuster films priced at over ₹ 1 billion to small regional films priced as low as ₹ 15 million. This includes approximately one hundred films that were distributed directly on the platform without a theatrical release, a trend that has accelerated as a result of the pandemic. Only 31% of digitally released films were in Hindi, while 69% were in other languages, primarily south Indian languages.

Animation, VFX and post production services segment expanded at the quickest rate in 2021, achieving a growth rate of 57%. This was due to the revival of content production, the expansion of service exports, and the industry's adoption of virtual production. In all languages, mediums, and genres, Indian content is rapidly spreading. India's M&E industry is perfectly positioned to make significant strides across all segments as it has one of the largest marketplaces and is served by the most innovative minds.

Indian Film Industry

The film entertainment industry experienced lockdowns and state-wide limitations on production and distribution throughout 2021 due to COVID-19 pandemic. Moviegoers stayed away from theatres due to virus fears and a lack of new releases. Omicron COVID-19's emergence adds uncertainty, but 2022 box office signals are positive. The film entertainment industry continued to experience a subdued year in 2021 due to lockdowns and a number of restrictions placed on production and exhibition across states. Despite the limits, over 750 movies were distributed throughout the year in 2021, which is a significant increase from the 441 films that were distributed in 2020. The filmed entertainment segment grew by 28% in 2021, but remained around half of its 2019 levels. Digital rights surged to ₹40 billion, more than doubling their 2019 levels. Gross box office receipts grew 57% to ₹ 39 billion in 2021. Film exhibition box office revenues were only 34% of 2019 levels. The expansion was mostly fueled by an increase in time spent with entertainment media. Compared to 2019, Indians spend 52% more time streaming entertainment material in 2021. This growth was the third biggest in the world and was driven by growing work from home and school from home infrastructure. In 2021, the number of video watchers grew by 10% YoY growth rate and reached 497 million, representing around 94% of smartphone owners and wired broadband customers. It is estimated that the number of video viewers will surpass 600 million by 2024. In 2021, broadcast rights did not increase due to a lack of theatrical releases and declining costs. In-theatre advertising continued to decline**.** The number of films released in 2021 increased by 71% compared to the previous year. There are several categories that have more than one hundred films distributed straight on streaming platforms; this is a trend that appears to be continued in future as well.

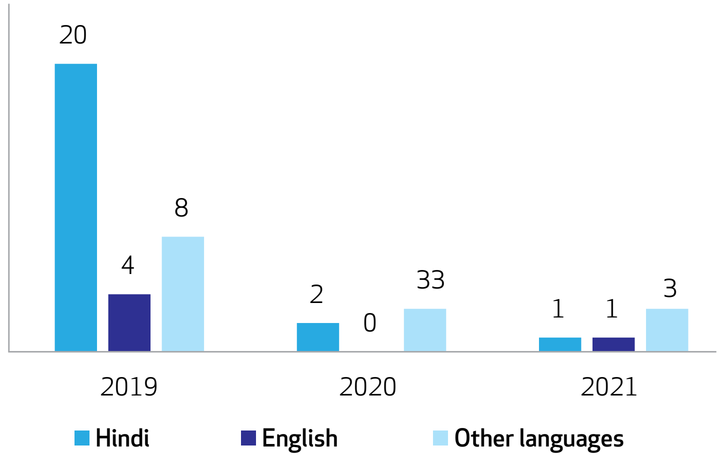
Film entertainment segment revenue - gross of taxes (in ₹ billion)

	2019	2020	2021	2022E	CY24E
Domestic theatricals	115	25	39	75	105
Overseas theatricals	27	3	6	12	16
Broadcast rights	22	7	7	14	19
Digital / OTT rights	19	35	40	48	69
In-cinema advertising	8	2	1	2	3
Total	**191**	**72**	**93**	**150**	**212**

Source: EY

About 13 films grossed over US$ 100 million in 2021, down from 30 films in 2019. 2021 findings showed increased audience interest for "blockbuster" films as re-openings around the country gained speed, propelled in part by effective immunizations. Film industry has responded to hard times by creating new business structures and direct-to-digital distribution. Digitalization has accelerated increased variety of content, talent, and stories, investments in original regional content development, and regional offerings to reach a bigger audience. In 2021, there were five films that grossed over ₹1 billion, compared to 32 in 2019. Only one Hindi and one English film could enter the ₹ 1 billion club, compared to three south Indian language films.

Number of films which grossed more than ₹ 1 billion

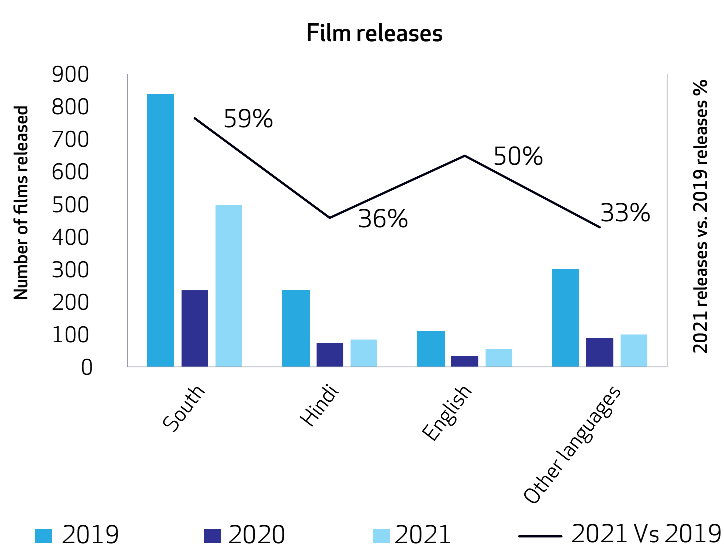


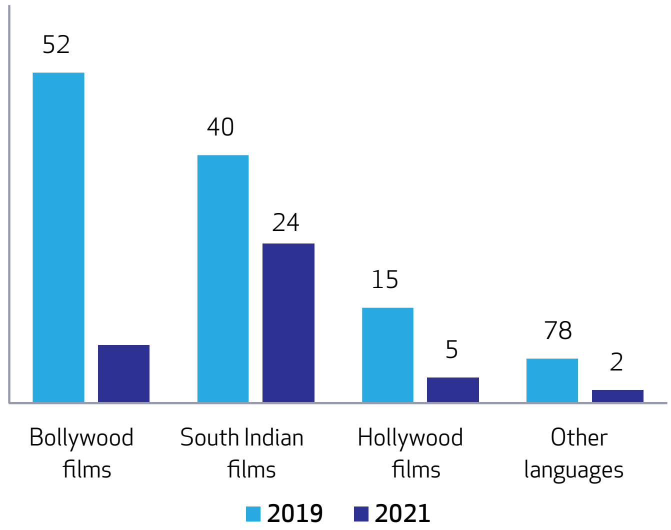
Source: EY

In 2021, 757 films were released in theatres across all languages. The most films were released in Telugu (204) and Tamil (152), but just 84 films were made in Hindi. Due to fewer lockdowns, the South markets recovered more quickly, achieving 59% of the 2019 release level. Given the predicted scarcity of release windows and with cinema restrictions being lifted, smaller films would find it more difficult to secure windows and only those with a unique concept or subject might succeed. South Indian films, however, produced three times the box office earnings of Hindi films (about ₹ 8 billion), with a total collection of ₹ 24 billion due to greater releases.

Film releases by language Gross Box office collections – By different language films

(in ₹ billion)

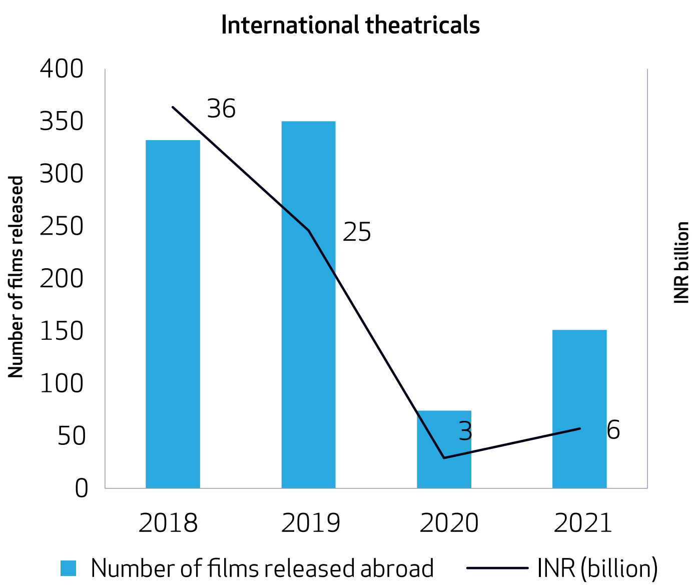




Source: EY

About 151 films were released internationally, contributing gross box office receipts of ₹ 5.9 billion, an almost 50% increase compared to 2020. One of the main marketplaces for Indian cinema might get affected by geopolitical tensions with China. International theatricals could diminish in relevance from pre-pandemic levels if access to the major Chinese market is restricted. Indian material may not find many customers outside of first- and second-generation Indian community, unless content changes considerably.

International Theatricals - Films released and Revenue Generated



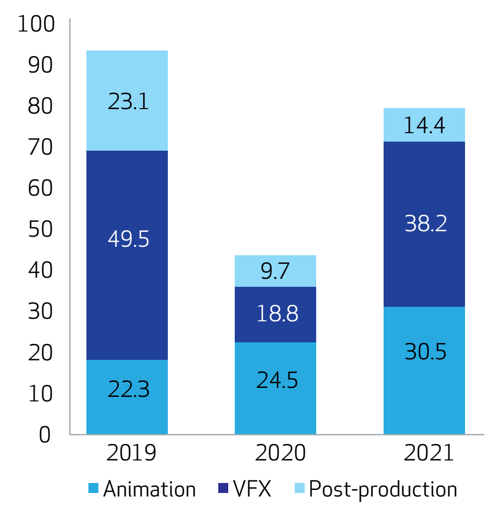
Source: EY

As theatres reopened in 2021, viewers returned in large numbers, proving that the "cinema experience" is valued. The filmed entertainment industry is predicted to recover its 2019 levels by end 2023, reaching ₹ 212 billion in 2024. Theatrical revenues will continue to be the dominant revenue contributor of the filmed entertainment segment as people return to cinemas, but with a few changes such as Top-end cinemas becoming premium experience zones and "Janta cinemas" for a lower priced but semi-premium experience in smaller towns and cities. Industry must engage with real estate developers to establish miniplexes in residential complexes and reopen cinemas that closed during the pandemic. Digital / OTT rights might account for 32% of the Indian film industry segment income due to rising OTT platform adoption and dubbed and subtitled content consumption. As TV audiences grow, broadcast rights' value will fall to pre-pandemic levels

Animation, VFX and Post-Production

The Indian Animation, VFX (Visual Effects) and Post-production sector has been steadily ascending the growth ladder by adopting world-class techniques and cutting-edge technology. The content developers are enhancing their storyline with astounding VFX innovations. According to FICCI EY research, India's M&E industry is expanding exponentially, with VFX and post-production facilities moving up the value chain.

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



Source: EY

The animation and VFX market recovered as content development began for television, OTT and film as it reached 88% of its 2019 level. The expansion of children's television channels has boosted the need for animated content. OTT platforms continue to invest in Indian animated intellectual property. In 2021, there were a number of comic rights agreements involving Indian comics. Increased demand stimulated investments in India, while convergence of production pipelines created new opportunities. In 2021, animation rose by the YoY growth rate of 24% to reach ₹ 30.5 billion. During the pandemic, children's genre viewing increased by approximately 30%, as did parental co-viewing. This resulted in the advertising industry targeting new industries, such as e-learning platforms, e-commerce, personal care and hygiene, home care, and consumer durables.

The expansion of children's television channels has boosted the need for animated programming. Similarly, OTT platforms continued to invest in Indian animated content. Numerous comic book characters that will eventually be adapted into animated shows, films, or shorts were acquired throughout the year. The Indian VFX industry expanded by the YoY growth rate of 103% in 2021 to reach ₹ 38.2 billion, while post-production expanded by the YoY rate of 49% to reach ₹ 14.4 billion. Over 2,500 hours of original content were generated for OTT platforms in India in 2021, compared to around 2,000 hours in 2019, and this number are expected to increase to 3,500 hours by 2024. The quality of Indian content has resonated with clients around the world, which has inevitably resulted in greater quality standards. The animation, VFX, and post-production market is estimated to reach ₹ 180 billion by 2024 from the current level of ₹ 83 billion as recorded in FY 2020-21.

In 2020, Indian studios implemented work-from-home and hybrid pipelines, which were improved utilising cloud and other technologies, stabilised by the end of 2021, and became artist-friendly. This resulted in more Indian studios opening offices abroad and more foreign studios opening offices in India.

The most significant advantage, however, was increased efficiency, as these methods enabled studios to become more efficient. Larger studios that were designated as the primary VFX studios for a project were therefore able to take on larger portions of work, which led to the development of jobs at smaller studios around the country. Direct-to-OTT film releases, higher quality OTT content, and a resurgence in broadcast content demand boosted domestic post-production revenues. About 75% to 85% of this segment's earnings came from domestic projects, as film production trails pre-pandemic levels in 2021.

Disney+ Hotstar, Netflix, Zee5, MX Player, and Amazon Prime Video releases material in 7-10 Indian languages. This boosted audio post-production, dubbing, titling, sub-titling, promo development, etc. Amazon Prime Video, Zee5, and Netflix release Indian films in foreign languages, a trend that should continue given their success with overseas audiences. Regional movies released in numerous nations boosted the local post-production, broadcast, and audio localization industries.

Real-time technology/virtual production have increased in VFX, as Indian studios are adopting virtual production, which will become more common in two to three years. By 2025, 50% of Indian animation and VFX studios will adopt real-time technology/virtual production. Bigger studios have already started adopting software such as Unity and Unreal in their process. Smaller studios may find it difficult to invest in these technologies, thus they'll likely be employed for specific projects.

Section 5

Company Overview

PFL has been evolved as a topmost independent and diversely integrated media service provider under the leadership of Mr. Namit Malhotra since its microscale establishment at Mumbai in the year 1997. In India, the Company operated in cities like Bengaluru, Chennai, Hyderabad, Kolkata, Mohali, Mumbai, Pune and Noida. The Company also has a strong foothold internationally in Johannesburg, London, Los Angeles, Montreal, New York, Sofia, Toronto and Vancouver.

Products and Services

The Company has three major business segments that include the following:

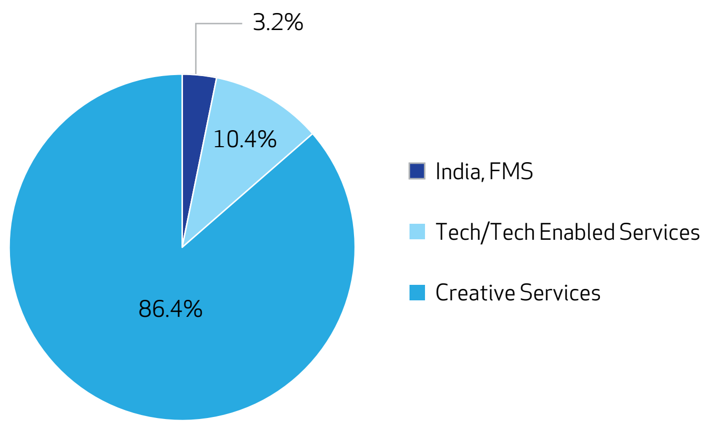
1. Creative services like visual effects, stereo 3D conversion and animation

2. Tech/Tech-Enabled Services like Media ERP Suite and Cloud enabled media services

3. India's Film & Media Services (FMS) - Production and Postproduction services like equipment rental, digital intermediate, picture post, shooting floors and sound stages.

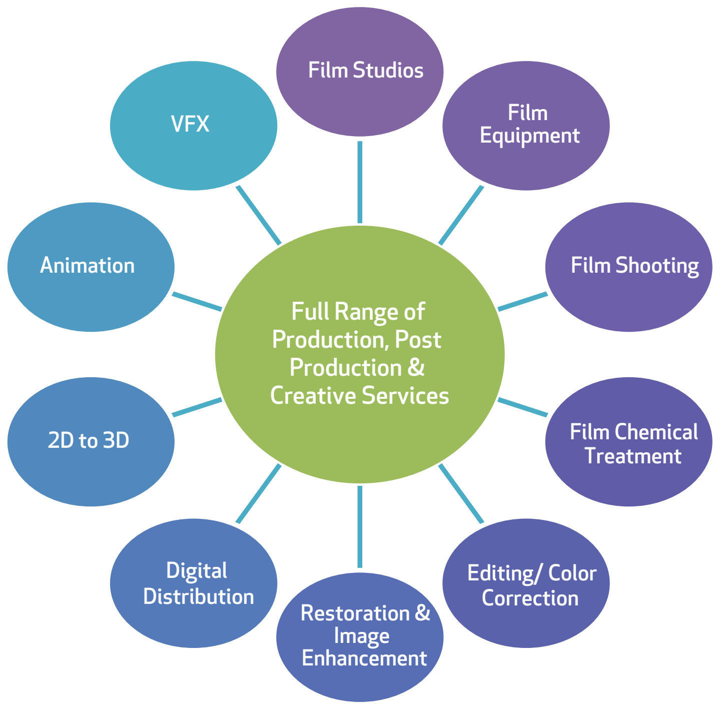
PFL has been a leading market player across all its business segments and operations backed by its healthy business model, professional workforce and firm balance sheet. The Company has been consistently backed by its esteemed investors that include Standard Chartered Private Equity, Reliance Group, Horizon Coast and Ambit Pragma Private Equity.

Divisional Revenue Share FY 2021-22



The Company provides extensive solutions of products and services to key studios, broadcast and advertising industries worldwide. PFL has partnered with top end studios and has been consistently and successfully dispatching high end franchise movies.

End to End Service Provider



International Presence:

PFL's robust technological efficiency and expertise aids in delivering optimised integrated services to its reputed client base all over the world. As majority about 87% of total revenues are generated from its international business, PFL puts continuous efforts in upgrading its sales team and in acquiring more and more business internationally. The Company's one of its kind 'World Sourcing' delivery model and its worldwide Digital Pipeline led PFL to connect with content creators across all stages of creative enablement, better cost management and in delivering healthier efficiencies. PFL has presence across 4 continents, 7 time zones and 17 locations with projects execution happening 24*7 for 365 days. Various Mergers and Acquisitions have also been undertaken by the Company in order to magnify its capabilities and further increasing its global presence. These include the following:

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

Marquee Clientele

PFL has firm and extensive client base that envelops the entire media industry value chain and product lifecycle of media content. PFL's major clients include top Hollywood and Indian studios and media companies across the globe.

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

Creative Services

PFL is one of the top creative player in providing VFX services to the marquee Hollywood studios that assist in delivering high-end VFX, 3D and animation-based movies. Moreover, it approved merger with UK-based DNEG – one of the world's leading visual effects and animation companies for feature film and television in July 2014. The Creative Services division is also engaged in providing animation services and facilitating the development of beautifully animated content by partnering with content creators across the production life-cycle. The Company leverages its experience, scale of operations and World Sourcing delivery model to cater high-end projects while at the same time ensures high proficiencies, quality and cost optimization.

Creative Services: Selected FY2021-22 Hollywood Projects

1. F9: The Fast Saga
2. Jungle Cruise
3. No Time to Die
4. Venom: Let There Be Carnage
5. Ron's Gone Wrong
6. Locke & Key – Season 2
7. Doctor Who: Flux
8. Ghostbusters: Afterlife
9. The Wheel Of Time
10. The Matrix Resurrections
11. Moonfall
12. Death on the Nile

Production & Post-Production Services:

PFL forms India's leading integrated and organized production and post production Company delivering a complete range of media services across the entire M&E industry. The services include the following:

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

PFL owns India's largest integrated studio in Mumbai controlling the major share of local studio market. In 2015, the Company acquired the film and media services business of Reliance MediaWorks Ltd. with an aim to enlarge its market share and further strengthen its offerings.

PFL delivered many Bollywood blockbusters this year which include the following:

Production & Post-Production: Selected Projects FY2021-22

1. MiMi
2. BellBottom
3. Chehre
4. Rashmi Rocket
5. Hum Do Hamare Do
6. 83
7. Gangubai Kathiawadi

Tech/Tech-Enabled Services

PFT, a subsidiary of PFL, offers a unique blend of media and IT skills, backed by a deep understanding of the global M&E industry. PFT's award-winning Hybrid Cloud-enabled Media ERP Suite, CLEAR along with its high quality Cloud Media Services assists the broadcasters, studios, brands, and service providers to drive creative enablement, increase efficiencies, minimise Total Cost of Operations (TCOP) and gain new monetization opportunities. PFT has an extensive network of facilities and WorldSourcing® model backed by a global digital pipeline. This provides the Company to serve their customers across the world, helping them reduce costs by automating business processes around content and controlling their business of content better. PFT's large scale achievements are listed below:

1. 1.54 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. 40,000 hours of Subtitling and Closed Captioning annually
6. Powered events that delivered 25.35 million concurrent streams
7. 10,000+ assets uploaded every day on CLEAR
8. More than 40,000 users on CLEAR
9. More than 100k assets processed via AI now

Business Arms

Double Negative (DNEG)

The Creative Services arm of PFL, DNEG, is adept in providing visual effects, stereo 3D conversion and animation services. In 2014, PFL's creative services division merged operations with DNEG, a leader in visual effects with experience in working with leading Hollywood studios (Marvel, Universal, Warner Bros, Paramount, Twentieth Century Fox, Sony, Disney and Lionsgate) and directors (Christopher Nolan, David Yates, Ron Howard, Zack Snyder and Steven Spielberg amongst others). In last ten years, DNEG bagged six Oscar awards, all for 'Best Visual Effects' category.

DNEG is a global leader in the stereo 3D conversion space commanding nearly a major market share in the content global market. DNEG employs nearly 7,000 people with worldwide offices and studios across North America (Los Angeles, Montréal, Toronto and Vancouver), Europe (London) and Asia (Bangalore, Chandigarh, Chennai and Mumbai). It has a competitive advantage due to its VFX leadership position and its stereo 3D conversion leadership position, which is further enhanced by various strategic partnerships. In August 2021, Novator Capital Advisers, LLP has invested about US$ 250 million for 15% stake in DNEG, which will further expand the Company's capabilities into gaming and original content.

Highlights: FY2021-22

Current and upcoming DNEG projects on behalf of its Hollywood and global studio and production Company partners include Uncharted (February 2022), Death on the Nile (February 2022), Moonfall (February 2022), Borderlands (2022), Stranger Things S4 (2022), Aquaman and the Lost Kingdom (2022), Knives Out 2 (2022), The Last of Us (2022), The Flash (2022), and Shazam! Fury of the Gods (2023). DNEG signed a multiyear services agreement with Netflix during FY 2021-22. The DNEG-Netflix partnership connects DNEG's breadth and global footprint as one of the world's top content services firms with Netflix's broad programming portfolio.

- Won marquee contracts even during challenging times – Zack Snyder's Justice League, Unchartered with Sony, Matrix 4 & TENET with Warner Bros, Wonder Woman 1984
- Continue to deliver work on marquee projects such as Dune, Infinite, Venom 2, among others

- Announced the opening of new offices in Toronto, its fourth in North America, and Bangalore, its eighth worldwide.
- Upcoming Movie Projects: The Flash, Shazam 2 - Fury of the Gods, Black Adam, Entergalactic, Aquaman & The Lost Kingdom, Glass Onion - Knives Out Mystery, Fast X, Bullet Train, Coyote vs Acme, Pinocchio, Garfield, That Christmas,
- Upcoming TV / OTT Projects includes - The Witcher: Blood Origins, 1899, Nimona, Avatar - The Last Airbender

Awards & Accolades

- Won BAFTAs for the outstanding work for Dune
- Won Visual Effects Society Awards for Dune
- British Animation Awards - 'Best Longform' for Ron's Gone Wrong
- 'Best Animation 'the 2021 New York Shorts International Film Festival for Mr. Spam Gets a New Hat.
- Winner of 'Best 3D Narrative Short' at SPARK ANIMATION 2021 for Mr. Spam Gets a New Hat.
- Winner of 'Best Animated Short' at Cleveland International Film Festival for Mr. Spam Gets a New Hat.

Prime Focus Technologies (PFT)

PFT forms the significant business segment of PFL specializing in providing cloud solution for M&E industry. World's only hybrid cloud enabled Media ERP platform CLEARTM is being owned and operated by PFL. CLEARTM offers broadcasters, studios, brands and service providers transformational solutions which assist in reducing total cost of operations (TCOP) by providing better management of content business and virtualizing content business processes. Further it assists in ensuring the end to end delivery of digital content from its inception to its broadcast on various TV sets and OTT platforms.

In April 2014, PFT acquired US-based DAX to mark its footprints in the world's largest content market. PFT has firm revenue model in this segment with 82% Annuity contribution & 48% from International markets. PFT has a worldwide delivery model providing cloud solutions and also has world's largest digital media services cloud infrastructure. PFT offers a wide range of technical, creative and new media services on cloud with defined Service Level Agreements (SLAs). These include Localization (Subtitling, Dubbing, Access Services and Text to Text Localization), Digital Packaging & Delivery, 4K Remastering & Up conversion, Quality Check (QC), Digitization services, Audio services, Live services, Metadata services and Creative services among others.

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

Highlights: FY2021-22 –

PFT was honoured to be part of Leeds City Council business roundtable hosted in partnership with the Indian High Commission and FICCI in 2021. Ramakrishnan Sankaranarayanan, Founder and Global CEO of PFT shared his views on strengthening trade and commerce between Leeds City Region and India.

PFT showcased next-generation AI-led Supply Chain Automation by Launching Remote Postproduction Workflows for Adobe Premiere Pro aiding in preventing bottlenecks and in better control of operations. Moreover, it would guide the companies to bring back catalog to global streaming platforms faster by using AI.

- Announced a Hybrid-Cloud Media Centre in Leeds, UK employing over 70 professionals
- Using its AI/ML-powered native media recognition engine CLEAR® Vision Cloud, PFT enabled AI-led automation of Segmentation procedures for long-form video to ITV.
- PFT's CLEAR® went Live to automate Channel 4's Content Supply Chain. CLEAR onboarded Channel 4's content suppliers, including major studios, migrated petabytes of Channel 4's archive, and qualified its delivery BOTS distributing material to Channel 4's VOD platform, All4, and all other Channel 4 digital partners.
- PFT participated in NAB 2022 at Las Vegas where it showcased CLEAR AI for Segmentation to stress on the multiple use cases and benefits of AI
- The 2021 NAB Show 'Product of the Year Award' was won by Prime Focus Technologies. PFT's media recognition AI Platform, CLEAR Vision Cloud won this award under the AI/ML category for its AI-led Video Conformance.
- PFT was shortlisted at The IABM BaM Awards 2021® for our AI-powered multi-frame rate. PFT's media recognition, CLEAR Vision Cloud, was shortlisted for this award under the 'Monetize' category.
- PFT triumphed at the 26th Asian Television Awards (ATA) winning the awards for the Best Cinematography, Best Direction (Non-Fiction) for India from Above; a nation's modern and mystic story, told over two powerful episodes that showcases India and its people from a never seen before aerial perspective.
- PFT registered a delightful win at the Asian Academy Creative Awards (AACA) Singapore! Winner of 'Best Short Form Content' category. PFT has proudly conceptualized and filmed this

remarkable initiative- Namma Jala, a BIAL's (Bangalore International Airport Ltd) CSR initiative to develop water resources in the vicinity of BLR Airport. This film showcases BIAL's initiative to help the people of Devanahalli village get access to water.

- We also made it to the top 50 in 2022 Nimdzi Insights 100 Ranking of the world's largest Language Service Providers (LSPs).

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 ₹ 3,386 crores in Financial Year 2021-22, with 86% and 10% contribution from Creative and Tech/ Tech- Enabled Services, respectively. Adjusted EBITDA margin remained robust at 26.1% as revenue synergies realized in terms of cross-selling and execution from lower cost-centres, such as India and Vancouver, climbed. Further, work force rationalisation and cost reductions helped improving EBIDTA margins.

Financial Highlights of Financial Year 2021-22 (Consolidated Audited Financials):

- Total Income of the Company is at ₹ 3,478 crores, compared to ₹ 2,610 crores for the year ended March 31, 2021
- Adjusted EBITDA margin[1] is maintained at 26.1%
- Cash Profit (PAT + Depreciation + non-cash employee stock option expense) is at ₹ 261 crore; Cash Profit Margin at 7.5%.
- Creative Services total income has increased to ₹ 2,979 crores in FY2021-22. This business now contributes 87% to Group revenues and has an Adjusted EBITDA margin of 24.0% (as per Ind AS accounting standards).
- Tech/Tech-Enabled Services total income is at ₹ 356 crores in FY2021-22 as against ₹ 279 crores in the year ended March 2021; Adjusted EBITDA Margin at 25.0%
- India FMS total income is at ₹ 193 crores in FY2021-22. Adjusted EBITDA Margin[1] is at 43.5% in the price-competitive Indian Market, a testimony to PFL's quality work.
- Net Debt (Debt – Cash) is at ₹ 3,119 crores as of March 2022 (after adjusting for operating 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	Units	Consolidated			
		March 31, 2022	March 31, 2021	Change	Remarks
Debtors Turnover	Times	10.01	6.32	58%	Increase in debtors turnover due to collection efforts
Inventory Turnover	Times	NA	NA	NA	Not Applicable
Interest Coverage Ratio	Times	1.26	0.94	35%	Improved coverage ratio on the back of higher operating profit
Current Ratio	Times	0.54	0.54	-%	
Debt Equity Ratio	Times	37.10	15.07	146%	Increase is due to increase in debt compared to previous year
Operating Profit Margin	Percentage	14.00%	9.29%	51%	Higher operating profit during the year contributed by higher revenues
Net Profit Margin	Percentage	-5.16%	-2.22%	133%	Decrease in net profit due to exceptional cost of ₹180 crore during the year
Return on Net worth – RoNW	Percentage	-152.40%	-21.04%	624%	Decrease in net worth due to exceptional cost of ₹180 crore during the year

Section 6

Business Strategy

PFL is one of the world's largest providers of end-to-end post-production services. The Company delivers cutting-edge creative, technical, and post-production services. Through an acquisition-driven expansion strategy, the Company has successfully strengthened its market position and expanded globally to become a major independent services powerhouse over the years. PFL aims to maintain this rate of profitable growth in the future, driven by the following key factors:

The Company has tremendous leadership in Creative Services and is the preferred House for graphically enhanced services. PFL will continue to bolster its global presence by diversifying across content types and geographies. The Company will continue to enhance cross-selling by bundling VFX, 3D, and high-end CG Animation services in order to drive revenue growth and save costs. PFL's expanding clientele from all over the world, robust network, and deeper interaction with top studios will assist generate cross-selling opportunities and sustain development via economies of scale.

In Tech/Tech-Enabled Services, the Company will continue to expand its customer base by signing contracts to cross-sell tech-enabled services and improve income from existing customers. Additionally, the Company focuses on expanding its product suite with new modules and analytics.

To unlock value across the Group, PFL and its subsidiaries will continue to evaluate equity (including private placement and public offering) and debt financing options. In order to improve the wealth of shareholders, the Company prioritises growth and business efficiency.

Section 7

Outlook

On the threshold of 2022, the broader socioeconomic factors motivating the contemporary age appear to be merging with technology and magnifying change. This is stimulating innovation and competitiveness but also placing pressure on business models to keep up with shifting behaviours. The streaming video market will mature as measures evolve beyond subscriber counts to lifetime customer value and existing business models evolve to find more profitability amid global competition. In-person entertainment, as well as the businesses and venues that rely on it, will under increased pressure to go beyond simply getting people out of their virtual cocoons by new innovating and differentiating content.

Constant demand for over-the-top (OTT) videos will be a potential silver lining for positive growth and will lead to expansion into newer demographics and areas. There will be a rise in the use of analytics in these digital platforms to gain detailed insight into user preferences, which will serve as a guiding force for the development of new content. VFX and animation production are becoming a vital aspect of the expansion of the M&E sector. This area will rise as a result of an increase in worldwide animation films, particularly 3D movies, and the concomitant increase in work for Indian production houses. The Government of India (GoI) has supported the growth of the industry by implementing programmes such as the digitization of cable distribution and the simplification of institutional financing to increase the sector's profitability.

M&E firms are implementing aggressive cost reduction strategies and speeding monetisation prospects through the use of digital media and technical advancements into their traditional businesses. As a result of the successful vaccination rollout, future theatre occupancy rates should increase. Given a robust content pipeline, the overall market size for movies will be wide and diverse, which will have a positive long-term effect on the business.

As one of the largest independent integrated media players in the world and a Tier-1 VFX provider to Hollywood, PFL is ideally positioned to deliver work and sustain growth. The firm has a substantial order backlog to be executed over the next three to five years. PFL will continue to benefit from its robust order backlog, positive momentum in its ERP and technology businesses, access to cutting-edge technology, and increased efforts to make its extensive global network's overall content supply chain more efficient.

Section 8

Opportunities & Threats

The Indian Media & Entertainment (M&E) business is experiencing revolution that will result in spectacular future growth. The pandemic as well as has propelled the industry's change phase and led to the rise of numerous new trends and possibilities across content, distribution, consumption, and monetization.

The Internet of Things (IoT) and personal consumption revolution will create a significant potential for automated decision making across all client touchpoints. By 2025, it is anticipated that the number of smart connected televisions will approach 40 million, so eliminating the monopoly of broadcasters on the large screen and resulting in around 30% of material consumed on large screens being social, gaming, digital, etc. The need for digital material is anticipated to increase as technology progresses. Due to the fact that these models are subscription-based and not truly reliant on ads, the media and entertainment sector will experience good growth, which will contribute to the industry's expansion.

As a significant portion of the population worked from home, digital consumption has gained popularity across all platforms during pandemic and is continuing the trend. Therefore, advancements in technology will play a crucial role in providing consumers with outdoor entertainment. The future of cinema will be driven by immersive technologies and VFX-rich content experiences in order to increase theatre attendance. Foreign clients are beginning to shift outsourcing away from China, which could be advantageous for Indian visual effects businesses.

The fragmentation of OTT platforms presents issues. Currently, the majority of Indian audiences still utilise the free or ad-supported model. Digital point-of-sale advertising that provides data on the return on ad expenditure is posing a new challenge to traditional advertising. Developing a strategy for substantial income growth will be difficult, since it will necessitate modifying present concepts and enhancing originality. In the future, the sector will experience increased innovation in content forms, distribution channels, and business structures.

Section 9

Risks and Concerns

PFL firmly believes in the potential of effective risk management, which allows it to reduce the risk impact on its business process and also prepare the Company to face different challenges upfront. The Company has adopted Risk Management Policy as a part of its Risk Management Framework in order to manage various inherent business risks more effectively. The framework ensures timely identification, evaluation and pre-emption of potential risks. Also prompt risk mitigation measures are being carried out to control adverse situations arising out of the foreseeable risks. Some inherent risks associated with the Company are being laid out herein as follows:

Economy Risk: An extremely volatile macro-economic environment has evolved due to Covid-19 pandemic. It has also impacted the normal business operations and has equally disrupted the content production and had a considerable impact on the ways of working. The Company is exposed to such macro-economic risks.

Mitigation Strategy: The increased demand of content and industry's preferences towards virtual production, digital enhanced sets, green screen shoot, etc., will provide new sets of opportunities. Further, PFL has strong project pipeline which are comparatively less dependent on physical shoots. PFL's business position is further strengthened by an efficient brand leadership and has become more confident of managing the crisis.

Industry risk: PFL has considerable exposure to various external risks that directly affects its profitability and sustainability. The Company's operating and financial performance may be hindered by the changes in the macro environment, consumer preferences and regulatory policies.

Mitigation Strategy: With the adoption of digital technology and higher demand for digital content, the Indian M&E industry is expected to witness higher robust growth trajectory. The industry is expected to have continued higher demand, with higher penetration in non-urban and regional user base particularly in rural regions. With a diverse portfolio, strong order book and global network, PFL is well positioned to minimise any risks resulting from macro-economic sluggishness.

Competition risk: The M&E market has emerged as a highly competitive market. The Company has to face strong competition from both domestic as well as international players.

Mitigation Strategy: PFL's world source delivery model assists in gaining a competitive advantage by delivering high-quality work at a rapid turnaround time. The Company delivers high quality services to leading Hollywood and Bollywood production houses and has gained worldwide reputation in the industry. With the production of dynamic proprietary inventions to launch effective market initiatives, and technological advancement, the Company stays ahead in competition. Diversification, creativity and a long standing relation with studios and global media service providers has put PFL upfront among all top players in the industry.

Talent Risk: Retaining and maintaining the talent pool of the Company is of foremost importance. The inability to identify, attract and retain qualified personnel or the loss of key personnel could hinder effective business management as well as could affect the entire operational and financial performance of the Company.

Mitigation Strategy: The Company's HR policy aims at maximising retention rate by implementing best practices for its staff, providing competitive pay scale and delivering vigorous training across leadership levels to ensure organizational success. The ability to attract, retain and develop a diverse range of skilled people is ensured by the Company's proactive HR policy. Such HR policy also assured that employees' personal ambitions are well integrated with organisation's objectives.

Profitability risk: The Companies within the M&E sector face huge profitability risk as they operate with comparatively lesser margins. Also due to subsequent lockdowns, delay in new releases and higher cost for acquiring professional talent puts the Company in a financially tight position.

Mitigation Strategy: The Company has been continuously investing in adopting new technology at proper time to introduce newer and technologically advanced products at optimum prices across all business segments. The Company's strong global presence across four continents allows it to cater to several well diversified projects. Besides, Bollywood has relatively higher budget manufacturing houses with requirements in VFX's rising phenomenon, animation etc. The Company has been collaborating with the major directors as well as regional filmmakers (Tamil, Telugu and Kannada). PFL is a preferred Company for big production houses since it has proven track record of producing critically praised films, high public recognition and great filmmaker returns. The Company implements effective cost control measures and rationalizing workforce to improve margin and sustain profitability. This also enables it to secure better margins in an otherwise highly competitive and thin margin industry.

Information and Cyber Security Risk: Creative media and broadcasting companies are the main targets of cyber breaches and fraud as they are content sensitive. Remote working and new technologies are being adopted due to resurgence of Covid-19 that has opened up avenues for newer hacking strategies to be adapted by the cyber criminals. Loss of sensitive data or information, legal and regulatory noncompliance, reputational damage as well as revenue loss may be caused by any security breach or disruption to IT infrastructure.

Mitigation Strategy: PFL has a proactive risk-mitigation program in place along with a response plan for faster adaptation in case of any incident. It assures that the network is routinely patched and backed up and the incident response plan is developed and updated at regular intervals. Employees are also made aware of cyber risks and common cyber security threats through phishing campaigns to reduce the risks associated with employee breaches. A fixed policy for using personal devices at work etc. has also been developed. The Company consistently engages in protecting its sensitive data and improving controls on a consistent basis.

Section 10

Internal Control Systems and their Adequacy

The Company's firm internal control system has been set up so as to provide assurance on the effectiveness and efficiency of operations, compliances with laws and regulations safeguarding of assets and reliability of financial and management reporting. PFL's internal control systems are maintained adequately and effectively to match the nature, size and complexity of its business. All business units and functions are being continuously and thoroughly scanned due to the Company's strong corporate governance practices, clearly laid down policies, guidelines and frameworks. Periodically internal audits are conducted to have appropriate assurance over the internal control effectiveness and to provide guidelines according to industry-wide, best practices. Appropriate risk mitigation as well as timely and adequate measures are taken periodically for carrying out required rectification measures.

Section 11

Human Resources

Human resource forms the integral part for robust growth and expansion for the Company. PFL has definite commitment to ensure a safe, conducive and productive work environment across all its business operations. Various initiatives such as performance and appraisal, learning management, talent management, internal and external training programmes etc. are conducted to assure towards the well-being and development of employees. The key organizational aim and leadership mandate is to nurture people. The main focus of the Company is to provide opportunity for the development and enhancement of the skill sets of its employees at all business levels. The Company believes that excellent talent forms the key to excellent business results. Further, the HR policies provide a work atmosphere that leads to employee satisfaction, determined motivation, and a higher retention rate. The Open door policy makes the work environment flexible and straightforward where views are shared independently. The potential leaders are identified and consistent talent pool is maintained within the Company with proactive improvement in workforce capabilities and capacities. Such policies also allow the workforce to tackle with dynamics in technology and environment. As of March 31, 2022, the Company along with its group have a workforce of over 9,500+ people.

Section 12

Cautionary Statements

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

Report on Corporate Governance

1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

The Company's corporate governance philosophy rests on the pillars of integrity, accountability, equity, transparency and environmental responsibility that conform fully with laws, regulations and guidelines. The Company's philosophy on corporate governance is to achieve business excellence and maximizing shareholder value through ethical business conduct. The Company's philosophy also includes building partnerships with all stakeholders, employees, customers, vendors, service providers, local communities and government. The Company has always set high targets for the growth, profitability, customer satisfaction, safety and environmental performance and continues its commitment to high standards of corporate governance practices. During the Financial 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, 2022, the Board comprises of nine (9) Directors, out of which one (1) is Executive Director, three (3) are Non-Executive Non-Independent Directors and five (5) are Independent Directors including one (1) Woman Independent Director. The composition of the Board is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") read with sections 149 and 152 of the Companies Act, 2013 (the "**Act**"). In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing regulations and are independent of the management. During the Financial Year 2021-22, none of the Independent Director ceased directorship of the Company due to resignation or otherwise. 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. The profile of the Directors can be accessed on the Company's website at http://www.primefocus.com/who-we-are#Board

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 public limited companies in which he/she is a Director, pursuant to the Regulation 26 of the Listing Regulations. Furthermore, Mr. Naresh Malhotra, Whole-time Director of the Company does not serve as an Independent Director in any Listed Entity. All the Directors have made necessary disclosures regarding Committee positions held by them in other listed 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 Act. The terms & conditions of the appointment of the Independent Directors are hosted on the Company's website. None of the Independent Directors of the Company serve as an Independent Director 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 Independent Directors are liable to retire by rotation.

The required information, including information as enumerated in Part A of Schedule II of the 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 Listing Regulations, pertaining to WTD and CFO certification for the Financial Year ended March 31, 2022.

During the Financial Year under review, seven (7) Board meetings were held on June 11, 2021; June 30, 2021; August 13, 2021; October 22, 2021; November 12, 2021; January 25, 2022 and February 14, 2022. 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 Listing Regulations for conducting minimum four (4) meetings of Board of Directors during the Year.

In case of business exigencies, the approval of the Board is taken through circular resolutions. The circular resolutions are noted at the subsequent Board Meeting. During the Financial Year under review, one (1) circular resolution was passed by the Board of Directors on December 18, 2021.

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

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

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

Sr. No.	Name of Director and DIN	Category of Director	Skills sets/ expertise/ competencies/ Practical Knowledge	No. of Directorship held in other Companies*	Name of other Listed entities where the Director of the Company is a Director including the category of Directorship	Membership held in Committees of other Companies **	Chairmanship held in Committees of other Companies **	No. of Board meetings attended during the year #	Attendance at last Annual General Meeting	Shareholding in the Company
1.	Mr. Namit Malhotra DIN: 00004049	Non-Executive Director (Promoter)	Media Business, Strategy and Planning	1	Nil	Nil	Nil	1	Absent	14,900,000 equity shares
2.	Mr. Naresh Malhotra DIN: 00004597	Chairman and Whole-Time Director (Promoter)	Media Business, Strategy , Planning and Governance	3	Nil	Nil	Nil	7	Present	62,201,646 equity shares
3.	Mr. Ramakrishnan Sankaranarayanan DIN: 02696897	Non-Executive Director	Media Business, Strategy , Planning and Governance	5	Nil	Nil	Nil	4	Present	50 equity shares
4.	Mr. Kodi Raghavan Srinivasan DIN: 00012449	Non- Executive Independent Director	Strategy Planning and Governance	Nil	Nil	Nil	Nil	2	Absent	Nil
5.	Mr. Padmanabha Gopal Aiyar DIN: 02722981	Non- Executive Independent Director	Strategy Planning and Governance	1	Nil	1	Nil	2	Absent	Nil
6.	Mr. Rivkaran Singh Chadha DIN: 00308288	Non- Executive Independent Director	Strategy Planning and Governance	5	Nil	2	2	7	Present	Nil
7.	Dr. (Mrs.) Hemalatha Thiagarajan DIN: 07144803	Non- Executive Independent Director	Strategy Planning and Governance	Nil	Nil	Nil	Nil	1	Absent	Nil
8.	Mr. Samu Devarajan[1] DIN: 00878956	Non- Executive Independent Director	Strategy Planning and Governance	3	ADC India Communications Limited- Independent Director	3	1	6	Present	Nil
9.	Mr. Udai Dhawan[2] DIN: 03048040	Non-Executive Director	Strategy Planning and Governance	2	Nil	Nil	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 Regulation 26 (1)(b) of the Listing Regulations.

Meetings attended via video conference facility.

1. Mr. Samu Devarajan being eligible, was re-appointed as an Independent Non- Executive Director in the 24th Annual General Meeting held on September 30, 2021 for second term of five (5) consecutive years w.e.f. December 14, 2021 to December 13, 2026.
2. 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.) as on March 31, 2022.

The Board periodically reviews the compliance reports of the laws applicable to the Company.

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 Listing Regulations and Secretarial Standards, a separate meeting of the Independent Directors was held during the Financial Year on February 14, 2022, to review the performance of the Non-Independent Directors including the Chairman of the Company and performance of the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the management of the Company and Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties. Moreover, the Non-Independent Directors and Management Personnels did not take part in the meeting.

Board Effectiveness Evaluation: Pursuant to the Sections 134 and 178 of the Act read with Regulations 17 and 34 of 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 Financial 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#Familiarisation_Prgm_for_ID

Terms of appointment of Independent Directors: Terms and conditions of appointment/re-appointment of Independent Directors are available on the website of the Company at http://www.primefocus.com/sites/default/files/pdf/terms-and-conditions-of-appointment-of-independent-directors.pdf.

3. COMMITTEES OF THE BOARD

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

As on March 31, 2022, the Board has six (6) Committees, namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, ESOP Compensation Committee and Risk Management Committee.

Independent Directors Committee for open offer was constituted on February 02, 2021 and the same was dissolved on June 11, 2021.

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

The brief description of committees are as follows:

A. Audit Committee:

The Audit Committee of the Company functions in accordance with the requirement of Section 177 of the Act and Regulation 18 of Listing Regulations. The composition of the Audit Committee is in compliance of Regulation 18(1) read with Schedule II of the Listing Regulations. As on March 31, 2022, the Audit Committee comprises of Four (4) Directors, consisting of all Independent Directors. The Members of the Audit Committee possess financial/accounting expertise/exposure.

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

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

During the Financial Year under review, seven (7) Audit Committee meetings were held on June 11, 2021; June 30, 2021; August 13, 2021; October 22, 2021; November 12, 2021; January 25, 2022 and February 14, 2022 and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present at 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, 2022, the composition of the Audit Committee and the attendance of its members at its meeting held during the Financial Year is as follows.

Name of the Member	Category	Position	Meeting attended #
Mr. Rivkaran Singh Chadha	Independent & Non-Executive Director	Chairman	7
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	2
Mr. Padmanabha Gopal Aiyar	Independent & Non-Executive Director	Member	2
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	6

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 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 Statements and Auditor's Report thereon before submission to the Board, for approval with particular reference to the matters stated under sub clause (a) to (g) of Part C of Schedule II of Listing Regulations.

e. Reviewing, with the management, the Quarterly Financial Results before submission to the Board for approval.

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

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

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

i. Scrutiny of inter-corporate loans and investments.

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

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

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

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

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

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

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

q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.

r. To review the functioning of the Whistle Blower mechanism.

s. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience & background, etc. of the candidate.

t. Examination of the Financial Statement and the auditors' report thereon.

u. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

v. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.

w. Review of Compliances of SEBI (Prohibition of Insider Trading) Regulations, 2015 once in a Financial Year and verification of internal control systems.

x. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.

y. Mandatory review of information with particular reference to the matters stated under point (1) & (3) to (6) of sub clause (B) of Part C of Schedule II of Listing Regulations.

M/s Deloitte Haskins & Sells Chartered Accountants LLP (ICAI Firm Registration No. 117364W), the Company's Statutory Auditor, are 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 Listing Regulations, which are reviewed from time to time.

During the year under review, one (1) meeting of the NRC was held on June 30, 2021.

As on March 31, 2022, the NRC comprises of Four (4) Directors, all of them being Non-Executive Independent Directors.

The composition of NRC and attendance of its members at its meeting held during the year is as follows.

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. Padmanabha Gopal Aiyar	Independent & Non-Executive Director	Member	1
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	1

Meetings attended via video conference facility.

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

Terms of Reference:

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

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

b. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.

   For the purpose of identifying suitable candidates, the Committee may:

   - use the services of an external agencies, if required.
   - consider candidates from a wide range of backgrounds, having due regard to diversity.
   - consider the time commitments of the candidates.

c. Formulation of criteria for evaluation of performance of independent directors and the board of directors.

d. Devising a policy on Board's diversity.

e. 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.

f. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

g. 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 Listing Regulations and the same is available on the Company's website at http://www.primefocus.com/sites/default/files/pdf/Nomination_Remuneration_Policy.pdf.

Remuneration to Directors:

Non-Executive Director:

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

Details of the Remuneration paid to the Non-Executive Directors for the year ended March 31, 2022 are as follows:

(Amount in ₹)

Name of Director	Remu-neration Paid	Sitting Fees	Total
Non-Executive Directors			
Mr. Padmanabha Gopal Aiyar	-	40,000	40,000
Mr. Rivkaran Singh Chadha	-	1,40,000	1,40,000
Mr. Kodi Raghavan Srinivasan	-	40,000	40,000
Dr. (Mrs.) Hemalatha Thiagarajan	-	20,000	20,000
Mr. Samu Devarajan	-	1,20,000	1,20,000
Mr. Udai Dhawan	-	20,000	20,000
Mr. Namit Naresh Malhotra@	-	-	-
Mr. Ramakrishnan Sankaranarayanan @	-	-	-

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

During the Financial Year under review, the Non- Executive Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees and reimbursement of expenses, if any.

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 Chairman and Whole-time Director for the Financial Year ended March 31, 2022 are as follows:

(Amount in ₹)

Name of Director	Naresh Malhotra (Whole-time Director and Chairman)
Remuneration	1,17,73,476/- p.a.
Service Contracts	3 years
Performance linked Incentives	Nil
Stock options	Nil

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

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

C. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee's **("SRC")** composition and the terms of reference meet with the requirements of Regulations 20 read with Part D of Schedule II of the Listing Regulations and provisions of Section 178 of the Act. During the Financial Year under review, four (4) meetings were held on June 30, 2021; August 13, 2021; November 12, 2021 and February 14, 2022. The requisite quorum was present at all the meetings of SRC.

As on March 31, 2022, the SRC comprises of four (4) Directors of which three (3) are Non-Executive Independent Directors and one (1) is Executive Director.

The Chairman of the SRC 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 SRC and attendance of its members at the meetings held during the Financial Year is as follows.:

Name of the Member	Category	Position	Meeting attended #
Mr. Rivkaran Singh Chadha	Independent & Non-Executive Director	Chairman	4
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	2
Mr. Naresh Mahendranath Malhotra	Chairman & Whole-time Director	Member	4
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	3

Meetings attended via video conference facility.

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

The SRC functions with the objective of looking into the redressal of Shareholders'/Investors' grievances.

The SRC is primarily responsible for:

a. Resolving the grievances of the security holders of the Company 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 Company in respect of various services being rendered by the Registrar & Share Transfer Agent.

d. Review of the various measures and initiatives taken by the Company 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, 2022 and their break-up is as under:

Particulars	Received	Resolved	Pending
No. of Complaints	0	0	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 49186270 Fax: +91 22 49186060.

D. Risk Management Committee:

Risk Management Committee **("RMC")** has been constituted pursuant to the provisions of Regulation 21 read with part D of Schedule II of the Listing Regulations for identification of internal and external risks specifically in particular including financial, operational, sectoral, sustainability, information, cyber security risks.

Meetings of the RMC were held on June 30, 2021, August 13, 2021 and January 25, 2022.

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

Name of the Member	Category	Position	Meeting attended#
Mr. Rivkaran Singh Chadha	Independent & Non-Executive Director	Chairman	3
Mr. Naresh Mahendranath Malhotra	Chairman and Whole-time Director	Member	3
Mr. Ramakrishnan Sankaranarayanan	Non-Executive Non Independent Director	Member	3

Meetings attended via video conference facility.

Terms of Reference:

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

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

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

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

(c) Business continuity plan.

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

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

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

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

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

E. Corporate Social Responsibility (CSR) Committee:

The CSR committee has been constituted in accordance with Section 135 of the Act:

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 of the Act or any amendments thereto.

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 Financial Year under review, one (1) meeting of the CSR Committee was held on June 30, 2021. The composition of the CSR Committee and attendance of its members at its meeting held during the year 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	Chairman and Whole-time Director	Member	1
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	1

Meetings attended via video conference facility.

F. ESOP Compensation Committee

Pursuant to the applicable provisions of the Law, the Board of Directors in its meeting held on July 02, 2014 constituted ESOP Compensation Committee.

During the Financial Year under review, one (1) meeting of ESOP Compensation Committee was held on February 14, 2022. The composition of the ESOP Compensation Committee and attendance of its members 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	0
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	1

Meetings attended via video conference facility.

The terms of reference of ESOP Compensation Committee include, inter-alia, granting of Stock Options to the eligible employees, ascertaining the detailed terms and conditions for such grants, administering the Employee Stock Option Schemes of the Company and exercising the powers and performing the duties as prescribed under the applicable provisions of Law .

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 strategic and long-term needs of the Company.

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

During the Financial 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 2021-22, 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
2018-19	September 30, 2019	9th Floor, 'True North', Plot no. 63, Road no. 13, Opp. Hotel Tunga Paradise, MIDC, Andheri (East), Mumbai – 400093	10:30 a.m.
2019-20	September 30, 2020	Through Video Conferencing (deemed venue: Prime Focus House, Opp Citi Bank, Linking Road, Khar (West) Mumbai-400052)	03:00 p.m.
2020-21	September 30, 2021	Through Video Conferencing (deemed venue: Prime Focus House, Opp Citi Bank, Linking Road, Khar (West) Mumbai-400052)	03:00 p.m.

ii. Special Resolutions:

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

Date of General Meeting	Number of Special resolutions passed	Details of Special Resolutions
September 30, 2019	6	1. To re-appoint Mr. Srinivasan Kodi Raghavan (DIN: 00012449) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 2. To re-appoint Mr. Rivkaran Singh Chadha (DIN 00308288) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 3. To re-appoint Mr. Padmanabha Gopal Aiyar (DIN: 02722981), who has attained the age of 75 (Seventy five) years, as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 4. To re-appoint Dr. (Mrs.) Hemalatha Thiagarajan (DIN: 07144803) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013 5. To consider and approve increase in the limits for investments, loans, guarantees and security of the Company under Section 186 of Companies Act, 2013 6. To consider and approve the Sale of VFX business undertaking of the Company
September 30, 2020	Nil	No Special Resolution was passed in the meeting.
September 30, 2021	1	1. To re-appoint Mr. Samu Devarajan (DIN:00878956) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.

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

No Extra-ordinary General Meetings were held during the last three Financial Years.

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

During the Financial Year under review, the Company has taken the member's approval by way of Postal Ballot on March 27, 2022 for the following businesses:

1. To consider and approve the Sale of Company's business relating to Post Production through Slump Sale.
2. To approve sale/disposal of investment held by the Company in De-Fi Media Limited, a wholly owned subsidiary of the Company.

Details of Special Resolutions 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 Resolutions passed through Postal Ballot	Name of the Scrutinizer to Postal Ballot	Status of Resolution	Votes cast in favor (in %)	Votes cast against (in %)
February 14, 2022	March 28, 2022	1. To consider and approve the Sale of Company's business relating to Post Production through Slump Sale.	Mr. Mehul Raval	Resolution was passed with requisite Majority	99.9997	0.0003
February 14, 2022	March 28, 2022	2. To approve sale/disposal of investment held by the Company in De-Fi Media Limited, a wholly owned subsidiary of the Company.	Mr. Mehul Raval	Resolution was passed with requisite Majority	99.9877	0.0123

Person who conducted the Postal Ballot Process

Mr. Mehul Raval, Practicing Company Secretary, (Membership No ACS 18300 and CP No 24170) was appointed as the Scrutinizer for carrying out the Postal Ballot only through e-voting process for the above item in a fair and transparent manner. No Special Resolution is proposed to be conducted through Postal Ballot as on the date of this Report.

Procedure for Postal Ballot

In compliance with the 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 to vote by way of remote e-voting only. 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 resolutions proposed to be passed through Postal Ballot along with Explanatory Statement, Instructions for e-voting, User IDs and Passwords for the purpose of e-voting were e-mailed to all the shareholders whose names appeared in register of members/ record of depositories as on the cut-off date i.e. Thursday, February 17, 2022.

The Shareholders were requested 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 remote e-voting i.e. Sunday, March 27, 2022 was deemed to be the date of passing of the resolutions.

The Scrutinizer submitted his report after the completion of scrutiny, and the consolidated results of the voting by remote e-voting were then announced by the Company Secretary. The results were 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 Financial 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 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/PRIME_FOCUS_LIMITED-Related_Party_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 authorities relating to the capital markets during the last three years and has also complied with requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation 2 of regulation 46 of the Listing Regulations, as applicable, with regards to Corporate Governance, except the following:

As per Regulation 24 (1) of the 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 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 behaviour, 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_29.08.2022.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, 2022 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 Listing Regulations, the Whole-Time Director and Chief Financial Officer of the Company have certified to the Board in the prescribed format for the Financial 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 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 as mentioned below:

1. **The Board:**

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

2. **Shareholder Rights:**

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

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

   Company's financial statements are unqualified.

4. **Reporting of internal auditor:**

   The Internal Auditor reports directly to the Audit Committee.

f. **Reconciliation of Share Capital Audit**

Pursuant to Regulation 76 of Securities and Exchange Board of India (Depositories Participants) Regulations, 2018 [erstwhile : vide SEBI circular No. D&CC /FITTC/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 exchanges where the securities of the company are listed within 30 days of the end of each quarter and this Report is also placed before the Board of Directors of the company.

9. CODE OF CONDUCT

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

The Code of Conduct is in consonance with the requirements of 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 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 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 / Financial Express and one Marathi daily newspapers i.e. Pudhari.

c. The Company also informs the Stock Exchanges in a prompt manner about all price sensitive information or such other matters which in its opinion, are material and relevant to the shareholders and subsequently are displayed on the Company's website www.primefocus.com.

   The Company's website www.primefocus.com contains a separate dedicated section "Investor center" 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 Listing Regulations. The Company ensures that the contents of this website are updated at all times.

11. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

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

Company transferred 9485 shares in respect of which dividend has not been paid or claimed for seven consecutive year or more to IEPF Authority including shares held in unclaimed suspense account on November 30, 2017. The balance number of shares lying with the IEPF Authority is 9285 shares as on March 31, 2022.

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. DETAILS OF UNCLAIMED SHARES/AMOUNT LYING IN SUSPENSE ACCOUNT.

As on March 31, 2022, there are no unclaimed shares / amount lying in the suspense account.

13. SUBSIDIARY COMPANIES

The Company has adopted a Policy for determining Material Subsidiaries of the Company, pursuant to the provisions of Regulation 16 of the 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 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 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 a mechanism to avoid Insider Trading. In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has established systems and procedures to restrict insider trading activity and has framed an Internal Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons & Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information in order to protect the interest of the shareholders at large. The said Code is available on the Company's weblink at http://www.primefocus.com/sites/default/files/pdf/PFL_Insider_Trading_Code_2021.pdf The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code.

15. CERTIFICATION FROM PRACTICING 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 ₹ 16.17 crores (previous year: ₹5.34 crores) for Financial Year 2021-22, 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

18 a. GENERAL SHAREHOLDER INFORMATION

1	Annual General Meeting Date, Time and Mode	Date: September 30, 2022 Time: 12:30 p.m. Mode: Video conferencing and other audio-visual means as set out in the Notice of Annual General Meeting.
2	Financial Year	2021-22
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 2021-22.
4	Listing on Stock Exchanges and confirmation on payment of Annual Listing Fees to 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 within prescribed timelines. The equity shares of the Company have not been suspended from trading on the said Stock Exchanges or by any Regulatory /Statutory Authority.
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	Not Applicable
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 49186270 Fax: +91 22 49186060 Website: www.linkintime.co.in; email: rnt.helpdesk@linkintime.co.in
8	Share Transfer System	In accordance with the proviso to Regulation 40(1) of the Listing Regulations, effective from April 01, 2019, transfer of shares of the Company shall not be processed unless the shares are held in dematerialised form 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. As per the recent amendments to the Listing Regulations, effective from January 24, 2022 and SEBI's Circular dated January 25, 2022, it has been mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for (a) issue of duplicate securities certificate; (b) claim from Unclaimed Suspense Account; (c) Renewal / Exchange of securities certificate; (d) Endorsement; (e) Sub-division / Splitting of securities certificate; (f) Consolidation of securities certificates/folios; (h) Transmission, and (i) Transposition. In accordance with the said Circular, Company's RTA shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities.

9	Commodity price risk or foreign exchange risk and hedging activities;	The Company seeks to minimize the effects of adverse exchange rate fluctuations on the financial positions of the Company by closely monitoring the Foreign Exchange Exposure and taking the adequate measures when needed.
10	Plant Location	The Company is not a manufacturing unit and thus not having any Plant. Following are the Offices where the business of the Company is being conducted: **A. Goregaon-Film City Office** i. FC Main Building, Film City Complex, Dadasaheb Phalke Film City, Goregaon (East), Mumbai-400065. ii. 1st, 2nd, 3rd, 5th, 6th, 7th Floor, Mainframe, B Wing, Royal Palms, Aarey Colony, Goregoan (East), Mumbai - 400 065. iii. Groud Floor, Royal Palms, Master Mind - I, Aarey Colony, Goregoan (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. vii. 3rd & 4th Floor, Mainframe, A Wing, Royal Palms, Aarey Colony, Goregoan (East), Mumbai – 400 065. **B. Santacruz office** i. Ground Floor (Garage), 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. Ground Floor, Business Plaza, Khar (West), Mumbai 400 054. **D. Lower Parel Office** i. 2nd Floor, Raghuvanshi Mills Compound, SB Marg, Lower Parel (West), Mumbai - 400013. **E. Andheri West Office** i. 1st , 2nd and 4th Floor, Blue Wave, Off Link Road, Veera Desai Road, Andheri (West), Mumbai – 400 053.
11	Address for Correspondence	Ms. Parina Nirav Shah, Company Secretary and Compliance Officer Prime Focus Limited Registered Office: Prime Focus House, Linking Road, Opposite Citibank, Khar (West), Mumbai-400052, Maharashtra, India. Phone: +91-22-67155000; Fax: +91-22-67155001 Website: www.primefocus.com ; email: ir.india@primefocus.com
12	Dematerialization of Shares and liquidity	As on March 31, 2022, 29,95,36,624 equity shares of the Company constituting 99.99% of the equity share capital are held in Dematerialized form. The equity shares of the Company are traded only in dematerialized form in the stock exchanges.
13	Electronic Clearing Services (ECS)	Members are requested to update their bank account details with their respective Depository Participants for shares held in the electronic form or write to the Company's Registrar and Share Transfer Agent M/s Link Intime India Private Limited for the shares held in physical form.
14	Investor Complaints to be addressed to	Registrar and Share Transfer Agent - M/s Link Intime India Private Limited at helpdesk@linkintime.co.in or to Ms. Parina Nirav Shah, Company Secretary and Compliance Officer at ir.india@primefocus.com.
15	SCORES	A centralised web-based complaints redressal system which serves as a centralised database of all complaints receive, enables uploading of Action Taken Reports by the concerned company and online viewing by the investors of actions taken on the complaints and its current status

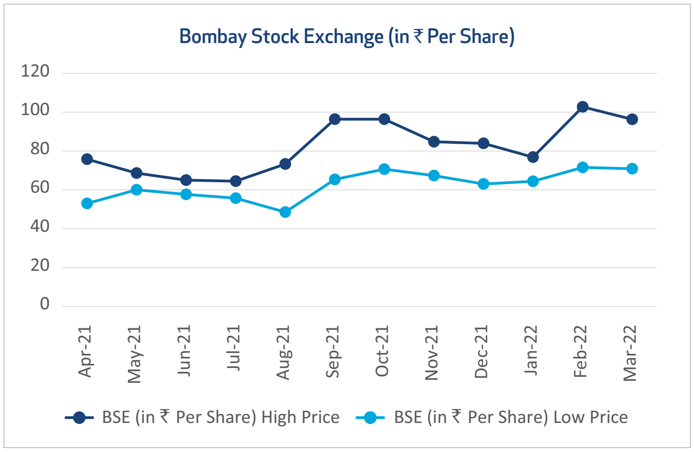
16	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.	-
17	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant Financial Year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	The details of Credit Ratings of your Company are as follows:

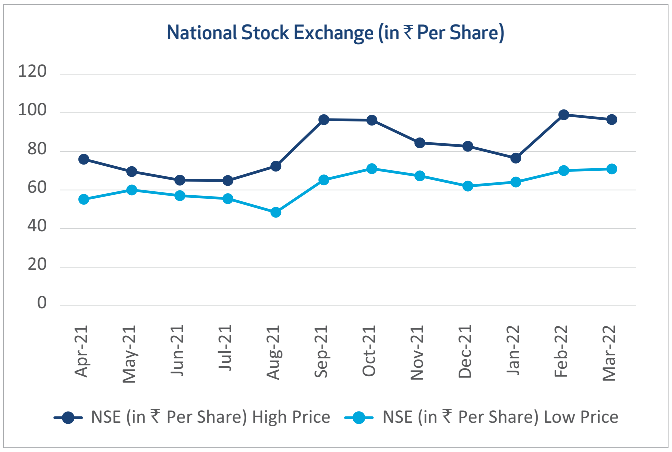
Name of the agency	Type of instruments	Size of Issue (million)	Rating / Rating Watch	Rating Action
Indian Ratings and Research (Ind-Ra)	Fund-based-working capital limits	INR 320	IND BBB / RWP / IND A2 /RWP	Withdrawn (paid in full)
	Stand-by letter of credit(LC)	INR 1085	WD	Placed on RWP

18 b. Market Price Data

The price of the Company's Share-High, Low during each month in the Financial Year 2021-22 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, 2021	75.80	53.00	3,12,098	75.90	55.15	34,38,110
May, 2021	68.65	60.00	1,31,000	69.50	60.00	7,11,784
June, 2021	65.00	57.70	1,16,079	65.10	57.05	8,01,825
July, 2021	64.50	55.75	1,32,411	64.90	55.50	8,58,578
August, 2021	73.30	48.55	11,34,701	72.35	48.45	40,43,556
September, 2021	96.40	65.40	6,08,800	96.45	65.20	48,69,460
October, 2021	96.35	70.65	2,84,517	96.20	71.05	16,58,097
November, 2021	84.75	67.35	85,941	84.40	67.30	12,28,762
December, 2021	83.95	63.00	1,24,311	82.65	62.05	14,69,767
January, 2022	76.85	64.40	3,85,074	76.50	64.10	18,42,733
February, 2022	102.75	71.55	11,53,614	98.95	70.05	35,59,671
March, 2022	96.30	70.85	11,72,835	96.50	70.90	22,47,953

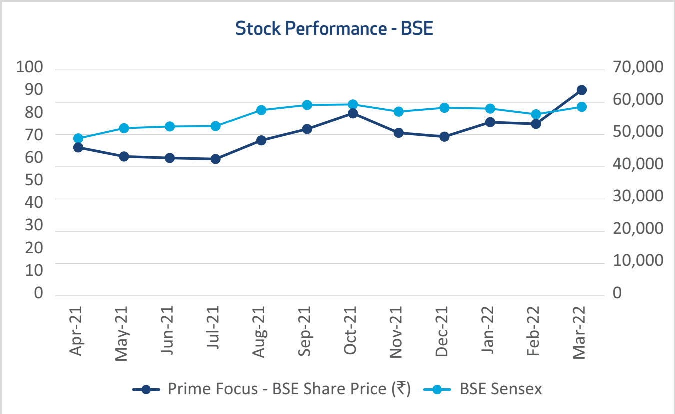


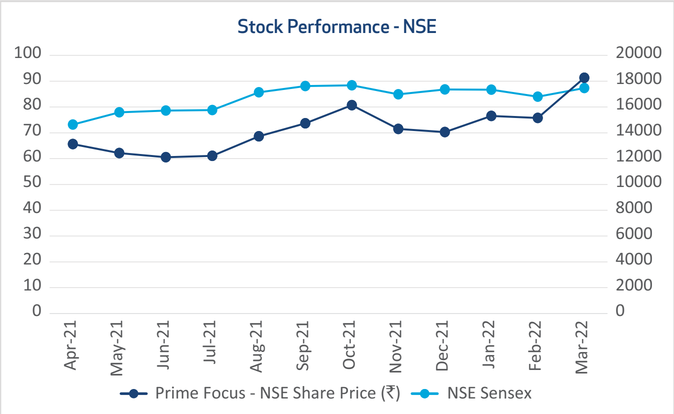


18 c. Performance of share price of the Company in comparison with the broad based indices

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

Month	BSE Share Price (₹)	Sensex (₹)	NSE Share Price (₹)	NSE Nifty (₹)
April, 2021	65.70	48,782.36	65.60	14,631.10
May, 2021	61.70	51,937.44	62.15	15,582.80
June, 2021	61.00	52,482.71	60.55	15,721.50
July, 2021	60.55	52,586.84	61.05	15,763.05
August, 2021	68.8	57,552.39	68.60	17,132.20
September, 2021	73.85	59,126.36	73.65	17,618.15
October, 2021	80.75	59,306.93	80.70	17,671.65
November, 2021	72.15	57,064.87	71.50	16,983.20
December, 2021	70.45	58,253.82	70.25	17,354.05
January, 2022	76.85	58,014.17	76.50	17,339.85
February, 2022	76.10	56,247.28	75.75	16,793.90
March, 2022	91.10	58,568.51	91.30	17,464.75

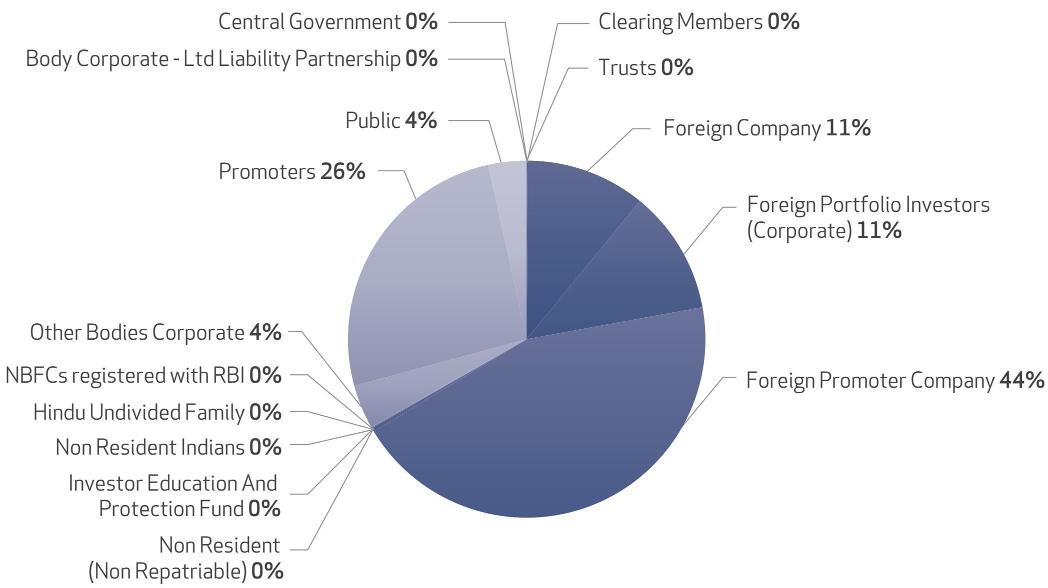




18 d. Distribution of Shareholding as on March 31, 2022.

The broad shareholding distribution of the Company as on March 31, 2022 with respect to categories of investors was as follows:

Sr. No.	Category	No. of Equity Shares	Percentage %
1	Body Corporate - Ltd Liability Partnership	24,675	0.0082
2	Central Government	1,000	0.0003
3	Clearing Members	3,28,105	0.1095
4	Foreign Company	3,23,70,029	10.8067
5	Foreign Portfolio Investors (Corporate)	3,35,71,617	11.2078
6	Foreign Promoter Company	13,24,45,882	44.2169
7	Hindu Undivided Family	10,40,447	0.3474
8	Investor Education And Protection Fund	9,285	0.0031
9	NBFCs registered with RBI	2,381	0.0008
10	Non Resident (Non Repatriable)	2,31,932	0.0774
11	Non Resident Indians	96,474	0.0322
12	Other Bodies Corporate	1,19,36,886	3.9851
13	Promoters	7,71,01,646	25.7403
14	Public	1,03,76,185	3.4641
15	Trusts	100	0
	TOTAL :	**29,95,36,644**	**100**



18 e. The broad shareholding distribution of the Company as on March 31, 2022 with respect to/ holdings was as follows:

Range	No. of Holders	Percentage %	Total Shares	Percentage %
1-500	8467	80.4924	10,72,202.00	0.3580
501-1000	873	8.2993	7,31,144.00	0.2441
1001-2000	447	4.2495	6,88,590.00	0.2299
2001-3000	164	1.5591	4,23,514.00	0.1414
3001-4000	85	0.8081	3,07,182.00	0.1026
4001-5000	99	0.9412	4,72,849.00	0.1579
5001-10000	148	1.4070	11,46,699.00	0.3828
10001 and above	236	2.2436	29,46,94,464.00	98.3834
Total	**10519**	**100.00**	**29,95,36,644.00**	**100.00**

18 f. Dematerialization of shares as on March 31, 2022:

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, 2022, 29,95,36,624 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, 2022

Particulars	Number of Shares of the face value of Re. 1/- each	% of Total
National Securities Depository Limited	17,82,60,376	59.51
Central Depository Services (India) Limited	12,12,76,248	40.49
Total Dematerialized	29,95,36,624	100.00
Physical form	20	0.00
Grand Total	**29,95,36,644**	**100.00**

19. DISCLOSURE BY LISTED ENTITY AND ITS SUBSIDIARIES OF 'LOANS AND ADVANCES IN THE NATURE OF LOANS TO FIRMS/ COMPANIES IN WHICH DIRECTORS ARE INTERESTED BY NAME AND AMOUNT'

The disclosure of loans and advances in the nature of loans to firms/companies in which directors are interested are stated in the Note no. 33 in the Notes to Accounts which forms part of this Annual Report.

20. 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 : May 27, 2022
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, 2022.

For and on behalf of the Board

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

Place : Mumbai
Date : May 27, 2022

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, 2022, 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 SEBI 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.

I 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 my 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, 2022, except appointment of Independent Director in material foreign Subsidiary Companies is still pending as per Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as informed by the management, the board is still in process of compliance of the same.

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

For D. M. Zaveri & Co
Company Secretaries

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

Place: Mumbai
Date: May 27, 2022
ICSI UDIN: F005418D000351731
Peer Review Certificate No.: 1187/2021

CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on March 31, 2022 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

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

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. My 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: May 27, 2022
ICSI UDIN: F005418D000351698

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 Listing Regulations mandates top 1000 listed companies based on the market capitalisation to prepare the Business Responsibility Report (**BRR**) describing the initiatives taken by them from an environmental, social and governance perspective.

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

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

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

1. **Corporate Identity Number (CIN) of the Company:** L92100MH1997PLC108981
2. **Name of the Company:** Prime Focus Limited (PFL)
3. **Registered Address:** Prime Focus House Opp. Citi Bank, Linking road, Khar (West), Mumbai – 400052
4. **Website:** www.primefocus.com
5. **E-mail id:** brr.india@primefocus.com
6. **Financial Year reported:** 2021-2022
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)** – ₹ 29.95 Crores
2. **Total Turnover (INR)** – ₹ 120.92 Crores
3. **Total profit after taxes (INR)** – ₹ 290.70 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 2021-22 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/Associate/Joint venture Company/ Companies?**

   Yes, we have 39 subsidiaries/associates/ joint ventures.
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.a. 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 towards all stakeholders, especially those who are disadvantaged vulnerable, and marginalized.
Principle 5 (P5)	Businesses should respect and promote human rights.
Principle 6 (P6)	Businesses should respect, protect, and make efforts to restore the environment.
Principle 7 (P7)	Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner.
Principle 8 (P8)	Businesses should support inclusive growth and equitable development.
Principle 9 (P9)	Businesses should engage with and provide value to their customers and consumers in a responsible manner.

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

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

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

<table>
<tr><th>S. No.</th><th>Particulars</th><th>P1</th><th>P2</th><th>P3</th><th>P4</th><th>P5</th><th>P6</th><th>P7</th><th>P8</th><th>P9</th></tr>
<tr><td>1.</td><td>The company has not understood the Principles</td><td colspan="9" rowspan="6">N.A.</td></tr>
<tr><td>2.</td><td>The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles</td></tr>
<tr><td>3.</td><td>The Company does not have financial or manpower resources available for the task</td></tr>
<tr><td>4.</td><td>It is planned to be done within next 6 months</td></tr>
<tr><td>5.</td><td>It is planned to be done within the next 1 year</td></tr>
<tr><td>6.</td><td>Any other reason (please specify)</td></tr>
</table>

3. GOVERNANCE RELATED TO BR

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

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

- **Does the Company publish a BR or a Sustainability Report?**

  What is the hyperlink for viewing this report? How frequently it is published?

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

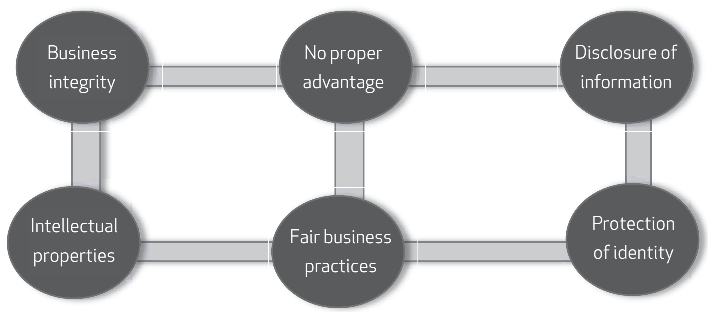
SECTION E: PRINCIPLE-WISE PERFORMANCE

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

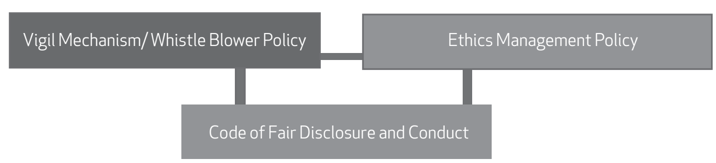
1. **Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?**

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

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



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



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

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

   The Company had not received any complaints from its investors/ shareholders. 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 postproduction facilities and studio offices.

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

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

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

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

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

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

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

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

   Bio-waste management:

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

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

Water recycling

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

Principle 3: Businesses should promote the wellbeing of all employees

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

   The total number of employees at our organization are 249.

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 36.

3. **Please indicate the Number of permanent women employees.**

   The total number of permanent women employees at our organization are 21.

4. **Please indicate the Number of permanent employees with disabilities**

   The total number of permanent employees with disabilities at our organization are 0.

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?**

   Not Applicable

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%

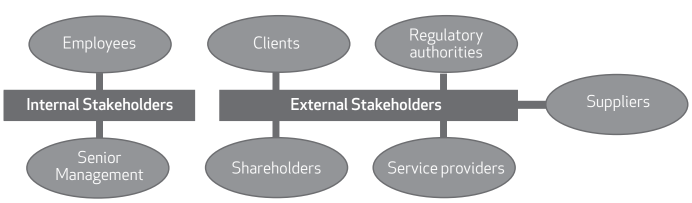
We acknowledge that employees are most fundamental to our sustainable progress and we invest in several initiatives to promote an environment conducive to their growth. We provide them with several learning opportunities to enhance their skill-sets while also ensuring a safe working environment through 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 towards all stakeholders, especially those who are disadvantage vulnerable, and marginalized.

1. **Has the company mapped its internal and external stakeholders?**

   Yes, we have identified our internal as well as external stakeholder and they are as follows:



2. **Has the company identified the disadvantaged, vulnerable, and marginalized stakeholders?**

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

3. **Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders? If so, provide details thereof, in about 50 words or so**

   Our CSR policy provides an over-arching framework for undertaking initiatives to engage with the disadvantaged, vulnerable and marginalized stakeholders. These initiatives range between promoting education and employment of women and differently abled stakeholders, enhancing livelihood, and setting up of old age homes, day care centers, hostels etc. However, at present, we do not invest in any of the above activities in the view of losses.

Principle 5: Businesses should respect and promote human rights

1. **Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/ Contractors/NGOs/Others?-**

   We lay emphasis on protection of human rights and our activities are overlooked by governance policies, processes and monitoring systems to implement human rights in our operations. We assess solely on merit and ensure provision of equal opportunities to the meritorious without discriminating on the basis of race, caste, gender, religion, colour, nationality, disability, etc.

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

2. **How many stakeholder complaints have been received in the past Financial Year and what percent was satisfactorily resolved by the management?**

   No stakeholder complaints were received during the FY 2021-2022 concerning to violation of human rights.

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

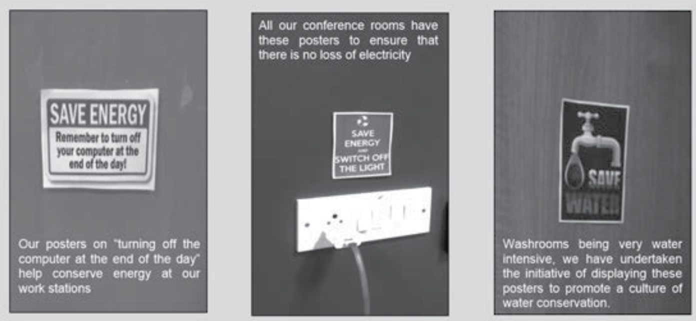
1. **Does the policy related to Principle 6 cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/ NGOs/Others?**

   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 Goregoan, with a power generation capacity of 850 KWp. As per our analysis, this arrangement is expected to generate an average of 85,000 units per month in the 1st year.

Procurement of power through renewable energy sources using open access system (wind and solar):

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

6. **Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the Financial Year being reported?**

   Since our business involves post production activities and we are not involved in manufacturing of any products, we collaborate with the municipal corporations who effectively manage our waste and effluents. Also, our facilities have DG Sets that are maintained as per the Pollution Control Board standards.

7. **Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.**

   We have not received any show cause notices from either CPCB or SPCB in the reporting year and we ensure that our emissions and waste generated at various operating locations are well below the limits prescribed by Central Pollution Control Board (CPCB) and State Pollution Control Board (SPCB).

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

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

   We are a gold member of the following associations:

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

2. **Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)**

   As a member of these associations, we contribute to the development and growth of the broadcasting industry across the globe through creation, coordination and dissemination of knowledge and information. This includes technology briefings, networking events, regular news bulletins and market intelligence.

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

1. **Does the company have specified programmes/initiatives/ projects in pursuit of the policy related to Principle 8? If yes details thereof.**

   CSR is at the core of an organization's sustainability and we are equally responsible towards social well-being along with economic growth. Our CSR policy outlines the approach to implementation of initiatives for social upliftment. However, currently, we do not have any CSR activities being implemented in the view of losses.

2. **Are the programmes/projects undertaken through in-house team/ own foundation/external NGO/government structures/any other organization?**

   Not Applicable

3. **Have you done any impact assessment of your initiative?**

   Not Applicable

4. **What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?**

   Not Applicable

5. **Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.**

   Not Applicable

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

1. **What percentage of customer complaints/consumer cases are pending as on the end of Financial Year?**

   As of March 31, 2022 no cases were pending against Prime Focus Limited.

2. **Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/ No/N.A. /Remarks (additional information)**

   Yes, the "Ethics Management Policy" outlines a protocol for factual and righteous display of information and truthful disclosure on our services to clients.

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

3. **Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of Financial Year. If so, provide details thereof, in about 50 words or so.**

   We understand that responsible business assures responsible advertising and marketing. We ensure our advertisements and promotions are not misleading.

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

4. **Did your company carry out any consumer survey/ consumer satisfaction trends?**

   We do not have a formal consumer survey mechanism in place, however, we do seek feedback from our clients on closure of engagements. We have received several informal positive feedbacks from our clients for our services.

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

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, 2022, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, and its profit, total comprehensive income, its cash flows and the changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

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

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

- Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Standalone Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

    d. In our opinion, the aforesaid standalone financial statement 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, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on

March 31, 2022 from being appointed as a director in terms of section 164(2) of the Act.

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

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

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

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

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

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

   iv. (a) The Management has represented that, to the best of it's knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (b) The Management has represented, that, to the best of it's knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

   (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

   v. The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 22103999AJTUGI3064

Panaji, Goa, May 27, 2022

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Prime Focus Limited ("the Company") as of March 31, 2022 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, 2022, based on the criteria for internal financial control over financial reporting established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No.117364W / W100739)

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 22103999AJTUGI3064

Panaji, Goa, May 27, 2022

Annexure “B” to the Independent Auditor’s Report

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

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

(i)(a)(A)	The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (plant and equipment, capital work in progress and relevant details of right to use assets).
(i)(a)(B)	The Company has maintained proper records showing full particulars of intangible assets.
(i)(b)	Some of the Property, Plant and Equipment, (plant and equipment, capital work in progress and right to use assets) were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, (plant and equipment, capital work in progress and right to use assets) at reasonable intervals having regard to the size of the Company and the nature of its activities. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(i)(c)	Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment and capital work-in progress) are held in the name of the Company as at the balance sheet date.
(i)(d)	The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
(i)(e)	No proceedings have been initiated during the year or are pending against the Company as at March 31, 2022 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
(ii)(a)	The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
(ii)(b)	According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs.5 crores, in aggregate, at points of time during the year, from a bank on the basis of security of current assets. In our opinion and according to the information and explanations given to us, the quarterly inventory & receivable statements comprising of receivables, sales, creditors etc., submitted by the Company with such bank, are in agreement with the unaudited books of account of the Company of the respective quarters. The Company is yet to submit the statement for the quarter ended March 31, 2022 with a bank.
(iii)(a)	The Company has made investment in and granted unsecured loans to companies in respect of which:

Rupees in crore

Particulars	Loans
A. Aggregate amount granted/ provided during the year:	
- Subsidiaries	162.33
B. Balance outstanding as at balance sheet date in respect of above cases:	
- Subsidiaries	356.22

The Company has not provided any advances in the nature of loans and security to any other entity during the year.

(iii)(b)	The investments made, security given and the terms and conditions of the grant of all the above-mentioned loans, during the year are, in our opinion, prima facie, not prejudicial to the Company’s interest.
(iii)(c)	The Company has granted loans which are payable on demand. During the year the Company has not demanded such loan or advances in the nature of loan. Having regard to the fact that the repayment of principal or payment of interest has not been demanded by the Company, in our opinion the repayments of principal amounts and receipts of interest are regular. (Refer reporting under clause (iii)(f) below)
(iii)(d)	According to information and explanations given to us and based on the audit procedures performed, in respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.
(iii)(e)	None of the loans granted by the Company have fallen due during the year.

(iii)(f) The Company has granted Loans which are repayable on demand details of which are given below:

Rupees in crore

Particulars	Related parties
Aggregate of loans - Repayable on demand (A)	162.33
- Agreement does not specify any terms or period of repayments (B)	-
Total (A+B)	162.33
Percentage of loans to total loans	46.67

(iv) The Company has complied with the provisions of sections 185 and 186 of the Companies Act, 2013 in respect of loans granted, investments made and guarantees and securities provided, as applicable.

(v) The Company has not accepted any deposit or amounts which are deemed to be deposits. Hence, reporting under clause (v) of the Order is not applicable.

(vi) The maintenance of cost records has not been specified for the activities of the Company by the Central Government under section 148(1) of the Companies Act, 2013.

(vii)(a) In respect of statutory dues:

Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues applicable to Company in arrears as at March 31, 2022 for a period of more than six months from the date they became payable.

(vii)(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2022 on account of disputes are given below:

Name of the statue	Nature of dues	Forum where dispute is pending	Period to which the amount relates	Amount (Rupees in crore)
The Mumbai Municipal Corporation Act, 1888	Octroi Duty	Metropolitan Magistrate 42nd Court	FY 16-17	1.74*

* excluding interest and penalty.

(viii) There were no transactions relating to previously unrecorded income that were surrendered or disclosed as income in the tax assessments under the Income Tax Act, 1961 (43 of 1961) during the year.

(ix)(a) In our opinion, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year, except as under:

Nature of borrowing	Name of lenders	Amount not paid on due date (Rupees in crore)	Whether principal or interest	No. of days delay or unpaid	Remarks, if any
Term loans	Others- (one party)	20.00	Interest	304	Remained unpaid till audit report date

(ix)(b) The Company has not been declared wilful defaulter by any bank or financial institution or government or any government authority.

(ix)(c) To the best of our knowledge and belief, in our opinion, term loans availed by the Company were, applied by the Company during the year for the purposes for which the loans were obtained.

(ix)(d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

(ix)(e) On an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

(ix)(f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries companies.

(x)(a) The Company has not issued any of its securities (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.

(x)(b)	During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
(xi)(a)	To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
(xi)(b)	To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
(xi)(c)	As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
(xii)	The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
(xiii)	In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
(xiv)(a)	In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(xiv)(b)	We have considered, the internal audit reports issued to the Company during the year and covering the period upto February 28, 2022.
(xv)	In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
(xvi)	(a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi)(a), (b) and (c) of the Order is not applicable. (b) The Group does not have any Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016 and hence the reporting under clause (xvi)(d) of paragraph 3 of the Order is not applicable.
(xvii)	The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
(xviii)	There has been no resignation of the statutory auditors of the Company during the year.
(xix)	On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
(xx)	The Company was not having turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No.117364W / W100739)

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 22103999AJTUGI3064

Panaji, Goa, May 27, 2022

Balance Sheet as at March 31, 2022

₹ Crores

	Notes	As at March 31, 2022	As at March 31, 2021
Assets			
Non-current assets			
Property, plant and equipment	4 (a)	120.37	233.41
Capital work in progress	4 (b)	10.56	10.17
Intangible assets	5	0.08	0.47
Right to use assets	6	211.59	281.72
Financial assets			
Investments	7	681.81	618.13
Other financial assets	9	1.84	5.48
Deferred tax assets (net)	28 (e)	-	-
Income tax assets (net)		45.50	75.77
Other non-current assets	10	0.02	7.37
Total non-current assets		**1,071.77**	**1,232.52**
Current assets			
Financial assets			
Trade receivables	11	2.72	34.01
Cash and cash equivalents	12	6.70	23.93
Bank balances other than above	12	0.06	0.06
Loans	8	356.22	308.78
Other financial assets	13	479.38	151.78
Other current assets	10	95.46	82.48
Total current assets		**940.54**	**601.04**
Total assets		**2,012.31**	**1,833.56**
Equity and liabilities			
Equity			
Equity share capital	14	29.95	29.92
Other equity	15	1,552.56	1,260.91
Total equity		**1,582.51**	**1,290.83**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	16	230.95	221.02
Lease liabilities		0.69	33.16
Other financial liabilities	21	24.58	66.37
Provisions	17	1.09	2.96
Total non-current liabilities		**257.31**	**323.51**

₹ Crores

	Notes	As at March 31, 2022	As at March 31, 2021
Current liabilities			
Financial liabilities			
Borrowings	19	-	28.56
Lease liabilities		4.13	16.02
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	8.07	23.60
Other financial liabilities	21	46.47	50.04
Provisions	17	0.37	0.37
Current tax liabilities (net)		15.95	15.95
Other current liabilities	18	97.51	84.68
Total current liabilities		**172.50**	**219.22**
Total liabilities		**429.81**	**542.73**
Total equity and liabilities		**2,012.32**	**1,833.56**
See accompanying notes to the financial statements	1 to 44		

In terms of our report attached.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
(Partner)

Place : Panaji, Goa
Date : May 27, 2022

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 : May 27, 2022

Statement of Profit and Loss for the year ended March 31, 2022

₹ Crores

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	22	120.92	76.70
Other income	23	72.64	123.97
Total income		**193.56**	**200.67**
Expenses			
Employee benefits expense	24	16.53	12.95
Employee stock option expense	32	-	-
Technician fees		8.69	5.40
Technical service cost		3.80	3.68
Finance costs	25	32.28	59.17
Depreciation and amortisation expense	4 to 6	62.87	66.38
Other expenses	26	28.79	24.51
Exchange loss (net)		0.10	2.08
Total expenses		**153.06**	**174.17**
Profit before exceptional item and tax		**40.50**	**26.50**
Exceptional items (gain) (Refer note 27)	27	(250.20)	-
Profit before tax		**290.70**	**26.50**
Tax expense	28		
Current tax		-	-
Deferred tax		-	-
Total tax expense		**-**	**-**
Profit for the year		**290.70**	**26.50**
Other comprehensive income:			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans		(0.52)	0.16
Income tax relating to the above		-	-
Total other comprehensive (loss) / income		**(0.52)**	**0.16**
Total comprehensive income for the year		**290.18**	**26.66**

₹ Crores

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Earnings per equity share	29		
[Nominal value per share: ₹1]			
Before exceptional items (net of tax)			
Basic (₹)		1.35	0.89
Diluted (₹)		1.33	0.89
After exceptional items (net of tax)			
Basic (₹)		9.71	0.89
Diluted (₹)		9.56	0.89
See accompanying notes to the financial statements	1 to 44		

In terms of our report attached.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
(Partner)

Place : Panaji, Goa
Date : May 27, 2022

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 : May 27, 2022

Statement of Changes in Equity for the year ended March 31, 2022

A. Equity Share Capital

₹ Crores

	Total
As at March 31, 2020	**29.92**
Changes in Equity Share Capital during the year	-
As at March 31, 2021	**29.92**
Issue of equity shares under employee stock option plan (Refer note 32)*	0.03
As at March 31, 2022	**29.95**

* Issued, Subscribed and Paid up as at March 31, 2022 is amounting to ₹ 29,95,36,644 (March 31, 2021 ₹ 29,92,48,978) after addition of ₹ 2,87,666, during the year.

B. Other Equity

₹ Crores

	Reserves and Surplus					Total
	Capital Reserve	General Reserve	Securities Premium	Share Options outstanding account	Retained Earnings	
Balance as at March 31, 2020	**134.27**	**61.09**	**766.57**	**72.24**	**200.90**	**1,235.07**
Add: (Loss) on merger of subsidiary (Refer note 35)	-	-	-	-	(0.82)	**(0.82)**
Profit for the year (net of tax)	-	-	-	-	26.50	**26.50**
Other comprehensive income for the year (net of tax)	-	-	-	-	0.16	**0.16**
Balance as at March 31, 2021	**134.27**	**61.09**	**766.57**	**72.24**	**226.74**	**1,260.91**
Profit for the year (net of tax)	-	-	-	-	290.70	**290.70**
Exercise of stock options	-	-	1.47	(1.18)	1.18	**1.47**
Other comprehensive income for the year (net of tax)	-	-	-	-	(0.52)	**(0.52)**
Balance as at March 31, 2022	**134.27**	**61.09**	**768.04**	**71.06**	**518.09**	**1,552.56**

See accompanying notes to the financial statements 1 to 44

In terms of our report attached.
For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
(Partner)

Place : Panaji, Goa
Date : May 27, 2022

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 : May 27, 2022

Cash Flow Statement for the year ended March 31, 2022

₹ Crores

		Year ended March 31, 2022	Year ended March 31, 2021
A.	CASH FLOW FROM OPERATING ACTIVITIES		
	Profit before tax	290.70	26.50
	Adjustments for:		
	Depreciation and amortisation expense	62.87	66.38
	Net gain on sale of property, plant and equipment (net)	(0.46)	(0.74)
	Unrealized foreign exchange loss (net)	-	0.09
	(Profit) on sale of investment	(2.72)	(95.06)
	Gain on sale of assets on slump sale (Refer note 34)	(250.20)	-
	Bad debts and advances written off	6.76	0.55
	Provision for doubtful debts/ advances (net)	(2.74)	2.52
	Liabilities/provisions no longer required written back	(26.26)	(0.97)
	Interest income	(43.03)	(26.77)
	Finance costs	32.28	59.17
	Operating profit before working capital changes	**67.20**	**31.67**
	Changes in working capital:		
	Increase in provisions	0.31	0.37
	(Decrease) / Increase in trade payables	(10.10)	1.55
	Increase in other current liabilities	11.30	13.11
	(Decrease) in other long-term liabilities	(44.44)	(44.60)
	(Increase) / decrease in trade receivables	(8.17)	7.84
	Decrease in non-current financial assets and non-current assets	3.75	7.17
	(Increase) / decrease in current finanical assets and other current assets	(11.88)	4.84
	Cash Generated from Operations	7.97	21.95
	Refund / (paid) Income taxes (net)	34.04	7.35
	Net cash flow generated from operating activities (A)	**42.01**	**29.30**
B.	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment and other intangible assets (including CWIP)	(19.24)	(10.83)
	Proceeds from sale of property, plant and equipment	1.27	6.58
	Consideration towards sale of VFX business	44.50	-
	Investment in subsidiaries	(60.96)	(59.93)
	Sale of investment in subsidiaries	-	400.16
	Loans given to subsidiaries	(158.33)	(294.81)
	Loans repaid by subsidiaries	126.17	152.61
	Margin money and fixed deposits under lien*	(0.00)	(0.00)
	Interest received	34.56	23.10
	Net cash flow (used in) / generated from investing activities (B)	**(32.03)**	**216.89**

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from long term borrowings	30.95	-
(Repayment) of long term borrowings	(30.58)	(150.45)
Repayment of short term borrowings (net)	-	(51.90)
Proceeds from issuance of shares	1.50	-
Loans taken from subsidiaries	-	28.00
Loans repaid to subsidiaries	-	(6.18)
Payment of lease liability	(16.25)	(15.33)
Interest costs paid on lease liability	(5.28)	(6.16)
Finance costs paid	(7.55)	(20.63)
Net cash (used in) financing activities (C)	**(27.21)**	**(222.65)**
Net (decrease) / increase in Cash And Cash Equivalents (A+B+C)	**(17.23)**	**23.54**
Cash and cash equivalents at the beginning of the year	23.93	0.18
Add: Effect in cash and cash equivalents due to merger of subsidiary (Refer note 35)	-	0.20
Cash and cash equivalent at end of year (Refer note 12a)	**6.70**	**23.93**

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

Notes:

a. During the year PF Digital Media Services Limited (merged with the Company, refer note:- 35) assigned it's net receivables of ₹ 10.99 Cores to Prime Focus Motion Pictures Limited.

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

₹ Crores

	Year ended March 31, 2021	Cash flow	Non Cash movement	Year ended March 31, 2022
Borrowing (Refer note 16 and 19)	249.58	(0.37)	(18.26)	230.95

See accompanying notes to the financial statements 1 to 44

In terms of our report attached.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
(Partner)

Place : Panaji, Goa
Date : May 27, 2022

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 : May 27, 2022

Notes to the financial statements for the year ended March 31, 2022

1. General information

Prime Focus Limited (the 'Company') is a public limited company incorporated and domiciled in India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The address of its registered office is Prime Focus House, Opp. Citi Bank, Linking Road, Khar (West) – Mumbai – 400 052, Maharashtra, India.

The Company is engaged in the business of post-production activities including digital intermediate, and other technical and creative services to the Media and Entertainment industry.

2. Significant accounting policies

2.1 Statement of compliance

The financial statements have been prepared in accordance with the Indian Accounting Standards (herein after referred to as 'Ind AS') including the Rules notified under the relevant provisions of Companies Act, 2013.

2.2 Basis of preparation and presentation

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

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

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

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

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

2.3 Use of Estimates:

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

2.4 Revenue recognition

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

2.4.1 Rendering of services

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

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

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

2.4.2 Dividend and interest income

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

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

2.4.3 Rental income

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

2.5 Leasing

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 a right-to-use asset is impaired and accounts for any identified impairment loss. Refer 2.15 below.

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

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

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

2.6 Foreign currencies

In preparing the financial statements, transactions in currencies other than the Company'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 Company can no longer withdraw the offer of the termination benefit and when the Company recognises any related restructuring costs.

2.9.2 Short-term and other long-term employee benefits

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

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

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

2.10 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in refer note 32.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

2.11 Taxation

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

2.11.1 Current tax

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

2.11.2 Deferred tax

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

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

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

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

2.11.3 Current and deferred tax for the year

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

2.12 Non-current assets held for sale

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

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

2.13 Property, plant and equipment (PPE)

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

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

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

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

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

2.14 Intangible assets

2.14.1 Intangible assets acquired separately

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

2.14.2 Internally-generated intangible assets – research and development expenditure

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

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

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

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

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

2.14.3 Useful lives of intangible assets

Software is amortised on straight line basis over the estimated useful life of up to six years.

2.14.4 De-recognition of intangible assets

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is de-recognised.

2.15 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest of the cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.16 Provisions and Contingencies

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

2.16.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

2.16.2 Restructurings

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

2.17 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.18 Financial assets

All regular way purchases of sales of financial assets are recognised or de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

2.18.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note 2.18.5

Debt instruments that meet the following conditions are measured at fair value through other comprehensive income (except for debt instruments that are designed as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, (refer note 2.18.5).

All other financial assets are subsequently measured at fair value.

2.18.2 Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

2.18.3 Investments in equity instruments at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

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

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

2.18.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (refer note 2.18.3).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial measurement if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different basis. The Company has not designated any debt instruments at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

2.18.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses that represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12 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 115, 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 and the part that is no longer recognised on the basis of the relative fair value of those parts.

2.18.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

2.18.8 Investments in subsidiaries

The Company has elected to recognise its investments in subsidiaries at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statement'.

2.19 Financial liabilities and equity instruments

2.19.1 Classification as debt or equity

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

2.19.2 Equity instruments

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

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

2.19.3 Compound financial instruments

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

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

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

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

2.19.4 Financial liabilities

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

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

2.19.4.1 Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

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

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

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

2.19.4.2 Financial liabilities subsequently measured at amortised cost

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

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

2.19.4.3 Financial guarantee contracts

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

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

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

2.19.4.4 Commitments to provide a loan at below-market interest rate

Commitments to provide a loan at below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

2.19.4.5 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.19.4.6 De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange 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 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for it's equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the parent Company by weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effect of all dilutive potential ordinary shares, which includes all stock options granted to employees.

2.25 Exceptional items

Exceptional items refer to items of income or expenses within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their disclosure is considered necessary to explain the performance of the Company.

2.26 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.

2.27 New accounting standards:

New Accounting standards not yet adopted by the Company:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 1st, 2022, as below:

i. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

ii. Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

iii. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

iv. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

v. Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Company is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 2023.

3. Critical accounting judgements and key sources of estimation uncertainty

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

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

3.1.1 Revenue recognition

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

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

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

3.1.2 Taxation

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

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

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

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

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

3.1.4 Expected credit losses on financial assets

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

3.1.5 Provisions

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

3.1.6 Fair value measurements and valuation process

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

3.1.7 Defined benefit obligations

The costs of providing other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 "Employee benefits" over the period during which benefits is derived from the employees' services and is determined based on valuation carried out by independent actuary. The costs are determined based on assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to change in these assumptions.

3.1.8 Leases

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

4 (a) . Property, Plant and Eqiupment

₹ Crores

Description of assets	Buildings	Plant and equipment	Furniture and fixtures	Lease hold improvement	Office equipments	Vehicles	Total
Gross block							
Balance as at March 31, 2020	131.64	308.06	10.03	2.13	18.02	1.36	471.24
Additions	-	13.52	2.28	0.45	1.05	-	**17.30**
Deduction / discard of assets	-	(8.87)	(1.15)	-	(0.58)	(0.67)	**(11.27)**
Adjustment #	-	2.23	-	-	-	0.74	**2.97**
As at March 31, 2021	131.64	314.94	11.16	2.58	18.49	1.43	480.24
Accumulated depreciation							
Balance as at March 31, 2020	10.96	202.19	2.59	0.96	6.83	0.58	224.11
Depreciation for the year	2.34	18.97	2.35	0.41	2.84	0.21	**27.12**
Deduction / discard of assets	-	(4.57)	(0.45)	-	(0.23)	(0.17)	**(5.42)**
Adjustment #	-	0.66	-	-	-	0.36	**1.02**
As at March 31, 2021	13.30	217.25	4.49	1.37	9.44	0.98	246.83
Net block (I-II)							
As at March 31, 2021	118.34	97.69	6.67	1.21	9.05	0.45	233.41

Description of assets	Buildings	Plant and equipment	Furniture and fixtures	Lease hold improvement	Office equipments	Vehicles	Total
Gross block							
Balance as at March 31, 2021	131.64	314.94	11.16	2.58	18.49	1.43	480.24
Additions	-	7.13	0.12	-	0.16	0.06	**7.47**
Deduction *	-	(333.91)	(6.94)	(1.58)	(16.88)	(0.54)	**(359.85)**
Adjustment #	-	14.28	-	-	-	-	**14.28**
As at March 31, 2022	131.64	2.44	4.34	1.00	1.77	0.95	142.14
Accumulated depreciation							
Balance as at March 31, 2021	13.30	217.25	4.49	1.37	9.44	0.98	246.83
Depreciation for the year	2.34	18.48	2.02	0.38	2.44	0.11	**25.77**
Deduction *	-	(240.93)	(3.98)	(1.06)	(11.11)	(0.51)	**(257.59)**
Adjustment #	-	6.76	-	-	-	-	**6.76**
As at March 31, 2022	15.64	1.56	2.53	0.69	0.77	0.58	21.77
Net block (I-II)							
As at March 31, 2022	116.00	0.88	1.81	0.31	1.00	0.37	120.37

Refer note 16 for assets pledged/ hypothecated.

* Deduction includes assets transferred on account of sale of post-production business during the year (Refer note 34).

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

4 (b). Capital work in progress (CWIP) ageing schedule:

₹ Crores

As at March 31, 2022	Amount for a period of				
	Less than 1 year	1-2 year	2-3 year	more than 3 years	Total
Project 1	0.12	-	4.59	5.85	**10.56**

As at March 31, 2021	Amount for a period of				
	Less than 1 year	1-2 year	2-3 year	more than 3 years	Total
Project 1	-	4.14	4.82	1.21	**10.17**

Note: The above project in progress is delayed due to covid-19 restrictions and expected to be completed within next one year, however there are no cost overruns.

5. Intangible assets

₹ Crores

Description of assets	Goodwill	Film rights	Computer software	Total
Gross block				
Balance as at March 31, 2020	**0.53**	**3.00**	**1.76**	**5.29**
Additions	-	-	0.00	**0.00**
Deduction / discard of assets	-	-	(0.01)	**(0.01)**
Adjustment #	-	-	1.19	**1.19**
As at March 31, 2021	**0.53**	**3.00**	**2.94**	**6.47**
Accumulated amortisation				
Balance as at March 31, 2020	**0.53**	**3.00**	**1.17**	**4.70**
Amortisation for the year	-	-	0.30	**0.30**
Deduction / discard of assets	-	-	(0.00)	**(0.00)**
Adjustment #	-	-	1.00	**1.00**
As at March 31, 2021	**0.53**	**3.00**	**2.47**	**6.00**
Net block (I-II)				
As at March 31, 2021	**-**	**-**	**0.47**	**0.47**

Description of assets	Goodwill	Film rights	Computer software	Total
Gross block				
Balance as at March 31, 2021	**0.53**	**3.00**	**2.94**	**6.47**
Additions	-	-	-	**-**
Deduction	-	-	-	**-**
Adjustment #	-	-	0.07	**0.07**
As at March 31, 2022	**0.53**	**3.00**	**3.01**	**6.54**
Accumulated amortisation				
Balance as at March 31, 2021	**0.53**	**3.00**	**2.47**	**6.00**
Amortisation for the year	-	-	0.39	**0.39**
Deduction	-	-	-	**-**
Adjustment	-	-	0.07	**0.07**
As at March 31, 2022	**0.53**	**3.00**	**2.93**	**6.46**
Net block (I-II)				
As at March 31, 2022	**-**	**-**	**0.08**	**0.08**

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

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

6. Right to use Assets

₹ Crores

Description of assets	Studio	Premises	Building	Plant and equipment	Office equipments	Vehicles	Software	Total
Gross block								
Balance as at March 31, 2020	185.45	34.71	112.20	45.24	0.02	2.70	1.86	382.18
Additions	-	1.76	-	0.25	-	-	-	**2.01**
Deduction	-	(1.72)	-	-	-	-	-	**(1.72)**
Adjustment #	-	-	-	(2.23)	-	(0.74)	(1.19)	**(4.16)**
As at March 31, 2021	185.45	34.75	112.20	43.26	0.02	1.96	0.67	378.31
Accumulated depreciation								
Balance as at March 31, 2020	24.72	6.27	17.19	10.48	0.01	0.96	1.10	60.73
Depreciation for the year	21.60	6.73	3.44	6.64	0.01	0.25	0.29	**38.96**
Deduction	-	(1.08)	-	-	-	-	-	**(1.08)**
Adjustment #	-	-	-	(0.66)	-	(0.36)	(1.00)	**(2.02)**
As at March 31, 2021	46.32	11.92	20.63	16.46	0.02	0.85	0.39	96.59
Net block (I-II)								
As at March 31, 2021	139.13	22.83	91.57	26.80	-	1.11	0.28	281.72

Description of assets	Studio	Premises	Building	Plant and equipment	Office equipments	Vehicles	Software	Total
Gross block								
Balance as at March 31, 2021	185.45	34.75	112.20	43.26	0.02	1.96	0.67	378.31
Additions	-	-	-	0.20	-	-	-	**0.20**
Deduction *	-	(26.97)	-	(21.86)	(0.02)	-	-	**(48.85)**
Adjustment #	-	-	-	(14.28)	-	-	(0.07)	**(14.35)**
As at March 31, 2022	185.45	7.78	112.20	7.32	-	1.96	0.60	315.31
Accumulated depreciation								
Balance as at March 31, 2021	46.32	11.92	20.63	16.46	0.02	0.85	0.39	96.59
Depreciation for the year	21.60	6.51	3.44	4.83	-	0.23	0.10	**36.71**
Deduction *	-	(12.13)	-	(10.62)	(0.02)	-	-	**(22.77)**
Adjustment	-	-	-	(6.75)	-	-	(0.06)	**(6.81)**
As at March 31, 2022	67.92	6.30	24.07	3.92	-	1.08	0.43	103.72
Net block (I-II)								
As at March 31, 2022	117.53	1.48	88.13	3.40	-	0.88	0.17	211.59

* Deduction includes assets transferred on account of sale of post-production business during the year (Refer note 34).

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

7. Investments

₹ Crores

	As at March 31, 2022		As at March 31, 2021	
	Units	Amount	Units	Amount
Non Current				
In Equity Shares of Subsidiary Companies				
Unquoted, fully paid up (at cost)				
Prime Focus Technologies Limited of ₹ 10/- each (Refer note (d) below)	16,01,466	33.46	16,01,466	33.46
Prime Focus Production Services Private Limited of ₹ 10/- each	9,999	0.01	9,999	0.01
De-fi Media Limited of British £ 1/- each (Refer note (e) below)	-	-	2,43,67,188	-
Prime Focus Motion Pictures Limited of ₹ 10/- each	50,000	0.05	50,000	0.05
GVS Software Private Limited of ₹ 10/- each	10,000	0.01	10,000	0.01
PF Investments Limited of $ 1/- each	43,000	0.22	43,000	0.22
PF World Limited of $ 1/- each (Refer note (d) below)	1,06,000	209.00	1,06,000	209.00
Lowry Digital Imaging Services Inc. of $ 1/- each (Refer note (b) below)	100	-	100	-
In Preference Shares of Subsidiary Companies				
Unquoted, fully paid up (at cost)				
GVS Software Private Limited	2,65,000	26.50	2,65,000	26.50
Redeemable Convertible Preference Shares of ₹ 10/- each				
PF World Limited	6,15,51,973	412.54	5,27,58,869	348.86
12% Optionally Convertible Preference Shares of $ 1/- each				
In Membership Share in LLP, Unquoted (at cost)				
Jam8 Prime Focus LLP	-	0.01	-	0.01
		681.80		**618.12**
Unquoted equity instruments - fully paid up (at FVTPL)				
Other Investment:				
The Shamrao Vithal Co-operative Bank of ₹ 25/- each	4,000	0.01	4,000	0.01
Mainframe Premises Co-Operative Society of ₹ 10/- each *	350	0.00	350	0.00
		0.01		**0.01**
TOTAL		**681.81**		**618.13**
Notes:-				
a) Aggregate amount of unquoted Investments		**681.81**		**618.13**

b) These investments form part of net assets acquired on slump sale basis vide business transfer agreement dated November 19, 2014, recorded at fair value ₹ Nil based on the valuation report obtained then.

c) The list of investment in subsidiaries, along with proportion of ownership held and country of incorporation are disclosed in note 1.1 of Consolidated Financial Statements.

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

e) During the year, the Company sold it's entire shareholding of De-fi Media Limited, for consideration of £ 100,000/- (equivalent to ₹ 0.99 crores)

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

8. Loans (Unsecured, Considered good)

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Current		
Loan to subsidiaries (Refer note 8.a & 33)	356.22	308.78
Total	**356.22**	**308.78**

a. **Amount of loan or advance in the nature of loan to subsidiary**

₹ Crores

Name of the Company	As at March 31, 2022	Maximum outstanding balance during the year	% to the total
Prime Focus Technologies Limited	335.65	335.65	94.23%
Jam8 Prime Focus LLP	8.58	8.58	2.41%
Prime Focus Motion Pictures Limited	11.99	11.99	3.37%
	356.22		

₹ Crores

Name of the Company	As at March 31, 2021	Maximum outstanding balance during the year	% to the total
Prime Focus Technologies Limited	302.53	304.18	97.98%
Jam8 Prime Focus LLP	6.25	6.25	2.02%
	308.78		

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

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

iii. All loans are given for general corporate purpose.

iv. During the year PF Digital Media Services Limited assigned it's net receivables of ₹ 10.99 Cores to Prime Focus Motion Pictures Limited.

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

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Security deposits	0.92	4.62
Bank deposits (Refer note (a) below)	0.92	0.86
Total	**1.84**	**5.48**

a) 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, 2022	As at March 31, 2021
Other non-current assets (unsecured, considered good)		
Capital advances *	0.00	7.25
Other loans and advances	0.02	0.12
Total	**0.02**	**7.37**
Other current assets		
Other loans and advances		
Considered good (Refer note (a) below)	95.46	82.48
Total	**95.46**	**82.48**

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

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, 2022	As at March 31, 2021
Trade receivable	3.74	44.24
Less: loss allowances	(1.02)	(10.23)
Total	**2.72**	**34.01**
The movement in allowance for bad and doubtful debts is as follows:		
Balance as at the beginning of the year	10.23	7.98
Loss allowances made / (written back) during the year	(3.01)	2.25
Allowances transferred as part of Business Transfer Agreement (Refer note 34)	(6.20)	-
Balance as at the end of the year	**1.02**	**10.23**

Trade receivables - ageing and other details

₹ Crores

March 31, 2022	Undisputed trade receivables			Disputed trade receivables-			Total
	Considered good	Which have significant increase in credit risk	Credit impaired	Considered good	Which have significant increase in credit risk	Credit impaired	
Less than 6 months	2.69	-	-	-	-	-	2.69
6 months - 1 year	0.02	-	-	-	-	-	0.02
1 - 2 year	-	-	-	-	-	-	-
2 - 3 year	0.01	0.32	-	-	-	-	0.33
More than 3 years	-	-	0.70	-	-	-	0.70
Total	**2.72**	**0.32**	**0.70**	-	-	-	**3.74**

₹ Crores

March 31, 2021	Undisputed trade receivables			Disputed trade receivables-			Total
	Considered good	Which have significant increase in credit risk	Credit impaired	Considered good	Which have significant increase in credit risk	Credit impaired	
Less than 6 months	23.26	-	-	-	-	-	23.26
6 months - 1 year	1.01	-	-	-	-	-	1.01
1 - 2 year	6.30	0.55	-	-	-	-	6.85
2 - 3 year	2.64	2.26	-	-	-	-	4.90
More than 3 years	0.80	7.42	-	-	-	-	8.22
Total	**34.01**	**10.23**	-	-	-	-	**44.24**

Note:-

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, 2022	As at March 31, 2021
a. Cash and cash equivalents		
Cash on hand *	0.00	0.01
Bank balances		
In current accounts	6.70	23.92
Total	**6.70**	**23.93**
b. Bank balances other than (a) above		
Other Bank balances		
In deposits (Refer note (a) below)	0.06	0.06
Total	**0.06**	**0.06**

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

a) 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, 2022	As at March 31, 2021
Security deposits	1.12	1.14
Advances to subsidiaries (Refer note 33)	1.18	2.11
Interest accrued on bank deposits *	0.00	0.00
Unbilled revenue	0.93	7.21
Receivable towards sale of business (Refer note 33)	474.41	138.43
Other receivable	-	0.51
Inter corporate deposits		
Considered good	1.74	2.38
Doubtful	0.54	0.27
	2.28	**2.65**
Less: loss allowances	(0.54)	(0.27)
	1.74	**2.38**
Total	**479.38**	**151.78**

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

14. Equity share capital

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Authorised:		
45,05,00,000 Shares (Previous year 45,00,00,000 Shares) of ₹ 1/- each (Refer note 35)	45.05	45.00
Issued, Subscribed and Paid up:		
29,95,36,644 Shares (Previous year 29,92,48,978 Shares) of ₹ 1/- each	29.95	29.92
Total	**29.95**	**29.92**

14.1 **Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:**

Fully paid equity shares: ₹ Crores

	As at March 31, 2022		As at March 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Issued as at the beginning of the year	29,92,48,978	29.92	29,92,48,978	29.92
Additions during the year (Refer note 32) *	2,87,666	0.03	-	-
Issued as at the end of the year	**29,95,36,644**	**29.95**	**29,92,48,978**	**29.92**

14.2 Shares reserved for issue under options

	As at March 31, 2022	As at March 31, 2021
Shares reserved for issue under options (Refer note 32) (nos)	1,75,62,734	1,75,62,734

14.3 Rights, preferences and restrictions attached to shares:

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

14.4 (a) Shares held by promoters as defined in the Company's Act, 2013 at the end March 31, 2022

Promoter name	No of shares	% of total shares	% change during the year
A2R Holdings	13,24,45,882	44.22%	-
Naresh Malhotra	6,22,01,646	20.77%	-
Namit Malhotra	1,49,00,000	4.97%	-

14.4 (b) Shares held by promoters as defined in the Company's Act, 2013 at the end March 31, 2021

Promoter name	No of shares	% of total shares	% change during the year
A2R Holdings	13,24,45,882	44.26%	100%
Naresh Malhotra	6,22,01,546	20.79%	-
Namit Malhotra	1,49,00,000	4.98%	-

14.4 (c) Details of shares held by each shareholder holding more than 5%

	As at March 31, 2022		As at March 31, 2021	
	Numbers	% of holding	Numbers	% of holding
A2R Holdings	13,24,45,882	44.22%	13,24,45,882	44.26%
Naresh Malhotra	6,22,01,646	20.77%	6,22,01,546	20.79%
Marina IV (Singapore) Pte. Limited	2,33,90,875	7.81%	2,33,90,875	7.82%
Augusta Investments I Pte. Limited	2,92,41,817	9.76%	2,92,41,817	9.77%

15. Other equity

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Securities premium reserve		
As per last balance sheet	766.57	766.57
Add: Movement during the year	1.47	-
	768.04	**766.57**
Capital reserve		
As per last balance sheet	134.27	134.27
	134.27	**134.27**
General reserve		
As per last balance sheet	61.09	61.09
	61.09	**61.09**
Retained earnings		
As per last balance sheet	226.74	200.90
Add: (Loss) on merger of subsidiary (Refer note 35)	-	(0.82)
Add: Movement during the year	290.18	26.66
Add: Transfer from share option outstanding account	1.18	-
	518.10	**226.74**

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Share options outstanding account		
As per last balance sheet	72.24	72.24
Less: Transfer to retained earnings on exercise of shares	(1.18)	-
	71.06	**72.24**
Total	**1,552.56**	**1,260.91**

15.1 Security premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

15.2 Capital reserve represents reserve created on acquisition of business and warrants application money forfeited.

15.3 General reserve is created from time to time by transferring profits from retained earnings and can be utilised for the purposes such as dividend pay-out, bonus issue etc.

15.4 Retained earnings represents profit that the Company earned till date, less any transfers to general reserve and other distributions paid to the shareholders.

15.5 Share option outstanding account relates to the stock option granted by the Company to employees under the Employee Stock Option Plan (Refer note 32)

16. Borrowings (non-current)

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Term loans (secured)		
From banks (Refer note (a) below)	30.95	-
From others (Refer note (b) below)	-	21.02
Term loans (unsecured)		
From others (Refer note (c) below)	200.00	200.00
Total	**230.95**	**221.02**

a. During the year, the Company obtained a working capital term loan from a bank for ₹ 30.95 crores. This facility is 100% credit guaranteed by National Credit Guarantee Trust Company Limited under the Emergency Credit Line Guarantee Scheme. It carries second charge over present and future current assets, movable fixed assets and assets of the Company's India business (excluding specific assets charged against finance lease), second charge by way of pledge over 30% shares of Prime Focus Technologies Limited, Personal Guarantee of Namit Malhotra and pledge of Company shares held by Company's promoters. Tenor of the loan is 6 years from September 2021, repayable in 48 equal instalments after moratorium of 2 years. Interest rate applicable is 1% over 1 year MCLR subject to cap of 9.25%

b. On August 13, 2014, the Company had entered into a long-term loan agreement with the lender to borrow ₹ 45 crores at an interest rate of 12.50% p.a., to repay the existing term loan and for general corporate purpose which includes working capital and advance payment for capital expenditure. The term loan was to be repayable in 120 equated monthly instalments starting from October 01, 2014 for loan availed on August 29, 2014 and from November 01, 2014 for loan availed on September 05, 2014. Considering the COVID-19 pandemic, the Company has obtained moratorium period of up to June 2020 for payment of instalments due in March, 2020. Further, the term loan is secured by a specific charge on certain immovable properties of the Company. The Company repaid this loan during the year, and at the year end March 31, 2021, ₹ 21.02 crores was disclosed as non-current and ₹ 4.56 crores was disclosed as current.

c. On February 25, 2019, the Company had entered into a long-term loan agreement with the lender for an amount of ₹ 200 crores at an annual interest rate of 10% per annum. This term loan is payable over the period of 48 months (post 27 months moratorium). The loan principal has to be repaid at the end of the tenure and the interest component has to be paid annually post 27 months of moratorium. At the year end March 31, 2022 and March 31, 2021, ₹ 200 crores is disclosed as non-current.

d. The promoters of the Company have pledged 2.00 % of shares as at March 31, 2022 and 5.13% of shares March 31, 2021 of the Company towards various borrowings / commitments, including borrowings by the Company.

17. Provisions

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Provisions (non-current)		
Provision for employee benefits: (Refer note 30)		
Provision for gratuity	0.58	2.44
Provision for compensated absences	0.51	0.52
Total	**1.09**	**2.96**
Provisions (current)		
Provision for employee benefits: (Refer note 30)		
Provision for gratuity	0.37	0.37
Total	**0.37**	**0.37**

18. Other liabilities

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Other current liabilities		
Advances received from customers	-	1.05
Deferred revenue	94.81	82.42
Other payables #	2.70	1.21
Total	**97.51**	**84.68**

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

19. Borrowings (current)

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Current maturity of long term borrowings		
Term loans (secured)		
From others (Refer note 16 a)	-	4.56
Term loans (unsecured)		
From others (Refer note (b) & (c) below)	-	24.00
Total	**-**	**28.56**

a. The Company has unavailed limit of Cash credits / overdraft from banks of ₹ 32 crores, secured against first pari passu charge on the Company's current assets both present and future, personal guarantees and pledge of shares of the Company held by promoters (refer note 16d). The cash credit is repayable on demand and carries interest at the rate of 11.00% to 11.25% per annum. The statements of the current assets filed by the Company with the banks are materially in agreement with the books of accounts and there are no discrepancies that has been identified.

b. During the earlier year, an unsecured inter corporate deposit of ₹ 31.70 crores was availed from a financial institution at an interest rate of 12.50% repayable within two years. As at March 31, 2021, ₹ 23 crores considered as current maturities of long term borrowing. During the year the Company repaid ₹ 5.00 crores and got waiver for balance ₹ 18 crores and considered as income under "Liabilities / provisions no longer required written back".

c. During earlier year, an unsecured loan of ₹ 1.00 crore from others are availed at interest rate of 15.00% p.a, which has been assigned during the year to a subsidiary.

20. Trade payables

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Total outstanding dues to creditors other than micro and small enterprises	7.54	22.61
Dues to group companies (Refer note 33)	0.53	0.99
Total	**8.07**	**23.60**

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.

Trade Payables - ageing and other details

As at March 31, 2022	MSME	Others	Disputed dues- MSME	Disputed dues- others
Provisions	-	2.03	-	-
Not due	-	-	-	-
less than 1 years	-	2.83	-	-
1 to 2 years	-	0.96	-	-
2 to 3 years	-	-	-	-
more than 3 years	-	2.26	-	-
Total	**-**	**8.07**	**-**	**-**

As at March 31, 2021	MSME	Others	Disputed dues- MSME	Disputed dues- others
Provisions	-	6.67	-	-
Not due	-	-	-	-
less than 1 years	-	11.25	-	-
1 to 2 years	-	-	-	-
2 to 3 years	-	3.58	-	-
more than 3 years	-	2.10	-	-
Total	**-**	**23.60**	**-**	**-**

21. Other financial liabilities

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Other financial liabilities (non-current)		
Interest accrued and not due on borrowings	24.58	21.94
Deposit received from group companies (Refer note 33)	-	44.43
Total	**24.58**	**66.37**
Other financial liabilities (current)		
Interest accrued but not due on borrowings	36.35	26.13
Accrued salaries and benefits	1.61	1.62
Deposits from customers	-	8.36
Capital creditors	0.64	6.06
Deposit received from group companies (Refer note 33)	7.87	7.87
Total	**46.47**	**50.04**

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 31,2022 (March 31, 2021: Nil).

22. Revenue from operations

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Sale of services	102.51	62.06
Other operating income		
Property rentals (Refer note 33)	15.40	14.64
Export incentives	3.01	-
Total	**120.92**	**76.70**
Note:-		
Revenue from top 5 customers	32.46	14.44

23. Other income

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income:		
Bank deposits	0.24	0.06
Others (includes loan to subsidiaries)	39.02	25.73
Income tax refund	3.77	0.98
Gain on redemption of investment	2.72	95.06
Gain on disposal of property plant and equipments (net)	0.46	0.74
Liabilities / provisions no longer required written back	26.26	0.97
Miscellaneous income	0.17	0.43
Total	**72.64**	**123.97**

24. Employee benefits expense

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	15.24	11.73
Contribution to provident and other funds (Refer note 30)	0.57	0.59
Gratuity (Refer note 30)	0.49	0.50
Staff welfare expenses	0.23	0.13
Total	**16.53**	**12.95**

25. Finance costs

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Interest on working capital finance	1.20	2.98
Interest on term loan	25.84	43.93
Interest on lease liability	4.83	6.50
Interest on others	0.41	5.76
Total	**32.28**	**59.17**

26. Other expenses

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Rent	4.70	3.09
Rates and taxes	1.33	2.53
Rebates and discounts	0.11	0.14
Communication cost	1.51	1.02
Power and fuel	5.67	4.36
Insurance	0.49	0.53
Repairs to buildings	3.03	3.05
Repairs to plant and machinery	1.65	1.33
Legal and professional fees	1.81	1.64
Travelling and conveyance	0.91	0.60
(Reversal) / allowance for bad and doubtful debts / advances (net)	(2.74)	2.52
Bad debts and advances written off	6.76	0.55
Directors sitting fees and commission	0.04	0.02
Payment to auditors:		
Audit fees	0.28	0.28
In other matters (certification, limited review,taxation,etc.)	0.10	0.17
Miscellaneous expenses	3.14	2.68
Total	**28.79**	**24.51**

27. Exceptional items

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Gain on sale of business (Refer note 34)	(250.20)	-
Total	**(250.20)**	**-**

28. Income tax expense

A. Income tax recognised in Profit and Loss

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Current Tax	-	-
Deferred Tax	-	-
Total Income tax expenses	**-**	**-**

B. Income tax recognised in other comprehensive income

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
- Re-measurement of defined benefit obligation	-	-
Tax charge / (credit)	**-**	**-**

C. **Income tax recognised on exceptional item**

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
- Gain on sale of business	-	-
Tax charge recognised on exceptional item	**-**	**-**

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

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Profit before tax (before exceptional item)	40.50	26.50
Applicable tax rate	25.17%	25.17%
Computed tax expense	10.19	6.67
Tax effect of:		
Effect of expenses that are not deductible	-	0.06
Utilisation of previously unrecognised losses	(10.19)	(6.73)
Income tax expense recognised in profit or loss	-	**-**

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, 2022	Recognised in Profit / Loss during 2021-22	Recognised in OCI during 2021-22	Balance as at March 31, 2021	Recognised in Profit / Loss during 2020-21	Recognised in OCI during 2020-21	Balance as at March 31, 2020
Deferred tax liability							
Difference between tax books and written down value of PPE and other intangible assets	**51.31**	(9.06)	-	**60.37**	(0.91)	-	**61.28**
Others	**0.08**	(0.58)	-	**0.66**	(0.10)	-	**0.76**
	51.39	**(9.64)**	-	**61.03**	**(1.01)**	**-**	**62.04**
Deferred tax assets							
Unabsorbed loss / depreciation carried forward	**45.93**	(5.48)	-	**51.41**	(0.67)	-	**52.08**
Provision for doubtful debts / advances	**0.39**	(2.24)	-	**2.63**	0.63	-	**2.00**
Lease Liability	**4.82**	(1.48)	-	**6.30**	(1.04)	-	**7.34**
Others	**0.25**	(0.44)	**-**	**0.69**	0.07	-	**0.62**
	51.39	**(9.64)**	**-**	**61.03**	**(1.01)**	**-**	**62.04**
Net deferred tax (assets)	**-**	**-**	**-**	**-**	**-**	**-**	**-**

F. **Unrecognised deferred tax assets**

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Unabsorbed business loss, depreciation and capital losses	45.57	1.94
	45.57	**1.94**

G. Tax lossess carried forward

	As at March 31, 2022 (₹ Crores)	Will expire in FY	As at March 31, 2021 (₹ Crores)	Will expire in FY
Unabsorbed business loss FY 2014-15 (AY 2015-16)	-	-	8.65	2023-24
Unabsorbed business loss FY 2017-18 (AY 2018-19)	39.70	2026-27	89.50	2026-27
Unabsorbed business loss FY 2018-19 (AY 2019-20)	87.37	2027-28	87.37	2027-28
Unabsorbed capital loss FY 2021-22 (AY 2022-23)	235.98	2030-31	-	-
Unabsorbed depreciation FY 2020-21 (AY 2021-22)	21.98	Indefinite life	25.75	Indefinite life

* The unabsorbed business loss for the FY 2012-13, has expired during the year.

29. Earnings per equity share (EPS)

Basic EPS amounts are calculated by dividing the net (loss) / profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the net (loss) / profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Net Profit after tax as per Statement of Profit and Loss attributable to equity shareholders (after exceptional items)	290.70	26.50
Less: Exceptional items (net of tax)	(250.20)	-
Profit / (Loss) after tax (before exceptional items)	40.50	26.50
Opening number of Equity shares	29,92,48,978	29,92,48,978
Shares issued during the year	36,254	-
Weighted average number of Equity shares for basic EPS	**29,92,85,232**	**29,92,48,978**
Effects of dilution:		
Weighted average potential Equity shares	46,88,131	-
Weighted average number of Equity shares adjusted for the effect of dilution	**30,39,73,363**	**29,92,48,978**
Earnings per share (before exceptional items)		
Basic earnings per share (₹)	1.35	0.89
Diluted earnings per share (₹) (Refer note below)	1.33	0.89
Earnings per share (after exceptional items)		
Basic earnings per share (₹)	9.71	0.89
Diluted earnings per share (₹) (Refer note below)	9.56	0.89
Nominal value of shares (₹)	1.00	1.00

Note: Potential equity shares are anti-dilutive in nature and hence diluted earnings per share is same as basic earnings per share.

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, 2022	Year ended March 31, 2021
Employer's contribution to provident fund and other funds	0.57	0.59

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, 2022	Year ended March 31, 2021
In income statement		
Current service cost	0.30	0.32
Interest cost	0.19	0.18
Net cost	**0.49**	**0.50**
In other comprehensive income (OCI)		
Actuarial loss / (gain)	0.52	(0.16)
Net (expenses) / income for the year recognised in OCI	**0.52**	**(0.16)**

(ii) Reconciliation of opening and closing balances of defined benefit obligation :

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Defined benefit obligation at beginning of the year	2.81	2.56
Current service cost	0.30	0.32
Interest cost	0.19	0.18
Liability transferred out / disinvestments	(2.69)	-
Actuarial (gain) / loss on obligation - due to change in financial assumptions	(0.02)	0.02
Actuarial (gain) / loss on obligation - due to experience	0.54	(0.18)
Benefits paid	(0.18)	(0.09)
Defined benefit obligation at year end	**0.95**	**2.81**

(iii) Actuarial assumptions

	Year ended March 31, 2022	Year ended March 31, 2021
Discount rate (p.a.)	7.15%	6.82% to 6.84%
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 2012-14 (Urban)	IALM 2006-08 (Ultimate)

* 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:

	2021-22		2020-21	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (1% movement)	(0.05)	0.06	(0.28)	0.29
Future salary appreciation (1% movement)	0.05	(0.05)	0.26	(0.26)
Attrition rate (1% movement)	0.01	(0.01)	0.03	(0.08)

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 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 0.18 as on March 31, 2022 (March 31, 2021: 0.21)

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, 2022		As at March 31, 2021	
		Foreign Currency	₹ Crores	Foreign Currency	₹ Crores
Financial assets	GBP	-	-	3,28,895	3.32
	AED	-	-	71,031	0.14
	USD	2,682	0.02	1,26,575	0.92
	EURO	-	-	3,012	0.03
Total			**0.02**		**4.41**
Financial liabilities	EURO	800	0.01	43,342	0.37
	USD	-	-	44,840	0.33
Total			**0.01**		**0.70**
Net exposure			**0.01**		**3.71**

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 ₹ Nil for the year ended March 31, 2022 (March 31, 2021: ₹ 0.19 crores). This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

31.3.2 Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at floating interest rates also. During the year, the Company has repaid in full it's long-term borrowings carrying floating interest rate.

The sensitivity analysis for exposure to interest rates on borrowings as at the end of the reporting period indicates that a 50 basis point increase in floating interest rates on such borrowings would have decreased equity and profit for the year by ₹ 0.15 crores in March 31, 2022 and ₹ nil in March 31, 2021 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 ₹ 11.47 crores and ₹ 65.05 crores as at March 31, 2022 and March 31, 2021 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).

As on March 31, 2022, no customer contributes to more than 10% of outstanding trade receivables and unbilled revenue. As at March 31, 2021, one customer contributes to more than 10% of outstanding trade receivables and unbilled revenue.

The Company's historical experience of collecting receivables and the level of default indicates that the credit risk is low and generally uniform across markets. Loss allowance is recognised where considered appropriate by the management.

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, 2022	Due within one year	Due after one year	Total
Long term and short term borrowings	-	230.95	230.95
Lease liabilities	4.13	0.69	4.82
Interest accrued but not due	36.35	24.58	60.93
Trade payables	8.07	-	8.07
Deposit received	7.87	-	7.87
Others	2.25	-	2.25
	58.67	**256.22**	**314.89**

₹ Crores

As at March 31, 2021	Due within one year	Due after one year	Total
Long term and short term borrowings	28.56	221.02	249.58
Lease liabilities	16.02	33.16	49.18
Interest accrued but not due	26.13	21.94	48.07
Trade payables	23.60	-	23.60
Deposit received	7.87	44.43	52.30
Others	16.04	-	16.04
	118.22	**320.55**	**438.77**

31.5 Fair value instruments

₹ Crores

Financial Assets	Carrying Value		Fair Value		
	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	Fair Value hierarchy
FVTPL					
Investments (Refer note 31.5.a)	0.01	0.01	0.01	0.01	Level 3
Amortised cost					
Investments	681.80	618.12	-	-	
Loans	356.22	308.78	-	-	
Trade receivables	2.72	34.01	-	-	
Cash and cash equivalent	6.70	23.93	-	-	
Other bank balances	0.06	0.06	-	-	
Other financial assets	481.22	157.26	-	-	
Total	**1,528.73**	**1,142.17**	**0.01**	**0.01**	

Financial Liabilities	As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	Fair Value hierarchy
Amortised cost					
Borrowings (including interest payable)	291.88	297.65	-	-	
Lease liabilities	4.82	49.18	-	-	
Trade payable	8.07	23.60	-	-	
Deposits received	7.87	52.30	-	-	
Other financial liabilities	2.25	16.04	-	-	
Total	**314.89**	**438.77**	**-**	**-**	

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, 2022	As at March 31, 2021	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 01, 2014
(b) Total number of options approved under ESOP	1,79,32,738
(c) Vesting requirements	Out of the total options granted, 45.88% options vest after 1st year, 45.88% options vest after 2nd year and 8.24% options vest after 3rd year from the date of respective grant.
(d) Exercise price or pricing formula	₹ 52
(e) Maximum term of options granted	5 years from each vesting date
(f) Source of shares (primary, secondary or combination)	Primary
(g) Variation in terms of options	Modified exercise period from 2 to 5 years (Refer note (c) below)

B. The weighted average fair value of the share option granted during the financial year 2016-17 is ₹ 32.26/-. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 2 – 4 years.

Inputs into the model were as follows:

(a) Grant date share price	₹ 68.35
(b) Exercise price	₹ 52.00
(c) Expected volatility	49.67% – 46.62%
(d) Expected life	2 – 4 years
(e) Dividend yield	-
(f) Risk free interest rate	6.85% to 6.97%

C. The Company had extended the exercise period of all outstanding options from 2 years to 5 years in financial year 2018-19. The weighted average incremental fair value of the share options modified was ₹ 8.72/-. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 1.90 – 3.40 years.

Inputs into the model were as follows:

(a) Weighted average share price	₹ 70.80
(b) Exercise price	₹ 52.00
(c) Expected volatility	49.10% – 46.60%
(d) Expected life	1.90 – 3.40 years
(e) Dividend yield	-
(f) Risk free interest rate	7.90 % to 8.00 %

D. Reconciliation of outstanding share options:

	March 31, 2022		March 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at 01, April	1,75,62,734	52.00	1,75,62,734	52.00
Granted during the year	-	-	-	-
Forfeited / lapsed during the year	-	-	-	-
Exercised during the year	2,87,666	52.00	-	-
Outstanding at 31, March	1,72,75,068	52.00	1,75,62,734	52.00
Exercisable at 31, March	1,72,75,068	52.00	1,75,62,734	52.00

Fair value of Nil option vested during the year is ₹ Nil (March 31, 2021: Nil option was ₹ Nil)

Money realised by exercise of option during the year is ₹ 1.50 crores (March 31, 2021: ₹ Nil).

The options outstanding at March 31, 2022 have an exercise price of ₹52/- (March 31, 2021: ₹ 52/-) and a weighted average remaining contractual life of 2 year (March 31, 2021: 2 years)

Weighted average share price at the date of the exercise of share options exercised in 2021-22 is ₹ 65.55 (March 31, 2021: ₹ NIl).

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, 2022 is ₹ Nil (March 31, 2021: ₹ Nil).

33. RELATED PARTY TRANSACTIONS

a. List of parties where control exists, irrespective of transactions:

i) Subsidiary companies

De-fi Media Limited (till March 31, 2022)

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)

Jam8 Prime Focus LLP

ii) Step-down subsidiary companies

Subsidiary companies of PF World Limited (Mauritius)

PF Media Limited

PF Overseas Limited (Mauritius)

Prime Focus Media UK Limited

Prime Focus Luxembourg S.a.r.l

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

DNEG Plc (Subsidiary of Prime Focus World N.V.)

Prime Focus World N.V. (Subsidiary of Prime Focus 3D Cooperatief U.A.)

Prime Focus International Services UK Limited (Subsidiary of Prime Focus World N.V.)

DNEG North America Inc. (Subsidiary of Prime Focus World N.V.)

REDEFINE FX Limited (Subsidiary of Prime Focus World N.V.)

DNEG Bulgaria EOOD (Subsidiary of Prime Focus World N.V., w.e.f. October 14, 2021)

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

Double Negative Toronto Productions Limited (Subsidiary of Double Negative Montreal Productions Limited, w.e.f. August 06, 2021)

Prime Focus ME Holdings Limited (Subsidiary of Prime Focus World N.V.)

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

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

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

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

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

Double Negative Limited (Subsidiary of Double Negative Holdings Limited)

Double Negative Singapore Pte Limited (Subsidiary of Double Negative Holdings Limited)

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

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

Incamera Limited (Joint venture of Double Negative Holdings Limited) (w.e.f. February 10, 2021)

DNEG India Media Services Limited

Prime Focus Academy of Media & Entertainment Studies Private Limited (Subsidiary of 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 Focus Technologies PTE Limited (w.e.f. September 18, 2020)

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

Prime Focus MEAD FZ LLC (Subsidiary of Prime Focus Technologies UK Limited) (disolved during the year)

DAX PFT LLC (Subsidiary of Prime Focus Technologies, Inc., merged with Prime Focus Technologies, Inc. w.e.f. July 20, 2020)

DAX Cloud ULC (Subsidiary of Prime Focus Technologies, Inc.)

Subsidiary companies of PF Media Limited

Lowry Digital Imaging Service Inc

b. Key management personnel (KMP)

Mr. Namit Malhotra – Non Executive Director

Mr. Naresh Malhotra – Chairman and Whole-time Director

Mr. Nishant Fadia – Chief Financial Officer

Ms. Parina Shah – Company Secretary

c. Enterprises owned or significantly influenced by Key Management Personnel or their relatives and where Company had transactions during the reporting period.

Blooming Buds Coaching Private Limited

A2R Holdings (w.e.f., December 23, 2020)

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

(i) Subsidiary companies

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Revenue		
Prime Focus Technologies Limited	0.40	0.05
De-Fi Media Limited	-	0.28
Other operating income - Rent		
Jam8 Prime Focus LLP	1.63	1.25
Technical service cost		
Prime Focus Technologies Limited	-	0.01
Jam8 Prime Focus LLP	0.04	0.04
Reimbursement of expenses incurred by		
Prime Focus Technologies Limited	0.18	0.26

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Jam8 Prime Focus LLP	-	0.38
Reimbursement of expenses incurred on behalf of		
Prime Focus Technologies Limited	1.81	1.20
GVS Software Private Limited *	-	0.00
Prime Focus Production Services Private Limited *	-	0.00
De-Fi Media Limited	-	0.27
Prime Focus Motion Pictures Limited *	-	0.00
Jam8 Prime Focus LLP *	-	0.00
Management fees (Income)		
PF Overseas Limited (Mauritius)	-	0.02
Investments		
PF World Limited, (Mauritius)	67.53	59.93
Redemption of Investments (including premium on redemption)		
PF World Limited, (Mauritius)	5.58	317.95
Loans given to		
Prime Focus Technologies Limited	159.61	277.55
Prime Focus Motion Pictures Limited	1.00	-
Jam8 Prime Focus LLP	1.72	2.83
Loans repaid by (including interest, where applicable)		
Prime Focus Technologies Limited	164.38	174.42
Jam8 Prime Focus LLP	0.09	-
Receivables & payables assigned to (net)		
Prime Focus Motion Pictures Limited	10.99	-
Payables assigned to		
Prime Focus Motion Pictures Limited	6.01	-
Interest on loans given		
Prime Focus Technologies Limited	37.89	24.87
Jam8 Prime Focus LLP	0.71	0.48
Security deposit repaid		
Prime Focus Technologies Limited	-	60.00
Interest expense on Security deposit received		
Prime Focus Technologies Limited	-	5.29
Interest paid on Security deposit received		
Prime Focus Technologies Limited	-	6.08
Balance outstanding		
Trade receivables		
Prime Focus Technologies Limited	-	0.05
Prime Focus Motion Pictures Limited	0.32	0.32
PF Overseas Limited (Mauritius)	0.02	0.02
Jam8 Prime Focus LLP	-	0.15
Trade payables		

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Prime Focus Motion Pictures Limited	0.46	0.47
Prime Focus Technologies Limited	0.07	0.31
Jam8 Prime Focus LLP	-	0.19
Other receivable		
Prime Focus Production Services Private Limited	0.01	0.01
GVS Software Private Limited	0.02	0.02
Prime Focus Motion Pictures Limited	0.06	0.06
Prime Focus Technologies Limited	0.16	0.77
Jam8 Prime Focus LLP *	-	0.00
Unbilled revenue		
Jam8 Prime Focus LLP *	-	0.00
Prime Focus Technologies Limited	0.28	0.23
Loans receivable (including interest, where applicable)		
Prime Focus Technologies Limited	335.65	302.53
Prime Focus Motion Pictures Limited	11.99	
Jam8 Prime Focus LLP	8.58	6.25
Advance receivable		
Prime Focus Motion Pictures Limited	13.10	13.10

(ii) Step-down Subsidiaries

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Other operating income - Rent		
DNEG India Media Services Limited	13.77	13.39
Revenue		
Prime Focus International Services UK Limited	-	0.17
Reimbursement of expenses incurred by		
DNEG India Media Services Limited	0.04	0.12
Reimbursement of expenses incurred on behalf of		
DNEG India Media Services Limited	4.52	3.89
Redefine FX Limited	-	0.15
Post-production business slump sale consideration (Including adjustment for working capital)		
DNEG India Media Services Limited	379.49	-
Receipt towards VFX division slump sale consideration		
DNEG India Media Services Limited	44.50	-
Sale / redemption of investments		
PF Overseas Limited (Mauritius) *	-	0.00
Security deposit received		
DNEG India Media Services Limited	-	193.55
Security deposit repaid		

₹ Crores

	As at March 31, 2022	As at March 31, 2021
DNEG India Media Services Limited	44.43	178.15
Balance outstanding		
Trade receivables		
DNEG India Media Services Limited	2.69	4.38
Trade Payables		
DNEG India Media Services Limited	-	0.03
Other receivable (including receivable towards sale of business / investment)		
DNEG India Media Services Limited	474.34	139.69
Unbilled revenue		
DNEG India Media Services Limited	0.65	1.37
Security deposit payable		
DNEG India Media Services Limited	7.87	52.30

(iii) Key Management Personnel #

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Remuneration		
Mr. Naresh Malhotra**	1.18	0.89
Mr. Nishant Fadia	0.59	0.44
Ms. Parina Shah	0.28	0.21
Balance Outstanding – Remuneration Payable		
Mr. Naresh Malhotra**	0.07	0.12
Mr. Nishant Fadia	0.04	0.06
Ms. Parina Shah	0.03	0.03

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

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Interest expense on lease liability		
Blooming Bud Coaching Private Limited	1.94	2.21
Deposit assigned to DNEG India Media Services Limited		
Blooming Bud Coaching Private Limited	5.30	-
Lease liability assigned to DNEG India Media Services Limited		
Blooming Bud Coaching Private Limited	15.42	-
Balance outstanding		
Deposit		
Blooming Buds Coaching Private Limited	-	5.30
Lease liability		
Blooming Buds Coaching Private Limited	-	18.03

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

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Prime Focus Technologies Limited	39.00	39.00
DNEG India Media Services Limited	134.00	134.00
De-Fi Media Limited (March 31, 2021; $ 14,500,000)	-	106.18
	173.00	**279.18**

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

** The promoters has given personal guarantee and has pledged part of his shareholdings for borrowings taken 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, 2022 is 27,70,000 (March 31, 2021: 27,70,000) and employee stock option expense for the year March 31, 2022 is ₹ Nil (March 31, 2021: ₹ Nil crores).

34. Effective March 31, 2022, pursuant to shareholders approval, the Company sold the business of all post-production related services that is undertaken by the Company through its divisions which carries out this business, but excluding the business of services/rental of shooting floors as referred in the Business Transfer Agreement executed by the Company, as a going concern, by way of a slump sale to DNEG India Media Services Limited, an indirect subsidiary of the Company, for a lump sum consideration of ₹ 365.00 crore, adjusted for working capital adjustments and indebtedness, resulting into gain of ₹ 250.20 crore, recorded as an exceptional item.

35. During the year, the Company received an approval for the Scheme of Amalgamation of PF Digital Media Services Limited (PF Digital) with Prime Focus Limited (PFL) from National Company Law Tribunal, Mumbai pursuant to Sections 230-232 and other relevant provisions of the Companies Act, 2013. Consequently, PF Digital is merged with PFL from the Appointed date i.e. 1st April, 2021. As per Ind AS 103 (Appendix C), "Business Combinations of entities under common control", the financial information in the financial statements in respect of prior periods have been restated as if the business combination had occurred from the beginning of the first year presented i.e. April 1, 2020, accordingly prior periods presented are restated to give this effect.

36. LEASES

a. Maturity profile of lease liabilities

₹ Crores

	As at March 31, 2022		
	Carrying Amount	Interest	Undiscounted Cash flow
within one year	4.13	0.37	4.50
later than one year and not later than five years	0.69	0.04	0.73
later than five years	-	-	-
	4.82	**0.41**	**5.23**

₹ Crores

	As at March 31, 2021		
	Carrying Amount	Interest	Undiscounted Cash flow
within one year	16.02	5.56	21.58
later than one year and not later than five years	33.16	6.04	39.20
later than five years	-	-	-
	49.18	**11.60**	**60.78**

37. CAPITAL AND OTHER COMMITMENTS

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances), and not provided for:	-	5.53

38. CONTINGENT LIABILITIES

₹ Crores

		As at March 31, 2022	As at March 31, 2021
I.	**Octroi duty:** Raised by The Municipal Corporation of Greater Mumbai for non-payment of octroi on certain equipments during 2017-18 and the matter is pending with Metropolitan Magistrate 42nd Court.	1.74	1.74
II.	Guarantees given on behalf of subsidiaries and step-down subsidiaries	173.00	279.18

Note :

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

39. ADDITIONAL REGULATORY INFORMATIONS:

i. Key financial ratios

Ratios	As at March 31, 2022	As at March 31, 2021	Variation	Reason for variation
Current ratio	5.45	2.74	98.87	Note-1
Debt-Equity ratio	0.15	0.19	(24.52)	
Debt service coverage ratio	1.71	0.68	153.70	Note-2
Return on equity ratio	0.20	0.02	875.81	Note-3
Debtors (trade receivable) turnover ratio	6.58	1.94	239.13	Note-4
Trade payables turnover ratio	2.61	1.44	81.30	Note-4
Net capital turnover ratio	0.21	0.23	(6.89)	
Net profit ratio	2.40	0.35	595.86	Note-3
Return on capital employed	0.04	0.06	(29.18)	
Return on investment	0.18	0.02	794.84	Note-3

Reaosn for variation:

1) Current ratio: Increase due to increase in current assets mainly on account of receivable toward sale of business (Refer note 34).

2) Debt service coverage ratio: Improved due to lower repayments of long term borrowings as compared to previous year.

3) Return on equity/ investments and net profit ratio: Increase due to exceptional gain during the year (Refer note 27).

4) Debtors and trade payable turnover ratio has increase due to sale of business (Refer note 34).

Formula for computation of aforesaid ratios

1) Current ratio: Current asset / Current liability

2) Debt equity ratio: Total debt / Total equity

3) Debt service coverage ratio: Earning before interest, depreciation and tax / Interest + principal repayment of long term borrowings and Leases

4) Return on equity/ investments: Profit after Tax/ Average equity

5) Debtors (trade receivable) turnover ratio: Revenue from operations / Average account receivable

6) Trade payables turnover ratio: Total expenses excluding employee cost, interest and depeciation / Average trade payables

7) Net capital turnover ratio: Revenue from operations / Average working capital

8) Net profit ratio: Profit after tax/ Revenue from operations

9) Return on capital employed: Net profit before interest and tax / Capital Employed (Shareholders Fund + long term borrowings)

10) Return on investment: Profit after tax / Total equity

ii. Other informations:-

a. The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b. The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

c. The Company has transactions with other companies that are struck off under Section 248 of the Company's Act, 2013 or Section 560 of the Company's Act, 1956.

₹ Crores

Name of the Company	Nature of transactions with struck-off company	As at March 31, 2022	As at March 31, 2021
Razorblade Pictures Private Limited	Revenue	0.04	-

d. The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

e. There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

f. The Company has not traded or invested in crypto currency or virtual currency during the year.

g. Utilisation of borrowed funds and share premium :

(i). The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or

- Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(ii). The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

h. The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

40. 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 2021-22 (previous year ₹ Nil).

41. SEGMENT REPORTING

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

42. GLOBAL HEALTH PANDEMIC ON COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is caused 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, 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 standalone financial statements.

43. EVENT AFTER REPORTING PERIOD

There were no events after the reporting period requiring adjustments or disclosures in these standalone financial statements.

44. APPROVAL OF FINANCIAL STATEMENTS

The standalone financial statements were approved for issue by the Board of Directors on May 27, 2022.

In terms of our report attached.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
(Partner)

Place : Panaji, Goa
Date : May 27, 2022

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 : May 27, 2022

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, 2022, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2022, and their consolidated loss, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1	**Revenue recognition in respect of fixed price contracts (including variable considerations)** (Note 3.1.1 to the Financial Statements). Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has an inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining performance obligations.	**Principal audit procedure performed:** This matter relates to a significant component which has been audited by another auditor. As Parent auditor, procedures performed included reviewing the deliverables provided by the component auditor and engaging in discussions with them to understand the procedures performed by that auditor. We have reviewed the working papers of the component auditors and sought information and explanations from the component auditors, as considered, necessary. Emanating therefrom, their audit approach was a combination of test of internal controls and substantive procedures which included the following: • Evaluation of the design of controls relating to recording of efforts incurred and estimation of efforts required to complete the (balance) performance obligations. • Performing test of details for reasonableness of incurred and estimated efforts. • Selecting a sample of contracts and performing a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract.

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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.

If, based on the work we have performed, we conclude that three 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 respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

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

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

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

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

we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

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

Other Matter

We did not audit the financial statements of 41 subsidiaries, whose financial statements reflect total assets of Rs.6,321.32 crore as at March 31, 2022, total revenues of Rs.2,765.04 crore, total net (loss) after tax of Rs.15.56 crore, total comprehensive loss of Rs.16.51 crore and net cash outflows of Rs.98.50 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries / entities referred to in the Other Matter section above we report, to the extent applicable that:

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

   b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

   c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.

   d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.

   e) On the basis of the written representations received from the directors of the Parent as on March 31, 2022 taken on record by the Board of Directors of the Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent, subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.

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

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

      i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.

      ii) the Group did not have any material foreseeable losses on long-term contracts including derivative contracts.

iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, and its subsidiary companies incorporated in India.

iv) (a) The respective management of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any such subsidiaries or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The respective management of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been received by the Parent or any such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v) The Parent and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, has not declared or paid any dividend during the year and has not proposed final dividend for the year.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by the auditors of the subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, provided to us by the Management of the Company and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report except for the following:

a)

Name of the Company	CIN	Nature of relationship	Clause number of CARO report with qualification/ adverse remark
Prime Focus Technologies Limited	U72200MH2008PLC179850	Subsidiary	(ix)(d)- On an overall examination of the financial statements of the Company, the funds raised on short term basis aggregating ₹ 31.29 Crores have been used for long-term purposes.

b) In respect of the following companies included in the consolidated financial statements of the Company, whose audits under section 143 of the Act has not yet been completed, the CARO report as applicable in respect of those entities are not available and consequently have not been provided to us as on the date of this audit report:

Name of the company	CIN	Nature of relationship
DNEG India Media Services Limited	U70100MH2006PLC160748	Subsidiary company

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 22103999AJTUHY4421

Panaji, Goa, May 27, 2022

Annexure "A" to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

Report on the Internal Financial Controls Over Financial Reporting under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

In conjunction with our audit of the consolidated Ind AS financial statements of the Company as of and for the year ended March 31, 2022, we have audited the internal financial controls over financial reporting of Prime Focus Limited (hereinafter referred to as "the "Parent") and its subsidiary companies, which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Parent, its subsidiary companies, which are companies incorporated in India.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the criteria for internal financial control over financial reporting established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 6 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells Chartered Accountants LLP**
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
Partner
(Membership No. 103999)
UDIN: 22103999AJTUHY4421

Panaji, Goa, May 27, 2022

Consolidated Balance Sheet as at March 31, 2022

₹ Crores

	Notes	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
Property, plant and equipment	4	372.78	394.67
Capital work-in-progress	7 a	10.80	17.19
Goodwill	8	1,101.63	1,073.90
Other intangible assets	5	481.27	512.53
Right to use assets	6	939.65	991.48
Intangible assets under development	7 b	17.13	12.54
Financial assets			
Investments	9	0.26	0.26
Trade receivable	10	-	1.60
Other financial assets	11	744.80	321.25
Deferred tax assets (net)	35 d	79.07	118.04
Income tax asset (net)		73.13	110.41
Other non-current assets	12	45.72	37.29
Total non-current assets		**3,866.24**	**3,591.16**
Current assets			
Inventories	13	-	0.74
Financial assets			
Trade receivables	14	450.74	220.76
Cash and cash equivalents	15 a	237.46	366.70
Bank balance other than (ii) above	15 b	1.84	11.49
Other financial assets	16	875.41	974.25
Income tax asset (net)		0.12	0.12
Other current assets	17	246.14	198.43
Total current assets		**1,811.71**	**1,772.49**
Total assets		**5,677.95**	**5,363.65**
EQUITY AND LIABILITIES			
Equity			
Equity share capital	18	29.95	29.92
Other equity	19	84.35	236.61
Equity attributable to owners of the Company		**114.30**	**266.53**
Non-controlling interests		77.43	79.95
Total equity		**191.73**	**346.48**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	20	1,034.83	695.47
Lease liabilities	43	803.90	864.02
Other financial liabilities	21	194.99	139.55
Provisions	22	31.61	29.46
Deferred tax liabilities (net)	35 d	39.72	34.23
Other non-current liabilities	23	0.45	0.50
Total non-current liabilities		**2,105.50**	**1,763.23**

₹ Crores

	Notes	As at March 31, 2022	As at March 31, 2021
Current liabilities			
Financial liabilities			
Borrowings	24	2,026.55	2,083.33
Lease liabilities	43	237.01	261.40
Trade payables			
total outstanding dues of micro enterprises and small enterprises	25	0.10	-
total outstanding dues of creditors other than micro enterprises and small enterprises	25	226.60	201.95
Other financial liabilities	26	413.90	305.88
Provisions	27	68.51	58.68
Current tax liabilities (net)		49.56	30.31
Other current liabilities	28	358.49	312.39
Total current liabilities		**3,380.72**	**3,253.94**
Total liabilities		**5,486.22**	**5,017.17**
Total equity and liabilities		**5,677.95**	**5,363.65**
See accompanying notes to the consolidated financial statements 1-50			

In terms of our report attached.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
(Partner)

Place : Panaji, Goa
Date : May 27, 2022

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 : May 27, 2022

Consolidated Statement of Profit and Loss for the year ended March 31, 2022

₹ Crores

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Income			
Revenue from operations	29	3,385.91	2,536.49
Other income	30	44.74	17.14
Exchange gain (net)		47.11	56.65
Total Income		**3,477.76**	**2,610.28**
Expenses			
Employee benefits expense	31	2,029.78	1,467.70
Employee stock option expense		17.60	30.08
Technician fees		65.67	35.70
Technical service cost		141.65	77.59
Finance costs	32	373.34	251.02
Depreciation and amortisation expense	4, 5 & 6	416.83	421.96
Other expense	33	334.64	342.20
Total expenses		**3,379.51**	**2,626.25**
Profit / (Loss) before exceptional item and tax		**98.25**	**(15.97)**
Exceptional items - loss (net of tax)	34	180.52	22.61
(Loss) before tax		**(82.27)**	**(38.58)**
Tax expense	35		
Current tax		52.52	25.24
Deferred tax expense / (credit)		39.10	(7.68)
		91.62	**17.56**
(Loss) for the year		**(173.89)**	**(56.14)**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Re-measurements of defined benefit obligation		(1.16)	1.66
(ii) Income tax relating to items that will not be reclassified to profit or loss		(0.08)	(0.38)
B (i) Items that will be reclassified to the profit or loss			
Exchange difference in translating the financial statements of foreign operations		3.68	(106.50)
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total other comprehensive income / (loss)		**2.44**	**(105.22)**
Total comprehensive (loss) for the year		**(171.45)**	**(161.36)**

₹ Crores

	Notes	Year ended March 31, 2022	Year ended March 31, 2021
Loss attributable to			
Owners of the Company		(171.57)	(43.40)
Non-controlling interests / (recoveries)		(2.32)	(12.74)
Other comprehensive income attributable to			
Owners of the Company		2.64	(102.30)
Non-controlling interests / (recoveries)		(0.20)	(2.92)
Total comprehensive income attributable to			
Owners of the Company		(168.93)	(145.70)
Non-controlling interests / (recoveries)		(2.52)	(15.66)
Earnings per equity share of face value of ₹ 1 each	37		
Before exceptional items (net of tax)			
Basic & diluted (in ₹)		0.22	(1.12)
After exceptional items (net of tax)			
Basic & diluted (in ₹)		(5.81)	(1.87)
See accompanying notes to the consolidated financial statements 1-50			

In terms of our report attached.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
(Partner)

Place : Panaji, Goa
Date : May 27, 2022

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 : May 27, 2022

Consolidated Statement of Changes in Equity for the year ended March 31, 2022

A. Equity share

₹ Crores

	Amount
Balance as at April 01, 2020	29.92
Issue of equity shares under employee stock option plan	-
Balance as at March 31, 2021	**29.92**
Issue of equity shares under employee stock option plan (refer note 41)*	0.03
Balance as at March 31, 2022	**29.95**

* Issued, Subscribed and Paid up as at March 31, 2022 is amounting to ₹ 29,95,36,644 (March 31, 2021 ₹ 29,92,48,978) after addition of ₹ 2,87,666, during the year.

B. Other equity

₹ Crores

	Reserves and Surplus							Attributable to non-controlling interests	Total
	Reserves and Surplus					Other Comprehensive Income	Total attributable to owners of the company		
	Capital reserve	General reserve	Securities premium	Share options outstanding account	Retained earnings	Foreign currency translation reserve			
Balance as at April 01, 2020	134.27	79.80	916.94	235.37	(829.79)	(174.09)	362.50	84.06	446.56
Transferred to/from	-	-	-	(3.44)	3.44	-	-	-	-
Loss for the year	-	-	-	-	(43.40)	-	(43.40)	(12.74)	(56.14)
Other comprehensive income for the year (net of tax)	-	-	-	-	1.21	(103.51)	(102.30)	(2.92)	(105.22)
Contribution of minority interest on formation of JV	-	-	-	-	-	-	-	11.55	11.55
Stock compensation expense (Refer note 41)	-	-	-	19.81	-	-	19.81	-	19.81
Balance as at March 31, 2021	134.27	79.80	916.94	251.74	(868.54)	(277.60)	236.61	79.95	316.56
Exercise of stock options	-	-	1.47	-	-	-	1.47	-	1.47
Transferred to/from	-	-	-	(1.18)	1.18	-	-	-	-
Loss for the year	-	-	-	-	(171.57)	-	(171.57)	(2.32)	(173.89)
Other comprehensive income for the year (net of tax)	-	-	-	-	(1.22)	3.86	2.64	(0.20)	2.44
Stock compensation expense (Refer note 41)	-	-	-	15.20	-	-	15.20	-	15.20
Balance as at March 31, 2022	134.27	79.80	918.41	265.76	(1,040.15)	(273.74)	84.35	77.43	161.78

See accompanying notes to the consolidated financial statements 1-50

In terms of our report attached.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W/W100739)

Varsha A. Fadte
(Partner)

Place : Panaji, Goa
Date : May 27, 2022

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 : May 27, 2022

Consolidated Cash Flow Statement for the year ended March 31, 2022

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from operating activities		
Loss before tax	(82.27)	(38.58)
Adjusted for:		
Depreciation and amortisation expense	416.83	421.96
Net loss on sale or discard of property, plant and equipment	(0.80)	5.71
Net loss on sale or investment	-	4.28
Unrealised foreign exchange (gain) (net)	(13.21)	(23.14)
Bad debts / advances written off	10.32	28.50
Provision / (Write back) for doubtful debts/ advances (net)	36.60	(7.17)
Government incentives not recoverable (Refer note 34)	26.92	-
Loss on sale of investment in subsidiary (Refer note 34)	153.60	-
Employee stock option expense	17.60	30.08
Sundry credit balance written back	(26.07)	(2.45)
Interest income	(7.38)	(6.04)
Finance costs	373.34	251.02
Operating profit before working capital changes	**905.48**	**664.17**
Changes in working capital :		
Decrease / (Increase) in inventories	0.74	(0.74)
(Increase) / decrease in trade and other receivables	(246.70)	339.38
(Increase) in other non-current assets & non-current financial assets	(530.87)	(376.47)
(Increase) in other current assets & current financial assets	(34.04)	(170.87)
Increase in trade and other payables	29.11	7.56
Increase in provisions	11.97	3.33
Increase / (decrease) in other current liabilities & current financial liabilities	42.29	(92.69)
(Decrease) in other non-current liabilities & non-current financial liabilities	(3.95)	(14.73)
Cash generated from operations	**174.03**	**358.94**
Direct taxes paid (net)	9.24	(30.83)
Net cash generated from operating activities (A)	**183.27**	**328.11**

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Cash flow from investing activities		
Purchase / development of Property, Plant and Equipment and other intangible assets (including capital work in progress)	(85.10)	(108.43)
Proceeds from sale of Property, Plant and Equipment and other intangible assets	1.28	11.79
Payment of deferred consideration	(5.84)	-
Decrease / (Increase) in margin money and fixed deposits under lien	9.65	(7.19)
Interest received	0.29	0.22
Net cash (used in) investing activities (B)	(79.72)	(103.61)
Cash flow from financing activities		
Proceeds from long term borrowings	631.23	7.45
Repayment of long term borrowings	(149.68)	(486.75)
Payment of lease liabilities	(283.12)	(153.52)
(Repayment) / Proceeds from short term borrowings (net)	(236.34)	718.88
Proceeds from issuance of shares	1.50	-
Interest payment on lease liabilities	(60.06)	(56.66)
Finance costs paid	(135.94)	(143.29)
Net Cash (used in) financing activities (C)	**(232.41)**	**(113.89)**
Net (decrease) / increase in cash and cash equivalents (A+B+C)	**(128.86)**	**110.61**
Cash and cash equivalents at the beginning of the year (refer note 15. a)	366.70	256.09
Effect of sale of subsidiary	(0.38)	-
Cash and cash equivalents at the end of the year (refer note 15. a)	**237.46**	**366.70**

₹ Crores

	Year ended March 31, 2021	Cash flow	Non Cash movement	Year ended March 31, 2022
Borrowing (Refer note 20 and 24)	695.47	481.55	(142.19)	1,034.83
Borrowing - current (Refer note 24)	2,083.33	(236.34)	179.56	2,026.55

See accompanying notes to the consolidated financial statements 1-50

In terms of our report attached.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
(Partner)

Place : Panaji, Goa
Date : May 27, 2022

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 : May 27, 2022

Consolidated Notes to the financial statements for the year ended March 31, 2022

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, 2022	As at March 31, 2021
Subsidiary companies of Prime Focus Limited				
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 Digital Media Services Limited (Merged with Prime Focus Limited)	Post Production Services	India	-	100%
De-Fi Media Limited (till March 31, 2022)	Media and other Investments	England & Wales	100%	100%
Jam8 Prime Focus LLP	Music production services	India	51%	51%
Subsidiary companies of PF World Limited				
PF Media Limited	Investments	Mauritius	100%	100%
Prime Focus Media UK Limited	Investments	England & Wales	100%	100%
PF Overseas Limited (Mauritius)	Investments	Mauritius	100%	100%
Prime Focus Luxembourg S.a.r.l	Investments	Luxembourg	100%	100%
Subsidiary company of PF Media Limited				
Lowry Digital Imaging Services Inc #	Restoration of content	USA	90%#	90%#
#10% is held by Prime Focus Limited directly				
Subsidiary company of Prime Focus Luxembourg S.a.r.l				
Prime Focus 3D Cooperatief U.A #	Investments	Netherlands	99.99%#	99.99%#
# 0.01% is held by PF Investments Limited				
Subsidiary companies of Prime Focus 3D Cooperatief U.A.				
Prime Focus World N.V. (PFWNV) #	Investments	Netherlands	87.15%	87.15%
# 6.34% of PFWNV is held by PF Overseas Limited (Mauritius)				
Subsidiary companies of Prime Focus World N.V.				
REDEFINE Fx Limited (Merged with Double Negative Montreal Production Limited)	Post Production Services	USA	-	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%

Name of subsidiaries	Principal activity	Country of incorporation	As at March 31, 2022	As at March 31, 2021
Prime Focus ME Holdings Limited	Post Production and VFX Services	British Virgin Island	100%	100%
DNEG India Media Services Limited	Post Production and VFX Services	India	100%	100%
Prime Focus China Limited	Post Production and VFX Services	British Virgin Island	70%	70%
Double Negative Holdings Limited	Investments	England & Wales	100%	100%
Double Negative Canada Productions Limited	Post Production and VFX Services	Canada	100%	100%
DNEG Bulgaria EOOD (w.e.f. from October 14, 2021)	Post Production and VFX Services	Bulgaria	100%	-
DNEG Plc	Investments	England & Wales	100%	100%
Double Negative Montreal Production Limited	Post Production and VFX Services	Montreal	100%	100%
Subsidiary companies of Double Negative Montreal Productions Limited				
Double Negative Toronto Productions Limited (w.e.f. August 06, 2021)	Post Production and VFX Services	Canada	100%	-
Subsidiary companies of Double Negative Holdings Limited				
Double Negative Singapore Pte Limited	Post Production and VFX Services	Singapore	100%	100%
Double Negative Films Limited	Dormant	England & Wales	100%	100%
Double Negative LA LLC	Post Production and VFX Services	USA	100%	100%
Incamera Limited	Post Production and VFX Services	England & Wales	50%	50%
Double Negative Limited *	Post Production and VFX Services	England & Wales	74.3 %	74.3 %
* 25.7 % is held by Double Negative Films Limited				
Subsidiary companies of Double Negative Canada Productions Limited				
Double Negative Huntsman VFX Limited	Post Production and VFX Services	Canada	100%	100%
Vegas II VFX Limited	Post Production and VFX Services	Canada	100%	100%
Subsidiary companies of DNEG India Media Services Limited.				
Prime Focus Academy of Media and Entertainment Studies Private Limited	Training Institute	India	100%	100%
Subsidiary companies of Prime Focus Technologies Limited				
Prime Focus Technologies PTE Limited.	Technology and Software Services	England & Wales	100%	100%
Prime Focus Technologies UK Limited	Digital Asset Management	England & Wales	100%	100%
Prime Focus Technologies Inc.	Post Production Services	USA	100%	100%
Apptarix Mobility Solutions Private Limited	Technology and Software Services	India	100%	100%
Subsidiary company of Prime Focus Technologies Inc.				
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%

2. Significant accounting policies

2.1 Basis of preparation and presentation

The consolidated financial statements have been prepared in accordance with the Indian Accounting Standards (herein after referred to as 'IND AS') including the Rules notified under the relevant provisions of Companies Act, 2013.

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IND AS 102, leasing transactions that are within the scope of IND AS 116, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in IND AS 2 or value in use in IND AS 36.

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

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

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

Group's financial statements are presented in Indian Rupees (₹) which is functional currency of the Company.

2.2 Use of Estimates

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

2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its investment with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls, an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give its power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year/ period are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if the results in the non-controlling interests have a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair-value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received an the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified / permitted by applicable IND AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IND AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

2.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquire and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IND AS 12 Income Taxes and IND AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IND AS 102 Share-based Payment at the acquisition date (Refer Note 2.12); and
- assets (or disposal groups) that are classified as held for sale in accordance with IND AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that IND AS requires for the purpose of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at the fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IND AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that we do not qualify as measurement period adjustment depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income and reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

2.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (Refer Note 2.4) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

2.6 Revenue recognition

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

2.6.1 Rendering of services

The Group provides a variety of post-production services including digital intermediate, visual special effects (VFX), two dimensions to three-dimension (2D to 3D) conversion and other technical services to its clients in the film, broadcast and commercial sectors.

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

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

2.6.2 Contracts with contingent revenue terms

Some customer contracts for the provision of services are structured so that the economic benefits that flow to the Group are contingent on a future event, such as the performance of the film at the box office. In such cases, the Group estimates the transaction price at contract inception, including any variable consideration, and updates the estimate each reporting date for any changes in circumstances. The Group estimates the amount of variable consideration using the expected value method and determines the portion, if any, of that amount for which it is highly probable that a significant reversal will not subsequently occur. When the determination to recognise revenue is reached, the Group calculates revenue in accordance with the fixed price contract policy.

2.6.3 Dividend and interest income

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

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

2.6.4 Tax credits

The Group's operations based in British Colombia (BC), United Kingdom and Canada are eligible to earn tax credits on labour and related costs for the work performed. The Group's operations based in India are eligible to earn custom duty credits on realisation of export proceeds. These credits are not recognised until there is reasonable assurance that the Group will comply with the local compliance regulations attaching to them and that the credits will be received.

Tax credits are recognised in Statement of Profit or Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs which the credits are intended to compensate.

2.7 Leasing

The Group as a lessee

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

- control the use of an identified asset,
- obtain substantially all the economic benefits from use of the identified asset, and
- direct the use of the identified asset

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

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

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

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

The Group applies IND AS 36 to determine whether an RTU asset is impaired and accounts for any identified impairment loss (Refer Note 2.17).

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

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

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

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

2.8 Foreign currencies

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

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

- exchange differences on foreign currency borrowings relating to assets under construction for further productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates for the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisitions of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

2.9 Borrowing costs

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

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

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

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

2.10 Government grants

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

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

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

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

2.11 Employee benefits

a. Retirement benefit costs and termination benefits

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

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

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

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

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

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

b. Short-term and other long-term employee benefits

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

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

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

2.12 Share-based payment arrangements

a. Share-based payment transactions of the Group

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year. Details regarding the determination of the fair value of share-based transactions are set out in note 41.

2.13 Taxation

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

- **Current tax**

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

- **Deferred tax**

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

  During the previous year, some of the subsidiaries incorporated in India have moved to the lower tax regime under section 115BAA of the Income Tax Act, 1961. Hence, MAT asset is no longer recognised.

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

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

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

- **Current and deferred tax for the year**

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

2.14 Non-current assets held for sale

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

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

2.15 Property, plant and equipment (PPE) and depreciation

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

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

Depreciation on tangible assets of the Company and it's subsidiaries is provided using the straight line method (SLM) as per useful lives which are similar to the useful life prescribed under Schedule II of the Companies Act, 2013.

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

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

2.16 Intangible assets and amortisation

Intangible assets are stated at cost less accumulated amortisation and impairment loss, if any. Intangible assets are amortised on a straight-line basis over the estimated useful economic lives.

The group amortised intangible assets pertaining to the 2D to 3D conversion business over 20 years as the Group believes the benefits from the intangible asset will accrue over 20 years.

- **Film rights**

  The Group amortises film costs using the individual film forecast method. Under the individual film forecast method, such costs are amortized for each film in the ratio that current year revenue for such films bears to management's estimate of remaining unrecognised ultimate revenue as at the beginning of the financial year. Management regularly reviews and revises, where necessary, its total estimates on a film by film basis, which may result in a change in the rate of amortization and/or a write down of the intangible asset to fair value. The period of amortization only starts at the point at which the asset starts to produce economic returns.

- **First look rights**

  Upon commencement of work on each movie over the period of performance of the contract with respect to each movie

- **Software**

  Software is amortised on straight line basis over the estimated useful life of upto 8 years.

- **Intangible assets acquired separately**

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

- **Internally-generated intangible assets – research and development expenditure**

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

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

  a. the technical feasibility of completing the intangible asset so that it will be available for use or sale;

  b. the intention to complete the intangible asset and use it or sell it;

  c. the ability to use or sell the intangible asset;

  d. how the intangible asset will generate probable future economic benefits;

  e. the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

  f. the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

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

- **Intangible assets acquired in a business combination**

  Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

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

  Finite-lived intangible assets that were acquired in a business combination, such as trade names, customer relationships and developed technology are amortised on a straight-line basis over their estimated useful life as follows:

Trade names	-	Upto 8 years
Non-compete	-	Over the contractual period (5 years)
Customer relationships and contracts	-	Upto 8 years
Software	-	Upto 8 years

  The period of amortisation only starts at the point at which the asset becomes available to produce economic returns.

  Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

  Brands- Indefinite life

- **De recognition of intangible assets**

  An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is de-recognised.

2.17 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest of the cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

2.18 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are determined on a first-in-first out basis. Net realisable value represents the estimated selling price for inventories less all estimated costs for completion and costs necessary to make the sale.

2.19 Provisions and Contingencies

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

i. Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

ii. Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring, are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

iii. Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IND AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with IND AS 115 Revenue.

2.20 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

2.21 Financial assets

All regular way purchases of sales of financial assets are recognised or de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

i. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost (Refer Note 2.21.v)

Debt instruments that meets the following conditions are measured at fair value through other comprehensive income (except for debt instruments that are designed as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Profit or Loss for Fair Value Through Other Comprehensive Income (FVTOCI) debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI (Refer Note 2.21.v).

All other financial assets are subsequently measured at fair value.

ii. Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Interest income is recognised in profit or loss and is included in the "Other income" line item.

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

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

Dividends on these investments in equity instruments are recognised in profit or loss when the Group has right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

iv. Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (Refer Note 2.22.4).

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 Group has not designated any debt instruments at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

v. Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses that represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IND AS 11 and IND AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under IND AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

vi. De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of financial asset other than its entirety (e.g. when the Group retains an option to repurchase part of the transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or losses if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised in other comprehensive income and the part that is no longer recognised on the basis of the relative fair value of those parts.

vii. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the 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.

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

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

2.22.4.2 Financial liabilities subsequently measured at amortised cost

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

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

2.22.4.3 Financial guarantee contracts

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

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

- The amount of loss allowance determined in accordance with impairment requirements of IND AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IND AS 115.

2.22.4.4 Commitments to provide a loan at below-market interest rate

Commitments to provide a loan at below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of IND AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IND AS 115.

2.22.4.5 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

2.22.4.6 De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Groups obligations are discharged, cancelled or have expired. An exchange 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 intends, 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 is presented under borrowings within short-term borrowings.

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 Earnings per share

The parent Company presents basic and diluted earnings per share ("EPS") data for it's equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the parent Company by weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effect of all dilutive potential ordinary shares, which includes all stock options granted to employees.

2.28 Exceptional items

Exceptional items refer to items of income or expenses within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their disclosure is considered necessary to explain the performance of the Group.

2.29 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.

2.30 New accounting standards :

2.30.1 New Accounting standards not yet adopted by the Company:

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 23, 2022, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2022, applicable from April 01, 2022, as below:

i. Ind AS 103 – Reference to Conceptual Framework

The amendments specify that to qualify for recognition as part of applying the acquisition method, the identifiable assets acquired and liabilities assumed must meet the definitions of assets and liabilities in the Conceptual Framework for Financial Reporting under Indian Accounting Standards (Conceptual Framework) issued by the Institute of Chartered Accountants of India at the acquisition date. These changes do not significantly change the requirements of Ind AS 103.

ii. Ind AS 16 – Proceeds before intended use

The amendments mainly prohibit an entity from deducting from the cost of property, plant and equipment amounts received from selling items produced while the entity is preparing the asset for its intended use. Instead, an entity will recognise such sales proceeds and related cost in profit or loss.

iii. Ind AS 37 – Onerous Contracts - Costs of Fulfilling a Contract

The amendments specify that that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other costs that relate directly to fulfilling contracts.

iv. Ind AS 109 – Annual Improvements to Ind AS (2021)

The amendment clarifies which fees an entity includes when it applies the '10 percent' test of Ind AS 109 in assessing whether to derecognise a financial liability.

v. Ind AS 116 – Annual Improvements to Ind AS (2021)

The amendments remove the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives were described in that illustration.

The Group is assessing the impact of these changes and will accordingly incorporate the same in the financial statements for the year ending March 2023.

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 Revenue recognition

The Group derives its revenues from fixed price VFX and 2D to 3D content conversion contracts. The revenue recognised on these contracts is dependent on the estimated percentage of completion at a point in time, which is calculated on the basis of the man days of work performed as a percentage of the estimated total man days to complete a contract. The actual man days and estimated man days to complete a contract are updated on a monthly basis.

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

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

The Group enters into contracts wherein the economic benefits that flow are contingent on a future event, such as performance of the film at box office. According to IND AS 115, variable consideration is estimated at contract inception and subsequently updated each reporting date. Variable consideration is only included in the transaction price if it is considered probable that a significant revenue reversal will not occur. Variable consideration is estimated based on available market information, production house involved, feature film is new or sequel, and customers correspondence.

3.2 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.

3.3 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, 2022 regarding recoverability of its internally generated intangible assets.

3.4 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.

3.5 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.

3.6 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.

3.7 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.

3.8 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.

3.9 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.

3.10 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.

Notes forming part of the consolidated financial statements

for the year ended March 31, 2022

4. Property, plant and equipment

₹ Crores

	Buildings	Plant and equipment	Furniture and fixtures	Leasehold Improvements	Office equipments	Vehicles	Total
Gross block							
As at April 01, 2020	132.31	731.49	62.97	211.35	116.64	1.94	**1,256.70**
Additions	-	44.36	2.41	26.41	2.32	-	**75.50**
Transfer from right to use on completion of lease term	-	17.68	-	-	-	0.74	**18.42**
Deductions / disposal	-	(24.66)	(1.23)	(22.02)	(0.59)	(0.67)	**(49.17)**
Exchange differences	-	25.71	1.81	20.81	2.63	0.05	**51.01**
As at March 31, 2021	**132.31**	**794.58**	**65.96**	**236.55**	**121.00**	**2.06**	**1,352.46**
Depreciation							
As at April 01, 2020	11.62	500.62	42.92	185.77	90.35	0.81	**832.09**
For the year	2.34	67.07	7.46	15.60	7.01	0.27	**99.75**
Transfer from right to use on completion of lease term	-	15.46	-	-	-	0.36	**15.82**
Deductions / disposal	-	(5.95)	(0.47)	(21.98)	(0.24)	(0.17)	**(28.81)**
Exchange differences	-	13.49	0.86	22.04	2.46	0.08	**38.93**
As at March 31, 2021	**13.96**	**590.69**	**50.77**	**201.43**	**99.58**	**1.35**	**957.78**
Net block							
As at March 31, 2021	**118.35**	**203.89**	**15.19**	**35.11**	**21.42**	**0.71**	**394.68**

₹ Crores

	Buildings	Plant and equipment	Furniture and fixtures	Leasehold Improvements	Office equipments	Vehicles	Total
Gross block							
As at April 01, 2021	132.31	794.58	65.96	236.55	121.00	2.06	**1,352.46**
Additions	-	52.58	0.75	4.54	3.35	0.06	**61.28**
Transfer from right to use on completion of lease term	-	74.30	-	-	-	-	**74.30**
Deductions / disposal	-	(2.13)	(0.20)	(0.37)	(0.51)	(0.54)	**(3.75)**
Sale of subsidiary (Refer note 34)	-	(42.99)	-	-	-	-	**(42.99)**
Exchange differences	-	19.33	(6.24)	(1.00)	(14.62)	0.01	**(2.52)**
As at March 31, 2022	**132.31**	**895.67**	**60.27**	**239.72**	**109.22**	**1.59**	**1,438.78**
Depreciation							
As at April 01, 2021	13.96	590.69	50.77	201.43	99.58	1.35	**957.78**
For the year	2.34	61.03	4.53	9.68	6.24	0.17	**83.99**
Transfer from right to use on completion of lease term	-	56.78	-	-	-	-	**56.78**
Deductions / disposal	-	(1.47)	(0.04)	(0.34)	(0.45)	(0.51)	**(2.81)**
Sale of subsidiary (Refer note 34)	-	(32.66)	-	-	-	-	**(32.66)**
Exchange differences	-	16.55	(3.40)	(1.35)	(8.87)	(0.01)	**2.92**
As at March 31, 2022	**16.30**	**690.92**	**51.86**	**209.42**	**96.50**	**1.00**	**1,066.00**
Net block							
As at March 31, 2022	**116.01**	**204.75**	**8.41**	**30.30**	**12.73**	**0.59**	**372.78**

Refer note 20 and 24 regarding details of borrowings where assets have been placed as security.

5. Other Intangible assets

₹ Crores

	Film / First look rights	Customer relationship and contracts	Trade names, Brand and Non-compete	Software	Total
Gross block					
As at April 01, 2020	10.10	23.64	6.95	1,092.21	**1,132.90**
Additions	-	-	-	123.82	**123.82**
Transfer from right to use on completion of lease term	-	-	-	1.19	**1.19**
Exchange differences	(0.09)	0.44	0.10	30.55	**31.00**
As at March 31, 2021	**10.01**	**24.08**	**7.05**	**1,247.77**	**1,288.91**
Depreciation					
As at April 01, 2020	10.07	23.64	6.87	601.23	**641.81**
For the year	-	-	0.08	105.89	**105.97**
Transfer from right to use on completion of lease term	-	-	-	1.00	**1.00**
Exchange differences	(0.06)	0.44	0.10	27.12	**27.60**
As at March 31, 2021	**10.01**	**24.08**	**7.05**	**735.24**	**776.38**
Net block					
As at March 31, 2021	**-**	**-**	**-**	**512.53**	**512.53**

₹ Crores

	Film / First look rights	Customer relationship and contracts	Trade names, Brand and Non-compete	Software	Total
Gross block					
As at April 01, 2021	10.01	24.08	7.05	1,247.77	**1,288.91**
Additions	-	-	-	118.90	**118.90**
Transfer from right to use on completion of lease term	-	-	-	3.06	**3.06**
Exchange differences	0.17	0.75	0.25	4.03	**5.20**
As at March 31, 2022	**10.18**	**24.83**	**7.30**	**1,373.76**	**1,416.07**
Depreciation					
As at April 01, 2021	10.01	24.08	7.05	735.24	**776.38**
For the year	-	-	-	151.17	**151.17**
Transfer from right to use on completion of lease term	-	-	-	2.77	**2.77**
Exchange differences	0.17	0.75	0.25	3.31	**4.48**
As at March 31, 2022	**10.18**	**24.83**	**7.30**	**892.49**	**934.80**
Net block					
As at March 31, 2022	**-**	**-**	**-**	**481.27**	**481.27**

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, 2020	112.20	443.05	0.01	2.70	518.23	93.00	185.45	**1,354.64**
Additions	-	37.07	-	0.42	166.03	40.25	-	**243.77**
Deductions / disposal	-	-	-	-	(10.97)	-	-	**(10.97)**
Transfer to PPE / Intangible assets on completion of lease term	-	(17.68)	-	(0.74)	-	(1.19)	-	**(19.61)**
Exchange differences	-	22.47	-	0.02	43.88	9.39	-	**75.76**
As at March 31, 2021	**112.20**	**484.91**	**0.01**	**2.40**	**717.17**	**141.45**	**185.45**	**1,643.59**
Depreciation								
As at April 01, 2020	17.19	249.12	0.01	0.96	55.05	80.55	24.72	**427.60**
For the year	3.44	70.48	-	0.26	70.33	50.13	21.60	**216.24**
Deductions / disposal	-	-	-	-	(6.48)	-	-	**(6.48)**
Transfer to PPE / Intangible assets on completion of lease term	-	(14.08)	-	(0.36)	-	(1.00)	-	**(15.44)**
Exchange differences	-	16.48	-	-	5.19	8.52	-	**30.19**
As at March 31, 2021	**20.63**	**322.00**	**0.01**	**0.86**	**124.09**	**138.20**	**46.32**	**652.11**
Net block								
As at March 31, 2021	**91.57**	**162.91**	**-**	**1.54**	**593.08**	**3.25**	**139.13**	**991.48**

₹ Crores

	Buildings	Plant and equipment	Office equipments	Vehicles	Leased property	Software	Studio lease	Total
Gross block								
As at April 01, 2021	112.20	484.91	0.01	2.40	717.17	141.45	185.45	**1,643.59**
Additions	-	104.70	-	-	15.46	32.87	-	**153.03**
Deductions / disposal	-	(0.15)	-	-	(10.70)	-	-	**(10.85)**
Transfer to PPE / Intangible assets on completion of lease term	-	(74.29)	-	-	-	(3.06)	-	**(77.35)**
Exchange differences	-	(2.25)	(0.01)	(0.01)	2.86	(3.11)	-	**(2.52)**
As at March 31, 2022	**112.20**	**512.92**	**-**	**2.39**	**724.79**	**168.15**	**185.45**	**1,705.90**
Depreciation								
As at April 01, 2021	20.63	322.00	0.01	0.86	124.09	138.20	46.32	**652.11**
For the year	3.44	66.36	-	0.29	75.92	14.07	21.60	**181.68**
Deductions / disposal	-	(0.11)	-	-	(3.20)	-	-	**(3.31)**
Transfer to PPE / Intangible assets on completion of lease term	-	(56.78)	-	-	-	(2.77)	-	**(59.55)**
Exchange differences	-	(1.38)	(0.01)	-	0.93	(4.22)	-	**(4.68)**
As at March 31, 2022	**24.07**	**330.09**	**-**	**1.15**	**197.74**	**145.28**	**67.92**	**766.25**
Net block								
As at March 31, 2022	**88.13**	**182.83**	**-**	**1.24**	**527.05**	**22.87**	**117.53**	**939.65**

7 a. Capital work in progress (CWIP) ageing schedule:

₹ Crores

As at March 31, 2022	Amount for a period of				
	Less than 1 year	1-2 year	2-3 year	more than 3 years	Total
Project 1	0.12	-	4.59	5.85	**10.56**
Project 2	0.24	-	-	-	**0.24**
Total	**0.36**	**-**	**4.59**	**5.85**	**10.80**

₹ Crores

As at March 31, 2021	Amount for a period of				
	Less than 1 year	1-2 year	2-3 year	more than 3 years	Total
Project 1	-	4.14	4.82	1.21	**10.17**
Project 2	0.08	-	-	-	**0.08**
Project 3	4.89	2.05	-	-	**6.94**
Total	**4.97**	**6.19**	**4.82**	**1.21**	**17.19**

Note : The above "project 1" in progress is delayed due to Covid-19 restrictions and expected to be completed within next one year, however there are no cost overruns.

7 b (i) . Intangible assets under development ageing schedule:

₹ Crores

As at March 31, 2022	Amount for a period of				
	Less than 1 year	1-2 year	2-3 year	more than 3 years	Total
Project 1	3.61	-	-	-	**3.61**
Project 2	8.32	-	-	-	**8.32**
Project 3	2.93	-	-	-	**2.93**
Project 4	2.27	-	-	-	**2.27**
Total	**17.13**	**-**	**-**	**-**	**17.13**

₹ Crores

As at March 31, 2021	Amount for a period of				
	Less than 1 year	1-2 year	2-3 year	more than 3 years	Total
Project 1	-	2.27	-	-	**2.27**
Project 2	8.91	-	-	-	**8.91**
Project 3	1.17	0.19	-	-	**1.36**
Total	**10.08**	**2.46**	**-**	**-**	**12.54**

7 b (ii). 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	March 31, 2022	March 31, 2021
Opening balance	**12.54**	**14.96**
Add:		
Employee benefit expenses	26.90	24.61
Direct overheads	0.04	1.19
Exchange difference	0.04	0.41
	26.98	**26.21**
Less: Capitalised	22.39	28.63
Closing balance	**17.13**	**12.54**

8. 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: ₹ Crores

	As at March 31, 2022	As at March 31, 2021
Creative services business	845.03	820.46
Technology and technology enabled business	199.95	196.79
Others	56.65	56.65
Total	**1,101.63**	**1,073.90**

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

a) Long term sustainable growth rates 2% to 5% (previous year: 2% to 5%)

b) Weighted Average Cost of Capital % (WACC) after tax 12.50% to 18.10% (previous year: 12.50% to 15.70%)

c) EBITDA margins 0% to 32.0% (previous year: 0% to 30.0%)

The projections cover a period of four to 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.

9. Investments

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Unquoted equity instruments - fully paid up (at fair value through profit or loss)		
The Shamrao Vithal Co-operative Bank Ltd.	0.01	0.01
4,000 shares of ₹ 25/- each		
Mainframe Premises Co-Operative Society Ltd.	0.00	0.00
350 shares of ₹ 10/- each *		
Next Gen Skills Limited	0.25	0.25
Fixed rate convertible unsecured loan stock		
	0.26	**0.26**

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

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

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Trade receivables	-	1.60
	-	**1.60**

* Is in 1 to 2 years age bucket

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

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Deposits	22.59	24.09
Deposits with bank	0.92	0.86
Unbilled revenue	117.62	4.39
Advances towards film projects	591.49	280.10
Other loans and advances - others	12.18	11.81
	744.80	**321.25**

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

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Capital advances	45.02	37.17
Prepaid expenses	0.70	0.12
	45.72	**37.29**

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

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Tapes and others	-	0.74
	-	**0.74**

14. Trade receivables (current) (unsecured)

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Trade receivables	488.52	248.48
Less: Loss allowances	(37.78)	(27.72)
	450.74	**220.76**

14.1 **The movement in allowance for doubtful receivables is as follows:**

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Balance as the beginning of the year	27.72	52.83
Movement during the year	36.33	(7.44)
Bad debts written off against opening provision for doubtful debts	(26.27)	(17.67)
Balance as at the end of the year	**37.78**	**27.72**

14.2 **Trade receivables - ageing and other details**

₹ Crores

March 31, 2022	Undisputed trade receivables			Disputed trade receivables			Total
	Considered good	Which have significant increase in credit risk	Credit impaired	Considered good	Which have significant increase in credit risk	Credit impaired	
Less than 6 months	374.37	8.73	-	-	-	-	**383.10**
6 months - 1 year	31.50	-	-	-	-	-	**31.50**
1 - 2 year	14.01	0.50	-	-	-	-	**14.51**
2 - 3 year	8.40	5.10	-	-	-	-	**13.50**
More than 3 years	22.46	22.75	0.70	-	-	-	**45.91**
Total	**450.74**	**37.08**	**0.70**	**-**	**-**	**-**	**488.52**

Trade receivables - ageing and other details

₹ Crores

March 31, 2021	Undisputed trade receivables			Disputed trade receivables			Total
	Considered good	Which have significant increase in credit risk	Credit impaired	Considered good	Which have significant increase in credit risk	Credit impaired	
Less than 6 months	109.01	-	-	-	-	-	**109.01**
6 months - 1 year	21.81	-	-	-	-	-	**21.81**
1 - 2 year	47.50	2.37	-	-	-	-	**49.87**
2 - 3 year	39.41	7.79	-	-	-	-	**47.20**
More than 3 years	3.03	17.56	-	-	-	-	**20.59**
Total	**220.76**	**27.72**	**-**	**-**	**-**	**-**	**248.48**

14.3 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.

15. Cash and cash equivalents

₹ Crores

		As at March 31, 2022	As at March 31, 2021
a.	**Cash and cash equivalents**		
	Cash on hand	0.10	0.12
	Bank balances		
	In current accounts	237.36	366.58
		237.46	**366.70**
b.	**Bank balances other than (a) above**		
	Other bank balances		
	In deposits*	1.84	11.49
		1.84	**11.49**

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

16. Other current financial assets (unsecured)

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Deposits	3.85	4.08
Unbilled revenue	803.58	718.89
Export incentives receivable	7.19	31.63
Advances towards film projects	52.32	102.89
Other loans and advances - others		
Considered good	8.47	116.76
Considered doubtful	0.54	0.27
	9.01	**117.03**
Less: Loss allowances	(0.54)	(0.27)
	8.47	**116.76**
	875.41	**974.25**

17. Other current assets (unsecured, considered good)

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Advances and other receivables*	146.28	120.54
Prepaid expenses	70.56	35.75
Tax credits receivable from foreign governments	29.30	42.14
	246.14	**198.43**

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

18. Equity share capital

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Authorised share capital:		
45,05,00,000 Shares (Previous year 45,00,00,000 Shares) of ₹ 1/- each	**45.00**	**45.00**
Issued, subscribed and paid-Up:		
29,95,36,644 Shares (Previous year 29,92,48,978 Shares) of ₹ 1/- each	29.95	29.92
	29.95	**29.92**

18.1 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, 2022		As at March 31, 2021	
	Number	Amount in ₹ Crores	Number	Amount in ₹ Crores
Balance as at the beginning of the year	29,92,48,978	29.92	29,92,48,978	29.92
Additions during the year (Refer note 41 a)*	2,87,666	0.03	-	-
Balance as at the end of the year	29,95,36,644	29.95	29,92,48,978	29.92

18.2 Shares reserved for issue under options

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Shares reserved for issue under options (Refer note 41 a)	1,75,62,734	1,75,62,734

18.3 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.

18.4(a) Shares held by promoters as defined in the Company's Act, 2013 at the end March 31, 2022

Promoter name	No of shares	% of total shares	% change during the year
A2R Holdings	13,24,45,882	44.22%	-
Naresh Malhotra	6,22,01,646	20.77%	-
Namit Malhotra	1,49,00,000	4.97%	-

18.4 (b) Shares held by promoters as defined in the Company's Act, 2013 at the end March 31, 2021

Promoter name	No of shares	% of total shares	% change during the year
A2R Holdings	13,24,45,882	44.26%	100%
Naresh Malhotra	6,22,01,546	20.79%	-
Namit Malhotra	1,49,00,000	4.97%	-

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

	As at March 31, 2022		As at March 31, 2021	
	Numbers	% of holding	Numbers	% of holding
A2R Holdings	13,24,45,882	44.22%	13,24,45,882	44.26%
Naresh Malhotra	6,22,01,646	20.77%	6,22,01,546	20.79%
Augusta Investments I Pte. Limited	2,92,41,817	9.76%	2,92,41,817	9.77%
Marina IV (Singapore) Pte. Limited	2,33,90,875	7.81%	2,33,90,875	7.82%

19. Other equity excluding non-controlling interest

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Securities premium reserve		
As per last balance sheet	916.94	916.94
Movement during the year	1.47	-
	918.41	**916.94**
Capital reserve		
As per last balance sheet	134.27	134.27
Movement during the year	-	-
	134.27	**134.27**
General reserve		
As per last balance sheet	79.80	79.80
Movement during the year	-	-
	79.80	**79.80**
Retained earnings *		
As per last balance sheet	(868.54)	(829.79)
Movement during the year	(171.61)	(38.75)
	(1,040.15)	**(868.54)**
Share options outstanding account		
As per last balance sheet	251.74	235.37
Movement during the year	14.02	16.37
	265.76	**251.74**
Other comprehensive income (FCTR)		
As per last balance sheet	(277.60)	(174.09)
Movement during the year	3.86	(103.51)
	(273.74)	**(277.60)**
	84.35	**236.61**

* Retained earnings includes Re-measurement of defined benefit obligation loss (net of tax) of ₹ 4.22 Crores (previous year ₹ 2.98 crores)

19.1 Security premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.

19.2 Capital reserve represents reserve created on acquisition of business and warrants application money forfeited.

19.3 General reserve is created from time to time by transferring profits from retained earnings and can be utilised for the purposes such as dividend pay-out, bonus issue etc.

19.4 Retained earnings represents profit that the Company earned till date, less any transfers to general reserve and other distributions paid to the shareholders.

19.5 Share option outstanding account relates to the stock option granted by the Company to employees under the Employee Stock Option Plan (Refer note 41)

19.6 Foreign Currency Translation Reserve (FCTR) - Exchange difference relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e., Rupees) are recognised directly in the Other Comprehensive Income and accumulated int FCTR are reclassified to Profit or Loss on the disposal of the foreign operations.

20. Borrowings (Non-current)

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Term loans (secured)		
From banks	819.21	468.95
Refer note (a) and (d)		
From financial institutions	-	21.02
Refer note (b)		
Term loans (unsecured)		
From banks	15.62	5.50
Refer note (g) and (h)		
From others	200.00	200.00
Refer note (c)		
	1,034.83	**695.47**

a. During the earlier year, a facility of ₹ 747.43 Crores ($ 100 Million) was sanctioned as term loan and ₹ 1,121.14 ($ 150 Million) sanctioned as bank overdraft and working capital loan to PFWNV group. The facility is secured by charge on Property, Plant and Equipment and current assets of Prime Focus World NV Group and Investments of Prime Focus World NV in Double Negative Holdings Limited & Prime Focus International Services UK Limited. The rate of interest of the loan is in the range of SOFR/SONIA plus 2.25% to 3.75% per annum, which is subject to leverage levels. The term loan is repayable over a period of four years from financial year 2019-20.

In August 2020, PFWNV Group further enhanced its existing facilities with the banks by ₹ 307.56 Crores ($ 42 Million). As part of the incremental facilities availed, couple of banks provided exposure under the CLBILS facility (Coronavirus Large Business Interruption Loan Scheme) as was made available by UK government to support businesses during COVID. The same security was extended by the banks towards these loans. The applicable interest on these loans was LIBOR plus 0.88% per annum. This loan was repaid during the year.

During the year, the PFWNV group has availed an additional term loan of ₹ 566.40 Crore ($ 75 Million) which is Secured by the property, equipment and current assets of the PFWNV group, investments of Prime Focus World NV in Double Negative Holdings Limited and Prime Focus International Services UK Limited, which are consolidated subsidiaries of the PFWNV group. The rate of interest of the loan is approximately SOFR plus 2.25% to 3.75% per annum, which is subject to leverage levels. The loan is repayable over a period of eighteen months starting from January 07, 2022 and maturing on July 07, 2023.

As at March 31, 2022 ₹ 764.34 Crores is disclosed under long term borrowings, ₹ 263.85 Crores under current maturities of long term borrowings and ₹ 769.88 Crores under short-term demand loan.

As at March 31, 2021 ₹ 468.95 Crores is disclosed under long term borrowings, ₹ 111.39 Crores under current maturities of long term borrowings, ₹ 1,162.16 Crores under short-term demand loan and ₹ 34.16 Crores under Cash credit / overdraft .

b. On August 13, 2014, the Company entered into a long-term loan agreement with others to borrow ₹ 45 Crores at an interest rate of 12.50% p.a., to repay the existing term loan and for general corporate purpose which includes working capital and advance payment for capital expenditure. The term loan is to be repayable in 120 equated monthly instalments starting from October 01, 2014 for loan availed on August 29, 2014 and from November 01, 2014 for loan availed on September 05, 2014. Considering the COVID-19 pandemic, the Company had obtained moratorium period of up to June 2020 for payment of instalments due in March 2020. Further, the term loan was secured by a specific charge on certain immovable properties of the Company. The borrowing is fully repaid during the year. As at March 31, 2021, ₹ 21.02 Crores was disclosed as non-current and ₹ 4.56 Crores was disclosed as current.

c. On February 25, 2019, the Company entered into a long-term loan agreement with others for an amount of ₹ 200 crores at an annual interest rate of 10% per annum. This term loan is payable over the period of 48 months (post 27 months moratorium). The loan principal has to be repaid at the end of the tenure and the interest component has to be paid annually post 27 months of moratorium. At the year end March 31, 2022 and March 31, 2021, ₹ 200 crores is disclosed as non-current.

d. During the year, the Company and one of the step down subsidiary obtained a working capital term loan from a bank for ₹ 54.94 crores. This facility is 100% credit guaranteed by National Credit Guarantee Trust Company Limited under the Emergency Credit Line Guarantee Scheme. It carries second charge over present and future current assets, movable fixed assets and assets of the Company's India business (exluding specific assets charged against finance lease), second charge by way of pledge over 30% shares of Prime Focus Technologies Limited, Personal Guarantee of Namit Malhotra and pledge of Company shares held by Parent's promoters. Tenor of the loan is 6 years from September 2021, repayable in 48 equal instalments after moratorium of 2 years. Interest rate applicable is 1% over 1 year MCLR subject to cap of 9.25%. As at March 31, 2022, ₹ 54.86 crores is disclosed as non-current.

e. Unsecured term loans from others are availed at interest rate of 15.00% p.a. As at March 31, 2022 ₹ 1.00 Crores (March 31, 2021: ₹ 1.00 Crores) is disclosed under current maturities of long term borrowings.

f. During financial year 2016-2017, unsecured inter corporate deposit of ₹ 31.70 Crores was availed from financial institution at interest rate of 12.5% repayable within 2 years. During the previous year ₹ 8.70 Crores was repaid and the balance of ₹ 23 crores was disclosed as current portion of long-term borrowing. During the year the Company repaid ₹ 5.00 crores and got waiver for balance of ₹ 18 crores, which is disclosed under "Sundry balance written back".

g. On April 30, 2020, Prime Focus Technologies Limited Inc. was granted an unsecured loan from Silicon Valley Bank under the U.S Small Business Administration Paycheck Protection Program of ₹ 7.17 Crores ($ 0.97 Million) bearing an interest rate of 1% per annum. This loan was repayable from March 24, 2021 in monthly instalments with last instalment being due on April 30, 2022. The proceeds of the Loan was used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule.

On February 24, 2021, a forgiveness was granted for the above loan for an amount of ₹ 5.20 Crores ($ 0.70 Million) towards principal and ₹ 0.04 Crores ($ 0.58 Million) towards interest. On February 24, 2021, the balance deferral amount payable after the said forgiveness is ₹ 1.97 Crores ($ 0.27 Million) and same is repayable in monthly instalments with last instalment being due on April 30, 2022. As on March 31, 2021, ₹ 0.01 Crore was considered as non-current portion of long-term borrowing and ₹ 1.81 Crore as current portion of long-term borrowing. This loan has been repaid in full during the year.

On March 18, 2021, Prime Focus Technologies Limited Inc. was granted second unsecured loan from Silicon Valley Bank under the U.S Small Business Administration Paycheck Protection Program of ₹ 5.55 Crores ($ 0.75 Million) bearing an interest rate of 1% per annum and repayable from August 18, 2022 in monthly instalments with last instalment being due on March 18, 2026. The proceeds of the Loan was used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule. As on March 31, 2022, ₹ 5.65 Crore is considered as non-current portion of long-term borrowing and ₹ 0.01 Crore is considered as current portion of long-term borrowing. As on March 31, 2021, ₹ 5.49 Crore was considered as non-current portion of long-term borrowing.

h. During the year, Prime Focus Technologies Limited has been granted a Guaranteed Emergency Credit Line (GECL) facility of ₹ 9.97 Crore at an interest rate based on one year MCLR + 1 subject to cap of 9.25%. This facility is repayable in 48 instalments after completion of moratorium of 24 months. This facility is secured by exclusive charge over present and future current assets and movable fixed assets, personal guarantees of promoter of the holding company, pledge of 35% shares of the company held by the holding company, corporate Guarantee of holding company, exclusive charge by way of mortgage of immovable properties, pledge of 30% shares of subsidiaries viz; Prime Focus Technologies Inc., DAX LLC, Prime Focus Technologies UK Limited, Prime Post Europe Limited. As at March 31, 2022, ₹ 9.97 Crore is considered as non-current portion of long-term borrowing.

21. Other non-current financial liabilities

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Deposits	0.38	1.65
Interest accrued but not due on borrowings	24.58	21.94
Class B convertible redeemable preferred shares and derivatives (Refer note (a) below)	126.68	110.12
Capital creditors	40.08	-
Deferred consideration payable (refer note 26 (b))	-	2.90
Non convertible redeemable preference shares (Refer note (b) below)	3.27	2.94
	194.99	**139.55**

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).

22. Provisions (non-current)

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits:		
Provision for gratuity (Refer note 39)	30.29	28.06
Provision for compensated absences	1.32	1.40
	31.61	**29.46**

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

23. Other liabilities (non-current)

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Deferred rent	0.45	0.50
	0.45	**0.50**

24. Current borrowings

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Short-term borrowing from banks / others (secured)		
Cash credit / overdraft (Refer note (a) below and 20.(a))	-	59.02
Short-term demand loan (Refer note (b), (c) below and 20.(a))	1,702.93	1,863.12
Invoice discounting facility (Refer note (d) below)	58.76	19.43
Current maturities of long term borrowings		
Term loans (secured)		
From banks (Refer note 20.(a) and 20.(d))	263.85	111.39
From financial institutions (Refer note 20.(b))	-	4.56
Term loans (unsecured)		
From Banks (Refer note 20.(g) and 20.(h))	0.01	1.81
From individual (Refer note 20.(e))	1.00	1.00
Other loans and advances (unsecured)		
Inter corporate deposit received (Refer note 20.(f))	-	23.00
	2,026.55	**2,083.33**

a. 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. 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, 2022 ₹ Nil and as at March 31, 2021 ₹ 24.86 Crores was included in cash credit / overdraft.

b. During the previous year, PF World Limited, (Mauritius) entered into a short term loan agreement for an amount of $ 100 million with a financial institution for an interest of 20% per annum. Out of this, $ 95 million was drawn during the previous year. An additional amount of $ 33.25 million was sanctioned by this financial institution and the Company availed $ 23.55 million during the year. The loan is guaranteed by Prime Focus 3D Cooperatief UA, PF Investments Limited, PF Overseas Limited and PF Luxembourg Sarl are additional guarantors to the loan. PF World Limited (Mauritius) has pledged its shares in PF Overseas Limited. Additionally all bank accounts of PF World Limited (Mauritius) has been pledged in favour of the lender. Secondly, Prime Focus Luxembourg Sarl and PF Investments Limited have pledged their membership interest and related rights in Prime Focus 3D Cooperatief UA.

   As at March 31, 2022 ₹ 933.05 Crores and as at March 31, 2021 ₹ 695.68 Crores was disclosed as short-term demand loan.

c. In April, 2020, PFW Group was granted an unsecured facility under the U.S Small Business Administration Paycheck Protection Program of $ 0.72 Million, repayable after a year. The proceeds of the Loan was used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule. Subsequent to year end this loan was completely waived off. As on March 31, 2021, ₹ 5.28 Crore was disclosed as current portion of long-term borrowing.

d. PFW Group has availed pre shipment and post shipment export finance facility from bank, at a rate of interest of LIBOR plus 4% to 7.25% with a tenor of upto one year. Sanctioned facility of ₹ 60 Crores is secured against current assets and movable fixed assets of DNEG India Media Services Limited, exclusive charge by way of mortgage of immovable properties of the Company, pledge of 30% shares of subsidiaries viz: DNEG India Media Services Limited, Prime Focus Technologies Limited, PF World Limited, Mauritius, Prime Focus Luxembourg Sarl, 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 and corporate guarantee given by PFWNV. As at March 31, 2022, ₹ 58.76 Crores and as at March 31, 2021, ₹ 19.43 Crores is included in Invoice discounting facility.

25. Trade payables

₹ Crores

	As at March 31, 2022	As at March 31, 2021
total outstanding dues of micro enterprises and small enterprises	0.10	-
total outstanding dues of creditors other than micro enterprises and small enterprises	226.60	201.95
	226.70	**201.95**

Trade Payables - ageing and other details

₹ Crores

As at March 31, 2022	MSME	Others	Disputed dues- MSME	Disputed dues- others	Total
Provisions	-	25.64	-	-	25.64
Not due	0.10	122.01	-	-	122.11
Less than 1 years	-	63.03	-	-	63.03
1 to 2 years	-	5.23	-	-	5.23
2 to 3 years	-	2.96	-	-	2.96
More than 3 years	-	7.73	-	-	7.73
Total	**0.10**	**226.60**	**-**	**-**	**226.70**

₹ Crores

As at March 31, 2021	MSME	Others	Disputed dues- MSME	Disputed dues- others	Total
Provisions	-	23.23	-	-	23.23
Not due	-	106.44	-	-	106.44
Less than 1 years	-	28.06	-	-	28.06
1 to 2 years	-	6.66	-	-	6.66
2 to 3 years	-	30.15	-	-	30.15
More than 3 years	-	7.41	-	-	7.41
Total	**-**	**201.95**	**-**	**-**	**201.95**

26. Other current financial liabilities

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Deferred consideration payable (refer note b below)	2.86	8.69
Interest accrued but not due on borrowings	233.06	61.76
Security deposits	9.17	9.21
Capital creditors	37.95	50.62
Accrued salaries and benefits	130.86	160.72
Others	-	14.88
	413.90	**305.88**

Note:

a. 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, 2022 (March 31, 2021: Nil)

b. During the previous year a joint venture was established between PFWNV and General Systems Vehicle Limited (GSV) to provide virtual production services. PFWNV has committed to provide consideration to the joint venture of ₹ 11.55 Crores ($ 1.58 Million) of which 50% is payable upfront and balance is payable in two equal instalments on completion of first and second year respectively subject to continuation of GSV as JV partner. As at March 31, 2022 ₹ 2.86 Crore is disclosed as current financial liability and as at March 31, 2021 consideration of ₹ 2.90 Crore was disclosed as non-current financial liability and ₹ 8.69 Crore as current financial liability.

27. Provisions (current)

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Provision for employee benefits:		
Provision for gratuity (Refer note 39)	3.86	0.96
Provision for compensated absences	64.65	57.72
	68.51	**58.68**

28. Other liabilities (current)

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Deferred revenue	285.14	230.43
Advance received from customers	0.72	2.81
Book overdraft *	0.00	0.00
Other payables #	72.63	79.15
	358.49	**312.39**

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

Other payables include withholding taxes, goods and service tax payable and employer and employee contribution to provident fund and other funds liability.

29. Revenue from operations

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Income from services	3,369.15	2,530.00
Other operating revenues:		
Export incentives	16.76	6.49
	3,385.91	**2,536.49**

30. Other income

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Interest income:		
Bank deposits	0.30	0.22
On income tax refunds	4.41	3.54
Others	2.67	2.28
Net gain on sale of property, plant and equipment	0.85	0.78
Sundry balance written back	26.07	2.45
Others	10.44	7.87
	44.74	**17.14**

31. Employee benefits expense

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Salaries and wages	1,831.02	1,308.01
Contribution to provident fund and other funds (refer note 39 a)	131.30	113.84
Gratuity expense (refer note 39 b)	7.42	8.60
Staff welfare expenses	60.04	37.25
	2,029.78	**1,467.70**

32. Finance costs

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
On working capital finance	208.62	73.65
On term loan	50.69	64.92
On lease liabilities	60.06	62.25
On others (including bank charges)	46.19	56.09
Change in fair value of financial liabilities	7.78	(5.89)
	373.34	**251.02**

33. Other expenses

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Rent	23.89	22.28
Communication cost	20.05	20.94
Consumable stores	3.87	1.02
Director's sitting fees	0.08	0.05
Electricity	43.47	42.49
Insurance cost	8.60	6.95
Rebates and discount	0.11	0.14
Traveling and conveyance	22.28	9.55
House keeping expenses	3.39	2.51
Rates and taxes	25.77	26.10
Legal and Professional fees	34.60	44.64
Payment to auditors (see Note below)	16.17	5.34
Repairs and maintenance	59.02	61.90
Bad debts /advances written off	10.32	28.50
Provision for doubtful debts / advances (net)	36.60	(7.17)
Loss on sale of property, plant and equipment	0.05	6.49
Miscellaneous expenses	26.37	70.47
	334.64	**342.20**

₹ Crores

Payment to auditors	Year ended March 31, 2022	Year ended March 31, 2021
As auditor		
Audit fees	16.05	5.17
In other matters	0.12	0.17
	16.17	**5.34**

34. Exceptional items (net of tax)

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Loss on sale of subsidiary (refer note (a) below)	153.60	-
Reversal of earlier period government incentive	26.92	-
Cost related to issue of senior secured note shelved by a subsidiary	-	22.61
	180.52	**22.61**

a. The Company sold its entire holdings of 2,43,67,188 ordinary shares of De-fi Media Limited, a subsidiary incorporated in the U.K. for a consideration of ₹ 0.99 Crore to rationalize group structure and focus on core business activities. This has resulted into loss of ₹ 153.60 Crore, which is disclosed as an exceptional item.

35. Income tax

a. Amounts recognised in profit or loss

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Current tax		
- in respect of current year (a)	57.25	46.09
- in respect of prior years (b)	(4.73)	(20.85)
Total current tax	**52.52**	**25.24**
Deferred tax		
- in respect of current year (c)	39.10	(7.68)
Total income tax expense recognied in the current year (a) + (b) + (c)	**91.62**	**17.56**

b. Income tax recognised in other comprehensive income

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Re-measurement of defined benefit liability	(0.08)	(0.38)
Tax recognised in other comprehensive income	**(0.08)**	**(0.38)**

c. Reconciliation of effective tax rate

₹ Crores

	March 31, 2022		March 31, 2021	
	% of PBT	Amount	% of PBT	Amount
Profit / (Loss) before tax and exceptional item		98.25		(15.97)
Tax using company's domestic tax rate	25.17%	17.49	25.17%	(4.22)
Effect of:				
Expenses that are not deductible and other adjustments		(1.90)		(15.91)
Differential tax rate and indexation benefits on capital gain		-		-
Tax charge on taxable income within the Group		-		-
Differential tax rates of subsidiaries operating in other jurisdictions		4.99		13.23
Reversal of deferred tax liability due to change in tax rate (current year impact u/s 115BAA of the Income Tax Act, 1961)		-		(21.66)
Deferred tax recognised now with respect to temporary differences (net)		-		35.75
Deferred tax assets recognised with respect to unused tax losses and depreciation of earlier years (net)		75.76		31.22
		96.34		**38.41**
Tax pertaining to prior years		(4.73)		(20.85)
Income tax expenses recongnised in Statement of Profit & Loss		**91.62**		**17.56**

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, 2022	As at March 31, 2021
Deferred tax assets	79.07	118.04
Deferred tax liabilities	(39.72)	(34.23)
	39.35	**83.81**

e. Movement in deferred tax

₹ Crores

	Balance as at March 31, 2020	Recognised in Profit / Loss during 2020-21	Recognised in other equity during 2020-21	Recognised in OCI during 2020-21	Balance as at March 31, 2021	Recognised in Profit / Loss during 2021-22	Recognised in other equity during 2021-22	Recognised in OCI during 2021-22	Balance as at March 31, 2022
Difference between tax books and written down value of PPE and intangible assets @	**(78.92)**	8.51	-	-	**(70.41)**	(24.77)	-	-	**(95.18)**
Unabsorbed loss carried forward	**115.13**	34.93	-	-	**150.06**	(9.33)	-	-	**140.73**
Others	**35.91**	(35.76)	4.39	(0.38)	**4.16**	(5.00)	(5.28)	(0.08)	**(6.20)**
Net deferred tax assets / (liabilities)	**72.12**	**7.68**	**4.39**	**(0.38)**	**83.81**	**(39.10)**	**(5.28)**	**(0.08)**	**39.35**

@ 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, 2022 (₹ Crores)	Will expire in FY	As at March 31, 2021 (₹ Crores)	Will expire in FY
Unabsorbed business loss	-	2020-21	1.94	2020-21
Unabsorbed business loss	-	2021-22	1.79	2021-22
Unabsorbed business loss	2.06	2022-23	2.00	2022-23
Unabsorbed business loss	6.77	2023-24	6.56	2023-24
Unabsorbed business loss	13.73	2024-25	13.31	2024-25
Unabsorbed business loss	23.09	2025-26	22.39	2025-26
Unabsorbed business loss	100.84	2026-27	59.22	2026-27
Unabsorbed business loss	169.73	2027-28	79.87	2027-28
Unabsorbed business loss	26.96	2028-29	6.57	2028-29
Unabsorbed business loss	24.60	2029-30	23.60	2029-30
Unabsorbed business loss	245.04	2030-31	-	2030-31
Unabsorbed business loss	-	2031-32	0.43	2031-32
Unabsorbed business loss	-	2032-33	0.47	2032-33
Unabsorbed business loss	-	2033-34	5.84	2033-34
Unabsorbed business loss	6.31	2034-35	0.01	2034-35
Unabsorbed business loss	0.77	2035-36	2.35	2035-36
Unabsorbed business loss	3.25	2036-37	9.37	2036-37
Unabsorbed business loss	9.50	2037-38	1.83	2037-38
Unabsorbed business loss	26.23	2038-39	38.75	2038-39
Unabsorbed business loss	112.83	2039-40	90.42	2039-40
Unabsorbed business loss	0.83	2040-41	0.14	2040-41
Unabsorbed depreciation	88.80	Indefinite life	55.73	Indefinite life
	861.35	-	**422.62**	

36. 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, 2022	Year ended March 31, 2021	As at March 31, 2022	As at March 31, 2021
India	323.76	212.29	1,280.80	1,375.90
United Kingdom	705.72	334.00	1,137.73	1,158.77
U.S.	192.92	156.10	164.93	174.38
Canada	2,122.48	1,786.80	458.57	440.76
Other Countries	24.27	40.81	0.08	0.20
	3,369.15	**2,530.00**	**3,042.11**	**3,150.01**

*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, 2022.

37. 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, 2022	Year ended March 31, 2021
Net loss after tax as per Statement of Profit and loss attributable to equity shareholders	(173.89)	(56.14)
Less: Exceptional items (net of tax)	180.52	22.61
Profit / (Loss) after tax before exceptional items	**6.63**	**(33.53)**

	Number	Number
Opening number of Equity shares	**29,92,48,978**	**29,92,48,978**
Shares issued during the year	**36,254**	-
Weighted average number of Equity shares for basic EPS	**29,92,85,232**	**29,92,48,978**
Effects of dilution:		
Weighted average potential Equity shares	**46,88,131**	-
Weighted average number of Equity shares adjusted for the effect of dilution	**30,39,73,363**	**29,92,48,978**
Earnings per share (before exceptional items)		
Basic earnings per share (₹)	0.22	(1.12)
Diluted earnings per share (₹) (Refer note below)	0.22	(1.12)
Earnings per share (after exceptional items)		
Basic earnings per share (₹)	(5.81)	(1.87)
Diluted earnings per share (₹) (Refer note below)	(5.81)	(1.87)

Potential equity shares are anti-dilutive in nature and hence diluted earning per share is same as basic earning per share.

38. 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, 2022		Share in Profit / (loss) Year ended March 31, 2022		Share in Other Comprehensive Income Year ended March 31, 2022		Share in Total Comprehensive Income Year ended March 31, 2022	
		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	825.37%	1,582.51	(167.17%)	290.70	(21.31%)	(0.52)	(169.25%)	290.18
2	Dneg India Media Services Limited	120.25%	230.56	(22.07%)	38.37	(40.16%)	(0.98)	(21.81%)	37.39
3	De-Fi Media Limited*	0.00%	-	8.24%	(14.32)	-	-	8.35%	(14.32)
4	Prime Focus Technologies Limited	107.95%	206.97	32.11%	(55.83)	(9.43%)	(0.23)	32.70%	(56.06)
5	Prime Focus Technologies UK Limited	(11.92%)	(22.86)	1.05%	(1.82)	-	-	1.06%	(1.82)
6	Prime Focus MEAD FZ LLC	11.88%	22.77	0.18%	(0.31)	-	-	0.18%	(0.31)
7	Prime Post (Europe) Limited	(0.73%)	(1.40)	1.20%	(2.08)	-	-	1.21%	(2.08)
8	Prime Focus Technologies Inc.	(9.82%)	(18.83)	(7.31%)	12.71	-	-	(7.41%)	12.71
9	DAX Cloud ULC	(1.20%)	(2.31)	(0.05%)	0.09	-	-	(0.05%)	0.09
10	Apptarix Mobility Solutions Private Limited	(0.05%)	(0.10)	0.17%	(0.30)	-	-	0.17%	(0.30)
11	Prime Focus Technologies Pte Limited	0.19%	0.36	(0.08%)	0.14	-	-	(0.08%)	0.14
12	Prime Focus Production Services Private Limited	(0.00%)	(0.00)	0.00%	-	-	-	0.00%	-
13	GVS Software Private Limited	13.82%	26.49	0.00%	-	-	-	0.00%	-
14	Jam8 Prime Focus LLP	(3.02%)	(5.79)	0.43%	(0.74)	0.00%	-	0.43%	(0.74)
15	Prime Focus Motion Pictures Limited	(0.18%)	(0.34)	0.01%	(0.01)	-	-	0.01%	(0.01)
16	PF World Limited (Mauritius)	(472.31%)	(905.57)	446.20%	(775.90)	-	-	452.55%	(775.90)
17	Prime Focus Luxembourg S.a.r.l.	45.08%	86.43	2.52%	(4.39)	-	-	2.56%	(4.39)
18	Prime Focus 3D Cooperatief U.A.	133.57%	256.10	(0.30%)	0.53	-	-	(0.31%)	0.53
19	DNEG Plc (formerly known as Dneg Limited)	(11.90%)	(22.81)	2.62%	(4.55)	-	-	2.65%	(4.55)
20	Prime Focus World N.V.	(107.56%)	(206.23)	130.69%	(227.26)	-	-	132.55%	(227.26)
21	Double Negative Canada Productions Limited	102.51%	196.54	(17.52%)	30.46	-	-	(17.77%)	30.46
22	Double Negative Huntsman VFX Limited	(1.46%)	(2.80)	(0.93%)	1.62	-	-	(0.94%)	1.62
23	Vegas II VFX Limited	(8.03%)	(15.39)	0.00%	-	-	-	0.00%	-
24	Prime Focus International Services UK Limited	94.27%	180.75	(9.10%)	15.82	-	-	(9.23%)	15.82
25	Prime Focus Academy of Media & Entertainment Studies Private Limited	5.80%	11.12	0.24%	(0.42)	0.01	0.02	0.23%	(0.40)
26	DNEG North America Inc.	212.51%	407.46	(0.93%)	1.61	-	-	(0.94%)	1.61
27	Double Negative Montreal Productions Limited	209.12%	400.96	(60.23%)	104.73	-	-	(61.08%)	104.73
28	Double Negative Holdings Limited UK	0.55%	1.06	(67.85%)	117.98	-	-	(68.81%)	117.98
29	Double Negative Singapore Pte. Limited	0.16%	0.31	(72.93%)	126.81	-	-	(73.96%)	126.81
30	Double Negative Films Limited, UK	(32.33%)	(61.99)	(0.30%)	0.53	-	-	(0.31%)	0.53
31	Double Negative LA LLC	1.58%	3.03	0.00%	-	-	-	0.00%	-
32	Double Negative Limited	6.14%	11.77	(53.57%)	93.16	-	-	(54.34%)	93.16
33	Prime Focus ME Holdings Limited	(0.00%)	-	0.04%	(0.07)	-	-	0.04%	(0.07)
34	Incamera Limited	(6.46%)	(12.38)	1.83%	(3.18)	-	-	1.85%	(3.18)

₹ Crores

Sr No	Name of entity	Net Assets As on March 31, 2022		Share in Profit / (loss) Year ended March 31, 2022		Share in Other Comprehensive Income Year ended March 31, 2022		Share in Total Comprehensive Income Year ended March 31, 2022	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
35	PF Investments Limited (Mauritius)	(0.31%)	(0.59)	(0.02%)	0.03	-	-	(0.02%)	0.03
36	PF Overseas Limited (Mauritius)	(0.43%)	(0.83)	0.10%	(0.17)	-	-	0.10%	(0.17)
37	PF Media Limited	98.42%	188.71	(9.91%)	17.23	-	-	(10.05%)	17.23
38	Lowry Digital Imaging Services Inc.	(65.89%)	(126.34)	0.16%	(0.27)	-	-	0.16%	(0.27)
39	Prime Focus Media Uk Limited	0.00%	0.00	-	-	-	-	-	-
40	Double Negative Toronto Productions Limited	0.82%	1.58	(0.01)	1.55	-	-	(0.01)	1.55
41	DNEG Bulgaria EOOD	0.24%	0.46	(0.00)	0.44	-	-	(0.00)	0.44
			2,409.37		**(237.11)**		**(1.71)**		**(238.82)**
	Add/(Less): effects of inter company adjustments / eliminations		(2,295.07)		65.54		4.35		69.89
	Less: minority Interest in all subsidiaries		77.43		(2.32)		(0.20)		(2.52)
			191.73		**(173.89)**		**2.44**		**(171.45)**

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

38. Statement of net assets, net profit / loss after tax and other comprehensive income attributable to owners and non-controlling interest.

₹ Crores

Sr No	Name of entity	Net Assets As on March 31, 2021		Share in Profit / (loss) Year ended March 31, 2021		Share in Other Comprehensive Income Year ended March 31, 2021		Share in Total Comprehensive Income Year ended March 31, 2021	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
1	Prime Focus Limited	372.98%	1,292.32	(48.41%)	27.18	(0.14%)	0.15	(16.94%)	27.33
2	Dneg India Media Services Limited	55.15%	191.10	(35.34%)	19.84	(0.99%)	1.04	(12.94%)	20.88
3	De-Fi Media Limited	(24.24%)	(84.00)	85.41%	(47.95)	-	-	29.72%	(47.95)
4	Prime Focus Technologies Limited	73.25%	253.81	59.78%	(33.56)	0.08%	(0.08)	20.75%	(33.49)
5	Prime Focus Technologies UK Limited	(6.19%)	(21.43)	28.68%	(16.10)	-	-	9.98%	(16.10)
6	Prime Focus MEAD FZ LLC	6.28%	21.77	(2.49%)	1.40	-	-	(0.87%)	1.40
7	Prime Post (Europe) Limited	0.18%	0.64	0.14%	(0.08)	-	-	0.05%	(0.08)
8	Prime Focus Technologies Inc.	(8.88%)	(30.77)	4.45%	(2.50)	-	-	1.55%	(2.50)
9	DAX Cloud ULC	(0.67%)	(2.32)	(0.64%)	0.36	-	-	(0.22%)	0.36
10	Apptarix Mobility Solutions Private Limited	0.06%	0.20	0.01%	(0.00)	-	-	0.00%	(0.00)
11	Prime Focus Technologies Pte Limited	0.06%	0.20	(0.37%)	0.21	-	-	(0.13%)	0.21
12	Prime Focus Production Services Private Limited	(0.00%)	(0.00)	0.00%	(0.00)	-	-	0.00%	(0.00)
13	GVS Software Private Limited	7.65%	26.49	0.00%	(0.00)	-	-	0.00%	(0.00)
14	Jam8 Prime Focus LLP	(1.46%)	(5.05)	3.79%	(2.13)	(0.01%)	0.01	1.31%	(2.12)
15	Prime Focus Motion Pictures Limited	(0.10%)	(0.33)	0.02%	(0.01)	-	-	0.01%	(0.01)

₹ Crores

Sr No	Name of entity	Net Assets As on March 31, 2021		Share in Profit / (loss) Year ended March 31, 2021		Share in Other Comprehensive Income Year ended March 31, 2021		Share in Total Comprehensive Income Year ended March 31, 2021	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
16	PF Digital Media Services Limited	(0.42%)	(1.45)	1.23%	(0.69)	(0.01%)	0.01	0.42%	(0.68)
17	PF World Limited (Mauritius)	(32.96%)	(114.20)	161.04%	(90.41)	-	-	56.03%	(90.41)
18	Prime Focus Luxembourg S.a.r.l.	25.44%	88.13	7.86%	(4.41)	-	-	2.73%	(4.41)
19	Prime Focus 3D Cooperatief U.A.	71.53%	247.82	0.37%	(0.21)	-	-	0.13%	(0.21)
20	DNEG Plc (formerly known as Dneg Limited)	(5.39%)	(18.67)	31.92%	(17.92)	-	-	11.11%	(17.92)
21	Prime Focus World N.V.	5.09%	17.65	229.16%	(128.65)	-	-	79.73%	(128.65)
22	Double Negative Canada Productions Limited	46.01%	159.43	(116.28%)	65.28	-	-	(40.46%)	65.28
23	Double Negative Huntsman VFX Limited	(1.24%)	(4.29)	0.43%	(0.24)	-	-	0.15%	(0.24)
24	Vegas II VFX Limited	(4.28%)	(14.82)	0.04%	(0.02)	-	-	0.01%	(0.02)
25	Prime Focus International Services UK Limited	50.71%	175.71	(12.58%)	7.06	-	-	(4.38%)	7.06
26	Prime Focus VFX USA Inc.	0.00%	-	(3.42%)	1.92	-	-	(1.19%)	1.92
27	Prime Focus Academy of Media & Entertainment Studies Private Limited	3.32%	11.52	1.87%	(1.05)	-	-	0.65%	(1.05)
28	DNEG North America Inc.	113.58%	393.52	(123.74%)	69.47	-	-	(43.05%)	69.47
29	Redefine FX Limited	(15.81%)	(54.79)	106.86%	(59.99)	-	-	37.18%	(59.99)
30	1800 Vine Street LLC (USA)	0.00%	-	120.13%	(67.44)	-	-	41.79%	(67.44)
31	Double Negative Montreal Productions Limited	119.43%	413.79	(370.81%)	208.17	-	-	(129.01%)	208.17
32	Double Negative Holdings Limited UK	(0.01%)	(0.05)	0.09%	(0.05)	-	-	0.03%	(0.05)
33	Double Negative Singapore Pte. Limited	(0.01%)	(0.04)	(15.25%)	8.56	-	-	(5.30%)	8.56
34	Double Negative Films Limited, UK	(18.34%)	(63.53)	(1.59%)	0.89	-	-	(0.55%)	0.89
35	Double Negative LA LLC	0.83%	2.89	1.62%	(0.91)	-	-	0.56%	(0.91)
36	Double Negative Limited	(46.62%)	(161.52)	332.56%	(186.70)	-	-	115.70%	(186.70)
37	Prime Focus ME Holdings Limited	(0.02%)	(0.06)	0.01%	(0.00)	-	-	0.00%	(0.00)
38	Prime Focus (HK) Holdings Limited	0.00%	-	(13.15%)	7.38	-	-	(4.57%)	7.38
39	Incamera Limited	(1.36%)	(4.71)	16.12%	(9.05)	-	-	5.61%	(9.05)
40	PF Investments Limited (Mauritius)	(0.17%)	(0.60)	0.37%	(0.21)	-	-	0.13%	(0.21)
41	PF Overseas Limited (Mauritius)	(0.18%)	(0.64)	0.20%	(0.11)	-	-	0.07%	(0.11)
42	PF Media Limited	53.17%	184.22	(10.92%)	6.13	-	-	(3.80%)	6.13
43	Lowry Digital Imaging Services Inc.	(35.28%)	(122.24)	19.34%	(10.86)	-	-	6.73%	(10.86)
44	Prime Focus Media Uk Limited	0.00%	0.00	0.00%	-	-	-	0.00%	-
			2,775.69		**(257.41)**		**1.13**		**(256.13)**
	Add/(Less): effects of inter company adjustments / eliminations		(2,509.16)		214.01		(103.43)		110.43
	Less: minority Interest in all subsidiaries		79.95		(12.74)		(2.92)		(15.66)
			346.48		**(56.14)**		**(105.22)**		**(161.36)**

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

39. Employee benefit plans

a. Defined contribution plans

The total amount recognised in profit or loss statement is ₹ 131.30 Crores (Year ended March 31, 2021 ₹ 113.84 Crores), which is included in note 31 as 'Contribution to Provident Fund and Other Funds'.

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 component 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 2022	March 2021
Defined benefit obligation at the beginning of the year	29.02	25.39
Interest cost	2.00	1.75
Current service cost	5.42	6.85
Benefit paid directly by the employer	(4.08)	(3.32)
Actuarial (Gains)/Losses on Obligations - due to change in demographic assumptions	(0.01)	-
Actuarial losses on obligations - due to change in financial assumptions	(2.09)	0.05
Actuarial losses on obligations - due to experience	3.26	(1.71)
Foreign currency translation	0.63	-
Present value of benefit obligation at the end of the year	**34.15**	**29.02**

ii. Expenses recognised in Statement of Profit and Loss during the year

	March 2022	March 2021
Current service cost	5.42	6.85
Interest cost	2.00	1.75
Expenses recognized	**7.42**	**8.60**

iii. Expenses recognized in the Other Comprehensive Income (OCI)

	March 2022	March 2021
Actuarial (gains)/losses on obligation for the year	1.16	(1.66)

iv. Actuarial assumptions

	March 2022	March 2021
Rate of discounting	7.15%-7.31%	6.82%-6.96%
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 2012-14 (Urban)	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 2022		March 2021	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (1% movement)	(4.62)	5.64	(4.01)	4.92
Future salary appreciation (1% movement)	5.17	(4.43)	4.68	(3.95)
Attrition rate (1% movement)	0.23	(0.29)	0.01	(0.03)

40. Financial instruments

a. Capital risk management

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

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

The capital structure of the Group consists of borrowings offset by cash and bank balances 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 29.04 as on March 31, 2022 (10.74 as on March 31, 2021).

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 ₹ 2,310.25 Crores and ₹ 1,896.05 Crores as at March 31, 2022 and March 31, 2021 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, 2022 and March 31, 2021.

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, 2022	
	Less than 1 year	More than 1 year
Financial liabilities		
Borrowings	2,026.55	1,034.83
Lease liabilities	237.01	803.90
Other financial liabilities	413.90	194.99
Trade payables	226.70	-
	2,904.16	**2,033.72**

₹ Crores

	March 31, 2021	
	Less than 1 year	More than 1 year
Financial liabilities		
Borrowings	2,083.33	695.47
Lease liabilities	261.40	864.02
Other financial liabilities	305.88	139.55
Trade payables	201.95	-
	2,852.56	**1,699.04**

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, 2022		As at March 31, 2021	
		Foreign Currency	₹ Crores	Foreign Currency	₹ Crores
Asset	AED	-	-	71,031	0.14
	AUD	34,487	0.20	-	-
	CAD	34,564	0.21	8,08,57,933	470.14
	EUR	14,17,439	11.88	5,89,806	5.07
	GBP	24,20,053	24.00	2,44,49,490	246.35
	SGD	1,508	0.01	1,508	0.01
	USD	17,85,64,219	1,566.93	13,57,41,729	984.78
Asset total			**1,603.23**		**1,706.49**
Liability	AUD	193	0.00	-	-
	BGN	17,86,164	7.65	-	-
	CAD	2,83,98,155	171.80	9,11,81,776	530.17
	EUR	22,08,453	17.79	84,99,258	72.98
	GBP	6,64,39,094	659.35	10,25,54,364	1,033.37
	INR	7,74,973	0.08	6,11,973	0.06
	SGD	22,50,058	12.55	23,09,156	12.57
	USD	3,89,95,157	275.60	6,71,65,720	491.81
Liability total			**1,144.82**		**2,140.96**

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 ₹ 22.92 Crores for the year ended March 31, 2022 [March 31, 2021: ₹ 21.72 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 ₹ 10.60 Crores and ₹ 9.50 Crores for March 2022 and March 2021 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, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021	Fair value hierarchy
FINANCIAL ASSETS					
Financial assets measured at fair value					
Investments	0.01	0.01	0.01	0.01	Level 3
Financial assets measured at amortised cost					
Investments	0.25	0.25	-	-	
Deposits	26.44	28.17	-	-	
Trade receivables	450.74	222.36	-	-	
Cash and cash equivalents	237.46	366.70	-	-	
Bank balance others	1.84	11.49	-	-	
Other financial assets	1,593.77	1,267.33	-	-	
	2,310.51	**1,896.31**	**0.01**	**0.01**	
FINANCIAL LIABILITIES					
Financial liabilities measured at fair value					
Class B convertible redeemable preferred share derivative	8.76	1.17	8.76	1.17	Level 3
Cash settled options	-	14.88	-	14.88	Level 3
Non convertible redeemable preferrence shares (NCRPS)	3.27	2.94	3.27	2.94	Level 3
Financial liabilities measured at amortised cost					
Class B convertible redeemable preferred shares	117.92	108.95	-	-	
Borrowings	3,061.38	2,778.80	-	-	
Lease liabilities	1,040.91	1,125.42	-	-	
Trade payables	226.70	201.95	-	-	
Other financial liabilities	478.94	317.49	-	-	
	4,937.88	**4,551.60**	**12.03**	**18.99**	

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-22	31-Mar-21				
Investment	0.01	0.01	Level 3	Discounted cash flows	Discount rate and probable cash flows	Higher the discount rate, lower the fair value. Non achieving of probable cash flow will lower the fair value.
Total financial assets	**0.01**	**0.01**				
Derivatives for redeemable convertible preferred shares Class B	8.76	1.17	Level 3	Third party valuation using Probability Weighted 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-22	31-Mar-21				
Cash settled options	-	14.88	Level 3	Third party valuation using Probability Weighted 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)	3.27	2.94	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	**12.03**	**18.99**				

Movement in level 3 instruments during the year	₹ Crores
Closing balance as at March 31, 2020 (Financial liabilities)	**14.25**
Mark to market change in embedded derivative of preferred shares Class B recognised in Profit or Loss	(6.30)
Fair value change towards cash settled options	10.71
Change in fair value of NCRPS	0.33
Closing balance as at March 31, 2021 (Financial liabilities)	**18.99**
Mark to market change in embedded derivative of Preferred shares Class B recognised in Profit or Loss	7.59
Settlement of cash settled options	(14.88)
Change in fair value of NCRPS	0.34
Closing balance as at March 31, 2022 (Financial liabilities)	**12.03**

Closing balance as at March 31, 2020 (Financial assets)	**(8.67)**
Write-off of revenue participation in movies	4.34
Sale of investment	4.32
Closing balance as at March 31, 2021 (Financial assets)	**(0.01)**
Movement	-
Closing balance as at March 31, 2022 (Financial assets)	**(0.01)**

41. Share based payments

41.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 1,79,32,738 common shares for issuance thereunder. During the financial year 2016-17, options totalling to 1,79,32,738 ordinary shares were granted to certain identified eligible employees. Detailed description of share based payment arrangements is as below:

Date of shareholders' approval	Augsut 01, 2014
Total number of options approved under ESOP	1,79,32,738
Vesting requirements	Out of the total options granted, 45.88% options vest after 1st year, 45.88% options vest after 2nd year and 8.24% options vest after 3rd year from the date of respective grant.
Exercise price or pricing formula	₹ 52.00
Maximum term of options granted	5 years from each vesting date
Source of shares (primary, secondary or combination)	Primary
Variation in terms of options	Modified exercise period from 2 to 5 years (Refer note (iii) below)

ii. The weighted average fair value of the share option granted during the financial year 2016-17 is ₹ 32.26/-. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 2 – 4 years.

Inputs into the model were as follows:

(a)	Grant date share price	₹ 68.35
(b)	Exercise price	₹ 52.00
(c)	Expected volatility	49.67% – 46.62%
(d)	Expected life	2 – 4 years
(e)	Dividend yield	-
(f)	Risk free interest rate	6.85% to 6.97%

iii. During 2019, the Company had extended the exercise period of all outstanding options from 2 years to 5 years in financial year 2018-19. The weighted average incremental fair value of the share options modified was ₹ 8.72/-. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 1.90 – 3.40 years.

Inputs into the model were as follows:

(a)	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:**

	March 31, 2022		March 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	**1,75,62,734**	**52.00**	**1,75,62,734**	**52.00**
Granted during the year	-	-	-	-
Forfeited / lapsed during the year	-	-	-	-
Exercised during the year	2,87,666	52.00	-	-
Balance at the end of the year	**1,72,75,068**	**52.00**	**1,75,62,734**	**52.00**
Exercisable at the end of the year	**1,72,75,068**	**52.00**	**1,75,62,734**	**52.00**

Fair value of Nil option vested during the year is ₹ Nil (March 31, 2021: Nil option was ₹ Nil)

Money realised by exercise of option during the year is ₹ 1.50 crores (March 31, 2021: ₹ Nil).

The options outstanding at March 31, 2022 have an exercise price of ₹ 52/- (March 31, 2021: ₹ 52/-) and a weighted average remaining contractual life of 4 months (March 31, 2021: 16 months)

Weighted average share price at the date of the exercise of share options exercised in 2021-22 is ₹ 65.55 (March 31, 2021: ₹ NIl).

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, 2022 is ₹ Nil (March 31, 2021: ₹ Nil).

41.b. During fiscal year 2014, the Board of Directors and Shareholders' of PFW approved a share option plan for the PFW Group and reserved 9,73,285 common shares for issuance thereunder.

Pursuant to such plan, equity-settled options totalling 9,05,294 ordinary shares were granted to certain executives / consultants and to certain members of the Board of Directors and 57,429 cash-settled options (Phantom stock options) were issued to certain employees in earlier year(s).

i. **Equity settled options :**

Each equity-settled share option converts into one ordinary share of PFW on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of the expiry.

Out of 9,05,294 options granted, 7,69,573 options generally vest over 3 to 4 years, 1,16,083 options fully vest on grant date and 19,638 options vests on achieving sales and margin targets. Of above 2,69,638 options are exercisable only upon listing of the PFW's shares on certain stock exchanges subject to some conditions.

The exercise prices of 83,096 options were modified to $ 39.4 per share during the year ended March 31, 2022. The fair value of these grants was re-measured on the date of modification. The incremental charge of ₹ 1.52 crore due to difference in modification date fair value based on revised terms and original terms is recognized to the extent options are already vested immediately in the Combined Statements of Operations during the year ended March 31, 2022.

Movement in equity settled shares options during the current year

	Fiscal year 2022		Fiscal year 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	**8,74,064**	**$ 30.48**	**9,05,294**	**$ 31.16**
Granted during the year	-	$ 0.00	-	$ 0.00
Forfeited during the year	(2,130)	$ 50.00	(31,230)	$ 50.00
Balance at the end of the year	**8,71,934**	**$ 27.36 ***	**8,74,064**	**$ 30.48 ***
Exercisable at the end of the year	**5,90,870**	**$ 14.68**	**5,71,009**	**$ 13.45**

* Post modification of exercise price

The aggregate intrinsic value of fully vested and exercisable options as of March 31, 2022 is ₹ 109.94 crore. No options were exercised during the years ended on March 31, 2022 and 2021.

Total fair value of shares vested in the years ended on March 31, 2022 is ₹ 8.77 crore and March 31, 2021 is ₹ 4.72 crore.

The weighted average remaining contractual life in respect of share-based options outstanding is 1,448 days as of March 31, 2022 and 1,816 days as of March 31, 2021.

The weighted average remaining contractual life in respect of share-based options exercisable is 1,167 days as of March 31, 2022 and 1,478 days as of March 31, 2021.

Share based compensation cost included in Employee benefit expense is ₹ 8.84 crore for March 31, 2022 and ₹ 12.71 crore for March 31, 2021. The tax benefit recognized is ₹ 4.02 crore for March 31, 2022 and ₹ 4.00 crore for March 31, 2021.

As of March 31, 2022, the total compensation cost related to non-vested awards not yet recognized is ₹ 1.44 crore and the weighted-average period over which it is expected to be recognized is 966 days.

ii. **Cash settled stock options:**

The Board of Directors approved a grant of 57,429 cash settled options on June 27, 2017, which vest over a period of 48 months to 60 months from October 1, 2014 and expire within ten years from the aforesaid date.

The following are the cash-settled share-based payment arrangements:

	Number	Expiry date	Exercise Price per share	Fair value as at reporting date
Grants	57,429	30-Sep-24	€ 0.01	$ 4.48

Movement in cash settled shares options during the current year:

	March 31, 2022		March 31, 2021	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	**54,178**	**€ 0.01**	**54,178**	**€ 0.01**
Granted during the year	-	-	-	-
Settled during the year	54,178	**€ 0.01**	-	-
Balance at the end of the year	**-**	**-**	**54,178**	**€ 0.01**
Exercisable at the end of the year	-	**-**	**-**	**-**

The weighted average remaining contractual life in respect of share-based options is Nil days as of March 31, 2022 and 1,279 days as of March 31, 2021.

In case of phantom stock options, the participants are entitled to a cash payment amounting to the difference between the exercise price of the options and the exit proceeds allocated to each share underlying the options in case of an employee continuing employment and change of control or listing of PFW on certain stock exchanges subject to some conditions.

During May 2021 all of phantom stock options were exercised at equity share price of $ 37.51 per option. Given the proximity to March 31, 2021, this has been considered as reference fair value for the cash settled options at March 31, 2021 and accordingly stock based compensation expense of ₹ 10.91 crore, representing the incremental amount paid of $ 37.51 per share over the previously estimated fair value, has been recorded during the year ended March 31, 2021.

41.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. 2,75,475 options were outstanding as at March 31, 2022 (Previous year 1,87,885). 94,340 (Previous year NIL) 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, 37,190 were vested during the year (Previous year 15,523)

The current status of the stock options granted to the employees is as under:

Particulars	March 31, 2022		March 31, 2021	
	Numbers of options	Weighted average exercise price	Numbers of options	Weighted average exercise price
Balance at the beginning of the year	**1,87,886**	**1,996**	**2,59,074**	**2,626**
Granted during the year	94,340	2,037	-	-
Lapsed/ forfeited during the year	6,750	1,576	61,150	1,332
Expired during the year	-	-	10,038	267
Balance at the end of the year	**2,75,476**	**2,062**	**1,87,886**	**1,996**
Exercisable at the end of the year	**1,11,603**	**1,715**	**1,15,263**	**1,661**

For stock options outstanding as at March 31, 2022 the range of exercise price is ₹ 263 to ₹ 4,478 and weighted average remaining contractual life is 3.87 years and vesting period of 1 to 3 years.

94,340 options were granted during the year.

Following are details with regard to determination of the fair value of stock options:

Option Pricing Model used – Black-Scholes-Merton formula

Weighted average fair value of share – ₹ 2,076- per share

Expected volatility – 30.9% - 32.2%

Option life – 5 - 7 years

Expected dividends – 0% yield

Risk-free interest rate -6.10% p.a.

PFT has followed the fair value method to account for the grant of stock options and charge for the year ended March 31, 2022 is ₹ 8.75 Crores (March 31, 2021: ₹ 7.72 Crores).

42. 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. Namit Malhotra – Non – Executive Director and Chief Executive Officer of PFWNV Group

Mr. Nishant Fadia – Chief Financial Officer

Ms. Parina Shah – Company Secretary

ii. Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Blooming Buds Coaching Private Limited

A2R Holdings

Monsoon Studio Private Limited

N2M Reality Private Limited

(i) Key Management Personnel *

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Remuneration		
Mr. Naresh Malhotra	1.18	0.89
Mr. Namit Malhotra	7.36	5.92
Mr. Nishant Fadia	0.59	0.44
Ms. Parina Shah	0.28	0.21

*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, 2022	As at March 31, 2021
Balance payable		
Mr.Naresh Malhotra	0.07	0.12
Mr.Namit Malhotra	5.05	0.88
Mr. Nishant Fadia	0.04	0.06
Ms.Parina Shah	0.03	0.03

(ii) Enterprises owned or significantly influenced by Key Management Personnel or their relatives

₹ Crores

	Year ended March 31, 2022	Year ended March 31, 2021
Interest expense on lease liability		
Blooming Buds Coaching Private Limited	1.94	2.21

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Balance outstanding		
Deposit		
Blooming Buds Coaching Private Limited	5.30	5.30
Lease liability		
Blooming Buds Coaching Private Limited	15.42	18.03
Capital advance		
N2M Reality Private Limited	26.50	26.50

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, 2022 is 27,70,000 (March 31, 2021: 27,70,000) and employee stock option expense for the year March 31, 2022 is ₹ Nil (March 31, 2021: ₹ Nil).

Under ESOP Schemes of subsidiaries, Nil (March 31, 2021: Nil) options were granted to Key management personnel during the year. The stock options outstanding for KMP's as at March 31, 2022 is 3,75,505 (March 31, 2021: 3,75,505) and employee stock option expense for the year March 31, 2022 is ₹ Nil (March 31, 2021: ₹ (0.86) Crores).

During the year, A2R Holdings acquired 3,36,294 Ordinary I shares and 1,87,500 Class B Preferred Shares from existing shareholders of Prime Focus World NV.

43. Lease liabilities

Maturity profile of lease liabilities

₹ Crores

	As at March 31, 2022	
	Carrying value	Undiscounted cash flow
Within one year	237.01	284.10
Later than one year and not later than five years	435.75	559.92
Later than five years	368.15	438.73
	1,040.91	**1,282.75**

Maturity profile of lease liabilities

₹ Crores

	As at March 31, 2021	
	Carrying value	Undiscounted cash flow
Within one year	261.40	310.95
Later than one year and not later than five years	433.48	564.79
Later than five years	430.54	517.59
	1,125.42	**1,393.33**

44. Capital and other commitments

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for:	20.09	8.38

45. Contingent liabilities

₹ Crores

	As at March 31, 2022	As at March 31, 2021
Relates to demand raised by octroi authorities for non-payment of octroi on certain equipments.	1.74	1.74
Performance guarantees given to customers by the Group	39.00	145.18

46. On August 13, 2018, Prime Focus Technologies Limited ("PFT") acquired 100% shares of Apptarix Mobility Solution Private Limited, an OTT technology product innovator. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹ 1.25 Crore and contingent consideration of up to ₹ 3.75 Crore in the form of Non-convertible redeemable preference shares (NCRPS). The fair value of contingent consideration on the date of acquisition was ₹ 2.46 Crore. Total fair value of consideration was ₹ 3.71 Crore. The value of NCRPS as on March 31, 2019 was ₹ 2.78 crore. During the previous year, the terms of NCRPS have been changed as per mutual agreement between PFT and NCRPS holders. The NCRPS are now expected to be redeemed on March 31, 2023 (instead of previous redemption dates of November 2019 for 50% of the NCRPS and February 2021 for the balance NCRPS). As at March 31, 2022, the revised fair value of NCRPS post change in terms is ₹ 3.27 Crore (previous year ₹ 2.94 Crore)

47. Additional regulatory informations

a. The Parent and Indian subsidiaries does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.

b. The Parent and Indian subsidiaries has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.

c. The Parent and Indian subsidiaries has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.

e. There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.

f. The Parent and Indian subsidiaries has not traded or invested in crypto currency or virtual currency during the year.

g. Utilisation of borrowed funds and share premium :

(i). The Parent and Indian subsidiaries has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or

- Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.

(ii). The Parent and Indian subsidiaries has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

- provide any guarantee, security or the like on behalf of the ultimate beneficiaries.

h. The Parent and Indian subsidiaries does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

48. Global health pandemic on COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India caused significant disturbance and slowdown of economic activity. The Group has considered internal and external information up to the date of approval of these financial statements in assessing the recoverability of receivables including unbilled receivables, goodwill, investment, loans and other assets. Based on the current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets.

The impact of COVID-19 remains uncertain and may be different from what the Group have estimated as of the date of approval of these considered financial statements.

49. Events after the reporting period

There were no events after the reporting period requiring adjustments or disclosures in these considered financial statements (refer note 48 relating to COVID-19 pandemic).

50. Approval of Financial Statements

The considered financial statements were approved for issuance by the Board of Directors on May 27, 2022.

In terms of our report attached.

For Deloitte Haskins & Sells Chartered Accountants LLP
Chartered Accountants
(Firm's Registration No. 117364W / W100739)

Varsha A. Fadte
(Partner)

Place : Panaji, Goa
Date : May 27, 2022

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 : May 27, 2022

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

Sr. No.	17p6.347	Prime Focus Technologies Limited	Prime Focus Technologies UK Limited	Prime Focus Technologies Inc.	Prime Post (Europe) Limited	DAX Cloud ULC	Apptarix Mobility Solutions Private Limited
1	Date of becoming the subsidiary / acquition	08-Mar-08	13-Aug-10	04-Mar-13	28-Apr-06	04-Apr-14	06-Apr-18
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	GBP	USD	GBP	CAD	INR
		1.0000	99.1765	75.5199	99.1765	60.3818	1.0000
4	Share capital (Rs.)	2.17	0.00	0.00	0.00	-	0.33
5	Reserves & surplus	204.80	(22.86)	(18.83)	(1.40)	(2.31)	(0.43)
6	Total assets	638.72	124.35	227.56	9.65	0.21	0.06
7	Total liabilities	431.75	147.21	246.39	11.05	2.52	0.16
8	Investments	176.66	-	-	-	-	-
9	Turnover	209.76	50.98	92.71	1.08	0.19	-
10	Profit before taxation	(68.01)	(1.82)	13.45	(2.08)	0.09	(0.30)
11	Provision for taxation	12.18	-	(0.74)	-	-	-
12	Profit after taxation	(55.83)	(1.82)	12.71	(2.08)	0.09	(0.30)
13	Other Comprehensive Income	(0.23)	-	-	-	-	-
14	Total Comprehensive Income	(56.06)	(1.82)	12.71	(2.08)	0.09	(0.30)
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding	73.75%	100.00%	100.00%	100.00%	100.00%	100.00%

Sr. No.	Name of the Subsidiary	Prime Focus MEAD FZ LLC	Prime Focus Technologies Pte Limited	De-Fi Media Limited *	Prime Focus Production Services Private Limited	GVS Software Private Limited	Jam8 Prime Focus LLP
1	Date of becoming the subsidiary / acquition	07-Oct-18	18-Sep-20	19-Dec-07	28-Feb-08	01-Apr-08	22-Apr-19
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	AED	USD	GBP	INR	INR	INR
		20.5579	75.5199	99.1765	1.0000	1.0000	1.0000
4	Share capital (Rs.)	0.00	0.00	-	0.01	0.28	0.01
5	Reserves & surplus	22.77	0.36	-	(0.01)	26.21	(5.80)
6	Total assets	19.03	3.73	-	0.00	26.50	3.89
7	Total liabilities	(3.74)	3.37	-	0.01	0.02	9.69
8	Investments	-	-	-	-	-	-
9	Turnover	-	21.46	1.31	-	-	5.87
10	Profit before taxation	(0.31)	0.17	(14.32)	-	-	(0.74)
11	Provision for taxation	-	(0.02)	-	-	-	-
12	Profit after taxation	(0.31)	0.14	(14.32)	-	-	(0.74)
13	Other Comprehensive Income	-	-	-	-	-	-
14	Total Comprehensive Income	(0.31)	0.14	(14.32)	-	-	(0.74)
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding	100.00%	100.00%	0.00%	100.00%	100.00%	51.00%

Sr. No.	Name of the Subsidiary	Prime Focus Motion Pictures Limited	DNEG Bulgaria EOOD	PF Investments Limited (Mauritius)	PF Overseas Limited (Mauritius)	PF World Limited (Mauritius)	Prime Focus Luxembourg S.a.r.l.
1	Date of becoming the subsidiary / acquition	22-Aug-08	14-Oct-21	23-Jun-11	26-Jul-13	11-May-11	21-Sep-11
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	BGN	USD	USD	USD	USD
		1.0000	43.2813	75.5199	75.5199	75.5199	75.5199
4	Share capital (Rs.)	0.05	0.01	0.32	0.00	0.80	130.80
5	Reserves & surplus	(0.39)	0.45	(0.92)	(0.83)	(906.38)	(44.37)
6	Total assets	31.13	9.89	0.11	142.06	1,125.37	261.93
7	Total liabilities	31.47	9.43	0.70	142.89	2,030.95	175.50
8	Investments	-	-	-	142.06	344.88	261.81
9	Turnover	-	7.53	-	-	-	-
10	Profit before taxation	(0.01)	0.49	0.03	(0.17)	(775.90)	(4.39)
11	Provision for taxation	-	0.05	-	-	-	-
12	Profit after taxation	(0.01)	0.44	0.03	(0.17)	(775.90)	(4.39)
13	Other Comprehensive Income	-	-	-	-	-	-
14	Total Comprehensive Income	(0.01)	0.44	0.03	(0.17)	(775.90)	(4.39)
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Sr. No.	Name of the Subsidiary	Prime Focus 3D Cooperatief U.A.	Lowry Digital Imaging Services Inc.	PF Media Limited	Prime Focus Media Uk Limited	Prime Focus World N.V.	Prime Focus International Services UK Limited
1	Date of becoming the subsidiary / acquition	21-Sep-11	07-Apr-15	07-Apr-15	07-Sep-20	16-Aug-11	23-Mar-11
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD	USD	MUR	GBP	USD	GBP
		75.5199	75.5199	1.6415	99.1765	75.5199	99.1765
4	Share capital (Rs.)	261.82	0.01	146.93	0.00	0.55	181.57
5	Reserves & surplus	(5.71)	(126.34)	41.78	-	(206.79)	(0.82)
6	Total assets	262.25	0.24	190.63	0.00	1,466.65	208.04
7	Total liabilities	6.14	126.58	1.92	-	1,672.88	27.29
8	Investments	262.25	-	18.05	-	1,383.88	-
9	Turnover	-	-	-	-	-	56.09
10	Profit before taxation	0.53	(0.27)	17.23	-	(227.26)	19.05
11	Provision for taxation	-	-	-	-	-	3.23
12	Profit after taxation	0.53	(0.27)	17.23	-	(227.26)	15.82
13	Other Comprehensive Income	-	-	-	-	-	-
14	Total Comprehensive Income	0.53	(0.27)	17.23	-	(227.26)	15.82
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding	100.00%	100.00%	100.00%	100.00%	90.73%	100.00%

Sr. No.	Name of the Subsidiary	DNEG Plc	DNEG North America Inc.	Vegas II VFX Limited	Prime Focus Academy of Media & Entertainment Studies Private Limited	Dneg India Media Services Limited	Prime Focus China Limited
1	Date of becoming the subsidiary / acquition	03-Dec-18	01-Apr-08	30-May-13	01-Oct-16	07-Apr-15	01-Apr-13
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	GBP	USD	CAD	INR	INR	USD
		99.1765	75.5199	60.3818	1.0000	1.0000	75.5199
4	Share capital (Rs.)	0.00	0.04	-	0.02	98.08	-
5	Reserves & surplus	(22.81)	407.42	(15.39)	11.10	132.48	-
6	Total assets	-	416.89	0.36	11.42	724.03	-
7	Total liabilities	22.81	9.43	15.75	0.30	493.46	-
8	Investments	-	-	-	-	15.01	-
9	Turnover	-	76.20	-	1.08	649.68	-
10	Profit before taxation	(0.13)	0.69	0.00	(0.42)	55.95	-
11	Provision for taxation	4.41	(0.92)	-	-	17.58	-
12	Profit after taxation	(4.55)	1.61	0.00	(0.42)	38.37	-
13	Other Comprehensive Income	-	-	-	0.02	(0.98)	-
14	Total Comprehensive Income	(4.55)	1.61	0.00	(0.41)	37.39	-
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	70.00%

Sr. No.	Name of the Subsidiary	Double Negative Holdings Limited UK	Double Negative Limited	Double Negative Singapore Pte. Limited	Double Negative Canada Productions Limited	Double Negative Huntsman VFX Limited	Double Negative Films Limited, UK
1	Date of becoming the subsidiary / acquition	15-Jul-14	15-Jul-14	15-Jul-14	30-Jul-14	15-Apr-15	15-Jun-14
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	GBP	GBP	SGD	CAD	CAD	GBP
		99.1765	99.1765	55.7705	60.3818	60.3818	99.1765
4	Share capital (Rs.)	0.00	0.00	0.00	-	0.00	0.00
5	Reserves & surplus	1.06	11.77	0.31	196.54	(2.80)	(61.99)
6	Total assets	117.97	1,537.80	0.45	318.66	9.95	173.51
7	Total liabilities	116.90	1,526.02	0.15	122.12	12.75	235.51
8	Investments	11.41	0.25	-	-	-	0.00
9	Turnover	-	713.84	-	425.88	1.49	-
10	Profit before taxation	117.98	106.14	126.64	42.60	1.62	0.53
11	Provision for taxation	-	12.98	(0.18)	12.14	-	-
12	Profit after taxation	117.98	93.16	126.81	30.46	1.62	0.53
13	Other Comprehensive Income	-	-	-	-	-	-
14	Total Comprehensive Income	117.98	93.16	126.81	30.46	1.62	0.53
15	Proposed Dividend	(116.84)	-	(126.47)	-	-	-
16	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Sr. No.	Name of the Subsidiary	Double Negative LA LLC	Incamera Limited	Double Negative Montreal Productions Limited	Double Negative Toronto Productions Limited	Prime Focus ME Holdings Limited #
1	Date of becoming the subsidiary / acquition	07-Mar-17	10-Feb-21	22-Jun-17	06-Aug-21	28-Mar-13
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22	31-Mar-22
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD	GBP	CAD	CAD	USD
		75.5199	99.1765	60.3818	60.3818	75.5199
4	Share capital (Rs.)	-	0.00	51.35	-	-
5	Reserves & surplus	3.03	(12.38)	349.62	1.58	-
6	Total assets	3.04	28.94	1,187.48	22.86	-
7	Total liabilities	0.00	41.32	786.51	21.29	-
8	Investments	-	-	-	-	-
9	Turnover	0.67	47.94	1,857.29	30.44	-
10	Profit before taxation	-	(6.06)	146.84	2.22	(0.07)
11	Provision for taxation	-	(2.88)	42.11	0.67	-
12	Profit after taxation	-	(3.18)	104.73	1.55	(0.07)
13	Other Comprehensive Income	-	-	-	-	-
14	Total Comprehensive Income	-	(3.18)	104.73	1.55	(0.07)
15	Proposed Dividend	-	-	-	-	-
16	% of shareholding	100.00%	50.00%	100.00%	100.00%	0.00%

*Subsidiary sold during the year

#Subsidiary dissolved during the year

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

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 realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risk, uncertainties and even inaccurate assumptions. Known or unknown risk or uncertainties materialise, 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.

PRIME FOCUS
LIMITED

Registered Office

Prime Focus House, Opposite Citibank, Linking Road,
Khar (West), Mumbai 400052, Maharashtra, India.

Tel: +91 22 6715 5000 | Fax: +91 22 6715 5001
www.primefocus.com