Independent Auditors' Report

To the Members of
PF Digital Media Services Private Limited

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Financial Statements of **PF Digital Media Services Private Limited** ("the Company") which comprise the Balance sheet as at March 31, 2020, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the Financial Statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 (the "Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the Loss and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibility

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the **"Annexure A"**, a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by section 143 (3) of the Act, we report that:

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

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

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

d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, Companies (Indian Accounting Standards) Rules, 2015, as amended;

e. On the basis of written representations received from the directors as on March 31, 2020, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020, from being appointed as a director in terms of section 164 (2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B"** to this report;

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

    I. Company does not have any pending litigations on its financial position in its Ind AS financial statements – therefore the same is not disclosed.

    II. the Company has not made any provision, Since there is no material foreseeable losses, on any, long-term contracts including derivative contracts, as required under the applicable law or accounting standards

    III. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company. Since the company is a private limited, therefore this point is not applicable.

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

Place: Mumbai
Date: 30th July, 2020

Sd/-
V. Shivkumar
Proprietor
M. No.: 042673

UDIN: 20042673AAAAIK8495

"Annexure A" to the Independent Auditors' Report

Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2020:

1)
   a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

   b) The Company has a regular programme of physical verification of its fixed assets by which fixed assets are verified in a phased manner over a period of three years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

   c) There are no immovable properties held in the name of the Company. Hence, this point is not applicable.

2) The Company does not have any Inventory. Therefore, the information relating to this is not disclosed.

3) The Company has not granted loans & Advances, secured or unsecured to Companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (c) of the Order are not applicable to the Company and hence not commented upon.

4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 In respect of loans, investments, guarantees, and security.

5) The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6) As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the Company.

7)
   a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax, Service Tax, Goods and Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2020 for a period of more than six months from the date on when they become payable.

   b) According to the information and explanation given to us, there are no dues of Income Tax, Goods and Service Tax outstanding on account of any dispute.

8) In our opinion and according to the information and explanations given to us, the Company does not have any loans towards Banks or financial institutions or government. The Company has not issued any debentures.

9) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not raised moneys by way of initial public offer or further public offer including debt instruments and term Loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10) Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

11) Based upon the audit procedures performed and the information and explanations given by the management, the managerial remuneration has been not paid or provided in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act;

12) In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 4 (xii) of the Order are not applicable to the Company.

13) In our opinion, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable Indian Accounting Standards.

14) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15) Based upon the audit procedures performed and the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) In our opinion, the Company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

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

Place: Mumbai
Date: 30th July, 2020

Sd/-
V. Shivkumar
Proprietor
M. No.: 042673

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

Report On The Internal Financial Controls Under Clause (I) Of Sub-Section 3 Of Section 143 Of The Companies Act, 2013 (“The Act”)

We have audited the internal financial controls over financial reporting of PF Digital Media Services Private Limited (“the Company”) as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that

1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and

3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Place: Mumbai
Date: 30th July, 2020

Sd/-
V. Shivkumar
Proprietor
M. No.: 042673

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

Balance sheet as at March 31, 2020 in ₹

	Notes	As at March 31, 2020	As at March 31, 2019
Assets			
Non-current assets			
Property, plant and equipment	4	29,669,559	50,266,929
Intangible assets	5	42,485	51,485
Right to use assets	6	16,451,888	-
Financial Assets			
i) Other financial assets	7	239,628	2,493,874
Income tax asset (net)		12,576,401	2,027,433
Other non-current assets	8	121,750,785	115,447,975
		180,730,745	**170,287,696**
Current assets			
Financial Assets			
i) Trade receivables	9	18,072,977	12,493,604
ii) Cash ad cash equivalents	10	2,024,483	1,934,656
iii) Other financial assets	11	334,807,468	588,629,875
Other current assets	12	7,549,124	10,507,320
		362,454,051	**613,565,455**
TOTAL		**543,184,796**	**783,853,151**
Equity and Liabilities			
Equity			
Equity Share Capital	13	500,000	500,000
Other Equity	14	(8,235,796)	(7,600,982)
		(7,735,796)	**(7,100,982)**
Non-current liabilities			
Financial liabilities			
i) Other financial liabilities	15	20,576,986	23,455,214
Provisions	16	904,493	654,479
		21,481,479	**24,109,693**
Current liabilities			
Financial Liabilities			
i) Borrowings	17	197,278,925	228,597,384
ii) Trade payables	18	13,478,803	10,194,380
iii) Other financial liabilities	19	316,208,058	526,699,117
Other current liabilities	20	2,455,674	1,336,936
Provisions	21	17,653	16,624
		529,439,113	**766,844,440**
TOTAL		**543,184,796**	**783,853,151**

See accompanying notes to the financial statement 1-30

As per our report of even date

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

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
Membership No. 042673
Mumbai
July 30, 2020

Nishant Fadia
(Director)
DIN 02648177

Niraj Sanghai
(Director)
DIN 08345634

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

Statement of profit and Loss for the year ended March 31, 2020 in ₹

	Notes	Year Ended March 31, 2020	Year Ended March 31, 2019
Income			
Revenue from operations (net)		65,531,848	32,719,193
Other income	22	49,507,479	13,501,991
		115,039,327	**46,221,184**
Expenses			
Employee benefits expenses	23	25,137,263	15,465,345
Technician fees		2,760,000	-
Other expenses	24	45,664,792	27,932,582
Finance costs	25	26,368,929	5,509,205
Depreciation and amortization expenses	4 & 5	15,841,585	4,869,406
		115,772,569	**53,776,538**
Loss before exceptional items and tax		**(733,243)**	**(7,555,354)**
Exceptional Items		-	-
Loss before tax		**(733,243)**	**(7,555,354)**
Tax expense			
Current tax		-	-
Deferred tax		-	-
Total tax expenses		**-**	**-**
Loss for the year		**(733,243)**	**(7,555,354)**
Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
Remeasurement of defined benefit plan : (Loss)		98,429	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
Total other comprehensive income		**98,429**	**-**
Total comprehensive income		**(634,814)**	**(7,555,354)**
Earnings per equity share			
Basic		(14.66)	(151.11)
Diluted		(14.66)	(151.11)

See accompanying notes to the financial statement 1-30

As per our report of even date

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

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
Membership No. 042673
Mumbai
July 30, 2020

Nishant Fadia
(Director)
DIN 02648177

Niraj Sanghai
(Director)
DIN 08345634

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

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

Changes in Equity Share capital

in ₹

	No of shares	Amount
As at April 01, 2018	50,000	50,000
Changes during the year	-	-
As at March 31, 2019	50,000	50,000
Changes during the year	-	-
As at March 31, 2020	**50,000**	**50,000**

Changes in Other Equity

in ₹

	Surplus in the statement of profit and loss	Total Other equity
As at April 01, 2018	**(30,228)**	**(30,228)**
Loss for the year	(7,555,354)	(7,555,354)
As at March 31, 2019	**(7,585,582)**	**(7,585,582)**
Loss for the year	(634,814)	(634,814)
As at March 31, 2020	**(8,220,396)**	**(8,220,396)**

See accompanying notes to the financial statement 1-30

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

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
Membership No. 042673
Mumbai
July 30, 2020

Nishant Fadia
(Director)
DIN 02648177

Niraj Sanghai
(Director)
DIN 08345634

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

Cash Flow Statement for the year ended March 31, 2020 in ₹

		Notes	As at March 31, 2020	As at March 31, 2019
A.	**Cash flow from Operating activities**			
	Net Profit before taxation		**(733,243)**	**(7,555,354)**
	Adjustments for :			
	Depreciation and amortisation expense		15,841,585	4,869,406
	Bad debts written off		1,742,399	-
	Unrealized foreign exchange (gain) (net)		(55,769)	-
	Interest income		(49,444,534)	(13,486,858)
	Finance cost		26,368,929	5,509,205
	Operating loss before working capital changes		**(6,280,633)**	**(10,663,601)**
	Movements in working capital :			
	Decrease / (Increase) in non-current financial assets		3,462,000	(2,493,874)
	(Increase) in trade receivable		(5,523,604)	(12,493,604)
	Decrease / (Increase) in current financial assets		156,788	(14,770,234)
	Decrease / (Increase) in other current assets		2,958,196	(10,007,320)
	(Decrease) / Increase in current financial liabilities		(1,505,522)	135,421,865
	Increase / (Decrease) in provisions		349,472	671,103
	Cash (used) / generated from operations		**(6,383,302)**	**85,664,334**
	Direct taxes paid		(10,548,968)	(2,027,433)
	Net cash (used) / generated from operating activities (A)		**(16,932,270)**	**83,636,901**
B.	**Cash flow from investing activites**			
	Purchase of fixed assets		(15,503,482)	(170,060,098)
	Net cash used in investing activities (B)		**(15,503,482)**	**(170,060,098)**
C.	**Cash flow from Financing activities**			
	Proceeds from long term borrowings		-	38,558,631
	Repayment of long term borrowings		(87,000,000)	-
	Proceeds / (Repayment) of short term borrowings (net)		146,658,131	51,273,502
	Lease liabilities		(4,254,134)	(622,578)
	Interest paid		(22,878,419)	(851,702)
	Net cash generated from financing activities (C)		**32,525,578**	**88,357,853**
	Net increase in cash and cash equivalents (A+B+C)		**89,827**	**1,934,656**
	Cash and cash equivalents at the beginning of the year		1,934,656	-
	Cash and cash equivalents at the end of the year		**2,024,483**	**1,934,656**

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

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
Membership No. 042673
Mumbai
July 30, 2020

Nishant Fadia
(Director)
DIN 02648177

Niraj Sanghai
(Director)
DIN 08345634

1. Corporate information

PF Digital Media Services Limited, (Previously known as Prime Focus 3D India Private Limited) (the Company) is a private company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company is engaged in the business of post-production including digital intermediate, visual effects, 2D to 3D conversion and other technical and creative services to the Media and Entertainment industry.

2. Statement of significant accounting policies:

a. Basis of preparation

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

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

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

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

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

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

b. Use of estimates

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

c. Revenue recognition

Revenue comprises the fair value of the consideration for the sale of services and products in the ordinary course of the Company's activities. Revenue is shown net of applicable taxes.
The Company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Company and no significant uncertainty exists as to its determination or realisation. The Company bases its estimates on empirical evidence of the past taking into consideration the type of transaction, the type of customer and the specifics of each arrangement.

The Company provides a variety of post-production services including digital intermediate, visual special effects (VFX), two dimension to three dimension (2D to 3D) conversion 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 hours spent up to the balance sheet date, which bears to the total hours estimated for the contract. If losses are expected on contracts these are recognized when such loses become evident.

d. Dividend income and interest income

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

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

e. Foreign currencies

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

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

• exchange differences on foreign currency borrowings relating to assets under construction for further productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;

• exchange differences on transactions entered into in order to hedge certain foreign currency risks.

f. Provisions

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

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

g. Taxation

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

Current tax

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

Deferred tax

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

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

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

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

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

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

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

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

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

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

a) control the use of an identified asset,
b) obtain substantially all the economic benefits from use of the identified asset, and
c) direct the use of the identified asset

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

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

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

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

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

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

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

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

k. New Accounting standards adopted by the Company:

Ind AS 116 – Leases

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

· The Company will not reassess whether a contract is or contains a lease. Accordingly, the definition of lease in accordance with Ind AS 17 will continue to be applied to lease contracts entered by the Company or modified by the Company before April 1, 2019.

· The Company has applied a single discount rate to a portfolio of leases of similar assets in similar economic environment. Consequently, the Company has recorded its lease liability using the present value of remaining lease payments, discounted using the incremental

· The Company excluded the initial direct costs from measurement of the right-to-use asset;

· The Company does not recognize right-to-use assets and lease liabilities for leases with less than twelve months of lease term and low-value assets on the date of initial application.

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

On adoption of Ind AS 116,

a. The net carrying value of assets procured under the finance lease Rs. 21,046,432 (gross carrying and accumulated depreciation value of Rs. 22,911,401 and Rs. 1,864,969 respectively) have been reclassified from property, plant and equipment and intangible assets to right- to-use assets.

b. The obligations under finance leases of Rs. 27,936,053 (non-current and current obligation under finance leases Rs. 23,455,214 and Rs. 4,480,839 respectively) have been reclassified to lease liabilities.

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

a. Depreciation expense from right-to-use assets (including assets taken on lease accounted for as finance lease under Ind AS 17 till previous year) of Rs. 7,670,439 (Refer to Note 6).

b. Interest expenses on lease liabilities of Rs. 3,093,676.

c. Rent expense amounting to Rs. 7,018,375 pertaining to leases with less than twelve months of lease term has been included under other expenses.

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

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

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

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4. Property, Plant and Eqiupment in ₹

	Plant and equipment	Office equipment	Furniture & fixture	Total
Gross Block				
Balance as at April 1, 2018	-	-	-	-
Additions	38,163,618	5,573,866	11,396,336	55,133,820
Disposals	-	-	-	-
Balance as on March 31, 2019	**38,163,618**	**5,573,866**	**11,396,336**	**55,133,820**
Accumulated depreciation.				
Balance as at April 1, 2018	-	-	-	-
Depreciation expense for the year	3,610,845	429,104	826,942	4,866,891
Disposal of assets	-	-	-	-
Balance as on March 31, 2019	**3,610,845**	**429,104**	**826,942**	**4,866,891**
Balance as on March 31, 2019	**34,552,773**	**5,144,762**	**10,569,394**	**50,266,929**

Property, Plant and Eqiupment in ₹

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

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5. Intangible assets in ₹

	Software	Total
Gross Block		
Balance as at April 1, 2018	-	-
Additions	54,000	54,000
Disposals	-	-
Balance as on March 31, 2019	**54,000**	**54,000**
Accumulated depreciation.		
Balance as at April 1, 2018	-	-
Depreciation expense for the year	2,515	2,515
Disposal of assets	-	-
Balance as on March 31, 2019	**2,515**	**2,515**
Balance as on March 31, 2019	**51,485**	**51,485**

Intangible assets in ₹

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

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6. Right to use in ₹

	Right to use Plant and equipment	Right to use Office equipment	Total
Gross Block			
Balance as at April 1, 2018	-	-	-
Additions	-	-	-
Disposals	-	-	-
Balance as on March 31, 2019	**-**	**-**	**-**
Accumulated depreciation.			
Balance as at April 1, 2018	-	-	-
Depreciation expense for the year	-	-	-
Disposal of assets	-	-	-
Balance as on March 31, 2019	**-**	**-**	**-**
Balance as on March 31, 2019	**34,552,773**	**5,144,762**	**-**

Right to use in ₹

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

7. Other financial assets (non-current)

in ₹

	As at March 31, 2020	As at March 31, 2019
Security Deposits	239,628	2,493,874
	239,628	**2,493,874**

8. Other non current assets

in ₹

	As at March 31, 2020	As at March 31, 2019
Capital advances	121,750,785	115,447,975
	121,750,785	**115,447,975**

9. Trade Receivables

in ₹

	As at March 31, 2020	As at March 31, 2019
Trade Receivables	18,072,977	12,493,604
	18,072,977	**12,493,604**

10. Cash and cash equivalents

in ₹

	As at March 31, 2020	As at March 31, 2019
Cash on hand	18,721	1,955
Bank balances		
In current accounts	2,005,762	1,932,701
	2,024,483	**1,934,656**

11. Other current financial assets

in ₹

	As at March 31, 2020	As at March 31, 2019
Loan given to group companies	331,827,972	588,574,875
Unbilled revenue	2,979,496	-
Others	-	55,000
	334,807,468	**588,629,875**

12. Other current assets

in ₹

	As at March 31, 2020	As at March 31, 2019
Other loans and advances	7,528,445	9,263,035
Prepaid expenses	20,678	1,244,285
	7,549,124	**10,507,320**

13. Share capital

in ₹

	As at March 31, 2020	As at March 31, 2019
Authorised shares:		
50,000 Shares of Re.10/- each (Previous year 50,000 Shares of Rs.10/- each)	**500,000**	**500,000**
Issued, subscribed and paid-Up:	500,000	500,000
50,000 Shares of Re.10/- each (Previous year 50,000 Shares of Rs.10/- each)		
	500,000	**500,000**

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

	As at March 31, 2020 No.	As at March 31, 2019 No.
At the beginning of the period	50,000	50,000
Issued during the year	-	-
Outstanding at the end of the period	**50,000**	**50,000**

b. Shares held by holding holding company

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

	As at March 31, 2020	As at March 31, 2019
Prime Focus limited	50,000	50,000

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

	As at March 31, 2020	As at March 31, 2019
Prime Focus limited	50,000	50,000

14. Other equity

in ₹

	As at March 31, 2020	As at March 31, 2019
Retained Earnings		
Balance as per last financial statements	(7,600,982)	(45,628)
Profit for the year	(634,814)	(7,555,354)
Net Retained Earnings	**(8,235,796)**	**(7,600,982)**
Total Other equity	**(8,235,796)**	**(7,600,982)**

15. Other financial liabilities (non-current)

in ₹

	As at March 31, 2020	As at March 31, 2019
Lease obligations ((Refer note (a) below)	20,576,986	23,455,214
	20,576,986	**23,455,214**

a. Lease obligations

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

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

Maturity profile of lease liabilities

in ₹

Undiscounted cash flow	As at March 31, 2020	As at March 31, 2019
Within one year	8,889,259	7,470,938
Later than one year and not later five years	24,422,308	29,261,173
Later than five years	-	-
	33,311,567	**36,732,111**

in ₹

Carrying value	As at March 31, 2020	As at March 31, 2019
Within one year	5,912,778	4,480,839
Later than one year and not later five years	20,576,986	23,455,214
Later than five years	-	-
	26,489,763	**27,936,053**

16. Provision (non current)

in ₹

	As at March 31, 2020	As at March 31, 2019
Provision for gratuity	904,493	654,479
	904,493	**654,479**

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17. Borrowing - current

	As at March 31, 2020	**As at March 31, 2019**
		in ₹
Loan from group company	197,278,925	228,597,384
	197,278,925	**228,597,384**

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

18. Trade payables

	As at March 31, 2020	**As at March 31, 2019**
		in ₹
Trade payables	13,341,805	9,492,201
Owed to group companies	136,998	702,179
	13,478,803	**10,194,380**

19. Other current financial liabilities

	As at March 31, 2020	**As at March 31, 2019**
		in ₹
Current maturities of long-term debt (refer note below)	240,000,000	327,000,000
Lease obligations	5,912,778	4,480,839
Accrued salaries and benefits	1,751,440	2,524,996
Interest accrued and not due on ICD	66,048,901	66,048,901
Interest accrued but not due on borrowings - Inter Co	1,990,511	4,408,684
Interest accrued but not due on borrowings	250,146	-
Security deposit received	-	121,660,000
Capital Creditors	254,283	575,697
	316,208,058	**526,699,117**

Current maturities of long-term debt

	As at March 31, 2020	**As at March 31, 2019**
		in ₹
From others - unsecured (Refer note (a) below)	10,000,000	10,000,000
Inter corporate deposit received - unsecured (Refer note (b) below)	230,000,000	317,000,000
	240,000,000	**327,000,000**

a. Unsecured term loans from others are availed at interest rate of 15.00% p.a. As at March 31, 2020 ₹ 10,0000,000 (March 31, 2019: ₹ 10,0000,000) is disclosed under current maturities of long term borrowings.

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

20. Other current liability

	As at March 31, 2020	**As at March 31, 2019**
		in ₹
Advances received from clients	164,208	-
Bank book overdraft	306,377	157,848
Statutory dues	1,985,089	1,179,088
	2,455,674	**1,336,936**

21. Provision (current)

	As at March 31, 2020	**As at March 31, 2019**
		in ₹
Provision for gratuity	17,653	**16,624**
	17,653	**16,624**

22. Other income

in ₹

	Year ended March 31, 2020	Year ended March 31, 2019
Interest Income - others	1,207,754	108,204
Interest Income - group companies	48,236,780	13,378,654
Miscellaneous income	2,664	-
Exchange gain	60,281	15,133
	49,507,479	**13,501,991**

23. Employee benefits expenses

in ₹

	Year ended March 31, 2020	Year ended March 31, 2019
Salaries, Allowances	23,477,036	14,112,716
Bonus and incentive	380,244	249,690
Contribution to Provident and Other Funds	772,864	339,190
Staff Welfare Expenses	65,755	92,646
Gratuity	441,364	671,103
	25,137,263	**15,465,345**

24. Other expenses

in ₹

	Year ended March 31, 2020	Year ended March 31, 2019
Audit fees	105,000	150,000
Bad debts written off	1,742,399	-
Brokerage and commission	-	44,000
Communication Cost:	370,981	357,184
Electricity Charges	1,577,818	1,073,690
Freight and clearing	176,300	22,900
House-keeping charges	561,539	619,873
Insurance expenses	102,945	-
Inter-company management fees	-	3,500,000
Legal and Professional Fees	9,179,080	102,905
Miscellaneous expenses	439,249	957
Office expenses	38,537	143,972
Postage expenses	21,139,960	12,048,327
Printing and stationery	261,680	225,032
Rates and taxes	50,000	46,510
Rent	7,018,375	4,867,889
Repairs to buildings	1,237,201	2,594,929
Repairs to plant and machinery	214,348	883,528
Security charges	503,774	408,814
Tea/Coffee/Water	118,175	302,441
Technical service cost	81,779	9,000
Travel, Conveyance and Accommodation	735,845	529,761
Water charges	9,809	870
	45,664,792	**27,932,582**

25. Finance cost

in ₹

	Year ended March 31, 2020	Year ended March 31, 2019
Interest on others	1,499,999	248,819
Interest on leases liabilities	3,093,676	-
Bank charges	2,677	11,960
Interest expense - group companies	21,772,577	5,248,426
	26,368,929	**5,509,205**

Employee benefits

26 a. Defined contribution plans

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

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

	Year ended March 31, 2020	Year ended March 31, 2019
Employer's contribution to provident and other funds	772,864	339,190

b. Defined benefit plans

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

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

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

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

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

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

	Unfunded	
	March 2020	**March 2019**
Defined benefit obligation at the beginning of the year	671,103	-
Interest cost	52,279	-
Current service cost	389,085	671,103
Benefits paid directly by the employer	(91,892)	-
Actuarial (gains)/losses on obligations - due to change in demographic	-	-
Actuarial (gains)/losses on obligations - due to change in financial assumptions	109,059	-
Actuarial (gains)/losses on obligations - due to experience	(207,488)	-
Defined benefit obligation at the end of the year	**922,146**	**671,103**

ii) Expense recognized in Statement of Profit and Loss: in ₹

	Unfunded	
	March 2020	**March 2019**
Current service cost	389,085	671,103
Net interest cost	52,279	-
Expenses recognized	**441,364**	**671,103**

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

	Unfunded	
	March 2020	**March 2019**
Actuarial (gain) / loss	(98,429)	-
Net (gain) / loss recognized in OCI	**(98,429)**	**-**

iv) Actuarial assumptions:

	Unfunded	
	Year ended March 31, 2020	**Year ended March 31, 2019**
Rate of discounting (p.a.)	6.84%	7.79%
Rate of salary increase (p.a.)	5.00%	5.00%
Attrition rate (p.a.)	2.00%	2.00%
Mortality table	Indian Assured Lives Mortality (2006-08)	Indian Assured Lives Mortality (2006-08)
Mortality Rate After Employment	N.A.	N.A.

The discount rates reflect the prevailing market yields of Indian Government securities as at the Balance Sheet date for the estimated term of the obligations.

The estimates of future salary increase, considered in actuarial valuation, take into account, inflation, seniority, promotions and other relevant factors, such as demand and supply in the employment market.

v) Sensitivity analysis of the defined benefit obligations:
Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below:

in ₹

	March 2020		March 2019	
	Increase in assumption	**Decrease in assumption**	**Increase in assumption**	**Decrease in assumption**
Discount rate (1% movement)	(114,322)	136,083	(82,814)	98,779
Future salary appreciation (1% movement)	137,261	(117,177)	100,604	(85,569)
Attrition rate (1% movement)	11,334	(14,033)	21,496	(24,974)

27. Related party disclosure

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

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

Related party rransaction during the year in ₹

	March 31,	
	2020	**2019**
Loan including interest as per novation agreement		
Prime Focus Technologies Limited	-	576,534,086
Dneg India Media Services Limited	-	(193,485,185)
Loan receivable from Prime Focus Technologies Limited assigned against Deposit payable to Prime Focus Limited	**300,160,000**	-
Loan received from		
Dneg India Media Services Limited	120,000,000	-
Prime Focus Limited	**255,066,406**	100,499,603
Loan repaid to		
Prime Focus Limited	**117,826,644**	40,460,440
Dneg India Media Services Limited	288,558,221	24,926,964
Loan given to		
Dneg Creative Services Limited	120,000,000	-
Loan repaid by		
Dneg Creative Services Limited	120,000,000	-
Prime Focus Technologies Limited	4,823,683	-
Revenue from operations		
Prime Focus Limited	**11,276,130**	6,723,068
Interest income		
Prime Focus Technologies Limited	48,236,780	13,378,654
Technical service cost		
Prime Focus Technologies Limited	-	7,000
Interest expense		
Prime Focus Limited	15,607,502	577,561
Dneg India Media Services Limited	6,165,075	4,670,865
Management fee expnese		
Prime Focus Limited	-	3,500,000
Fixed asset purchase		
Prime Focus Limited	-	9,050,323
Deposit received from		
Prime Focus Limited	178,500,000	121,660,000
Expense recharge received from		
Prime Focus Limited	90,190	499,277
Jam8 Prime Focus Llp	104,857	-

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

Balance outstanding in ₹

	As at March 31,	
	2020	**2019**
Trade payables		
Prime Focus Limited	5,707	694,619
Jam8 Prime Focus Llp	123,731	-
Prime Focus Technologies Limited	7,560	7,560
Interest payable		
Dneg India Media Services Limited	-	4,203,778
Prime Focus Limited	1,990,511	204,906
Loan received		
Dneg India Media Services Limited	-	168,558,221
Prime Focus Limited	197,278,925	60,039,163
Deposit received		
Prime Focus Limited	-	121,660,000
Trade receivables		
Prime Focus Limited	505,926	1,022,543
Unbilled revenue		
Prime Focus Limited	-	-
Loan given		
Prime Focus Technologies Limited	331,827,972	588,574,875

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

28 Fair Value Measurements in ₹

	As at March 31		As at March 31	
	2020	**2019**	**2020**	**2019**
	Carrying Value		**Fair Value**	
A. Financial Assets:				
Trade receivables	18,072,977	12,493,604	-	-
Cash ad cash equivalents	2,024,483	1,934,656	-	-
Other financial assets	335,047,096	591,123,749	-	-
Total	**355,144,556**	**605,552,009**	**-**	**-**
B. Financial Liabilities:				
Borrowings	217,855,911	252,052,598	-	-
Trade payables	13,478,803	10,194,380	-	-
Other financial liabilities	316,208,058	526,699,117	-	-
Total	**547,542,772**	**788,946,094**	**-**	**-**

Capital Risk Management

The objectives when managing capital are to safeguard the ability to continue as a going concern to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

The management sets the amounts of capital required in proportion to risk. The Company manages its capital structure and adjusts it in light of changes in economic conditions and risk characteristics of the underlying assets.

Financial risk management

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

- Credit risk
- Liquidity risk
- Market risk

i) Credit Risk

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

ii) Liquidity Risk

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

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

Liquidity Risk in ₹

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

in ₹

At 31 March 2019	Less than 12 months	More than 12 months	Total
Current financial assets			
Trade receivables	12,493,604	-	**12,493,604**
Cash ad cash equivalents	1,934,656	-	**1,934,656**
Other financial assets	588,629,875	2,493,874	**591,123,749**
	603,058,135	**2,493,874**	**605,552,009**
Current financial liabilities			
Borrowings	228,597,384	23,455,214	**252,052,598**
Trade payables	10,194,380	-	**10,194,380**
Other financial liabilities	526,699,117	-	**526,699,117**
	765,490,881	**23,455,214**	**788,946,094**

Market risk

The Company is primarily exposed to the following market risks.

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

Foreign Currency risk management

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

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

Particulars	Foreign Currency Denomination	As at March 31, 2020		As at March 31, 2019	
		Foreign Currency	In ₹	Foreign Currency	In ₹
Asset	AED	21,210	431,472	19,731	372,328
	GBP	17,518	1,620,069	-	-
	USD	10,527	786,814	-	-
Asset Total			**2,838,355**		**372,328**

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 ₹ 141,918 for the year ended March 31, 2020 (March 31, 2019: ₹ 18,616). This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

29. Capital and other commitments

in ₹

	As at March 31, 2020	As at March 31, 2019
Estimated amount of contracts remaining to be executed on capital account (net of advances), and not provided for:	46,200	-

30. Earnings per share

in ₹

Particulars	Year ended March 31, 2020	Year ended March 31, 2019
Net (loss) attributable to equity shareholders	(733,243)	(7,555,354)
Exceptional items (net of tax)	-	-
Net Profit/(loss) before exceptional items but after tax	(733,243)	(7,555,354)
Weighted average number of equity shares in calculating basic and diluted EPS	**50,000**	**50,000**
Earnings per share (before exceptional items)		
Basic EPS	(14.66)	(151.11)
Diluted EPS	(14.66)	(151.11)

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

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

For and on behalf of the Board of Directors

V. Shivkumar
(Proprietor)
Membership No. 042673
Mumbai
July 30, 2020

Nishant Fadia
(Director)
DIN 02648177

Niraj Sanghai
(Director)
DIN 08345634