



PRIME FOCUS
LIMITED



LEADING FROM THE FRONT

Prime Focus Limited
Annual Report 2015-16

'leading from the front'

phrase

1. To show the way by going in advance
2. To play a principal or guiding role in
3. To be the first

Ever since our inception 19 years ago, **Prime Focus** has been an innovator.

Never willing to accept the status quo; never content to stand still; never willing to rest on its laurels.

In our early years we offered India's first high-end post production finishing system; India's first film scanning and recording system; India's first Digital Intermediate service. We were the first visual effects company in India to operate a motion control rig. We brought new technologies and processes to the Indian film, advertising and broadcast industries.

Then we expanded internationally.

Our technology division deployed the World's first Hybrid Cloud platform in 2009, and we became the first company in the world to convert an entire Hollywood film from 2D to 3D.

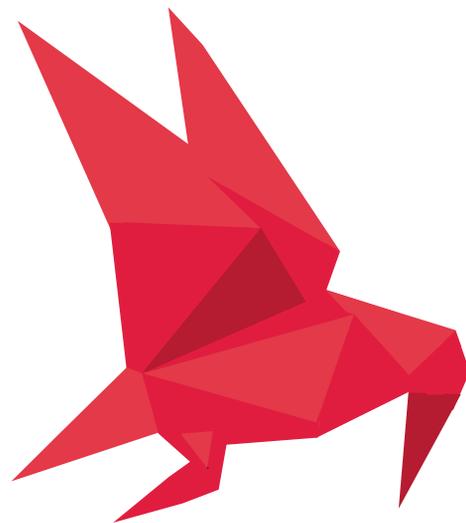
In 2013 we launched the World's largest digital media services cloud, 'True North', and became the first company to deliver a full package of visual effects and 3D conversion services as the exclusive partner on a major Hollywood release... from India.

A year later, we put together a series of ground-breaking mergers and acquisitions, aligning with Academy Award® winning, world-renowned VFX company Double Negative; media services heavyweight Reliance MediaWorks; stereo conversion leader Gener8; DAX®, the creators of the Primetime Emmy® Award winning Digital Dailies®; and Academy Award® winning Lowry Digital.

We continue to prove our creative and technical leadership position in the global M&E industry with award wins in all areas of our business, including two consecutive Academy Awards for Double Negative. And nineteen years on from our humble beginnings we continue to break new ground, announcing a new joint venture to bring Virtual Reality to India in conjunction with VR industry leaders Digital Domain Holdings Limited.

We don't follow; we lead by example.

LEADING FROM THE FRONT





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THE YEAR AT A GLANCE

This year Prime Focus has delivered more films, more animation, more ads, more TV programmes and more technology services to more clients than ever before. Here's our year in numbers.

22

is the number of Facilities we operate around the World, in 14 cities



16

is the number of Hollywood feature films that we have delivered



6

is the number of Hollywood films for which we've delivered bundled services (VFX & Stereo Conversion)



31

is the number of Hollywood feature films that we currently have in production



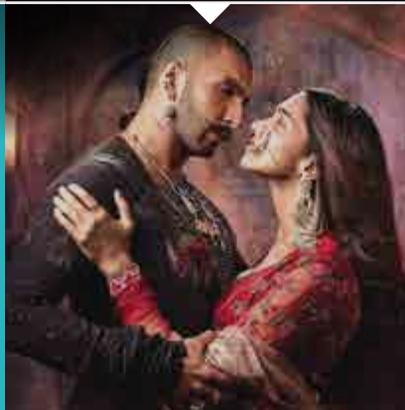
112

is the number of Bollywood feature films that we have delivered (across our VFX, DI and EQR divisions)



7,000

is the number of Staff we have working for Prime Focus around the World





46

is the number of
Bollywood feature films
that we currently have in
production



3

is the number of CG
Animated movies
that we currently
have in production



1.25 mn

is the number of hours
of content managed by
CLEAR™



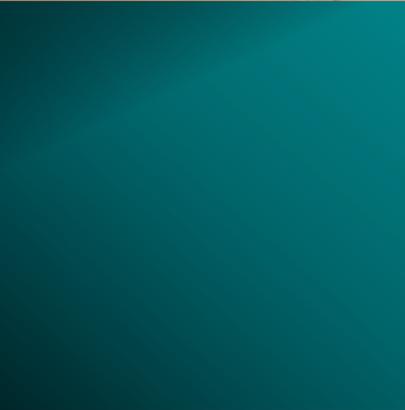
550

is the number of
minutes of Animated
Content we've
created this year



10 mn

is the number of files
delivered this year for
Syndication and VoD
fulfillment



8

is the number of
Awards we've won



EXECUTIVE CHAIRMAN'S MESSAGE



From the very earliest days of Prime Focus, our mission has been clear:

- to build a globally competitive business
- to provide a growth platform for our people
- to deliver to our customers the highest levels of service
- to earn profit respectably
- to be leaders in our business by harnessing creativity and challenging convention
- to deliver to our shareholders a commitment to work with integrity and intelligence at all times

The company has evolved beyond all recognition since those early days - from humble garage start-up in Mumbai to an international powerhouse working with the world's leading content creators and technology companies - but our mission remains the same. And we remain determined to deliver on what we set out to do all those years ago.

Every day, across our organisation, we strive to deliver work that is better than the work we delivered the day before. Every day we re-invent ourselves to better respond to the needs of our clients and the challenges of our industry. Every day we come to work re-invigorated, ready to innovate and push the boundaries of what is possible.

We have established our leadership position in the media and entertainment services industry through relentless hard work and focused determination, and cemented it by winning its top awards, by working with its most esteemed and successful players, and by bringing aboard some of its most creative and sought-after talent.

We have created new opportunities, opened new markets and rationalised our business, and we are beginning to capitalize 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.

From the beginning we have never followed others – we have always forged our own path.

And we continue to lead from the front. It's in our DNA.

Namit Malhotra

Founder, Executive Chairman and Global CEO

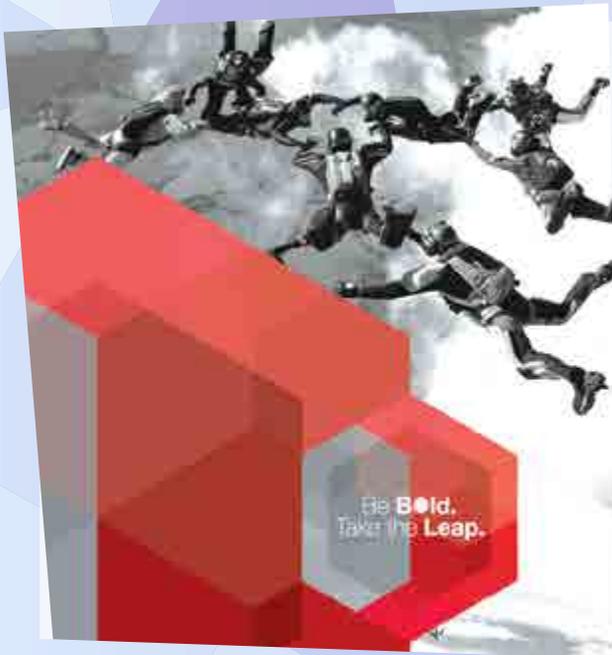
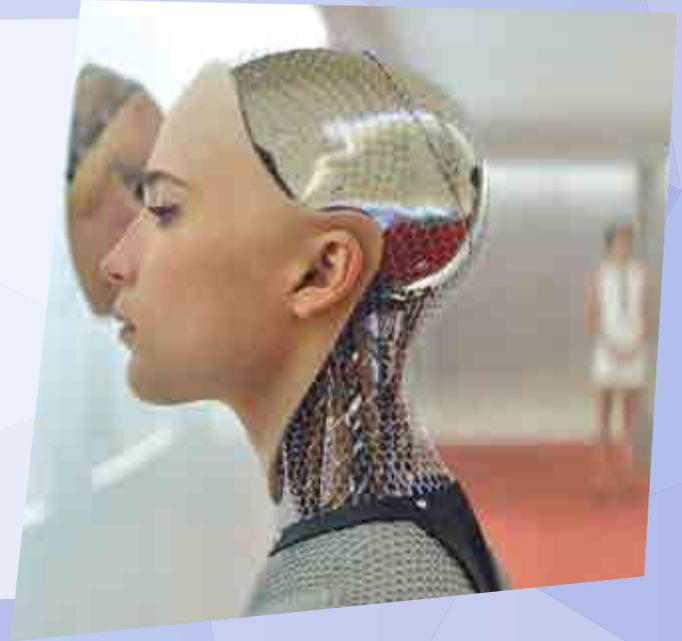


HIGHLIGHTS OF THE YEAR

As we countdown towards our 20th year in the media & entertainment industry, Prime Focus can look back on another year of innovation, progress, achievement and awards. All three main areas of our business are **leading from the front**.

Our **International Creative Services** division, incorporating Prime Focus World, Double Negative and Gener8, has this year delivered more feature films and more minutes of animated content than ever before. We are the largest independent Tier 1 Visual Effects player globally, and command a higher share of the global stereo conversion market than any of our competitors.

This year Double Negative brought home another Best VFX Oscar® and we won multiple other awards in both Hollywood and Bollywood. We opened new facilities in Vancouver and Mumbai for Double Negative, and a new Animation studio close to our Mumbai headquarters. And we entered into a MOU with Digital Domain Holdings Limited for a proposed 50:50 JV to carry on Virtual Reality and Advertising businesses in India.



Our **Global Cloud Technology Business**, Prime Focus Technologies (PFT), continues to go from strength-to-strength and is now firmly established as a leading provider of technology solutions for the M&E industry. This year, we have added new features and modules to our flagship CLEAR™ Media ERP Suite, expanded our intellectual property base with another U.S. patent, secured valuable certifications, won more prestigious awards and struck a number of transformative deals with clients across the globe.

PFT remains committed to advancing the technological capabilities of the M&E industry to meet the growing demands of consumers to have content delivered the way they want, when they want, on whatever platform or device they want it. Leading from the front, we are urging M&E companies to 'Be Bold. Take the Leap', embracing digital transformation and virtualizing their content supply chain.



Our **India Film & Media Services** business is indisputably the nation's largest production, post-production and creative services provider to the film, broadcast and advertising industries in India. Following the 2014 transaction which saw Prime Focus and Reliance MediaWorks merge their film and media services businesses, Prime Focus has delivered even more Bollywood films, even more advertisements and even more broadcast programming than ever before.

Prime Focus' work this year has included some of the biggest movies of the year - Bajrangi Bhaijaan, Prem Ratan Dhan Payo, Neerja, Brothers, Welcome Back and Housefull 3 have all been passed through our studios, and esteemed filmmakers such as Kabir Khan and Sajid Nadiadwala continue to place their trust in us, coming back to Prime Focus film after film.





HIGHLIGHTS OF THE YEAR

Awards

- Academy Award® - Best VFX for Ex Machina (Double Negative)
- Advanced Imaging Society – Lumiere™ Technology Award for ‘DeepGen’ (Prime Focus World)
- DAX® with Digital Dailies® awarded its third U.S. patent.
- 24 FPS International Award – Best VFX for Bajrangi Bhaijaan (Prime Focus)
- Indywood Film Business Awards – Taking India Global Award for Namit Malhotra
- Two awards at 2016 CMO Asia Awards, including Marketing Campaign of the Year (Prime Focus Technologies)
- British Independent Film Awards - ‘Best Achievement in Craft’ for Ex Machina (Double Negative)



Deals

- Prime Focus Technologies to deliver complete end-to-end cloud-based media asset management solution to Cricket Australia
- Prime Focus and Reliance Group complete transaction to merge Reliance MediaWorks’ global Film & Media Services business with Prime Focus Limited
- PFT to utilize DAX® with Digital Dailies® to assist Miramax in virtualizing its content supply chain and production workflows
- Prime Focus enters into a MOU for the following:
 1. Divestment of 30% stake in Digital Domain-Reliance, LLC (“DD-Reliance”), to the existing holder of the remaining 70% stake in DD-Reliance, which is ultimately wholly-owned by Digital Domain Holdings Limited (“DDHL”), whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited and
 2. Entering into a proposed 50:50 JV with DDHL to carry on Virtual Reality and Advertising businesses in India on terms as may be agreed between the parties. At a total consideration of US\$ 55million worth of shares in the Hong Kong listed DDHL based on an issue price of HK\$0.596 per share of which US\$30 million is for stake sale.
- PFT signs Media Asset Management deal with Global Eagle Entertainment to automate inflight entertainment supply chain
- Prime Focus Technologies Delivers ‘Digital Next’ Offerings to Viacom18’s OTT platform Voot
- Prime Focus Technologies powers TERN (TV Entertainment Reality Network) International’s 4K/UHD channel INsight



Investment

Set up two subsidiaries in Malaysia to explore business opportunities.



Launches

- Prime Focus RELOADS Advertising Services offering in India with high-profile creative talent and new facility
- Prime Focus Technologies launches DAX® Production Cloud, a first of its kind production solution enabling one software for dailies and production servicing workflows
- Double Negative opens new facility in Vancouver
- Prime Focus Technologies launches Optimizer for Amazon Web Services to reduce transcoding costs while increasing efficiencies
- Double Negative India comes online
- Prime Focus Animation launches new Mumbai facility
- Prime Focus Technologies introduces Promo Operations for Adobe Premiere Pro, facilitating end-to-end business process orchestration for promo creation



Events and Announcements

- Double Negative Oscar winners invited to attend a special reception at St James Palace in London with HRH Prince Charles and Camilla, Duchess of Cornwall
- Prime Focus Technologies honoured with induction as gold member of the International Association of Broadcasting Manufacturers (IABM)
- Double Negative VFX Supervisor Paul Franklin included in the Debrett's 500, which lists the 500 most influential people in the U.K.
- Prime Focus Technologies joins the advisory board of the Media & Entertainment Services Alliance (MESA)
- London's Barbican hosts special events celebrating the art of Interstellar and Ex Machina
- Prime Focus Technologies launches 'Be Bold. Take the Leap.' go to market strategy at NAB Show 2016

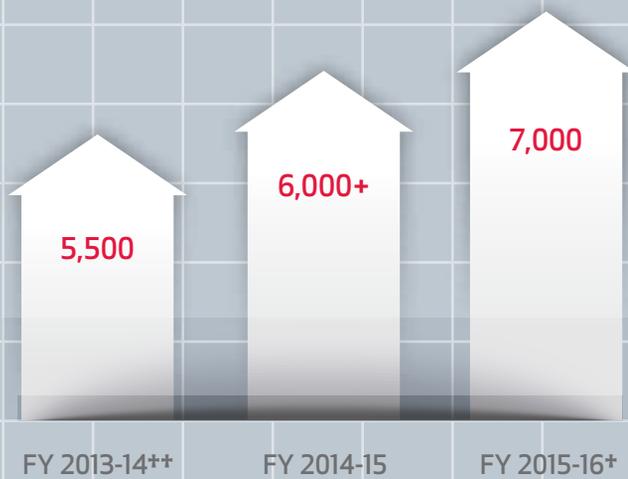




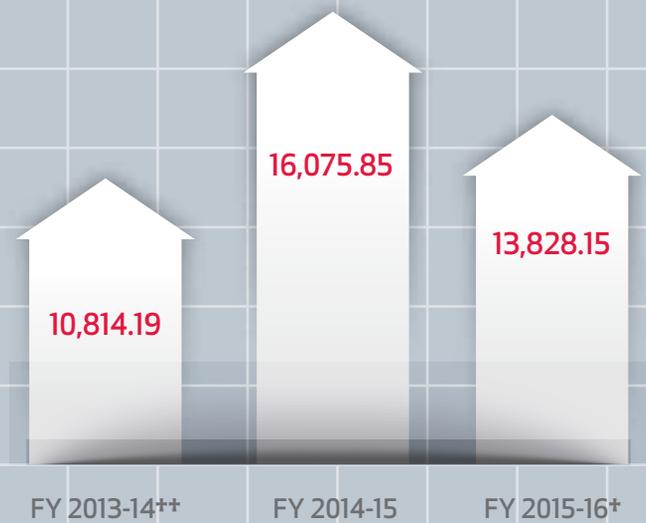
FINANCIAL HIGHLIGHTS



Number of Personnel (PFL)



Revenue (₹MN)



[†] Figures for FY 2015-16 pertain to the nine months ended 31 March 2016

^{††} Figures for FY 2013-14 pertain to the fifteen months ended 30 June 2014

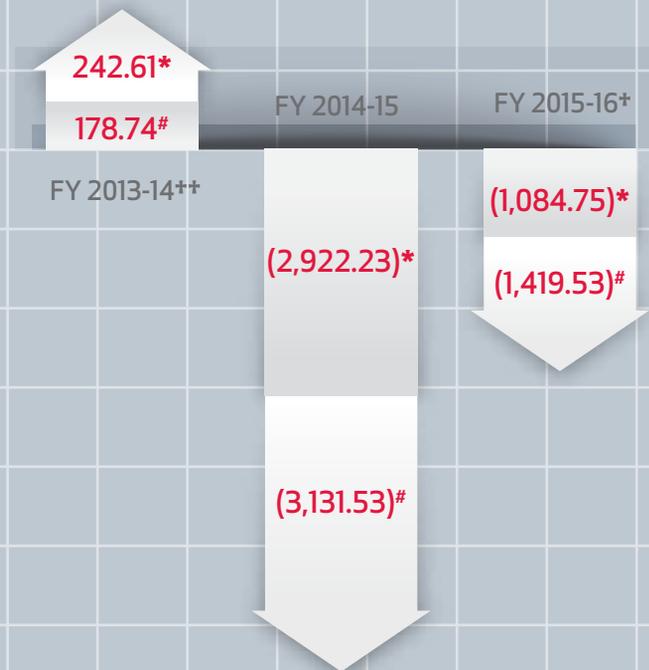
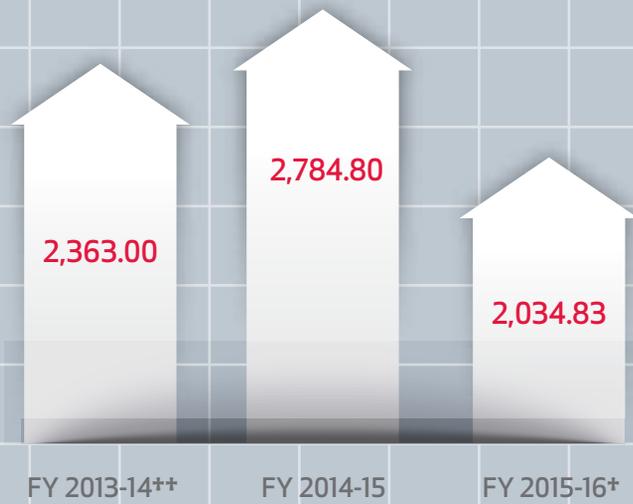


EBITDA (₹MN)



Profit After Tax (₹MN)

*Consolidated Profit after minority
#Consolidated Profit before minority

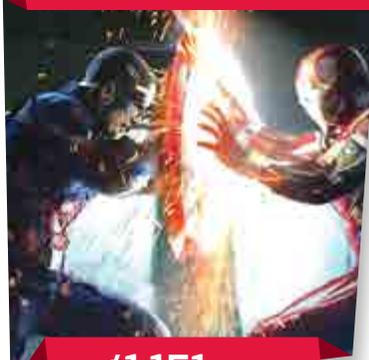




PROJECT HIGHLIGHTS

Hollywood

Captain America: Civil War



\$1,151 mn

Spectre



\$880.7 mn

Batman v Superman: Dawn of Justice



\$872.7 mn

Mission: Impossible – Rogue Nation



\$682.3 mn

The Hunger Games: Mockingjay Part 2



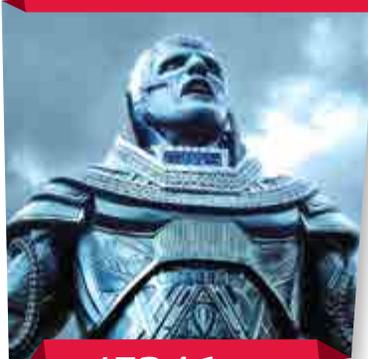
\$653.4 mn

The Martian



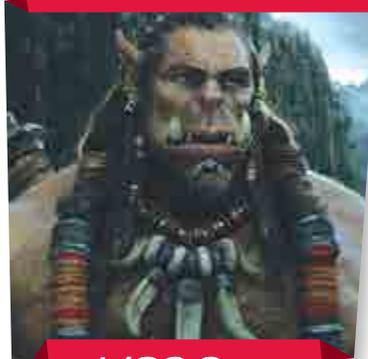
\$630.1 mn

X-Men: Apocalypse



\$534.1 mn

Warcraft

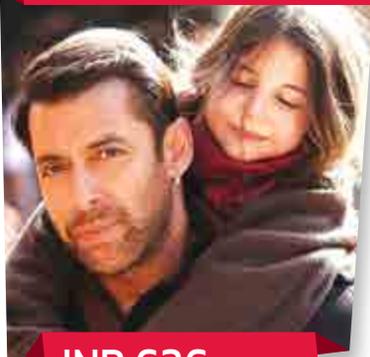


\$432.2 mn

DELIVERING
THE
WORLD'S

Bollywood

Bajrangi Bhaijaan



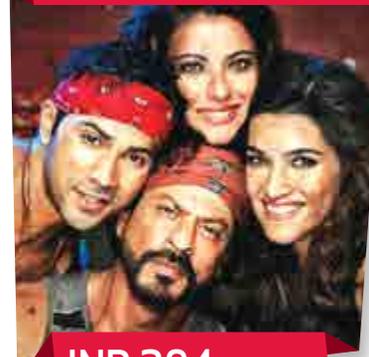
INR 626 crore

Prem Ratan Dhan Payo



INR 431 crore

Dilwale



INR 394 crore

Bajirao Mastani



INR 357 crore

Fan



INR 187 crore

Neerja



INR 135 crore

Welcome Back



INR 133 crore

Baaghi

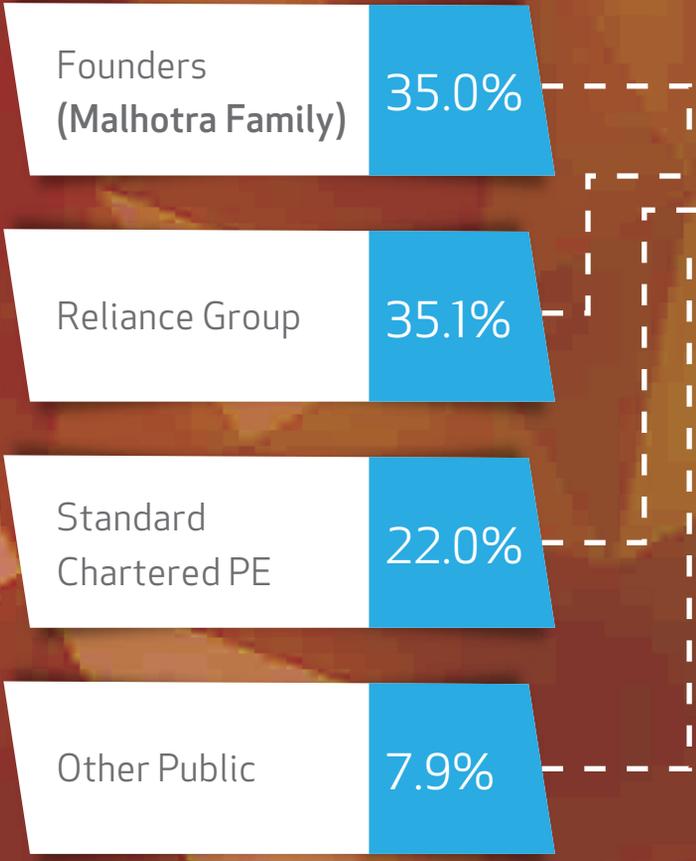


INR 120 crore

BIGGEST
BLOCKBUSTERS



GROUP STRUCTURE



India Film & Media Services

Prime Focus LTD. (India)
- Listed on BSE /NSE

75.5%;
rest held
by management

93% PFL
and 7% Dneg
Shareholders†

Global Cloud Technology Business

Prime Focus Technologies Pvt. Ltd.



PRIME FOCUS TECHNOLOGIES

Double Negative



double negative visual effects

Visual Effects + Animation

† - Fully Diluted: PFL: 76.3%; Macquarie Capital: 14.2%; AID Partners: 3.8%; Double Negative promoters: 5.7% (incl. deferred Options)

International Creative Services

Prime Focus World N.V. (Netherlands)



High end 3D Conversion + Animation

Prime Focus Limited offers clients a compelling, full service solution that allows:

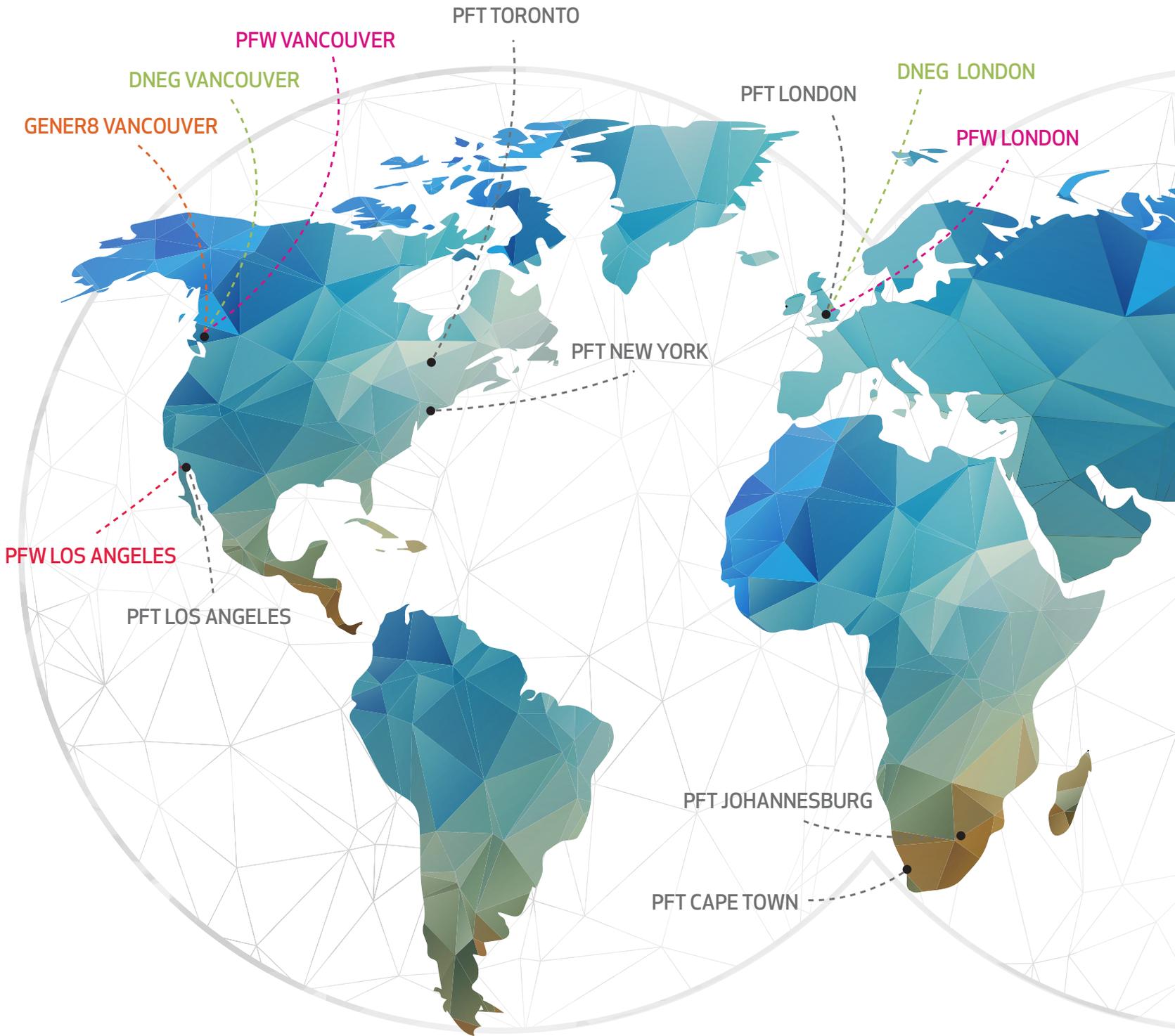
- 'Bundling'* of services and 'Worldsourcing'*** for complete end-to-end delivery of projects of any size
- Access to the highest quality, award-winning talent at the most efficient pricing
- International tax advantages that can generate significant additional top line savings

* 'Bundling' allows our clients to leverage production and cost efficiencies by utilising multiple Prime Focus services per project. PF bundled services have been behind some of the biggest Hollywood blockbusters of the last year, including Captain America: Civil War (\$1,151 mn), Batman v Superman: Dawn of Justice (\$872 mn) and The Hunger Games: Mockingjay Part 2 (\$653 mn).

** 'Worldsourcing' - our global delivery model - enables rapid scaling and high profitability by sharing work across lower cost regions, enabled by strong recruitment practices, industry-leading training and rigorous quality control.



GLOBAL PRESENCE



04 Continents | 05 Time zones | 14 Cities





PFW CHANDIGARH

PFT DELHI

PFT KOLKATA

PFL HYDERABAD

PFW HYDERABAD

PFT BENGALURU

PFW GOA

PFL MUMBAI

PFT MUMBAI

PFW MUMBAI

GENER8 MUMBAI

SERVICES

- **International Creative Services**
Visual Effects | 3D Conversion | Animation
- **Global Cloud Technology Business**
CLEAR™ Media ERP Suite
Cloud-based Media Services
- **India Film & Media Services**
Visual Effects | Digital Intermediate
Colour Grading | Advertising Services | Picture Post
Camera Equipment Rental
Shooting Floors & Sound Stages



BUSINESS OVERVIEW

International Creative Services

- Largest global independent Tier 1 Visual Effects player
- Industry-leading market share in stereo 3D conversion service
- Working with all the major Hollywood studios: Disney, Warner Bros, Universal, Paramount, Sony and Fox
- International creative services contributed 76% of 12M Mar-16 revenues



PRIME FOCUS
WORLD

 
double negative visual effects

GENER8

Global Cloud Technology Business

- Pioneered Media ERP solutions for the Media & Entertainment industry with CLEAR™
- Leader in cloud solutions for the M&E industry
- Increasing global penetration with new clients like Miramax, Global Eagle Entertainment, Cricket Australia, HooQ, Voot and TERN International
- On a non linear growth path, 27x revenue in 12M Mar-16 over FY11, 16% share in 12M Mar-16 revenues



PRIME FOCUS TECHNOLOGIES

India Film & Media Services

- Leading player in the Indian post production market
- Owns Mumbai's largest integrated studio & leader in camera rental market
- Contributed 8% of 12M Mar-16 revenues



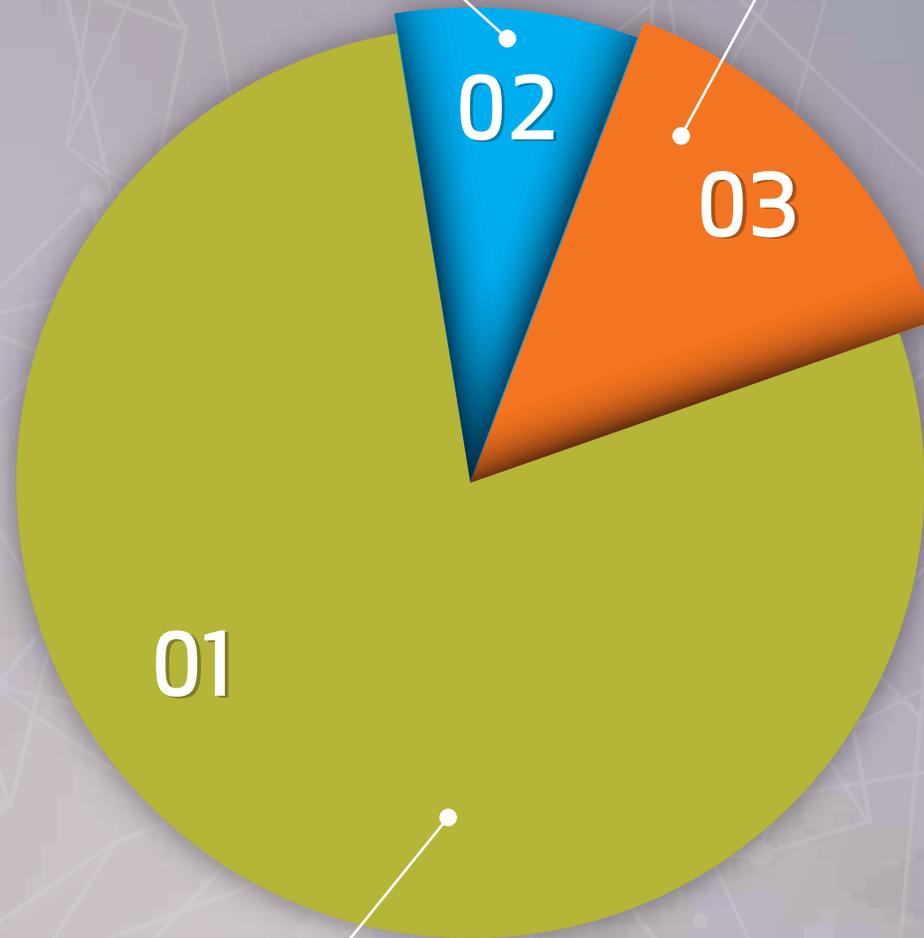
PRIME FOCUS
LIMITED



Revenue Split 12M Mar-16

02 India Film & Media Services

03 Global Cloud Technology Business



01 International Creative Services



INTERNATIONAL CREATIVE SERVICES VISUAL EFFECTS

Double Negative (Dneg) has enjoyed another stellar year, bringing home the Academy Award® for Best Visual Effects for the second consecutive year, opening a new facility in Mumbai and continuing to build its new base in Vancouver - all while Dneg London was having its busiest year to date.

Dneg continues to go from strength-to-strength, and continues to recruit globally, with a total crew of 1,958 employees across its three facilities. It worked on an unprecedented 24 shows this year, including some of the highest-grossing movies of 2015/2016.

As a result of the changing dynamics of the global film industry, Dneg made the decision to cease operations at its Singapore facility in 2016 to focus on the growth and development of its operations in other parts of the world. The opening of the new studio in Vancouver, in response to client demand for a Canadian facility, has led to an uptick in earnings with Dneg showing its highest-ever revenues and its strongest order book and highest visibility for the coming financial year. In addition, the opening of the new Mumbai facility ensures that additional global capacity also drives value for its clients.

Dneg's global network ensures that it remains responsive to the needs of its clients, accommodating budgetary considerations by using its geographically-dispersed facilities to offer access to tax break opportunities, increased scale and reduced labour costs, without compromising the award-winning quality of the work it delivers.

Accolades

This year Double Negative picked up the Best VFX Oscar for the second consecutive year, for *Ex Machina*. This was Dneg's third Oscar, having previously been honoured with the award for its work on *Inception* and *Interstellar*. All three wins came for projects for which Dneg was the client VFX house, working in close creative collaboration with the Director and Film Company and leading the visual effects process.

Dneg now has eight Oscar statuettes in its trophy cabinet (from three Academy Award wins) and a complement of six Oscar winners on staff, and earlier this year they were invited by HRH Prince Charles and Camilla, Duchess of Cornwall to a special reception at St James Palace in celebration of British Academy Award Winners.

This year, one of the Oscar winners, *Ex Machina* VFX Supervisor Andrew Whitehurst, also collected the highly prestigious British Independent Film Award for Best Achievement in Craft for his work on *Ex Machina*, and Dneg Creative Director and VFX Supervisor Paul Franklin was included in this year's *Debrett's 500*, which lists the 500 most influential people in the U.K.



Film VFX work

Dneg has worked on an unprecedented number of major VFX projects this year, including four of the top ten highest-grossing movies of 2015 (**Avengers: Age of Ultron**, **Spectre**, **Mission Impossible: Rogue Nation** and **The Hunger Games: Mockingjay – Part 2**). The company also delivered VFX services for the current no.1 Box Office film for 2016 (**Captain America: Civil War**) and two of the biggest releases of the 2016 summer season (**Star Trek: Beyond** and **Jason Bourne**).

Dneg continues to work with all the major Hollywood production companies and studios, and nurtures creative working relationships with some of the most successful directors working in Hollywood today, including (current shows in bold):

- Chris Nolan:** Batman Begins, The Dark Knight, Inception, The Dark Knight Rises, Interstellar, **Dunkirk**
- Justin Lin:** Fast & Furious 6, **Star Trek: Beyond**
- Alex Garland:** Ex Machina, **Annihilation**
- Ron Howard:** The Da Vinci Code, Angels & Demons, Rush, In the Heart of the Sea, **Inferno**
- Paul Greengrass:** United 93, The Bourne Ultimatum, Green Zone, Captain Phillips, **Jason Bourne**
- Edgar Wright:** Shaun of the Dead, Hot Fuzz, Scott Pilgrim vs The World, Grindhouse, The World's End, **Baby Driver**
- Zack Snyder:** Man of Steel, Batman v. Superman, **Justice League**
- 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**

TV VFX work

DnegTV is Double Negative's dedicated television VFX department, and it continues to enjoy enormous success. From an original team of just 12 when the division launched in 2013, DnegTV now numbers 150, and the team has provided top-flight visual effects services for major TV production companies such as ABC/Marvel (Agent Carter), CBS (Braindead), BBC (The Hollow Crown), ITV (Mr Selfridge), HBO (The Young Pope) and Sky TV (Fungus the Bogeyman – for which DnegTV received a BAFTA nomination).

Feature Animation

Dneg Feature Animation was launched in 2014 in partnership with new CG feature animation studio Locksmith Animation. Dneg Feature Animation's remit is to work in tandem with Locksmith Animation and other IP creators/filmmakers in the creation of high-end animated feature films.

It has been an exciting year for the Feature Animation team: Locksmith Animation has signed a three-film co-development deal with Paramount Pictures with plans to head into production within the next 12 months; and Dneg Feature Animation will soon be announcing its first confirmed animated feature for one of Hollywood's biggest studios. Dneg's ambition of creating a sustainable pipeline of projects to build its Feature Animation business is now coming to fruition.





INTERNATIONAL CREATIVE SERVICES

STEREO CONVERSION

It has been another strong year for the stereo 3D conversion division, with PFW and Gener8 once again delivering some of the biggest 3D movies of the year, including Captain America: Civil War, The Hunger Games: Mockingjay Part 2, Batman v Superman: Dawn of Justice, The Martian, Ant-Man, Terminator Genisys, Pixels and many more.

PFW's 'bundled' offering of VFX services (Dneg) and stereo conversion (PFW and Gener8) also came into its own this year, with bundled services delivered on six high-profile Hollywood films: Captain America: Civil War, In The Heart Of The Sea, Ant-Man, Terminator Genisys, Batman v Superman: Dawn of Justice and The Hunger Games: Mockingjay Part 2.

Accolades

A pioneer and industry leader in stereo conversion, PFW was honoured this year by the Advanced Imaging Society with a Lumiere™ Technology Award for its 'DeepGen' tool. Part of PFW's 'Hybrid Stereo Pipeline', DeepGen allows the use of 'deep' compositing data in the stereo conversion process, providing superior conversion results, a more efficient workflow and more flexibility and control.

PFW has previously won many awards for its stereo conversion work, including 'Best 2D to 3D Conversion' for its work on Gravity and 'Best Stereography - Live Action' for its work on Sin City: A Dame To Kill For, and the company holds a U.S. Patent for its proprietary View-D™ stereo conversion process. Gener8 is also an award winning company, having previously taken home the Advanced Imaging Society's award for 'Outstanding Use of 2D to 3D Conversion' for its work on 300: Rise Of An Empire.



Global CEO Namit Malhotra and the PFW Stereo Conversion TechDev Team accepting the Advanced Imaging Society Lumiere™ Technology Award for 'DeepGen'



2011

Prime Focus World converted one of the biggest back-catalog titles – Star Wars: The Phantom Menace – for Lucasfilm / ILM



2014

The 3D market showed de-growth with fewer movies released, though PFW increased its market share



2009

Avatar revolutionised the landscape of the 3D industry



2013

Gravity provided strong validation of audience response, higher collection and profitability (80% of Gravity's opening weekend US box office came from 3D)



2015-16

3D market is enjoying resurgence, driven by the release of more 3D titles by the major studios, the growing popularity of 3D internationally (including China, the World's second largest film market) and a strong increase in 3D film screens globally

Looking forward

PFW and Gener8 have a strong pipeline of work to look forward to, including some of the biggest releases of the coming year:



Suicide Squad



Fantastic Beasts and Where To Find Them



Beauty and the Beast



Justice League



King Arthur: Legend of the Sword



Ghost In The Shell



Wonder Woman



INTERNATIONAL CREATIVE SERVICES ANIMATION

Prime Focus Animation was set up in 2012 to work on a major broadcast series for a global toy manufacturer, and went on to deliver 41 x 22 minute episodes of full CG animation over the next three years, all on schedule and on budget. This special relationship with the global brand continues, with Prime Focus Animation delivering Seasons 1 & 2 (24 x 22 minute episodes of fully CG animated content) of a new property for the same client, with Seasons 3 & 4 currently in production.

The animation team has also been hard at work on a number of other projects for this client. In July 2015 the team delivered a 75-minute non-theatrical movie, and then in Autumn 2015 completed the delivery of 230 minutes of animated broadcast content for another property from the same stable.

This year Prime Focus Animation has also branched out into animated content for theatrical release. Production is now well under way on a major new CG animated movie titled *Here Comes The Grump*. Based on the cult 60's cartoon series, *Here Comes The Grump* will hit cinemas in 2017 and is a co-production with *Ánima Estudios*, the company behind the recent theatrical release *Top Cat Begins*.

Another major project currently in production is *Chaar Sahibzaade – The Rise of Banda Singh Bahadur*. Directed by Harry Baweja, Prime Focus Animation is delivering the animated sequel to what has become one of India's most successful Punjabi films ever (*Chaar Sahibzaade*). The 120 minute fully CG animated movie is due to be released theatrically in 2D and 3D in late 2016.

There is a strong pipeline of work lined up for the animation team, who are currently in development on three major movie projects for international theatrical distribution.







STRONG INDUSTRY RELATIONSHIPS



Avatar
\$2,788 mn



**Avengers:
Age of Ultron**
\$1,405 mn



**Harry Potter and the
Deathly Hallows - Part 2**
\$1,341 mn



**Captain America:
Civil War**
\$1,151 mn



**Transformers:
Dark of the Moon**
\$1,123 mn



Skyfall
\$1,108 mn



**Transformers:
Age of Extinction**
\$1,104 mn



The Dark Knight Rises
\$1,084 mn



**Star Wars: Episode I
- The Phantom Menace**
\$1,027 mn

Prime Focus World and Double Negative

– delivering Creative Services for some of
Hollywood's highest grossing films



Beauty and the Beast



Wonder Woman



Jason Bourne



Assassin's Creed



Dunkirk



Star Trek Beyond



Fantastic Beasts and
Where To Find Them



Fast 8



Justice League

**With a strong pipeline
of upcoming work**



PRIME FOCUS TECHNOLOGIES



The past year has been one of immense progress and momentum for Prime Focus Technologies (PFT), which added several brand new features and power packed modules to its flagship Media ERP Suite, CLEAR™. PFT also struck various transformative deals, forged strategic partnerships; expanded its intellectual property base, secured valuable certifications, launched ambitious go-to-market campaigns and received prestigious awards and recognitions for its efforts.

Corporate Milestones

PFT expanded its leadership with Industry expert Samu Devarajan joining the board as an Independent and Non-Executive Director. Co-founder Ganesh Sankaran who is on a sabbatical was inducted into the board while Raghunath Mohanrao was appointed as COO. Ramki Sankaranarayanan, Founder and CEO, was featured on the cover of Digital Studio magazine titled "The Man Who Saw Tomorrow", delving into the details of why PFT completely disrupted the broadcast and production technology industry and how PFT is transforming content enterprises into new age online streaming companies using CLEAR.

During the year PFT helped clients such as Star India, Novi Digital (Hotstar), Epic and Turner India win multiple awards at PromaxBDA India Awards 2016. PFT secured Apple iTunes Certification for direct content delivery, and also earned a Service Organization Control (SOC) 2 certification, while expanding upon its existing ISO/IEC 27001:2013 certification for Information Security Management Systems (ISMS).

At NAB Show 2016, PFT launched '**Be Bold. Take the Leap.**' go to market strategy to help media and entertainment (M&E) enterprises virtualize their content supply chain and adopt centralization by deploying one software for the whole enterprise.

Be **B**old.
Take the **L**eanp.

The M&E industry is undergoing a sea change currently. New entrants are challenging traditional players, new geographic markets are becoming accessible faster for distribution, and new technology is enabling consumption and revenue opportunities that never existed. Velocity and scale are being redefined. M&E enterprises need to transform quickly into digital companies. And technology is crucial to simplify businesses.

So what's really holding M&E companies back?

Be it broadcast or studio, investments are being made in silos leading to Islands of Automation resulting in duplication of content, huge costs, lack of agility and collaboration.

If organizations have to succeed in this Digital Next era, they need to transform. Learning from the other sectors, like Manufacturing, Auto, and Healthcare, M&E industry must adopt ONE software to not just function cost effectively, but also more efficiently with agility by leveraging Technology cleverly!

BE BOLD. TAKE THE LEAP. is a battle cry for M&E enterprises to virtualize their content supply chain, adopt centralization and deploy one software for the enterprise.



Numbers that speak for themselves

10 Million files of Syndication & VoD fulfilment a year

5k hours of Dubbing & Mastering Annually

35,000 hours of Subtitling and Closed Captioning every year

168 Hybrid Cloud locations

Over **1.25** million hours of Content Under Management

We power **400** TV shows daily

Over **85%** of Prime Time shows in Hollywood use PFT's product

Awards & Accolades

Ramki Sankaranarayanan, Founder and CEO, was featured as part of the Power List on Digital Studio magazine's Top 100 most influential people in the Indian M&E industry.

PFT achieved success at the 2016 CMO Asia Awards, where T Shobhana, VP & Head of Global Marketing and Communications, was adjudged Marketing Professional of the Year, while PFT's 'Be Bold. Take the Leap.' Campaign, launched at NAB Show 2016, received Marketing Campaign of the Year award.



Digital Studio – The Power List

Ramki Sankaranarayanan (Founder and CEO) featured among 100 most influential people in the Indian M&E industry



Honoured with Two Awards at CMO Asia Awards

Harjith Bubber (CEO & MD) CCI Projects Pvt. Ltd. and Arun Arora (Chairman) Edvance Pre-Schools Pvt. Ltd. present award to PFT's T Shobhana (VP and Global Head of Marketing & Communications)



PRIME FOCUS TECHNOLOGIES

Product Launches

PFT announced the launch of DAX® Production Cloud, an upgrade to the long-time industry standard DAX® Digital Asset Management, which allows clients to use ONE software for all dailies and post servicing workflows at IBC 2016. Available now on Android devices too, the module currently has the ability to ingest raw camera footage, generate proxies, conform EDLs and deliver raw files to Post/VFX teams; Facebook-like activity feeds and an easy-to-use, upgraded home page with 'My Projects' view for Executive users. PFT strengthened its intellectual property by securing a third patent for DAX® with Digital Dailies® (#12,976,929 for 'a system and method for media content collaboration throughout a media production process'). PFT also announced the launch of Promo Operations Module at IBC 2016, which provides end-to-end workflows for Promo Operations including the automation of promo versioning and rendering using Adobe® Premiere® Pro CC. The sought-after Promo Operations Module launched at NAB this year, now has additional templates for versioning automation and enhanced workflow orchestrations in promo operations. Other launches included Optimizer for Amazon Web Services, a feature which helps broadcasters and content owners reduce the cost of transcoding while increasing efficiencies, and Compliance Data Model, which enhances the compliance led content preparation process. At IBC 2016, PFT also introduced a brand new 'Story Teller on Air' appliance feature as part of Cloud MAM that helps create compelling stories from MAM/Archive for playout on air. Operations Cloud now includes a scalable Dynamic Ad Insertion (DAI) feature that embeds SCTE-35 markers for a non-scripted Live stream. Addition of native publish to new destinations include Amazon Prime, Facebook, Verizon and Spotify.

dax

PRODUCTION CLOUD

Experience the **Power of ONE**
ONE software to manage Dailies and Post Servicing Workflows

Client Wins

PFT bagged a deal for packaging and delivering content to HOOQ, Asia's new Over-the-Top (OTT) service from Singtel, Sony Pictures Television and Warner Bros. Entertainment. The company also signed an agreement with global film and television studio, Miramax®, to help virtualize their content supply chain and production workflows, using DAX® with Digital Dailies® Technology. Cricket Australia, the national governing body for cricket, deployed CLEAR's asset management module, Cloud MAM, to establish and operate a digital video library. PFT also signed a new media asset management contract with Global Eagle Entertainment Inc. (GEE), a worldwide provider of media content to the travel industry. CLEAR will now help deliver content at 30,000 feet, automating their inflight entertainment supply chain. PFT has deployed CLEAR at TERN International's 4K/UHD channel INsight. PFT manages the aggregation of content delivery for TERN through CLEAR, leveraging cloud technology to enable collaboration between partners, increased speed of delivery and enhanced efficiencies in internal workflows. PFT has signed a deal with Viacom18 to deliver a 'Digital Next' workflow solution to VOOT, Viacom18's OTT video platform. The 'Digital Next' workflow will utilize CLEAR's Operations Cloud and Media Services to provide metadata tagging, quality control, packaging and delivery of content to VOOT.



The Path Ahead

While the past year has seen PFT scale unprecedented horizons of success, the team continues to work towards surpassing customer expectations and setting new benchmarks of global excellence.



INDIA FILM & MEDIA SERVICES

Visual Effects

Prime Focus has long been a force to be reckoned with in the Indian Film Industry, and the Bollywood VFX team continues to lead from the front, delivering a total of 12,000 VFX shots for over 30 films over the course of the last year. The projects comprised a healthy mix of regional and independent cinema, along with some of the biggest Bollywood movies of the year, including Bajrangi Bhaijaan, Prem Ratan Dhan Payo, Neerja, Brothers, Welcome Back and Housefull 3.

Not only did Prime Focus deliver a full suite of post production services for the two highest-grossing films of 2015, Bajrangi Bhaijaan (INR 626 crore) & Prem Ratan Dhan Payo (INR 431 crore), it also supplied cameras, lenses and shooting kit. Other notable moments in the last year included a first-of-its-kind for India when the VFX team at Prime Focus created CG ants for Housefull 3, while an entire CG submarine was created for Phantom.

It is as a result of Prime Focus' rigorous efforts to deliver the highest quality services that filmmakers like Kabir Khan and Sajid Nadiadwala continue to place their trust in the company, and come back time-after-time for VFX services for their films.

In 2015-16 the Prime Focus India VFX team worked with some of the leading production houses in India, including:

Dharma Productions



Salman Khan Films



Rajshri Productions



Phantom Films



Nadiadwala Grandson Entertainment



Fox Star Studios



Digital Intermediate | Colour Grading

Prime Focus was the first company to introduce Digital Intermediate technology to the Indian film industry, and has provided colour grading services for almost 500 feature films since the launch of its DI services.

This year the DI department worked on some of the biggest Bollywood projects to grace our screens – from Sanjay Leela Bhansali’s Bajirao Mastani to Shahrukh Khan starrers Dilwale and Fan. The DI team also worked on more than ten regional films, most notably 24 and Sarainodu (both of which grossed more than INR 100 crore at the Box Office) and graded critically acclaimed movies such as Dhanak, Aligarh and Chauthi Koot, which won India major recognition at International Film Festivals.

The DI department delivered grading services on over 60 films last year, including both of the Cannes Film Festival’s only Indian feature film selections for 2016 – Raman Raghav 2.0 and The Cinema Travellers - affirming the growing awareness of DI services among independent filmmakers.

Highlights of the year for the DI department included:

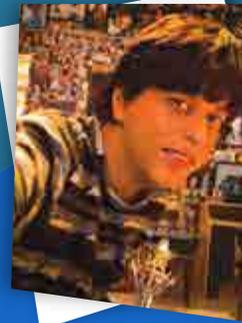
Mohenjo Daro



Bajirao Mastani



Fan



Dilwale



Prem Ratan Dhan Payo



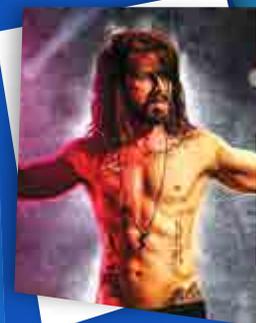
Brothers



Fitoor



Udta Punjab





INDIA FILM & MEDIA SERVICES

Advertising

Prime Focus RELOADED its Advertising Services offering in India this year with a series of high-profile hires across its creative team and a new offline editing facility. The newly revamped division offers advertising clients world-class post production technology and access to some of the nation's leading creative talent.

The Advertising division has worked on more than 1,000 commercials this year, delivering industry leading picture post and grading services. It also provided visual effects services to over 110 commercials emphasizing the growing trend among brands to embrace VFX in their bid to reach consumers with a compelling message.

Commercials like Airtel 4G's Open Network, Myntra's #JustArrived and Askme.com's AskMePay App starring Ranbir Kapoor smartly employed visual effects to drive home the brand message. Pepsi capitalised on the current vogue for webisodes, releasing a three episode series to introduce Pepsi's Mini Can and Prime Focus delivered picture post services for all three episodes.

2015 saw another major trend gaining impetus, with many commercials aiming to drive a campaign around their commercials in order to have a more lasting impact on the minds of the viewers. Ariel's #ShareTheLoad campaign garnered major international recognition, winning awards at the Cannes Lions International Festival of Creativity. Other winners at Cannes were Bajaj Auto's 'Sons of Vikrant' - an advertising campaign for V, a new motorcycle from Bajaj made from the scrap metal of naval battleship INS Vikrant - and Ambuja Cement's 'A Giant Story', a hilarious mockumentary-style film featuring WWE wrestler The Great Khali. All were finished at Prime Focus.

The Indian commercial landscape also saw branded content ushering in a new era of product advertisement with more and more brands indulging the consumer appetite for short stories ahead of traditional commercials. Bearing testimony to the trend was Dabur Vatika's #BraveandBeautiful (4 mins long) and Nescafe's #ItAllStarts (2 mins long) campaign, which both went viral on Indian social media, the latter garnering more than 6.7 million views on YouTube.

Some of the top ads that the Prime Focus Advertising Services division worked on this year were:

Airtel: India's
First Open Network



Idea 4G - The #Biggest
Small Change



DaburVatika #Brave
and Beautiful



Ariel - #Share The Load



V present -
Sons Of Vikrant



#Memories For Life -
HDFC Life



Ambuja Cement with
Great Khali



NESCAFÉ Cartoonist
#It All Starts



Broadcast

Prime Focus is a dominant post production player in the Indian Broadcast segment. With the advent of HD TV sets and broadcast channels, broadcasters today are looking for higher quality post production, including colour grading of their episodic content. Prime Focus is leading the race, offering DI to a number of high profile shows such as MTV Roadies, Fox Life's Life Main Ek Baar, Mid Wicket Tales with Naseeruddin Shah and Stories by Rabindranath Tagore.

The Broadcast division also provided picture post services for the recently concluded IIFA Awards 2016.

Here are a few of the broadcast series that Prime Focus has worked on in the last year:

MTV Roadies



Pro Kabaddi documentary



M Bole Toh



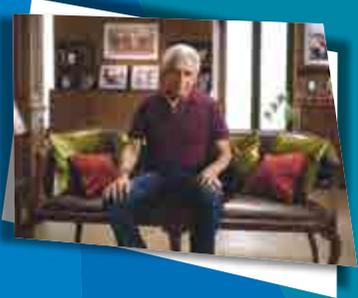
Life Main EkBaar



Life Ka Recharge



Mid Wicket Tales with Naseeruddin Shah



Back To Flashback With Jaaved Jaaferi



Stories by Rabindranath Tagore



Dholkichya Talavar





INDIA FILM & MEDIA SERVICES

Equipment Rental

One of the largest camera equipment rental companies in India, Prime Focus EQR services, with its huge inventory of over 40 high-end feature film cameras, has established itself as the undisputed market leader in the camera rental industry.

Since opening its doors over 8 years ago, Prime Focus EQR has been supplying filmmakers with the tools and kit they need to produce the beautiful images we see on our screens. The team at Prime Focus EQR comprises experienced shooters, and creative and technical industry professionals, and clients have come to rely on the team for expert technical support.

The EQR division caters to a large client base ranging from independent filmmakers working on their first short or feature film to large studios producing mega budget movies for mass audiences. It's ever-growing client-base also includes leading production houses for commercials.

Spread across a 10,000 sq ft facility in the heart of Film City, the EQR division continues to expand the scope of its operations and welcome new clients and production partners every day.

This year, the EQR team has worked with the following leading film production houses:

Ashutosh
Gowarikar
Productions Pvt
Ltd.



Vinod Chopra
films



Yashraj Films



Phantom Films



Rajshri
Productions



Nadiadwala
Grandson
Entertainment



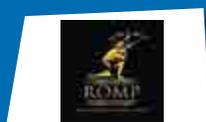
Fox Star
Studios



Balaji Motion
Pictures



Rakesh
Omprakash
Mehra Pictures



Overall, EQR supplied equipment for over 100 projects last year, servicing some of Bollywood's biggest movies, including:

Mohenjo Daro



Bajirao Mastani



Prem Ratan
Dhan Payo



Housefull 3



Neerja



Singh Is Bliing



M. S. Dhoni:
The Untold Story



Shaandaar



Fan





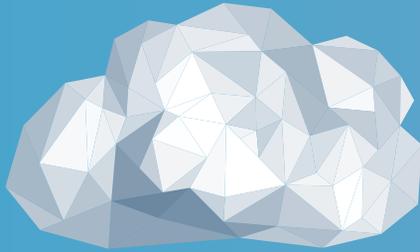
Companies operating in the media and entertainment industry are constantly evolving new technologies to enhance their offering and create more immersive content and visual experiences for audiences. Prime Focus prides itself on being a technological innovator and early mover in the technology space, often being first to market with new technologies.

This year Prime Focus announced the sale of its 30% stake in Digital Domain-Reliance LLC to the existing holder of the remaining 70% stake, Digital Domain Holdings Limited (DDHL), and that it had signed a MOU with DDHL regarding the proposed formation of a 50:50 JV to carry on Virtual Reality and Advertising businesses in India.

Commenting on the transaction, Prime Focus Founder, Executive Chairman and Global CEO Namit Malhotra said: "Virtual Reality (VR) is at the cusp of exponential growth across the globe, with a plethora of applications. The global VR technology market is estimated to reach US\$16 billion by 2020 and India, with its massive smartphone base, is expected to play a key role in its adoption and growth. We believe we are entering the market at the right moment to capitalize on the tremendous potential in the segment."



MAJOR MILESTONES



2010

- PFW becomes first company to convert an entire Hollywood film to 3D
- PFT's CLEAR™ Media ERP recognised as 'Best of IBC'



2008

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

2006

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



2003

Offered India's first DI system

1997

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

2009

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



2007

Entry into US through acquisition of Post Logic and Frantic Films

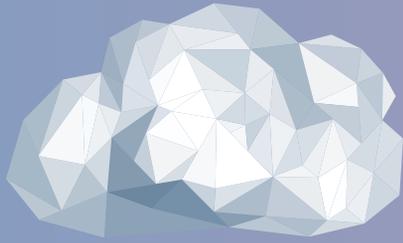


2004

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

2001

Offered India's first scanning and recording system



2014

- PFW works on more than half of all summer releases put together from the major Hollywood studios
- PFT acquires DAX® (creators of PrimeTime Emmy® award-winning Digital Dailies®) and Academy® Award winning Lowry Digital
- PFW and leading VFX house Double Negative merge their Hollywood-facing VFX businesses
- PFT's CLEAR™ positioned as an 'Exemplar' on the NASSCOM Product Excellence Matrix
- PFW secures U.S. Patent for View-D™ stereo conversion technology
- Reliance Capital picks up 30.2% in Prime Focus; Prime Focus merges Film & Media Services business of Reliance MediaWorks
- Prime Focus launches CSR arm Naresh Malhotra Foundation
- PFT-restored Associated Press Archive Digitization wins FOCAL International Award

2012

- Prime Focus Animation launched
- Prime Focus raises investment from Standard Chartered Public Equity
- Maa TV digitizes entire broadcast operations with CLEAR™ hybrid cloud platform from PFT



2016

- Double Negative wins Academy Award and British Independent Film Award for Ex Machina
- Prime Focus wins 'Best VFX' for 'Bhajangri Bhaijaan' at 24FPS International Awards
- PFW's 'DeepGen' Stereo Technology recognised with AIS Lumiere Technology Award
- PFT expands CLEAR™ Operations Cloud to Amazon Web Services
- PFT picks up two awards at 2016 CMO Asia Awards, including 'Marketing Campaign of the Year'
- Prime Focus divests 30% stake in Digital Domain-Reliance, LLC; to form Virtual Reality and Advertising JV in India; Total Deal Value at US\$ 55 million
- PFT launches DAX® Production Cloud to enable one software for dailies and production servicing workflows
- PFT appoints Raghunath Mohanrao as COO in place of Co-founder Ganesh Sankaran
- PFT expands its board with the addition of Samu Devarajan as Independent and Non-Executive Director.



2015

- Double Negative wins Academy Award, BAFTA and VES Award for Interstellar
- PFT secures another patent for DAX® and Digital Dailies® Technology
- PFW and Gener8 sign Technology Licensing Partnership
- PFT helps deliver 35,000 hours of content to launch "Hotstar"
- Prime Focus wins Best VFX Awards for Kick (IIFA Awards) and Sin City: A Dame To Kill For (Apollo Asia Awards)
- PFT signs deal with HOOQ for OTT services in Asia
- PFT honoured with Frost & Sullivan's 2015 Global Growth Excellence Leadership Award



2013

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



2011

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





THE BOARD



NARESH MALHOTRA

Chairman Emeritus and Whole-time Director

A veteran in the Indian M&E industry, best known for producing the Amitabh Bachchan starrer Shahenshah, Naresh realized early the potential boom in the Indian television industry. He set up India's first digital audio studio in 90s and also started providing equipment rental services to TV and ad filmmakers. Naresh was Chairman of the Board from 1997 to June 2014.



NAMIT MALHOTRA

Founder, Executive Chairman and Global CEO

As the founder of Prime Focus, Namit has been responsible for the strategy, growth and success of Prime Focus from its modest beginnings in Mumbai in 1997 to its current position as the world's largest independent and integrated media services powerhouse. Namit's perpetual optimism and entrepreneurial spirit is written throughout the Prime Focus identity. Actively seeking out projects that will expand the strengths of the company, and challenge its team to push themselves to the next level, Namit is devoted to nurturing talent and ambition, and to delivering world-class creative and technical services, and intelligent financial solutions.



RAMAKRISHNAN SANKARANARAYANAN (RAMKI)

Managing Director, Prime Focus
Founder & CEO, Prime Focus Technologies

In his role as MD of Prime Focus India, he is responsible for all operations and business lines throughout India, and as Founder & CEO of Prime Focus Technologies, he is responsible for the pioneering ERP system tailor made for M&E companies globally. With over 22 years of rich experience performing technical, strategy, customer service, marketing, sales & general management roles in the IT industry, Ramki has solid experience in the deployment of technology within the M&E sector. Prior to starting PFT in 2007, he was the CEO of Subex Technologies.



NAINESH JAISINGH

Non-Executive Director

Nainesh is an MBA from the Indian Institute of Management, Bangalore and holds a Bachelor's Degree (Honours) in Technology from the Institute of Technology, Banaras Hindu University. Nainesh is Managing Director and Global Co-Head of Standard Chartered Private Equity.



AMIT BAPNA
Non-Executive Director

Amit is a Chartered Accountant with extensive experience in varied business environments, from manufacturing to financial services. He is the Chief Financial Officer at Reliance Capital, where he provides financial direction, oversight and control for Reliance Capital and Group companies. He earlier worked in the capacity of CFO of Reliance Capital Asset Management Ltd and Reliance Consumer Finance where he played a key role and has been a significant contributor to the exponential growth of the business.



KODI RAGHAVAN SRINIVASAN
Independent and Non-Executive Director

Kodi Raghavan Srinivasan is a Chartered Accountant and Cost Accountant with extensive experience in the fields of Internal, Statutory and Management audits, corporate laws, taxation laws, financial consultancy, and Costing and Management Information services.



RIVKARAN CHADHA
Independent and Non-Executive Director

Rivkaran Chadha is an MBA in finance from Cardiff University, England and Wales. A successful businessman, he provides valuable inputs for the framing and implementation of the financial strategies of Prime Focus.



PADMANABHA GOPAL AIYAR
Independent and Non-Executive Director

Padmanabha Gopal Aiyar has been a practicing Advocate at the Bombay High Court for the past 30 years. He has expert knowledge of Civil Law, Company Law and industrial arbitration matters. He is well respected in judicial circles for his sincerity and integrity.



DR. HEMALATHA THIAGARAJAN
Independent and Non-Executive Director

Dr. Hemalatha Thiagarajan is an accomplished academic with over 35 years of experience. She has taught at both Loyola College and Meenakshi College for Women in Chennai, was the principal of Regional Engineering College, Trichy and Director of National Institute of Technology. She holds MSc. and M.Phil. degrees in mathematics and a doctorate in operational research.



MANAGING DIRECTOR'S MESSAGE





The past year has been an extremely exciting one not just for Prime Focus, but for the entire global M&E industry, which today stands at a staggering USD 1.4 trillion. Digital transformation has revolutionized business and revenue models across the world, and rapid advances in cloud computing, connected devices, mobility, social media and data analytics are prompting many companies to reassess fundamental aspects of their business. A strategic focus on technology has become crucial for M&E enterprises to survive and thrive in this 'Digital Next' era.

Declining PC usage and increasing smartphone adoption are driving a 'mobile first' world. Streaming is emerging as the dominant digital format, with an increasing premium being placed upon immersive, live experiences. Media spending continues to shift from traditional to digital products and services at a rapid pace. Digital, consisting of internet and mobile advertising, is expected to become the largest advertising category by 2017, surpassing TV one year earlier than previously forecast. Studios are now looking beyond traditional mediums such as theatrical release and television to showcase and monetize their content, and turning to video on demand (VOD) services such as Netflix, Amazon Prime, Hulu and others.

Developing markets are playing an increasingly critical role in global media growth, not only because traditional media in these regions remain strong, but because these markets, from Mexico and China to India and Malaysia, anticipate healthy economic expansion and increasing household incomes—particularly in the Asia Pacific (APAC) region, as well as Central and Eastern Europe (CEE).

Spend on VFX is increasing across the globe. 2015 witnessed the release of 'Baahubali – the Beginning', a landmark Indian movie where an unprecedented INR 850 million was spent on VFX alone. The past year has also seen higher volumes of VFX projects being outsourced to India due to its high cost arbitrage and availability of talent. This global acceptance of Indian talent is extremely encouraging and has welcomed a new era where Indian studios are witnessing increased collaboration with international production houses.

All these developments unfolding in the M&E industry indicate a very promising future for Prime Focus. As the world's largest integrated media services powerhouse providing end-to-end creative services (visual effects, stereo 3D conversion, animation), cloud-based products and services (Media ERP and media services), production services (equipment rental and line production), and post production services (digital intermediate, picture post), we are poised to enter a new phase of extraordinary growth which will continue to strengthen our position as an industry leader.

Over the past year, Prime Focus is proud to have delivered strong performance driven by robust growth across all its three businesses – Creative Services; Technology/Technology-enabled Services and India Film & Media Services. Our net revenue has gone up and operating EBITDA has increased by more than 50%, reflecting the growth in revenues. We are now consistently focusing on replacing our high cost debt with low cost dollar denominated debt.

As we near our twentieth anniversary, we eagerly look forward to breaking ground with fresh innovations, setting new benchmarks of excellence in the M&E sector and delivering greater value to our customers with continued zeal and unwavering confidence. As a company, we are hungry for innovation and we crave for speed. Our award-winning creativity, cutting edge technology, diverse talent pool, agility and flexibility make us an ideal partner to work with, and we pride ourselves in being an execution powerhouse. Disruptive thinking comes naturally to us, and we never hesitate to walk down an untrodden path. Our achievements in the recent past, be it strategic client wins, pioneering product launches, transformative partnerships, or sought-after awards and accolades, all stand testimony to this.

I would like to take this opportunity to express my deep appreciation for all our team members and business partners who have been playing an instrumental role in our success. I would also like to thank all our stakeholders for their continued interest, faith and encouragement. We keenly look forward to your support in the years ahead.

RAMAKRISHNAN SANKARANARAYANAN (RAMKI)

Managing Director, Prime Focus
Founder & CEO, Prime Focus Technologies



CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Namit Malhotra - Chairman & Global CEO
Mr. Naresh Malhotra - Whole-time Director
Mr. Ramakrishnan Sankaranarayanan - Managing Director

Non-Executive Directors

Mr. Kodi Raghavan Srinivasan - Independent Director
Mr. Rivkaran Chadha - Independent Director
Mr. Padmanabha Gopal Aiyar - Independent Director
Mr. Nainesh Jaisingh
Dr. (Mrs.) Hemalatha Thiagarajan - Independent Director
Mr. Amit Bapna

CHIEF FINANCIAL OFFICER

Mr. Vikas Rathee

COMPANY SECRETARY

Ms. Parina Shah

STATUTORY AUDITORS

M/s. Deloitte Haskins & Sells (Registration No. 117366W)

BANKERS

Standard Chartered Bank Limited | Yes Bank Limited
RBL Bank Limited | IDBI Bank Limited

REGISTRAR & SHARE TRANSFER AGENTS

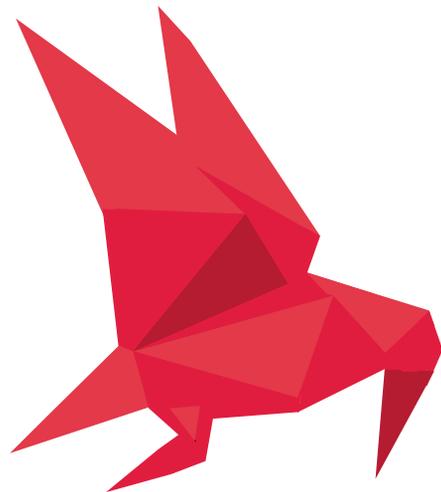
Link Intime India Private Limited
No. C-13, Pannalal Silk Mill Compound,
Lal Bahadur Shastri Road, Bhandup (W), Mumbai-400078
Tel: +91 22 6171 5400 | Fax: +91 22 2596 0329
Website: www.linkintime.co.in

REGISTERED OFFICE

Prime Focus House, Opposite Citi Bank,
Linking Road, Khar (West), Mumbai-400052
Tel: +91 22 6715 5000 | Fax: +9122 6715 5001
Email: irindia@primefocus.com
Website: www.primefocus.com

CORPORATE IDENTITY NUMBER (CIN)

L92100MH1997PLC108981



LEADING
FROM THE
FRONT



DIRECTORS' REPORT

To
The Members of

Prime Focus Limited

Your Company's Directors are pleased to present the Nineteenth Annual Report and the Audited Statements of the Accounts for nine months period ended March 31, 2016.

1. FINANCIAL PERFORMANCE SUMMARY

The Consolidated and Standalone Audited Financial Results for the period ended March 31, 2016 are as follows:

(` In lacs)

Particulars	Consolidated		Standalone	
	2015-16 (9 months)	2014-15 (12 months)	2015-16 (9 months)	2014-15 (12 months)
Income from operations	133018.99	153797.45	11108.61	11349.36
Other operating income	5262.47	6961.09	776.84	1010.14
Total income from operations	138281.46	160758.54	11885.45	12359.50
Less: Expenses	138005.87	158749.98	9796.78	9892.01
Add: Other income	4447.43	1955.95	1510.47	1102.59
Less: Finance costs	8203.87	7272.55	2084.87	2466.79
Less: Exceptional items-	8350.28	24754.80	-	1570.32
Less: Tax expense	2364.23	3252.51	678.36	2343.98
Less: Minority interest	(3347.85)	(2093.07)	-	-
Net Profit/Loss for the period / year	(10847.51)	(29222.28)	835.91	(2811.01)

2. OPERATIONS AND PERFORMANCE REVIEW

During the period under review, on consolidated basis, total income of the Company and its subsidiaries stood at ` 1,38,281.46 lacs as compared to ` 1,60,758.54 lacs in the previous year.

On standalone basis, total income during the period was ` 11885.45 lacs as compared to ` 12359.5 lacs in the previous year. Profit before exceptional items and tax during the period was ` 1514.29 lacs as compared to ` 1103.29 lacs in the previous year. The Net profit/(loss) after tax was ` 835.91 lacs as compared to ` (2811.01) lacs 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

To conserve the financial resources, no dividend has been recommended for the period under review.

4. TRANSFER TO RESERVES

Your Company transferred a sum of ` 1,08,69,035 to Debenture Redemption Reserve for the period under review.

5. SHARE CAPITAL

The paid-up equity share capital of the Company as on March 31, 2016 was ` 29,88,78,974 comprising of 29,88,78,974 equity shares of Re. 1/- each. There was no change in the Company's Share Capital during the period under review.

6. EMPLOYEE STOCK OPTION SCHEME (ESOP)

In the Board of Directors' meeting held on July 02, 2014, approval was granted to introduce and implement Employee Stock Option Scheme titled 'PFL-ESOP Scheme 2014' whereby stock options upto 6% of the paid up capital of the Company (post aforesaid preferential allotment) aggregating 17,932,738 stock options would be issued to eligible employees of the Company, its subsidiaries and associates. The said scheme was approved by the shareholders in the Extra-ordinary General Meeting held on August 01, 2014.

7. MATERIAL CHANGES AND COMMITMENT AFFECTING THE FINANCIAL POSITION OF THE COMPANY

Following were the material changes and commitments affecting the financial position of the Company which have occurred between the end of financial period of the Company to which the Financial Statements relate and the date of this Report.

Disinvestment of 30% stake in Digital Domain-Reliance, LLC by Prime Focus and formation of Virtual Reality and Advertising JV in India

- a. Divestment of 30% stake in Digital Domain-Reliance, LLC ("DD-Reliance"), through an international wholly owned subsidiary of the Company to the existing holder of the remaining 70% stake in DD-Reliance, which is ultimately wholly-owned by Digital Domain Holdings Limited ("DDHL"), whose shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited and;
- b. Entered into a 50:50 JV with DDHL through De-fi Media Limited, wholly owned subsidiary of the company registered in UK (or another direct subsidiary) to carry on Virtual Reality and Advertising businesses in India (the "New JV") on terms as may be agreed between the parties; at a total consideration of US\$ 55 million worth of shares in the Hong Kong listed DDHL based on an issue price of HK\$0.596 per share of which US\$30 million is for stake sale as per the Memorandum of Understanding.

8. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS

During the period 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.

9. 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 focusses on ensuring that these risks are identified on a timely basis and addressed.

The Company is well aware of the above risks and as part of business strategy has put in a mechanism to ensure that they are mitigated with timely action. The Company has a Risk Management framework to identify, evaluate business risks and opportunities. This framework seeks to create transparency, minimize adverse impact on the business objectives and enhance the Company's competitive advantage.

10. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Audit Committee reviews adequacy and effectiveness of the Company's internal control environment and monitors the implementation of audit recommendations, including those relating to strengthening of the Company's risk management policies and systems. For further details, please refer to the Management Discussion and Analysis Report which forms a part of the Annual Report.

11. HUMAN RESOURCES

Human Resource is considered as one of the most critical resource in the business which can be continuously smoothed to maximize the effectiveness of the organization. Human Resource build the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. All personnel continue to have healthy, cordial and harmonious approach thereby enhancing the contributory value of the Company. The Company has generally enjoyed cordial relations with its personnel.

Further, the total number of permanent employees of the Company as on March 31, 2016 is 534.

12. PREVENTION OF SEXUAL HARASSMENT

The Company has zero tolerance for sexual harassment at workplace and has a mechanism in place for prevention, prohibition and redressal of sexual harassment at workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the Rules thereunder for prevention and redressal of complaints of sexual harassment at workplace. The Company is committed to providing equal opportunities without regard to their race, caste, sex, religion, colour, nationality, disability, etc. All employees are treated with dignity with a view to maintain a work environment free of sexual harassment whether physical, verbal or psychological. All employees (permanent, contractual, temporary, trainees) are covered.

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of The Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013. An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment at workplace. During the year under review, Company has not received any complaints on sexual harassment.



13. DEBENTURES

During the period under review, Company has not raised funds by issuing debenture pursuant to the provision of the Companies Act, 2013.

14. PUBLIC DEPOSITS

The Company has not accepted any deposits from the public falling within the ambit of Section 73 of the Companies Act, 2013("Act") read with the Companies (Acceptance of Deposits) Rules, 2014.

15. EXTRACT OF ANNUAL RETURN

The Extract of Annual Return in Form MGT-9 pursuant to Section 92(3) of the Act and Rule 12 of the Companies (Management and Administration) Rules, 2014 is annexed as **ANNEXURE-A** to this Report.

16. CONSOLIDATED FINANCIAL STATEMENTS

The Consolidated Financial Statements of the Company and its subsidiaries have been prepared in accordance with the provisions of the Act read with the Companies (Accounts) Rules, 2014, applicable Accounting Standards and the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015 and it forms part of the Annual Report. Pursuant to Section 129(3) of the Act, a statement containing the salient features of the financial statements of the subsidiary companies is attached to the Financial Statements in **Form AOC-1**. The Company will make available the said financial statements and related detailed information of the subsidiary companies upon request by any member of the Company or its subsidiary companies. These financial statements will also be kept open for inspection by any Member at the Registered Office of the Company. Further, in order to align the financial year of the Company with the requirements of the Companies Act, 2013, the financial year 2015-16 was for a period of 9 months i.e. from the period July 1, 2015 to March 31, 2016.

Pursuant to the provisions of section 136 of the Act, the Audited financial statements of the Company, consolidated financial statements along with relevant documents and separate Audited Accounts in respect of subsidiaries, are available on the website of the Company viz. www.primefocus.com.

17. SUBSIDIARY COMPANIES, JOINT VENTURE AND ASSOCIATE COMPANIES:

During the period, the following changes have taken place in subsidiary companies:

a. Companies which have become subsidiaries:

1. Double Negative India Private Limited (formerly known as Reliable Laptops Private Limited) - Subsidiary of Prime Focus World Creative Services Private Limited
2. Prime Focus Malaysia Sdn. Bhd. - Subsidiary of the Company
3. Prime Focus World Malaysia Sdn. Bhd. - Subsidiary of Prime Focus World NV

4. Double Negative Huntsman VFX Ltd. - Subsidiary of Double Negative Canada Productions Ltd.

b. Name changes

Prime Focus International Limited was renamed as De-Fi Media Limited w.e.f. February 20, 2016.

c. Joint Venture/Associates Companies

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

The Company has adopted a Policy for determining Material Subsidiaries in line with Regulation 16(1)(c) of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015. The Policy, as approved by the Board, is uploaded on the website of the Company URL: http://www.primefocus.com/sites/default/files/pdf/Policy_on_Material_Subsidiaries.pdf

18. 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. However, as a responsible corporate citizen, we continue to pursue and adopt appropriate energy conservation measures. The Company makes every effort to conserve energy as far as possible in its post-production facilities, Studios, Offices, etc. The Company also takes significant measures to reduce energy consumption by using energy efficient computers and by purchasing energy-efficient equipment. The Company purchases PCs, laptops, air conditioners etc. that meet environment standards, wherever possible and replace old equipment with more energy-efficient equipment.
- ii) **The Steps taken by the Company for utilizing alternate sources of energy-** Not applicable
- iii) **The capital investment on energy conservation equipment's-** The Company constantly evaluates new developments and invests into latest energy efficient technology.

B) TECHNOLOGY ABSORPTION

- i) **The efforts made towards technology absorption -** The Company adopts the latest trends in the technology development and introduces the same so as to ensure reduction in cost with best quality output.
- ii) **The benefits derived like product improvement, cost reduction, Product development or import substitution-** Not applicable

C) IMPORTED TECHNOLOGY

- i) **The details of technology imported-** Not Applicable

- ii) **The year of import** - Not applicable
- iii) **Whether the technology has been fully absorbed** - Not applicable
- iv) **If not fully absorbed** - Not applicable

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.

Particulars of foreign currency earnings and outgo are as under:

([^] In lacs)

Particulars	March 31, 2016	June 30, 2015
Foreign Exchange Earned: Revenue from operations and interest income	1,321	1,667
Foreign Exchange Outgo: Technical service cost, repairs and maintenance, interest and others	78	58

19. MANAGEMENT DISCUSSION AND ANALYSIS

Management's Discussion and Analysis Report for the financial year ended March 31, 2016 as stipulated under Regulation 34 of Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulations, 2015, is included as a separate section forming part of the Annual Report.

20. CORPORATE GOVERNANCE REPORT

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Practicing Company Secretary confirming compliance of Corporate Governance norms as stipulated in Regulation 34 read along with schedule V of SEBI of India (Listing Obligation and Disclosure requirements) Regulations, 2015 is included in the Annual Report.

21. DIRECTORS

During the period under review, on the recommendation of the Nomination and Remuneration Committee and in accordance with the provisions of Section 161 of the Act, Mr. Amit Bapna was appointed as an additional director (nominee of Reliance MediaWorks Limited) and further appointed as non-executive director by members of the Company in the Annual General Meeting held on December 24, 2015.

In accordance with the provisions of Section 152 of the Act and Articles of Association of the Company, Mr. Namit Malhotra (DIN: 00004597) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offer himself for re-appointment.

The Board recommends this re-appointment. Items seeking your approval on the above is included in the Notice convening the Annual General Meeting.

All the Independent Directors have given declarations that they meet the criteria of Independence as laid down under Section 149(6) of the Act 2015.

Brief resume of the director being re-appointed forms part of the Notice of the ensuing Annual General Meeting.

The disclosure required under Schedule V, Part II, proviso of Section II B (iv)(IV) of the Act forms part of the Corporate Governance Report.

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

Mr. Ramakrishnan Sankaranarayanan, Managing Director of the Company was appointed as an Executive Director in Prime Focus Technologies Private Limited ("PFT"), a subsidiary company on June 25, 2014. He is in receipt of ₹ 34,00,000/- p.a. as remuneration in his capacity as an Executive Director of PFT.

23. KEY MANAGERIAL PERSONNEL

During the year under review, Ms. Parina Nirav Shah was appointed as the Company Secretary and Compliance Officer with effect from September 12, 2015 in place of Ms. Kirti Desai who resigned with effect from July 07, 2015.

The following directors / executives continued as KMPs during FY 2015-16:

- Mr. Ramakrishnan Sankaranarayanan, Managing Director
- Mr. Namit Malhotra, Chief Executive Officer
- Mr. Vikas Rathee, Chief Financial Officer
- Ms. Parina Shah, Company Secretary

24. BOARD EVALUATION

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015, the Board of Directors ("Board") has carried out an annual evaluation of its own performance, and that of its Committees and individual Directors.

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 was 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.

Selection and procedure for nomination and appointment of Directors

The Nomination and Remuneration Committee is responsible for developing competency requirements for the Board based on the industry and strategy of the Company. The Board composition analysis reflects in-depth understanding of the Company, including its strategies, environment, operations, financial condition and compliance requirements.

The Committee is also responsible for reviewing and vetting the CVs of potential candidates’ vis-à-vis the required competencies, undertake a reference and due diligence and meeting potential candidates, prior to making recommendations of their nomination to the Board. At the time of appointment, specific requirements for the position, including expert knowledge expected, is communicated to the appointee.

Criteria for Determining Qualifications, Positive Attributes and Independence of a Director

The Nomination and Remuneration Committee has formulated the criteria for determining qualifications, positive attributes and independence of Directors in terms of provisions of Section 178 (3) of the Act and Regulation 19 of the Securities and Exchange Board of India (Listing Obligation and Disclosure requirements) Regulations, 2015, which is annexed as **“Annexure E”**

Familiarisation Programme for Independent Directors

Pursuant to 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 with the Company, details of which is available on the website of the company: http://www.primefocus.com/investor-center#Familiarisation_Prgm_for_ID

25. NOMINATION AND REMUNERATION POLICY

The Company has in place a Remuneration Policy for the Directors, Key Managerial Personnel, Senior Management and other Employees pursuant to the provisions of the Act and Regulation 19 of the SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015. The Nomination and Remuneration policy forms a part of this report and is annexed as **“Annexure-B”**.

26. BOARD MEETINGS

During the period under review, three Board Meetings were held. The details of which are given in the Corporate Governance Report. The intervening gap between the meetings was within the period prescribed under the Act and Regulation 17 of SEBI (Listing Obligation and Disclosure requirements) Regulations, 2015.

Currently the Board has six committees, namely, Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility (“CSR”) Committee, Stakeholders’ Relationship Committee ESOP Compensation Committee and Committee of Independent Director.

Risk Management Committee and Foreign Exchange Risk Management Committee have been dissolved w.e.f. May 30, 2016.

Details of the composition of the Board and its Committees and of the Meetings held, attendance of the Directors at such Meetings and other relevant details are provided in the Corporate Governance Report.

27. AUDIT COMMITTEE

The Audit Committee comprises of following members:

Name of the Member	Positions
Mr. Rivkaran Chadha	Chairman
Mr. Kodi Raghavan Srinivasan	Member
Mr. Padmanabha Gopal Aiyar	Member
Mr. Nainesh Jaisingh*	Member
Mr. Amit Bapna^	Member

Note:

^ Mr. Amit Bapna was appointed as a member in the Audit Committee w.e.f September 16, 2015.

*Mr. Nainesh Jaisingh resigned from the Audit Committee w.e.f. April 18, 2016.

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

28. VIGIL MECHANISM

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 avail of 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 Audit Committee.

The policy of vigil mechanism is available on the Company’s website (Weblink: http://www.primefocus.com/sites/default/files/pdf/Vigil_Mechanism_Policy.pdf)

29. PARTICULARS OF EMPLOYEES

The information on employees who were in receipt of remuneration of not less than ` 60 lakhs during the year or ` 5 lakhs per month during any part of the said year as required under Section 197 (12) of the Act read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is provided in the Annexure forming part of the Report. In terms of proviso to Section 136(1) of the Act, the Report and Accounts are being sent to the shareholders excluding the aforesaid Annexure. The said statement is also open for inspection at the registered office of the Company. Any member interested in obtaining a copy of the same may write to the Company Secretary.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed to the Report as **"Annexure C"**.

30. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The brief outline of the CSR Policy of the Company along with the Annual Report on CSR activities is set out in **"Annexure D"** of this report. The policy is available on the Company's website. (Weblink: http://www.primefocus.com/sites/default/files/pdf/CSR_Policy.pdf)

31. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

The particulars of Loans given, Investments made, Guarantees given and Securities provided during the period under Section 186 of the Act are stated in the Notes to Accounts which forms part of this Annual Report.

32. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All contracts/arrangements/ transactions entered by the Company with the Related Parties during the financial period were on an Arm's length basis and were in compliance with the applicable provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and erstwhile Clause 49 of the Listing Agreement. There are no materially significant related party transactions made by the Company with Promoters, Directors, Key Managerial Personnel or other designated persons which may have a potential conflict with the interest of the Company at large.

All Related Party Transactions were entered into only with prior approval of the Audit Committee, except transactions which qualify under Omnibus approval as permitted under the law. A statement of all Related Party Transactions 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 policy on Related Party Transactions is available on the Company's website (URL:http://www.primefocus.com/sites/default/files/pdf/Policy_on_Related_parties.pdf.)

There are no transactions that are required to be reported in Form AOC-2 and as such does not form part of the Report.

33. AUDITORS

Statutory Auditors

At the AGM held on December 24, 2014, M/s Deloitte Haskins & Sells (DHS), Chartered Accountants (Registration No. 117364W), were appointed as Statutory Auditors of the Company to hold office from the conclusion of 17th Annual General Meeting till the conclusion of 22nd Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting. Further, DHS have under Section 139(1) of the Act and the Rules framed thereunder furnished a certificate of their eligibility and consent for appointment.

The members are requested to ratify the appointment of M/s Deloitte Haskins & Sells, Chartered Accountants as Auditors from the conclusion of the ensuing Annual General Meeting till the conclusion of the next Annual General Meeting in 2017 and to authorize the Board to fix their remuneration for the year 2016-17.

With respect to the observation in Auditors Report the Company is constantly endeavoring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate and effective with the size of the respective entities and the nature of their business.

Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company had appointed M/s D M Zaveri & Company, Company Secretaries, to undertake Secretarial Audit of the Company for the financial year 2015-16. The report of the Secretarial Auditor is annexed to this report as **"Annexure F"**. The Secretarial Audit Report contains the following observations:

1. The Company has delayed in submission of its annual audited financial results as required under Clause 41(I)(d) within sixty days from the end of the financial year. In this regard the company has paid the penalties imposed by both stock exchanges.

The response of Directors with respect to the above is as follows:

During the financial year 2014-15, the following material events had taken place:

- a. Double Negative UK Holdings Ltd became a subsidiary of Prime Focus World NV (a subsidiary of the company) in July 2014. This entity has operating subsidiaries in UK, Singapore and Canada;
- b. Licensing and 3D conversion partnership with Canada's Gener8 Media Corp, a global leader in 3D conversion technology, in March 2015; and
- c. Acquisition of the global Film and Media Services business ('FMS business') from Reliance MediaWorks Limited in April 2015;

There were various local auditors, the annual closing of all the subsidiaries being April – March, unlike July-June for the holding company, local accounting rules and conversion of the same to Indian GAAP for audit of financials of the above mentioned acquisitions.

In view of the above-mentioned facts, it was difficult for the Company to complete the audit of component financial statements within the available timeframe.

2. The composition of Board of Directors is not in compliance with Clause 49(II)(A)(2) of the Listing Agreements / Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to having atleast half of the Board of directors of the Company to comprise of independent directors when chairperson of board of directors is an executive director.

The response of Directors with respect to the above is as follows:

Mr. Amit Bapna was appointed as Non-Executive Director with effect from September 16, 2015 and pursuant to the said appointment, the number of Independent Directors required on the Board was five, in terms of Regulation 17(1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In view of above, Company had identified a few suitable candidates and already initiated a dialogue with them and would announce the appointment of the Independent Board Member at the earliest possible to comply with the stipulated requirement.

34. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134(5) of the Act, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance

with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;

- d) the directors had prepared the annual accounts on a going concern basis.
- e) the directors had laid down internal financial controls to be followed by the company and such internal financial controls are adequate and the Company is constantly endeavoring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate and effective with the size of the respective entities and the nature of their business.
- f) the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

35. ACKNOWLEDGEMENT

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Date : May 30, 2016
Place: Mumbai

ANNEXURE - A

ANNEXURE to Directors Report

FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2016

Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014

I. REGISTRATION & OTHER DETAILS

1. CIN	L92100MH1997PLC108981
2. Registration Date	June 24, 1997
3. Name of the Company	Prime Focus Limited
4. Category/Sub-category of the Company	Public Company/Limited by shares
5. Address of the Registered office and contact details	Prime Focus House, Opp. Citi Bank, Linking Road, Khar (West) – Mumbai – 400 052 Tel: +91 22 67155000; Fax +91 22 67155001 Email : ir.india@primefocus.com Website: www.primefocus.com
6. Whether listed company	Yes
7. Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai – 400078 Tel: +91 22 2596 3838 Email: ishwar.suvarna@linkintime.co.in Website: www.linkintime.co.in

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section	Note
1	Prime Focus Technologies Private Limited Address: True North, Plot No. 63, Road No. 13, MIDC, Andheri (East), Mumbai-400093	U72200MH2008PTC179850	Subsidiary	75.5	2(87)	-
2	Prime Focus Visual Effects Private Limited Address: 2 nd Floor, Building - H, Mainframe IT Park, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai, 400065	U52392MH2008PTC179538	Subsidiary	100	2(87)	-
3	Prime Focus Motion Pictures Limited Address: 2 nd Floor, Building - H, Mainframe IT Park, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai, 400065	U92120MH2008PLC186091	Subsidiary	100	2(87)	-



Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section	Note
4	GVS Software Private Limited Address: 2 nd Floor, Building - H, Mainframe IT Park, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai, 400065	U72100MH2007PTC174803	Subsidiary	100	2(87)	-
5	Prime Focus 3D India Private Limited Address: 2 nd Floor, Building - H, Mainframe IT Park, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai, 400065	U92100MH2011PTC218470	Subsidiary	100	2(87)	-
6	Gener8 India Media Services Limited Address: 6th Floor, Building No.3, Serene Properties Pvt. Ltd. SEZ (MindSPACE Airoli) Thane Belapur Road, Airoli, Navi Mumbai-400708	U70100MH2006PLC160748	Subsidiary	100	2(87)	-
7	Prime Focus World Creative Services Private Limited Address: 2 nd Floor, Building - H, Mainframe IT Park, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai, 400065	U92412MH2011PTC218562	Subsidiary	100	2(87)	4
8	De-Fi Media Limited (Earlier known as Prime Focus International Limited) Address: 2 Bourchier Street, London W1D 4HX	NA	Subsidiary	100	2(87)	-
9	PF Investments Limited (Mauritius) Address: C/o Mauritius International Trust Company Limited, 4th Floor, Ebene Skies, Rue de L'Institut, Ebene, Republic of Mauritius	NA	Subsidiary	100	2(87)	-
10	PF World Limited Address: c/o Amicorp (Mauritius) Limited, 6th Floor, 1 Nexteracom Building, Ebene, Republic of Mauritius	NA	Subsidiary	100	2(87)	-
11	PF Overseas Limited Address: c/o Amicorp (Mauritius) Limited, 6 th Floor, 1 Nexteracom Building, Ebene, Republic of Mauritius	NA	Subsidiary	100	2(87)	-
12	Reliance MediaWorks (Mauritius) Limited Address: C/o Financial consulting associates limited, 3 rd Floor, Cerne House, La Chaussee, Port Louis, Mauritius. P.O. Box 322	N.A.	Subsidiary	100	2(87)	-

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section	Note
13	Prime Focus Luxembourg S.a.r.l. Address: 65, Boulevard Grande - Duchesse Charlotte, L-1331, Lucembourg	N.A.	Subsidiary	100	2(87)	1
14	Gener8 Digital Media Services Ltd, Canada Address: 20 th Floor, 250 Howe Street Vancouver BC V6C 3R8, Canada	N.A.	Subsidiary	100	2(87)	1
15	Prime Focus 3D Cooperatief U.A. Address: Prins Bernhardplein 200, 1097 JB, Amsterdam, The Netherlands	N.A.	Subsidiary	100	2(87)	2
16	Prime Focus World N.V. Address: Prins Bernhardplein 200, 1097JB Amsterdam, The Netherlands	N.A.	Subsidiary	76.33*	2(87)	3
17	Prime Focus International Services UK Limited Address: 2 Bouchier Street, London W1D 4HX	N.A.	Subsidiary	100	2(87)	4
18	Prime Focus Creative Services Canada, INC Address: 20 th Floor, 250 Howe Street Vancouver BC V6C 3R8, Canada	N.A.	Subsidiary	100	2(87)	4
19	Prime Focus VFX USA Inc. Address: 5750 Hannum Ave. Suite 100 Culver City, CA 90230	N.A.	Subsidiary	100	2(87)	4
20	Prime Focus North America, Inc. Address: 5750 Hannum Ave. Suite 100 Culver City, CA 90230	NA	Subsidiary	100	2(87)	4
21	Prime Focus ME Holdings Limited Address: Mill Mall, Suite 6, Wickhams Cay 1, PO Box 3085, Road Town, Tortola, Virgin Islands, British Virgin Islands.	NA	Subsidiary	100	2(87)	4
22	Prime Focus China Limited Address: Akara Bldg., 24 De Castro Street, Wickhams Cay 1, Road Town, Tortola, British Virgin Islands	N.A.	Subsidiary	70	2(87)	4
23	Double Negative Holdings Limited Address: 160 Great Portland Street, London W1W 5QA	N.A.	Subsidiary	100	2(87)	4
24	1800 Vine street Inc. Address: 5750 Hannum Ave. Suite 100 Culver City, CA 90230	N.A.	Subsidiary	100	2(87)	5
25	Vegas II VFX limited Address: 20 th Floor, 250 Howe Street, Vancouver, BC V6C 3R8 Canada	N.A.	Subsidiary	100	2(87)	6



Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section	Note
26	Prime Focus Technologies UK Limited Address: 64 DEAN STREET, LONDON, W1D 4QQ	N.A.	Subsidiary	100	2(87)	7
27	Prime Focus Technologies Inc. Address: 1521 Concord Pike, Suite 301 Wilmington, DE 19803	N.A.	Subsidiary	100	2(87)	7
28	Prime Focus (HK) Holdings Limited Address: Room 501-7, 5 th Floor, Sands Building, 17 Hankow Road, Tsimi Sha Tsui, Kowloon, Hong Kong	N.A.	Subsidiary	100	2(87)	8
29	Reliance Lowry Digital Imaging Services Inc. Address: 5750 Hannum Ave. Suite 100 Culver City, CA 90230	N.A.	Subsidiary	100	2(87)	9
30	Double Negative Limited 160 Great Portland Street, London, W1W 5QA, United Kingdom	N.A.	Subsidiary	100	2(87)	10
31.	Double Negative Singapore Pte. Limited Address: 80 Raffles Place, #32-01, UOB Plaza 1, Singapore – 048624	N.A.	Subsidiary	100	2(87)	10
32	Double Negative Canada Productions Limited Address: 20 th Floor, 250 Howe St, Vancouver, BC V6C 3R8, Canada	N.A.	Subsidiary	100	2(87)	10
33	Double Negative Films Limited Address: 160 Great Portland Street, London, W1W 5QA, United Kingdom	N.A.	Subsidiary	100	2(87)	10
34	DAX PFT LLC 1675 S State St Ste B, Dover, DE, 19901US	N.A.	Subsidiary	100	2(87)	11
35	DAX Cloud ULC Address: 693, Queen Street East, Toronto, Ontario M4M1G6	N.A.	Subsidiary	100	2(87)	12
36	Prime Post Europe Limited (formerly known as Prime Focus (MW) Limited Address: 2, Brouchier Street, London, W1D 4HX	N.A.	Subsidiary	100	2(87)	13
37	Prime Focus Malaysia SDN. BHD Address: Attentus Corporate Services Sdn. Bhd., 5 th Floor, Wisma Harwant, 106, Jalan Tuanku Rahman, 50100, Kuala Lumpur, Wilayah Persekutuan	N.A.	Subsidiary	100	2(87)	-

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% Of Shares Held	Applicable Section	Note
38	Prime Focus World Malaysia SDN. BHD Address: Attentus Corporate Services Sdn. Bhd., 5 th Floor, Wisma Harwant, 106, Jalan Tuanku Rahman, 50100, Kuala Lumpur, Wilayah Persekutuan	N.A.	Subsidiary	100	2(87)	4
39	Double Negative India Private Limited Address: 2 nd Floor, Building-H, Main Frame IT Park, Royal Palms, Near -Aarey Colony, Goregaon (East), Mumbai- 400 065	U72900MH2008PTC183047	Subsidiary	100	2(87)	14
40	Double Negative Huntsman VFX Ltd Address: 20 th Floor, 250 Howe Street, Vancouver BC V6C 3R8, Canada	N.A.	Subsidiary	100	2(87)	15

NOTES:

1. Subsidiary of PF World Limited
 2. Subsidiary of Prime Focus Luxembourg S.a.r.l.
 3. Subsidiary of Prime Focus 3D Cooperatief U.A.
 4. Subsidiaries of Prime Focus World N.V.
 5. Subsidiary of Prime Focus North America, Inc.
 6. Subsidiary of Prime Focus Creative Services Canada, Inc.
 7. Subsidiary of Prime Focus Technologies Private Limited
 8. Subsidiary of Prime Focus China Limited
 9. 90% held by Reliance MediaWorks (Mauritius) Limited and 10% held by Prime Focus Limited
 10. Subsidiary of Double Negative Holdings Limited
 11. Subsidiary of Prime Focus Technologies Inc.
 12. Subsidiary of DAX PFT LLC
 13. Subsidiary of Prime Focus Technologies UK Limited
 14. Subsidiary of Prime Focus World Creative Services Pvt. Ltd
 15. Subsidiary of Double Negative Canada Productions Ltd
- * 76.3% on fully diluted basis.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on July 1, 2015]				No. of Shares held at the end of the year [As on March 31, 2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(i) Indian									
a) Individual/ HUF	77,101,546	NIL	77,101,546	25.80	77,101,546	NIL	77,101,546	25.80	NIL
b) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
c) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
d) Bodies Corp.	2,75,06,095	NIL	27,5,06,095	9.20	2,75,06,095	NIL	27,5,06,095	9.20	NIL
e) Banks / FI	NIL	NIL	NIL	NIL	NI	NI	NI	NI	NIL
f) Any other	NIL	NIL	NIL	NIL	NI	NI	NI	NI	NIL
Total shareholding of Promoter (A)	104,607,641	NIL	104,607,641	35.00	104,607,641	NIL	104,607,641	35.00	NIL
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
b) Banks / FI	49,536	NIL	49,536	0.02	NIL	NIL	NIL	NIL	(0.02)
c) Central Govt.	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA
d) State Govt.(s)	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA
e) Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA
f) Insurance Companies	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA
g) FIs	1,174,041	NIL	1,174,041	0.39	1,247	NIL	1,247	0.00	-0.39
h) Foreign Venture Capital Funds	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NA
i) Others (specify Foreign Portfolio investor)	14,696	NIL	14,696	0.00	31850112	NIL	31850112	10.66	10.66
Sub-total (B)(1):-	1,223,577	NIL	1,223,577	0.41	31,851,359	NIL	31,851,359	10.66	10.25
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	14,33,42,338	NIL	14,33,42,338	47.96	11,51,58,856	NIL	11,51,58,856	38.53	-9.43
ii) Overseas	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
i) Individual shareholders holding nominal share capital upto ` 1 lakh	9,765,943	20	9,765,963	3.27	7,900,650	20	7,900,670	2.64	-0.63
ii) Individual shareholders holding nominal share capital in excess of ` 1 lakh	2,063,401	NIL	2,063,401	0.69	1,226,338	NIL	1,226,338	0.41	(-0.28)
Non Resident Indians	811,912	NIL	811,912	0.27	645,330	NIL	645,330	0.22	-0.05
Non Resident Indians (Non-repatriable)	159,086	NIL	159,086	0.05	140,616	NIL	140,616	0.05	0.00
Foreign Nationals	NIL	NIL	NIL	NIL	400	NIL	400	0.00	0.00
Foreign Company	36,549,990	NIL	36,549,990	12.23	36,549,990	NIL	36,549,990	12.23	0.00
Clearing Members	340370	NIL	340,370	0.11	259,589	NIL	259,589	0.09	-0.02
Trusts	NIL	NIL	NIL	NIL	100	NIL	100	0.00	0.00
Hindu Undivided Family	NIL	NIL	NIL	NIL	538,085	NIL	538,085	0.18	0.18
Sub-total (B)(2):-	193,047,736	20	193,047,756	64.59	162,419,954	20	162,419,974	54.34	-10.24
Total Public Shareholding (B)=(B)(1)+ (B)(2)	194,271,313	20	194,271,333	65.00	194,271,313	20	194,271,333	65.00	0.00
C. Shares held by Custodian for GDRs & ADRs	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Grand Total (A+B+C)	298,878,954	20	298,878,974	100.00	298,878,954	20	298,878,974	100	0.00

B) Shareholding of Promoter:

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e. July 1, 2015			Shareholding at the end of the year i.e. March 31, 2016			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1.	Mr. Naresh Malhotra	6,22,01,546	20.81	18.87	6,22,01,546	20.81	17.67	0.00
2.	Mr. Namit Malhotra	1,49,00,000	4.99	1.64	1,49,00,000	4.99	4.99	0.00
3.	Monsoon Studio Private Limited	2,75,06,095	9.20	1.48	2,75,06,095	9.20	1.48	0.00

C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Particulars	Shareholding at the beginning of the year (as on July 01, 2015)		Cumulative Shareholding during the year (as on March 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Naresh Malhotra	6,22,01,546	20.81	6,22,01,546	20.81
	At the end of the year	6,22,01,546	20.81	6,22,01,546	20.81
2.	Mr. Namit Malhotra	1,49,00,000	4.99	1,49,00,000	4.99
	At the end of the year	1,49,00,000	4.99	1,49,00,000	4.99
3.	Monsoon Studio Private Limited	275,06,095	9.20	275,06,095	9.20
	At the end of the year	275,06,095	9.20	2,75,06,095	9.20

D) Shareholding Pattern of top ten Shareholders:

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

Sr. No.	For Each of the Top 10 Shareholders	Shareholding at the beginning of the year as on July 01, 2015		Cumulative Shareholding at the end of the year as on March 31, 2016	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	RELIANCE MEDIWORKS LIMITED***	134,080,061	44.86	104,939,361	35.11
2.	STANDARD CHARTERED PRIVATE EQUITY (MAURITIUS) III LIMITED****	36,549,990	12.23	10,458,768	3.50
3.	TOP CLASS CAPITAL MARKETS PRIVATE LIMITED	7,308,400	2.45	7,308,400	2.45
4.	PREMIER INVESTMENT FUND LIMITED	733,151	0.25	750,000	0.25
5.	CITIGROUP GLOBAL MARKETS MAURITIUS PRIVATE LIMITED*	356,127	0.12	NIL	N.A.
6.	ANGEL BROKING PRIVATE LIMITED*	303,393	0.10	114,609	0.04
7.	BINDESHWARI MISHRA*	230,115	0.08	NIL	N.A.
8.	KAN HASSOMAL LAKHANI*	227,781	0.08	87,781	0.03
9.	RAJESH KANAYALAL SONEJI*	220,000	0.07	150,000	0.05
10.	CENTRUM FINANCIAL SERVICES LIMITED*	218,000	0.07	220,000	0.07
11.	STANDARD CHARTERED PRIVATE EQUITY (MAURITIUS) LIMITED**	NIL	N.A.	29,241,817	9.78
12.	MARINA IV (SINGAPORE) PTE.LTD**	NIL	N.A.	23,390,875	7.83
13.	RELIGARE FINVEST LTD**	181,050	0.06	556,041	0.19
14.	MARINA HORIZON (SINGAPORE) PTE.LTD**	NIL	N.A.	2,700,347	0.90
15.	TIMF HOLDINGS**	NIL	N.A.	1,858,295	0.62
16.	MERLIN MARKETING PRIVATE LIMITED**	NIL	N.A.	900,000	0.30
17.	MANGAL KESHAV CAPITAL LTD**	3,000	0.00	254,500	0.09

Note:

1. * Ceased to be in the list of Top 10 as on March 31, 2016. The same is reflected above since the shareholder was one of the Top 10 shareholders as on July 1, 2015
2. ** Not in the list of Top 10 shareholders as on July 1, 2015. The same has been reflected above since the shareholder was one of the Top 10 shareholders as on March 31, 2016
3. *** Persons Acting in Concert with Promoter's.
4. **** Out of the 10458768 (3.5%) held by Standard Chartered Private Equity (Mauritius) III Limited, Marina IV (Singapore) Pte. Ltd. is the beneficial owner of 41,79,961 constituting 1.40% of the paid up capital of the Company which are currently held by Standard Chartered Private Equity (Mauritius) III Limited. Further Standard Chartered Private Equity (Mauritius) III Limited and Marina IV (Singapore) Pte. Ltd. are affiliates under the common control of Standard Chartered Plc.
5. Shareholding is consolidated based on permanent account number (PAN) of the Shareholder.
6. Date wise increase decrease in the shareholding is available on the website www.primefocus.com

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year (as on July 1, 2015)		Cumulative Shareholding at the end of the year (as on March 31, 2016)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Naresh Malhotra	62201546	20.81	62201546	20.81
2.	Mr. Namit Malhotra	1,49,00,000	4.99	1,49,00,000	4.99
3.	Mr. Ramakrishnan Sankaranarayanan	50	0.00	50	0.00
4.	Mr. Nainesh Jaisingh	NIL	0.00	NIL	0.00
5.	Mr. Vibhav Parikh	NIL	0.00	NIL	0.00
6.	Mr. Amit Bapna	NIL	0.00	NIL	0.00
7.	Mr. Kodi Raghavan Srinivasan	NIL	0.00	NIL	0.00
8.	Mr. Padmanabha Gopal Aiyar	NIL	0.00	NIL	0.00
9.	Mr. Rivkaran Chadha	NIL	0.00	NIL	0.00
10.	Dr. (Mrs.) Hemalatha Thiagarajan	NIL	0.00	NIL	0.00
11.	Mr. Vikas Rathee (CFO)	NIL	0.00	NIL	0.00
12.	Ms. Parina Shah (CS)	NIL	0.00	NIL	0.00

V) INDEBTEDNESS -Indebtedness of the Company including interest outstanding/accrued but not due for payment.

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
(Amt. in `)				
Indebtedness at the beginning of the financial year				
i) Principal Amount	1,823,952,570	1,901,000,000	-	3,724,952,570
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8,572,545	-	-	8,572,545
iv) Premium payable on NCD	2,808,006	761,781,859	-	764,589,865
Total (i+ii+iii+iv)	1,835,333,121	2,662,781,859	-	4,498,114,980
Change in Indebtedness during the financial year				
* Addition				
i) Principal Amount	500,994,823	1,083,800,000	-	1,584,794,823
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	15,447,546	25,117,240	-	40,564,786
iv) Premium payable on NCD	7,166,934	266,481,861	-	273,648,795
Total (i+ii+iii+iv)	523,609,303	1,375,399,101	-	1,899,008,404
* Reduction				

(Amt. in `)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
i) Principal Amount	340,168,434	-	-	340,168,434
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	8,572,545	-	-	8,572,545
iv) Premium payable on NCD	-	-	-	-
Total (i+ii+iii+iv)	348,740,979	-	-	348,740,979
Net Change	174,868,324	1,375,399,101	-	1,550,267,425
Indebtedness at the end of the financial year				
i) Principal Amount	1,984,778,959	2,984,800,000	-	4,969,578,959
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	15,447,546	25,117,240	-	40,564,786
iv) Premium payable on NCD	9,974,940	1,028,263,720	-	1,038,238,660
Total (i+ii+iii+iv)	2,010,201,445	4,038,180,960	-	6,048,382,405

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL-

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: (For the period ended March 31, 2016)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/ Manager			Total Amount
		Mr. Naresh Malhotra	Mr. Ramakrishnan Sankaranarayanan	Mr. Namit Malhotra	
1.	Gross salary	45,00,000	37,50,003	37,50,003	1,20,00,006
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961				
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil	Nil
2.	Stock Option	Nil	Nil	Nil	Nil
3.	Sweat Equity	Nil	Nil	Nil	Nil
4.	Commission	Nil	Nil	Nil	Nil
	- as % of profit				
	- others, specify...				
5.	Others, please specify	Nil	Nil	Nil	Nil
	Total (A)	45,00,000	37,50,003	37,50,003	1,20,00,006
	Ceiling as per the Act	62.14 Lac per annum as per Schedule V of the Companies Act, 2013.			18,642,543

B. Remuneration to other directors

(Amt. in `)

Sr. No.	Particulars of Remuneration	Mr. G. P. Aiyar	Mr. Rivkaran Chadha	Mr. K. R. Srinivasan	Dr. (Mrs.) Hemalatha Thiagarajan	Mr. Nainesh Jaisingh	Mr. Vibhav Parikh (Alternate to Mr. Nainesh Jaisingh)	Mr. Amit Bapna
1	Non-Executive Independent Directors							
	Fee for attending board meetings	40,000 (20,000 per meeting)	60,000 (20,000 per meeting)	40,000 (20,000 per meeting)	40,000 (20,000 per meeting)	N.A.	N.A.	N.A.
	Commission	Nil	Nil	Nil	Nil	N.A.	N.A.	N.A.
	Others, please specify	Nil	Nil	Nil	Nil	N.A.	N.A.	N.A.
	Total (1)	40,000	60,000	40,000	40,000	N.A.	N.A.	N.A.

								(Amt. in `)
Sr. No.	Particulars of Remuneration	Mr. G. P. Aiyar	Mr. Rivkaran Chadha	Mr. K. R. Srinivasan	Dr. (Mrs.) Hemalatha Thiagarajan	Mr. Nainesh Jaisingh	Mr. Vibhav Parikh (Alternate to Mr. Nainesh Jaisingh)	Mr. Amit Bapna
2	Non-Executive Directors							
	Fee for attending board committee meetings	N.A.	N.A.	N.A.	N.A.	NA	60,000 (20,000 per meeting)	60,000 (20,000 per meeting)
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (2)	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Total (B)=(1+2)	40,000	60,000	40,000	40,000	N.A.	60,000	60,000
	Total Managerial Remuneration	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Overall Ceiling as per the Act	1,00,000 per meeting as per the provisions of the Companies Act, 2013						

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD (For the period ended March 31, 2016)

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel				Total	
		CEO (Mr. Namit Malhotra)	CS (Ms. Parina Shah w.e.f. September 12, 2015)	CS (*Ms. Kirti Desai from July 1, 2015 to July 07, 2015)	CFO (Mr. Vikas Rathee)		
1	Gross salary		37,50,003	9,56,354	29,452	1,06,28,281	1,53,34,638
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961						
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		Nil	Nil	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		Nil	Nil	Nil	Nil	Nil
2	Stock Option		Nil	Nil	Nil	Nil	Nil
3	Sweat Equity		Nil	Nil	Nil	Nil	Nil
4	Commission - as % of profit		Nil	Nil	Nil	Nil	Nil
	Others, specify...		Nil	Nil	Nil	Nil	Nil
5	Others, please specify		Nil	Nil	Nil	Nil	Nil
	Total		37,50,003	9,56,354	29,452	1,06,28,281	1,53,34,638

Note:

- Ms. Kirti Desai resigned from the post of Company Secretary wef July 7, 2015
- Ms Parina Shah was appointed as Company Secretary wef September 12, 2015
- The financial year 2015-16 was for 9 months i.e. from July 1, 2016 to March 31, 2016

NOTE: Mr. Namit Malhotra is the CEO (Key Managerial Personnel) as well as Whole Time Director in the Company.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors, if any, during the financial year ended March 31, 2016.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Ramakrishnan Sankaranarayanan
Managing Director
DIN:02696897

Naresh Malhotra
Whole-Time Director
DIN:00004597

Date : May 30, 2016
Place: Mumbai

ANNEXURE - B

NOMINATION AND REMUNERATION POLICY

1. PREAMBLE

This policy is framed pursuant to the requirement of sub clause IV of Clause 49 of the Equity Listing Agreement revised by the Securities Exchange Board of India (SEBI) vide CIR/CFD/POLICY CELL/2/2014 dated April 17, 2014 with the objective to align with the provisions of the Companies Act, 2013, adopt the best practices on corporate governance and make the corporate governance framework more effective.

In pursuance of the Company's policy to consider human resources as its most valuable assets, ensure equitable remuneration to all viz. Directors, Key Managerial Personnel (KMP) and other employees of the Company, this policy on nomination and remuneration of Directors, Key Managerial Personnel and Senior Management Members and other employees has been formulated by the Nomination and Remuneration Committee and approved by the Board of Directors in terms of the provisions of the Companies Act, 2013 and the abovementioned requirements of listing agreement as may be amended from time to time.

2. OBJECTIVE AND PURPOSE OF THE POLICY:

The objective and purpose of this policy are:

- 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.

Accordingly, the following policy formulated by the Nomination and Remuneration Committee and applicable to Directors (Executive and Non Executive), Key Managerial Personnel and Senior Management Personnel and other employees was recommended for adoption to the Board of Directors. The key features of the Remuneration policy and the evaluation criteria followed shall be disclosed in the Annual Report of the Company.

3. RELEVANT PARTICULARS

Effective Date:

This policy as formulated by the Nomination and Remuneration Committee and approved by the Board shall be effective from October 1, 2014.

Nomination and Remuneration Committee:

The Board has changed the nomenclature of the Company's existing Remuneration Committee by renaming it as Nomination and Remuneration Committee on May 12, 2014 pursuant to the requirements of the Companies Act, 2013 and the revised Listing Agreement. The Nomination and Remuneration Committee of the Company comprises of the following Directors:

Sr. No.	Name	Position
1.	Mr. Rivkaran Chadha	Independent and Non-Executive Director
2.	Mr. K. R. Srinivasan	Independent and Non-Executive Director
3.	Mr. G. P. Aiyar	Independent and Non-Executive Director
4.	Mr. Nainesh Jaisingh	Non-Executive Director
5.	Mr. Amit Bapna	Non-Executive Director

The Board has the power to reconstitute the Committee consistent with the Company's policy and in compliance with the applicable statutory requirements.

Definitions

- Key Managerial Personnel (KMP): Key Managerial Personnel means:
 - 1) Managing Director or Chief Executive Officer;
 - 2) Whole-time Director;
 - 3) Chief Financial Officer;
 - 4) Company Secretary and such other officer as may be prescribed under the applicable statutory provisions or regulations;
- Senior Management: Senior Management means personnel of the Company occupying the position of one level below the Board of Directors of the Company.

General

This Policy is divided in three parts:

Part - A covers the matters to be dealt with and recommended by the Committee to the Board

Part - B covers the appointment criteria and nomination

Part-C covers remuneration criteria.

PART – A

MATTERS TO BE DEALT WITH, PERUSED AND RECOMMENDED TO THE BOARD BY THE NOMINATION AND REMUNERATION COMMITTEE

The Committee shall, based on the requirement from time to time:

- Identify and formulate criteria to determine qualifications, positive attributes and independence of a Director.
- Formulate criteria to identify persons who are qualified to become Directors and persons who may be appointed in Key Managerial and Senior Management positions.
- Recommend to the Board, appointment of Director, KMP and Senior Management Personnel and other employees.

PART – B

APPOINTMENT CRITERIA

Appointment criteria and qualifications:

1. The Committee shall identify and ascertain the integrity, professional qualifications, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and other employees and recommend to the Board his/her appointment. While doing this the Committee shall also take into account the mandatory requirement for the composition of the Board, Audit Committee, the Stakeholders' Relationship Committee. The Committee shall lay emphasis on a diverse Board composition based on a range of diversity perspectives such as gender, age, educational background, skills, experience etc. The ultimate decision shall be based on merit.
2. The Committee has discretionary power to decide whether qualification, expertise and experience possessed by a person is sufficient/satisfactory for the concerned position as a KMP or Senior management personnel.
3. The Committee shall not recommend for appointment or continuation of any person as Director who:
 - Is of unsound mind and so declared by a competent court;
 - Is an undischarged insolvent;
 - Has applied to be adjudicated as an insolvent and his application is pending;
 - Has been convicted by a Court of any offence whether involving moral turpitude or otherwise and sentenced in respect thereof to imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence;
 - Has been convicted of any offence and sentenced in respect thereof to imprisonment for seven years;
 - An order disqualifying him for appointment as Director has been passed by a Court or Tribunal and the order is in force;
 - Has not paid any calls in respect of the shares of the Company held by him and six months have elapsed from the last day fixed for the payment of the call;
 - Has been convicted of the offence dealing with related party transactions under Section 188 at any time during the last preceding 5 years;

- Has not been allotted the DIN under Section 152 of the Companies Act 2013;
- Has not completed the age of twenty-one years and has attained the age of 70 years. If any Director who has completed the age of 70 years and the appointment is approved by special resolution passed by the Company in General Meeting, no further approval of the Central Government shall be required;
- Is a managerial person in more than one company and draws remuneration from one or more companies above the ceiling provided in Section V of Part II of Schedule V of the Companies Act, 2013.
- Further no person who has been a Director of the Company shall be eligible to be reappointed as Director of that Company or appointed as Director in any other Company for a period of five years from the date on which the Company fails to:
- File financial statements or annual returns for any continuous period of three financial years
- Repay deposits accepted or pay interest thereon or redeem any debentures on the due date or pay interest due thereon or pay any dividend declared and such failure continues for one year.
- No person can be appointed as Director in more than twenty companies and maximum number of public companies in which he can be a Director shall not exceed ten. Similarly a person cannot be a Managing Director in more than two companies.
- There shall be a minimum of three Directors and a maximum of fifteen in a Company. The Company can appoint a higher number of Directors on approval by Members vide special resolution.

Term and Tenure

1. Managing Director/Whole-time Director:

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director or Whole-time Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

2. Independent Director:

As per Companies Act, 2013 an Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment for another term of five years on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report. No Independent Director shall hold office for more than two consecutive terms of five years and thereafter he shall be eligible for appointment after expiry of three years (cooling period) of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that the number of Boards on which such Independent Director serves is restricted to seven listed companies as an

Independent Director but only three listed companies as an Independent Director in case such person is also serving as a Whole-time Director of a listed company.

3. Senior Management Personnel:

In terms of the provisions of Section 203 of the Companies Act 2013, a Whole-time Key managerial personnel (KMP) shall not hold office in more than one Company except in its subsidiary company at the same time.

However the KMP can be a Director in any other Company (which may or may not be a subsidiary) with the approval of the Board.

Any remuneration payable to a Managing Director/Whole-time Director/ Executive Director who is also drawing remuneration in another Company in a similar position shall be subject to the highest maximum limit admissible from any one Company calculated in such manner as provided in Schedule V and other applicable provisions of the Companies Act 2013.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management Personnel at regular intervals (yearly or such other interval as the Committee deems fit).

PART - C

POLICY RELATING TO THE REMUNERATION FOR THE WHOLE-TIME DIRECTOR, KMP AND SENIOR MANAGEMENT PERSONNEL

A) General:

1. The remuneration / compensation / commission etc. to the Whole-time Director, KMP and Senior Management Personnel and other employees will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to the Whole-time Director shall be in accordance with the percentage/ slabs/conditions laid down under Section 197, 198 and other applicable provisions of the Companies Act, 2013, read with Schedule V and rules 4 and 5 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules 2014 made thereunder.
3. Increments to the existing remuneration/compensation structure may be recommended by the Committee to the Board which should be within the ceiling limit slabs approved by the Shareholders in the case of Whole-time Director.

B) Remuneration to Whole-time / Executive / Managing Director, KMP and Senior Management Personnel:

1. Fixed pay:

The Whole-time Director/KMP and Senior Management Personnel shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F,

pension scheme, medical expenses, club fees etc. shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. Minimum Remuneration:

If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Whole-time Director in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the previous approval of the Central Government.

3. Provisions for excess remuneration:

If any Whole-time Director draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or the prior sanction of the Central Government, where required, is not obtained, he/she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless it is approved by the Central Government.

C) Remuneration to Non- Executive/Independent Director:

1. Remuneration/Commission:

The remuneration/commission shall be fixed as per the slabs and conditions mentioned in the Articles of Association of the Company and the Companies Act, 2013 and the rules made thereunder.

2. Sitting Fees:

The Non-Executive/Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed ` One lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

3. Commission:

Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

4. Stock Options:

An Independent Director shall not be entitled to any stock option of the Company.

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Date : May 30, 2016
Place: Mumbai



ANNEXURE - C

PARTICULARS OF EMPLOYEES

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

1. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year;

Sr. No.	Names of Directors/Key Managerial Personnel	Designation	Remuneration (Amt. in `)	Ratio of Directors remuneration to Median remuneration	% increase in the remuneration
DIRECTORS					
1	Mr. Namit Malhotra	Chairman (Executive) and Chief Executive Officer	37,50,003	13.26	NIL
2	Mr. Naresh Mahendranath Malhotra	Whole - time Director	45,00,000	15.91	NIL
3	Mr. Ramakrishnan Sankaranarayanan	Managing Director	37,50,003	13.26	NIL
KEY MANAGERIAL PERSONNEL					
1.	Mr. Vikas Rathee	Chief Financial Officer	1,06,28,281	N.A.	NIL
2.	Ms. Parina Shah	Company Secretary	9,56,354	N.A.	*
3.	Ms. Kirti Desai	Company Secretary	29,452	N.A.	#

Note:

- *Details not given as Ms. Parina Shah was KMPs only for part of the Financial Year 2015-16
 - # Ms Kirti Desai resigned from the Company w.e.f July 7, 2015
 - Non-Executive Directors are paid remuneration only by way of sitting Fees
 - The financial year 2015-16 was for 9 months i.e. from July 1, 2016 to March 31, 2016
2. **The percentage increase in the median remuneration of employees in the financial year:**
Percentage of increase in the median remuneration on employees is 9.44%.
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, 2016 was 534.
4. **The explanation on the relationship between average increase in remuneration and company performance;**
The average increase given to employees were 6.24%. The average increase in remuneration is not based on Company's performance alone, but also takes consideration other factors like market benchmark data, the average increases being given by peer companies and overall budgetary impact within the Company.
5. **Comparison of the remuneration of the Key Managerial Personnel against the performance of the company;**

(` in lacs)	
Aggregate remuneration of key managerial personnel (KMP) in Financial Year 15-16	
Remuneration in FY 2015-16	191.14
Revenue from operations	11108.61
Remuneration as % of revenue	2%
Profit after Tax (PAT)	835.90
Remuneration of KMP (as % of PAT)	23%

6. a. **Variations in the market capitalisation of the company, price earnings ratio as at the closing date of the current financial year and previous financial year** (` In lacs)

Particulars	*March 31, 2016	**June 30, 2015	% Change
Market Capitalisation (No. of Shares X Market price)	153922.67	137633.77	11.84%
Price Earning Ratio	N.A	N.A	N.A.

* Market Price at NSE as on March 31, 2016 : ` 51.50/-

** Market Price at NSE as on June 30, 2015 : ` 46.05/-

- b. **Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer in case of listed companies:**

(Amount in `)

Market price as on March 31, 2016	₹ 51.50*
Price at the time of IPO launched in fiscal 2006 (converted to price of each share of face value of ₹ 1 each)	37.4
% Increase of Market price over the price at the time of Public Issue	37.70%

Note: 1. * Closing share price of the Equity shares at NSE Ltd. has been used for the above table.

2. The IPO of the Company was launched in the Fiscal 2006 when the face value of the shares was ₹ 10/- each. Considering the stock split of equity shares from ₹ 10/- to ₹ 1/- each, conversion price works out to be ₹ 37.40/- per share.

7. **Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;**

Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year was 6.24%. The increase in remuneration is determined based on the performance by the employee of the Company.

8. **Comparison of the each remuneration of the Key Managerial Personnel against the performance of the company;**

(Amount in `)

	Executive Director		Chief Financial Officer	Company Secretary	Company Secretary
	Mr. Namit Malhotra (CEO and Chairman)	Mr. Ramakrishnan Sankaranarayanan (Managing Director)	Mr. Vikas Rathee	Ms. Parina Shah *	Ms. Kirti Desai **
Remuneration in FY15	3,750,003	3,750,003	10,628,281	956,354	29,452
Revenue from operations	1,110,861,103	1,110,861,103	1,110,861,103	1,110,861,103	1,110,861,103
Remuneration as % of revenue	0.34%	0.34%	0.96%	0.09%	0.00%
Profit after Tax (PAT)	151,426,242	151,426,242	151,426,242	151,426,242	151,426,242
Remuneration (as % of PAT)	2%	2%	7%	1%	0.00%

* From September 12, 2015

** Upto July 7, 2015

9. **The key parameters for any variable component of remuneration availed by the directors;**

It is based on the recommendations of the Nomination and Remuneration Committee and as per the Remuneration Policy of the Company.

10. **The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year;**

The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year is 1:2.36

11. **Affirmation**

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Ramakrishnan Sankaranarayanan
Managing Director
DIN:02696897

Naresh Malhotra
Whole-Time Director
DIN:00004597

Date : May 30, 2016
Place: Mumbai



ANNEXURE - D

ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

1. A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs	<p>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.</p> <p>The CSR policy of the Company can be viewed on website of the Company at (Weblink: http://www.primefocus.com/sites/default/files/pdf/CSR_Policy.pdf)</p>															
2. Composition of the CSR Committee.	<table border="1"> <thead> <tr> <th data-bbox="882 751 869 821">Sr. No.</th> <th data-bbox="882 821 1388 821">Name of the Member</th> <th data-bbox="882 821 1645 821">Position in Committee</th> </tr> </thead> <tbody> <tr> <td data-bbox="882 821 869 852">1.</td> <td data-bbox="882 852 1388 852">Mr. Rivkaran Chadha</td> <td data-bbox="882 852 1645 852">Chairman</td> </tr> <tr> <td data-bbox="882 852 869 884">2.</td> <td data-bbox="882 884 1388 884">Mr. Naresh Malhotra</td> <td data-bbox="882 884 1645 884">Member</td> </tr> <tr> <td data-bbox="882 884 869 953">3.</td> <td data-bbox="882 953 1388 953">Mr. Nainesh Jaisingh or his Alternate Mr. Vibhav Parikh</td> <td data-bbox="882 953 1645 953">Member</td> </tr> <tr> <td data-bbox="882 953 869 989">4.</td> <td data-bbox="882 989 1388 989">Mr. Amit Bapna</td> <td data-bbox="882 989 1645 989">Member</td> </tr> </tbody> </table>	Sr. No.	Name of the Member	Position in Committee	1.	Mr. Rivkaran Chadha	Chairman	2.	Mr. Naresh Malhotra	Member	3.	Mr. Nainesh Jaisingh or his Alternate Mr. Vibhav Parikh	Member	4.	Mr. Amit Bapna	Member
Sr. No.	Name of the Member	Position in Committee														
1.	Mr. Rivkaran Chadha	Chairman														
2.	Mr. Naresh Malhotra	Member														
3.	Mr. Nainesh Jaisingh or his Alternate Mr. Vibhav Parikh	Member														
4.	Mr. Amit Bapna	Member														
3. Average net profit/(Loss) of the company for last three financial years -	` (7,58,41,688)															
4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)	Not Applicable in view of Loss															
5. Details of CSR spent during the financial year	Not Applicable															
a. Total amount to be spent for the financial year;	NIL															
b. Amount unspent, if any; -	Not Applicable															
c. Manner in which the amount spent during the financial year	Not Applicable															
6. Reasons for failure to spend the two per cent of the average net profit of the last three financial years or any part thereof:	Not Applicable															
7. Responsibility statement of CSR Committee of the Board	The CSR Committee states that the implementation and monitoring of the CSR Policy, is in compliance with the CSR objectives and Policy of the Company.															

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

Naresh Malhotra
 Whole-Time Director
 DIN:00004597

Rivkaran Chadha
 Chairman - CSR Committee
 DIN:00308288

Date : May 30, 2016
 Place: Mumbai

ANNEXURE E

CRITERIA FOR DETERMINING QUALIFICATIONS, POSITIVE ATTRIBUTES AND INDEPENDENCE OF A DIRECTOR

1. Definition of Independence

A director will be considered as an "Independent Director" if the person meets with the criteria for Independent Director as laid down in the Companies Act and of the Listing Agreement.

The definition of independence as provided in the Act is as follows:

"An independent director in relation to a company, means a director other than a managing director or a whole-time director or a nominee director,—

- (a) who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
- (b) (i) who is or was not a promoter of the company or its holding subsidiary or associate company;
- (ii) who is not related to promoters or directors in the company, its holding, subsidiary or associate company;
- (c) who has or had no pecuniary relationship with the company, its holding subsidiary or associate company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
- (d) none of whose relatives has or had pecuniary relationship or transaction with the company, its holding, subsidiary or associate company, or their promoters, or directors, amounting to two per cent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
- (e) who, neither himself nor any of his relatives—
 - (i) holds or has held the position of a key managerial personnel or is or has been employee of the company or its holding, subsidiary or associate company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
 - (ii) is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed, of—
 - (A) a firm of auditors or company secretaries in practice or cost auditors of the company or its holding, subsidiary or associate company; or
 - (B) any legal or a consulting firm that has or had any transaction with the company, its holding, subsidiary or associate company amounting to ten per cent. or more of the gross turnover of such firm;
 - (iii) holds together with his relatives two per cent. Or more of the total voting power of the company; or

(iv) is a Chief Executive or director, by whatever name called, of any nonprofit organisation that receives twenty-five per cent or more of its receipts from the company, any of its promoters, directors or its holding, subsidiary or associate company or that holds two per cent. or more of the total voting power of the company;

(v) is a material supplier, service provider or customer or a lessor or lessee of the company;

(vi) who is not less than 21 years of age (additional provision as per Listing Agreement)

(f) who possesses such other qualifications as may be prescribed"

· Current and ex-employees of a Prime Focus may be considered as independent only if he/ she has or had no pecuniary relationship with any Group company (due to employment/ receipt of monthly pension by way of Special Retirement Benefits/ holding consultant or advisor positions) during the two immediately preceding financial years or during the current financial year.

2. Qualifications of Directors

- Boards will ensure that a transparent board nomination process is in place that encourages diversity of thought, experience, knowledge, perspective, age and gender.
- It is expected that boards have an appropriate blend of functional and industry expertise.
- While recommending appointment of a director, it is expected that the Nomination and Remuneration Committee ("NRC") consider the manner in which the function and domain expertise of the individual contributes to the overall skill-domain mix of the Board.
- Independent Directors ("ID") ideally should be thought/ practice leaders in their respective functions/ domains.

3. Positive attributes of Directors

Directors are expected to comply with duties as provided in the Act. For reference, the duties of the Directors as provided by the Act are as follows:

- 1) "Act in accordance with the articles of the company.
- 2) Act in good faith in order to promote the objects of the company for the benefit of its members as a whole, and in the best interests of the company, its employees, the shareholders, the community and for the protection of environment.
- 3) Exercise duties with due and reasonable care, skill and diligence and exercise independent judgment.
- 4) Not be involved in a situation in which he may have a direct or indirect interest that conflicts, or possibly may conflict, with the interest of the company.



- 5) Not achieve or attempt to achieve any undue gain or advantage either to himself or to his relatives, partners, or associates.
- 6) Not assign his office.”

Additionally, the Directors on the Board of Prime Focus are also expected to demonstrate high standards of ethical behavior, strong interpersonal and communication skills and soundness of judgment.

IDs are also expected to abide by the ‘Code for Independent Directors’ as outlined in Schedule IV to section 149(8) of the Act. The Code specifies the guidelines of professional conduct, role and function and duties of Independent Directors. The guidelines of professional conduct specified in the Code are as follows:

“An independent director shall:

- 1) uphold ethical standards of integrity and probity;
- 2) act objectively and constructively while exercising his duties;
- 3) exercise his responsibilities in a bona fide manner in the interest of the company;
- 4) devote sufficient time and attention to his professional obligations for informed and balanced decision making;
- 5) not allow any extraneous considerations that will vitiate his exercise of objective independent judgment in the paramount

interest of the company as a whole, while concurring in or dissenting from the collective judgment of the Board in its decision making;

- 6) not abuse his position to the detriment of the company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
- 7) refrain from any action that would lead to loss of his independence;
- 8) where circumstances arise which make an independent director lose his independence, the independent director must immediately inform the Board accordingly;
- 9) assist the company in implementing the best corporate governance practices.”

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Date : May 30, 2016

Place: Mumbai

ANNEXURE - F

Secretarial Audit Report

Form No. MR-3

For the Financial year ended 31st March, 2016

[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 31st March, 2016, 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 31st, March, 2016 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, 2009;

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not relevant / applicable, since there is no delisting of equity shares during the year)
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not relevant / applicable, since there is no buyback of equity shares during the year)
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- (vi) The following are applicable to the Company in addition to laws mentioned above:
- (a) Indian Contract Act, 1872
 - (b) The Indian Copyrights Act, 1957
 - (c) Trademark Act, 1999
 - (d) The Patent Act, 1970
 - (e) The Information Technology Act, 2000 and rules, regulations and amendments made thereunder.

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 and revised Listing Agreements entered with BSE/NSE in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:-

1. *The Company has delayed in submission of its annual audited financial results as required under Clause 41(I)(d) within sixty*



days from the end of the financial year. In this regard the company has paid the penalties imposed by both stock exchanges..

2. *The composition of Board of Directors is not in compliance with Clause 49(II)(A)(2) of the Listing Agreements / Regulation 17(1) (b) of the SEBI(Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to having atleast half of the Board of directors of the Company to comprise of independent directors when chairperson of board of directors is an executive director.*

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 *subject to the observation mentioned in point 2 of the above paragraph.* 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.

**For D. M. Zaveri & Co
Company Secretaries**

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

**Place: Mumbai
Date: 30th May, 2016**

MANAGEMENT DISCUSSION & ANALYSIS

SECTION 1

“LEADING FROM THE FRONT”

At Prime Focus Limited (PFL), we believe leaders must lead from the front. We are today the World's Largest Independent and Integrated Media Services Powerhouse with the distinction of being:

- House of choice for Visual Effects (VFX) and Stereo Conversion (2D to 3D) Services for Tier 1 Studios, with 2 consecutive Academy Award® wins
- Leader in cloud solutions for Media & Entertainment industry and pioneer in ERP solutions with CLEAR™
- Undisputed Leader in fast growing Indian market - working with top Bollywood production houses
- Achieved Revenue of Rs 19 billion (twelve months ending March '16) as EBITDA margin moved closer to the midterm target of ~20%

PFL has combined strategic foresight and operational excellence to build one of the most formidable and comprehensive platforms in the media services domain:

- ✓ **“A-Level” Pedigree in Hollywood following the merger with Double Negative and partnership with Gener8.** Delivered bundled services (Visual effects and Stereo Conversion services) for some of the year's biggest blockbusters, like Captain America: Civil War (Box office collection US\$ 1,151million) and Batman v Superman: Dawn of Justice (Box office collection US\$ 872million), and delivered 5 of the top 10 Hollywood blockbusters of 2015.
- ✓ **Own and operate the World's only hybrid cloud-enabled Media ERP Suite – CLEAR™.** A unique DNA with the perfect blend of Creativity and Technology (strong IT credentials and deep understanding of M&E industry) serving a wide range of clients including 21st Century Fox-owned Star India, Miramax®, GEE, Cricket Australia, TERN International's INsight TV and OTT players such as Hotstar, Voot and HOOQ are powered by CLEAR.
- ✓ **Leadership in fast growing Indian M&E market post game-changing PFL-RMW FMS Merger:** Offering complete media services across the spectrum i.e. production (equipment rental and line production), post-production (Digital Intermediate/colour grading and picture post) and creative (visual effects, 3D conversion and animation) services.
- ✓ **Optimal WorldSourcing Model** through large global network (20 global offices) across all major content markets employing over 7,000 personnel, enables us to provide highest quality, fastest time to market and most efficient pricing.
- ✓ **Strong relationship with marquee clients across businesses:** Working with leading Hollywood studios like Disney, Marvel, Universal, Dreamworks, Paramount, Lionsgate, etc. & top Bollywood players for creative services. Similarly, technology and technology enabled services for marquee clients like FX Network, Star TV, Miramax, Cricket Australia, GEE, Crown Media, SABC, National Geographic channel, Sony, BBC, HOOQ, BARC, Hotstar, Voot and many others.

SECTION 2

FY16 KEY HIGHLIGHTS

FY16 was a year of strong progress for Prime Focus with rising global acclaim via the second consecutive Oscar win, robust revenue growth at Rs 19 billion ttm and improving margins. With Phase 2 of the integration plan for the three recent transformational transactions - PFW-Dneg, PFT-DAX® and PFL-RMW mergers – near completion, the benefits are becoming increasingly visible by the day.

The year saw increased recognition of the quality of our work across various global forums. For the second consecutive year, Double Negative was honoured with the Oscar for Best VFX, for 'Ex Machina' following last year's win for 'Interstellar'. During the year, we offered our bundled services (Visual Effects and Stereo Conversion services) for some of the biggest blockbusters like Captain America: Civil War (US\$ 1,151million) and Batman v Superman (US\$ 872million) and delivered 5 of the top 10 Hollywood Blockbusters of 2015, as well as multiple top Bollywood grossers. We also added marquee clients like Miramax, Cricket Australia and Global Eagle Entertainment in our technology business.

Creative Services: Strong progress and global recognition

- **Phased integration of Dneg continues as per plan**
 - Higher proportion of VFX work delivered out of India. Invested in setting up new Mumbai facility for Dneg's operations
 - Bundled offering of VFX & 3D conversion services for movies like Captain America: Civil War, Batman v Superman and Alice Through the Looking Glass
- **Dneg brings home the 'Best VFX' Oscar – for the second year in a row. Ex Machina win follows last year's win for Interstellar. Also, received BAFTA nominations for Ant-Man and Ex Machina. Ex Machina also won 'Best Achievement in Craft' at the British Independent Film Awards.**
- **PFW's 'DeepGen' Stereo Tech recognised with Lumiere™ Technology Award from Advanced Imaging Society**
- **Movies delivered include: Captain America: Civil War, Batman v Superman: Dawn of Justice, The Huntsman, Alice Through the Looking Glass, Spectre, Bridge of Spies, Mission Impossible: Rogue Nation, etc.**
- **Robust order book includes projects such as Inferno, Dunkirk, Geostorm, Fast 8, Jason Bourne, The Mummy, Wonder Woman, etc.**

PFT, leader in cloud solutions for Media & Entertainment industry increases global penetration

- **US penetration increases post DAX® acquisition, higher cross selling to DAX® clients**
- **Multiple new clients added in India and overseas markets**
 - Signed a Media Asset Management deal with Global Eagle Entertainment
 - Signed an agreement with global film and television studio Miramax, to provide DAX® Production Solution
 - Offering Cloud-Based Media Asset Management (MAM) to Cricket Australia, the national governing body for cricket in Australia
 - PFT powers the aggregation of content delivery for TERN International's 4K/UHD channel, INsight TV through CLEAR, leveraging cloud technology to enable collaboration between



partners, increased speed of delivery and enhanced efficiencies in internal workflows

- PFT has signed a deal to deliver a 'Digital Next' workflow solution to VOOT, Viacom18's OTT video platform. The 'Digital Next' workflow will utilize CLEAR's Operations Cloud and Media Services to provide metadata tagging, quality control, packaging and delivery of content to VOOT.

Product Updates:

CLEAR Broadcast Cloud:

- Launched Industry-First Promo Versioning Automation Module for Adobe Premiere Pro CC which will significantly reduce manual operations. This will ultimately increase operational efficiency for broadcasters and promotional content creators.
- Promo Versioning Automation add-on module with enhanced templates
- Additional flexibility to position any number of Layer Groups including combinations of voice overs, multiple audio languages, text and graphics which appear on the final promo version.
- Simpler mechanism to import promo schedules
- End-to-end media logistics and work order administration

Promo Operations module has successfully delivered 20,000 promos in 2 months and PoC (Proof of Concept) with top five US Broadcasters is underway.

CLEAR Cloud MAM:

- 'Story Teller on Air', a brand new functionality of CLEAR Cloud MAM, is a specialized appliance that helps create compelling stories from MAM/archive for playout on air directly. The appliance has SDI ports for both preview and output capabilities.

With the help of Story Teller, 21st Century Fox-owned Hotstar created over 120 videos every day as part of their RIO 2016 Olympics event coverage.

- CLEAR has always been Open and Interoperable. We have expanded our product integration portfolio to add over 40 products. The new additions include Atempo, Selenio, Digital Rapids, Manzanita (MP4/TS Multiplexer), SmartJog, Datacast XD, Kaltura, AVS (Accenture Video Solution), QuickPlay, Adobe Autitude, CatchBlue and WHATS'On.
- Better streaming capability across formats like HLS and MPEGDASH
- Support filters for auto suggest, which will facilitate Google-like suggestions
- Segment-wise search in album view that aids in better content discovery
- Extensible HMM capabilities in the library to organize and search for metadata hierarchically
- Refreshed UX for better experience across platforms and devices

CLEAR Operations Cloud:

- Extended CLEAR™ Operations Cloud to Amazon Web Services by launching Amazon Optimizer which promises to reduce the cost of transcoding for broadcasters and content owners, while increasing

efficiencies – part of PFT's ongoing mission of virtualizing the content supply chain.

- All new scalable Dynamic Ad Insertion (DAI) feature that embeds SCTE-35 markers for a non-scripted Live stream providing new monetization opportunities through personalized delivery.
- Pre-configured delivery destinations grow to over 450.

Addition of native publish to new destinations include Amazon Prime, Facebook, Verizon and Spotify.

DAX@ Production Cloud:

- Launched DAX@ Production Cloud, an upgrade to DAX@ Digital Asset Management, which allows clients to use one software for all dailies and post servicing workflows at NAB 2016.
- Ability to ingest, conform and deliver raw camera footage to proxies and various downstream formats.
- This module will now also sport enhanced Editorial/VFX/Graphics workflows with BPM functionality to facilitate distribution of raw files to Editorial/VFX teams.
- 'My Projects' executive home page for executive viewers to have a streamlined one-click access to their most important content in a strong new, easy to access UI.
- Mobility: Android app added to Desktop Apps (Windows and Mac), Browser, iOS (iPad and iPhone), Set Top Box

Other Updates:

- Strong growth in CLEAR Media ERP SaaS sales, added 5 new deals in the year
- Won two Platinum Awards as part of the 2015 MarCom Awards competition for a sales collateral, part of 'Digital Next' campaign
- Honoured with two awards at the 2016 CMO Asia National Awards for Marketing Excellence
- Ramki Sankaranarayanan listed as one of the most powerful people in the M&E Industry by Digital Studio
- PFT helped clients such as Star India, Novi Digital (Hotstar), Epic and Turner India win multiple awards at PromaxBDA India Awards 2016

India FMS: Distinct Leadership in fast growing Indian Market with unparalleled service capabilities

- Prime Focus Advertising delivers all three of Ad Age India's 'Top Ads of the Week'
- Won Best VFX for 'Bajrangi Bhaijaan' at 24 FPS Annual International Awards 2015
- Reloads Advertising Services offering with high-profile creative talent and new facility
- Delivered blockbusters including Dilwale, Bajirao Mastani, Prem Ratan Dhan Payo and Wazir
- Strong order book with high visibility i.e. Raees, Rustom and M.S. Dhoni: The Untold Story, etc.

Other Highlights

- Divested 30% stake in Digital Domain-Reliance, LLC to form Virtual Reality and Advertising 50:50 JV in India with total deal Value of US\$ 55million.

SECTION 3

GLOBAL & INDIAN MEDIA & ENTERTAINMENT INDUSTRY LANDSCAPE

Global economy

The global economy grew 3.1% in 2015 compared to 3.4% in 2014 as geopolitical tensions, falling commodity prices, slowdown in investments and declining capital flows to emerging economies resulted in weaker than expected recovery. Emerging and developing nations continued to be major contributors to growth. However, growth rate was lower than last fiscal due to imbalance in the Chinese economy and slowdown in Brazil and Russia that dragged down overall growth. Advanced economies grew marginally as low productivity, unfavourable demographics and after effects of global financial crisis continued to weigh down growth, despite signs of recovery in the Euro zone. The global economy is expected to grow moderately by 3.1% in 2016 and then pick up, growing by 3.4% in 2017. (Source: World Economic Outlook, International Monetary Fund)

World economic growth and outlook

	2014	2015	2016	2017
World output	3.4	3.1	3.1	3.4
Advanced economies	1.9	1.9	1.8	1.8
United States	2.4	2.4	2.2	2.5
Euro Area	0.9	1.7	1.6	1.4
Emerging market and developing economies	4.6	4.0	4.1	4.6
China	7.3	6.9	6.6	6.2
India	7.2	7.6	7.4	7.4
Russia	0.7	-3.7	-1.2	1.0
Brazil	0.1	-3.8	-3.3	0.5

Indian economy

India is emerging as one of the favoured destinations for global players. The Indian economy has become the fastest growing major economy in the world as its GDP grew 7.6% in 2015-16 compared to 7.2% in 2014-15 largely driven by growth in private consumption due to low oil prices and higher real income. Agriculture sector grew by 1.1%, services by 8.4% and industrial by 8.8%. Manufacturing activities recorded strong growth from 5.5% in 2014-15 to 9.5% in 2015-16. India's foreign exchange reserves reached an all-time high level of US\$ 361.30 billion as on April, 2016. Fiscal deficit decreased from 4.5% in 2014-15 to 3.99% in 2015-16 and is expected to be 3.5% in 2016-17. Inflation was well within budgeted levels of 5% and is expected to be within controllable levels. Indian economic outlook is very strong as rising infrastructure spending, commitment to fiscal targets, forecast of above normal rainfall and government's focus on "Make in India" and "Start-Up in India" campaigns is likely to boost growth. Real GDP growth for 2016-17 is estimated at 7.6%. (Source: RBI: Monetary Policy Report)

Global Media and Entertainment industry

The global spending on Media and Entertainment is expected to grow at a compound rate of 5.1% from US\$ 1.6trillion in 2014 to US\$ 2.1trillion in 2019. Digital advertising, video games, broadband and cinema are expected to be the fastest growing segments during 2015-19. The industry will witness a major shift during these years as spending in digital media will overtake the spending in physical media accounting for over 50% of total media spending by 2019. Rising smartphone and internet penetration would be the major growth drivers for rise in digital

media spending. Developing markets would play a key role based on two factors – one, the developing markets are expected to witness healthy economic growth and two, traditional media is still predominant in these regions. (Source: McKinsey report)

Global Media and Entertainment projected spending by category

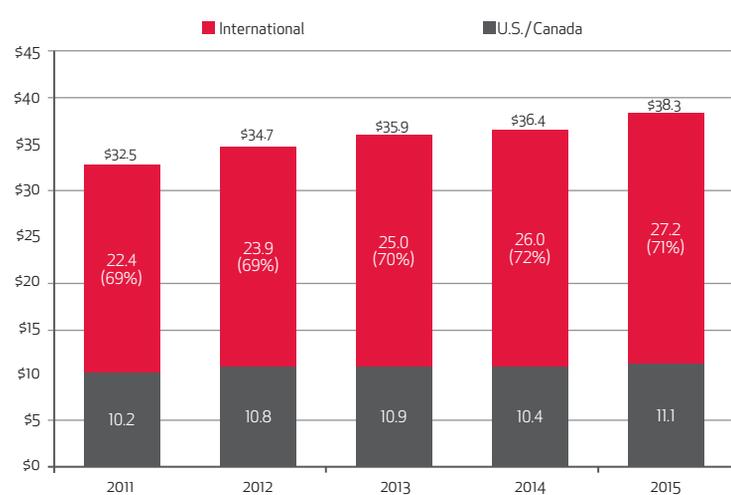
Category	(In US\$ billion)		
	2016	2019	CAGR (2014-2019)
Digital advertising	168.5	231.4	12.7%
Broadband	500.5	624.6	7.8
TV advertising	202.5	233.9	5.0
In-home video entertainment	347.8	381.6	3.4
Audio entertainment	98.8	104.6	1.8
Cinema	41.6	48.3	5.4
Out-of-Home	34.8	40.3	4.9
Consumer magazine publishing	56.5	54.6	-1.6
Newspaper publishing	140.0	142.0	-0.1
Consumer books	74.0	76.0	1.0
Educational publishing	42.1	43.9	1.4
Video games	103.5	124.5	8.1
Total	1,779.5	2,061.6	5.1%

(Source: McKinsey report)

Global box office

Global box office collections reached an all-time high of US\$ 38.3 billion in 2015 with increases both from U.S./Canada and international box office where collections grew 8% and 4%, respectively to reach US\$ 11.1 billion and US\$ 27.2 billion respectively. The growth in international box office was primarily driven by Asia-Pacific region which grew by 13% to reach US\$ 14.1 billion. China's box office collection grew 49% to reach US\$ 6.8 billion. International box office collections accounted for 71% of the overall collections. (Source: Theatrical Market Statistics, 2015)

Global Box Office - All Films (US\$ Billions)



(Source: Theatrical Market Statistics, 2015)



2015 top 5 non-US Box Office markets - All films (US\$ billion)

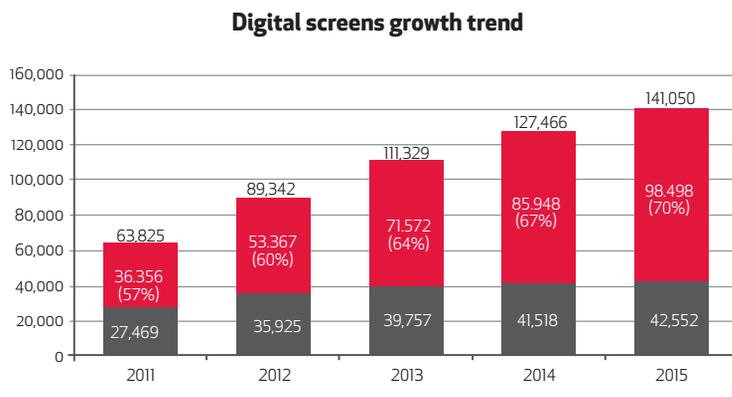
Country	Box office collection
China	6.8
UK	1.9
Japan	1.8
India	1.6
South Korea	1.5

(Source: Theatrical Market Statistics, 2015)

Global cinema screens

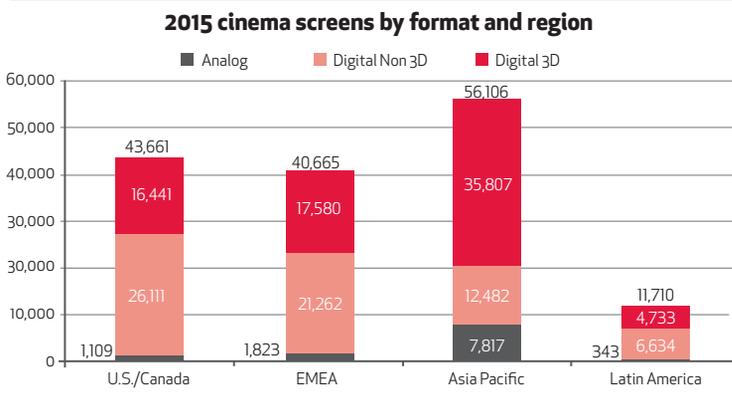
Globally the total number of cinema screens increased 8% to reach 152,000 primarily driven by a 19% growth in the Asia-Pacific region. The number of digital cinema screens grew by 11% resulting in 93% share of all cinema screens becoming digital. (Source: Theatrical Market Statistics, 2015)

Digital screens growth trend



(Source: Theatrical Market Statistics, 2015)

2015 cinema screens by format and region



(Source: Theatrical Market Statistics, 2015)

In 2015, the global growth in digital 3D screens was 15% compared to 22% in 2014. The global proportion of 3D digital screens increased to

53% of all digital screens. Asia-Pacific has the highest proportion of 3D digital screens at 74%. The 3D box office collection in U.S./Canada grew 20% from US\$ 1.4billion in 2014 to US\$ 1.7billion in 2015 comprising 20% of the overall box office collections. In 2015, top 25 films in U.S./Canada accounted for 56% of the total box office with six out of top 10 and 14 out of 25 top films being released in 3D. (Source: Theatrical Market Statistics, 2015)

Worldwide digital 3D screen

Region	2011	2012	2013	2014	2015	% of total
U.S./Canada	11,300	14,700	17,500	21,000	27,000	19%
EMEA	1,100	1,400	1,700	2,100	2,800	19%
Asia-Pacific	1,100	1,400	1,700	2,100	2,800	19%
Latin America	1,100	1,400	1,700	2,100	2,800	19%
Total	14,600	18,900	22,600	27,300	35,400	100%
% of total digital screens	67%	68%	69%	70%	71%	

(Source: Theatrical Market Statistics, 2015)

Worldwide top 10 grossers in 2016 (so far)*

(in US\$ million)

Movie	Worldwide collection	VFX / Animation heavy	3D	PFW title
Captain America: Civil War	1,151.0	✓	✓	✓
Zootopia	1,021.7	✓	✓	×
The Jungle Book (2016)	936.7	✓	✓	×
Batman v Superman	872.7	✓	✓	✓
Deadpool	782.0	✓	×	×
Finding Dory	721.7	✓	✓	×
The Mermaid (Mei ren yu)	553.8	✓	×	×
X-Men: Apocalypse	533.9	✓	✓	✓
Kung Fu Panda 3	516.8	✓	✓	×
Warcraft	432.2	✓	✓	✓

(Source: Box Office Mojo)

* Box office collection till 18 July 2016

Indian Media and Entertainment industry

The Indian Media and Entertainment industry grew 12.8% from Rs 1,026 billion in 2014 to Rs 1,157 billion in 2015. Television sector recorded growth of 14.2% to reach Rs 542.2 billion led by strong growth (17%) in advertising. Films sector grew 9.3% to reach Rs 138.2 billion led by strong growth in the Hollywood and Regional releases while Bollywood remained flat. (Source: KPMG report)

Indian Media and entertainment industry: size

(In ` billion)

Overall Industry size	2010	2011	2012	2013	2014	2015	Growth in 2015 over 2014
TV	297.0	329.0	370.1	417.2	474.9	542.2	14.2%
Print	192.9	208.8	224.1	243.1	263.4	283.4	7.6%
Films	83.3	92.9	112.4	125.3	126.4	138.2	9.3%
Radio	10.0	11.5	12.7	14.6	17.2	19.8	15.3%
Music	8.6	9.0	10.6	9.6	9.8	10.8	10.2%
OOH	16.5	17.8	18.2	19.3	22.0	24.4	10.9%
Animation and VFX	23.7	31.0	35.3	39.7	44.9	51.1	13.8%
Gaming	10.0	13.0	15.3	19.2	23.5	26.5	12.8%
Digital Advertising	10.0	15.4	21.7	30.1	43.5	60.1	38.2%
Total	652	728	821	918	1,026	1,157	12.8%

(Source: KPMG report)

Indian Media and entertainment industry: projections

(In ` billion)

Overall Industry size	2016P	2017P	2018P	2019P	2020P	CAGR 2015-20
TV	617.0	709.6	823.3	956.8	1,097.6	15.1%
Print	305.2	329.6	355.9	383.6	412.5	7.8%
Films	158.7	174.1	190.0	207.8	227.3	10.5%
Radio	23.4	28.4	32.7	37.8	43.3	16.9%
Music	12.1	14.0	16.1	18.4	20.6	13.8%
OOH	28.3	31.6	35.4	40.0	45.2	13.1%
Animation and VFX	58.3	67.1	78.1	91.3	108.0	16.1%
Gaming	30.8	34.4	39.0	45.4	50.7	13.9%
Digital Advertising	81.1	113.6	153.3	199.3	255.2	33.5%
Total	1,315	1,502	1,724	1,980	2,260	14.3%

(Source: KPMG report)

The Indian Media and Entertainment industry is expected to witness a compound growth of 14.3% during 2015-20 and become Rs 2,260 billion industry. The advertising revenues during the said period are expected to grow at a CAGR of 15.9% and reach Rs 994 billion. The film industry is expected to grow at CAGR of 10.5% backed by the growing acceptance of Hollywood and Regional releases. (Source: KPMG report)

Indian film industry

The total size of Indian film industry grew from Rs 126.4 billion in 2014 to Rs 138.2 billion in 2015 with domestic theatrical movies accounting for 73% (Rs 101 billion) of the overall revenues. Action-hero film franchises and wide distribution marketing led to double digit growth in the Hollywood movies segment. Whereas lack of good films led to lower revenues of Bollywood films as compared to last year. Only six of the top 10 Bollywood movies crossed the Rs 1 billion mark compared to nine in 2014. The year witnessed

several A-list starrer movies fail at box office, while small budget content-led films succeeded. Despite this, overseas audience and cable and satellite rights continued to favour films of A-listed actors in 2015.

The Indian film industry, with 1,000-1,500 productions per annum, is one of the largest globally. However, the screen penetration is pretty low in India with only 6 screens per million compared to 23 in China and 126 in U.S. As the metro cities in India are getting saturated, multiplex owners are targeting tier 2 and 3 cities. However the pace of adding new screens in these regions is just one-third of the pace at which single screens are closing down. The industry urgently demands addition of new screens to do justice to all the films produced in the country.

The Indian film industry is expected to grow at a compound rate of 10.5% to reach Rs 227.3 billion. However, to achieve this growth the industry needs to put more emphasis on content of the movie given changing consumer tastes. The industry also needs to look at innovative models for building infrastructure and alternative sources of revenue streams.

Animation, VFX and Post-Production

India has nearly 300 animation, 40 VFX and 85 game development studios with over 15,000 working professionals in the field. The past decade has witnessed Indian animation industry move up the value chain from outsourcing model to creating its own intellectual property and co-productions. The animation, VFX and post-production industry in India grew 13.8% from Rs 44.9 billion in 2014 to Rs 51.1 billion in 2015. The CAGR growth during 2011-15 has been a phenomenal 13.3% for the entire industry and 23.5% for VFX. The year 2015 marked a record in the history of Indian animation and VFX industry with the release of 'Baahubali - The Beginning' as the movie spent Rs 850 million in VFX across 90% of the scenes.

The VFX industry in India is witnessing rapid transformation with maturing technology, techniques and output aided by experience from Hollywood outsourcing projects. The industry grew at a CAGR of 23.5% during 2011-15 to reach a size of US\$ 14.4 billion. An increasing number of mainstream Bollywood movies are resorting to use of VFX as an important story telling tool. A gamut of opportunities is opening up for the VFX industry in India due to increasing outsourcing demand, use in primetime television shows and use in advertising.

Television channels like Star Plus, Zee TV, &TV, Sony, SAB and Life OK are increasingly launching new shows that require proficient use of VFX. In 2015 shows like 'Chakravartin Ashoka Samrat', 'Maharakshak Devi', 'Siya ke Ram', 'Naagin' and 'Janbaaz Sindbad' have successfully used this technology. (Source: KPMG report)

Top 10 Bollywood grossers (domestic collection net) of 2015 and 2014 with number of VFX shots

Rank	Movie	Year	Domestic Collection (Rs)	Number of VFX Shots
1	Baahubali - The Beginning	2015	1,000.00	850
2	Chakravartin Ashoka Samrat	2015	1,000.00	100
3	Siya ke Ram	2015	1,000.00	100
4	Naagin	2015	1,000.00	100
5	Janbaaz Sindbad	2015	1,000.00	100
6	Chakravartin Ashoka Samrat	2014	1,000.00	100
7	Siya ke Ram	2014	1,000.00	100
8	Naagin	2014	1,000.00	100
9	Janbaaz Sindbad	2014	1,000.00	100
10	Baahubali - The Beginning	2014	1,000.00	100

Size of Animation, VFX and Post-Production industry in India

(In ` billion)

Segments	2011	2012	2013	2014	2015	CAGR % 2011- 15	Growth in 2015
Animation services	7.1	7.6	8.0	8.1	8.3	4.0%	2.5%
Animation production	4.2	4.5	4.7	5.1	5.6	7.5%	9.8%
VFX	6.2	7.7	9.3	11.3	14.4	23.5%	27.4%
Post-production	13.5	15.5	17.7	20.4	22.8	14.0%	11.8%
Total	31.0	35.3	39.7	44.9	51.1	13.3%	13.8%

(Source: KPMG report)

Box office collection in India for international animation movies in 2015 and 2014

(In ` billion)

Year 2015		Year 2014	
Movie	Gross collection	Movie	Gross collection
Minions	173	How to Train Your Dragon 2	169
Inside out	94	Rio 2	144
Hotel Transylvania 2	44	Big Hero 6	30
Home	34	The Lego Movie	16
The Good Dinosaur	30	Planes: Fire & Rescue	9
The SpongeBob Movie: Sponge Out of Water	12	Mr. Peabody & Sherman	9
		Penguins of Madagascar	97

(Source: KPMG report)

Section 4

Company/Business Overview

Prime Focus Limited (PFL), headquartered in Mumbai, India was founded in 1997 by Mr Namit Malhotra to provide post production services. It is the world's largest integrated media services powerhouse providing end-to-end creative services (visual effects, stereo 3D conversion, animation), technology products & services (Media ERP Suite and Cloud-enabled media services), production services (equipment rental) and post-production services (Digital Intermediate, picture post) to Studios, Broadcast and Advertising industries. Over time, the Company has undertaken several strategic acquisitions to enhance capabilities and spread globally. The Company works in association with top-tier studios to deliver quality franchise movies. The Company's operations are spread across 14 cities globally resulting in 82% proportion of revenues coming from outside India. The Company's unique business model seamlessly blends creativity, technology and finance to provide a holistic solution to its clients. PFL is listed in the BSE and NSE of India.

In 2013, PFL entered into a JV with Hong Kong (China) based private equity group AID Partners and local partner Zhejiang Jingqi Wenhua Chuanbo Co. In 2014, Prime Focus World (PFL's creative services arm) merged with globally recognised and leading visual effects player Double Negative (Dneg). PFL also merged operations with Reliance MediaWorks' global film and media services business.

Prime Focus Technologies (PFT) is the global technology business of PFL. PFT brings together a unique blend of Media and IT skills backed by a deep understanding of the global media and entertainment industry. CLEAR™, PFT's award-winning Hybrid Cloud-enabled Media ERP Suite and Cloud Media Services help broadcasters, studios, brands, sports and digital organizations drive creative enablement, enhance ecosystem efficiencies and sustainability, reduce cost and realize new monetization opportunities.

PFT acquired DAX®, the creators of the Primetime Emmy® Award winning Digital Dailies® and Academy Award® winning Lowry Digital in 2014.

PFL leverages its Global Digital Pipeline and pioneering WorldSourcing® delivery model to partner with content creators at every stage of the process ensuring creative enablement, work flow efficiencies and cost optimization.

Clientele

The Company's clients include some of the biggest studios in the world, such as Warner Bros, Marvel, Universal Studios, Paramount, Lucasfilm, Sony, Twentieth Century Fox, Legendary Pictures, and DreamWorks; broadcast networks like Disney, GEE, Cricket Australia, Star India, Associated Press; Digital Platforms such as Hotstar, Voot, HOOQ and more.

Presence

7,000 personnel, 20 facilities, 4 continents, 5 time zones and 24/7*365 days of operations.

PFL has presence in Los Angeles, New York, Vancouver, Toronto, London, Johannesburg, Cape Town, Mumbai, New Delhi, Goa, Hyderabad, Bangalore, Kolkata and Chandigarh.

Investors

The Company's robust business model, creative prowess and financial stability has enabled it to gain financing from marquee investors across the globe. The Company's Enterprise Value as on 31st March, 2016 is Rs 25,194 million. PFL and its subsidiaries' investors include:

Investor	Amount invested
Standard Chartered Group	US\$ 70 million
AID Partners Capital Limited	US\$ 10 million
Macquarie Capital	US\$ 38 million
Reliance Capital	Rs1.2 billion

Key business segments

Creative Services

VFX

The Company's merger with Double Negative has enabled it to attain a leading position in the creative Visual Effects segment as a 'tier one' independent VFX services provider. The merger has also strengthened its leadership in the 3D market, making it a "house of choice" for the bundling of VFX and 3D services for leading Hollywood studios.

In this financial year, Dneg delivered VFX services for 24 Hollywood movies, including:

- The Danish Girl
- Captain America: Civil War
- Batman v. Superman: Dawn of Justice
- The Huntsman: Winter's War
- Alice Through the Looking Glass
- Mission Impossible: Rogue Nation
- Ant-Man
- Spectre
- Bridge of Spies
- The Hunger Games: Mockingjay Part 2

Prime Focus Limited delivered VFX services for 30 Bollywood movies, including:

- Bajrangi Bhaijaan
- Katti Batti
- Singh is Bling
- Shaandaar
- Prem Ratan Dhan Payo
- Rocky Handsome
- Baaghi
- 24
- Housefull 3

Stereo Conversion

Prime Focus World, through its proprietary View-D™ technology, global scale and presence, short time-to-market and artist driven conversions, enjoys a leadership position in 3D conversion for Hollywood. Its strategic partnership with Gener8 (a global leader in 3D conversion technology) further augments its leadership position. The two companies enjoy industry- leading market share of the Hollywood conversion market.

Major 3D projects completed last year by PFW include:

- Teenage Mutant Ninja Turtles: Out Of The Shadows
- X-Men: Apocalypse
- Alice Through The Looking Glass
- Captain America: Civil War
- Batman v Superman: Dawn of Justice
- Warcraft
- In The Heart of The Sea
- Paranormal Activity: The Ghost Dimension
- Terminator Genisys
- Pan
- The Martian
- Pixels
- Ant-Man

Post-Production Services

Post-production constitutes an integral part of the Prime Focus offering. The Company has a highly talented team that offers differentiated post production services like professional Digital Intermediate/colour grading, sound and picture post. PFL's strength lies in meeting the exacting and evolving demands of the advertising, broadcast and film industries. The merger with Reliance Media Works has further strengthened the Company's position in the fast growing Indian M&E market.

Post-production projects undertaken by the Company include:

- Katti Batti – DI and Camera
- Singh is Bling – DI and Camera
- Shaandaar – DI and Camera
- Prem Ratan Dhan Payo – DI and Camera
- Tamasha – DI and Camera
- Bajirao Mastani – DI
- Dilwale – DI and Camera
- Wazir – DI
- Fitoor – DI
- Neerja – DI and Camera
- Rocky Handsome – DI and Camera
- FAN – DI
- Sarrainodu – DI
- Baaghi – DI
- 24 – DI
- Sarabjit – DI and EQR
- Housefull 3 – DI and EQR

Commercials completed during the last year by the Company include:

- Cadbury Dairy Milk Silk – Puppets
- India Mart
- Maggi Hostel
- Reebok – Kangana Ranaut
- Pepsi
- Vodafone India
- Ambuja Cement

TV Shows that Prime Focus worked on during the last year include:

- Nach Baliye
- Nisha aur uske cousins
- Master Chef

Technology Products and Services

PFL through its technology subsidiary Prime Focus Technologies (PFT) offers content owners transformational solutions to virtualise business processes around content and manage the business of content better. CLEAR™ is the world's first and most proven hybrid cloud-enabled Media ERP Suite that virtualizes the content supply chain. The Company has 4 power-packed modules of CLEAR™ to address specific business requirements. The customers can bundle them all as a Cloud Media ERP Suite or cherry pick the modules. Some of the Company's products are also patented technologies.

Modules of CLEAR™

Cloud MAM — ONE MAM for the enterprise across geographies, departments & businesses

Operations Cloud — ONE Software to Manage Content Store, Processing & Delivery

Broadcast Cloud — ONE software for broadcast – from content creation, transformation, distribution through exhibition

DAX® Production Cloud — ONE software to manage dailies and post servicing workflows



Strength in numbers

1.2 million hours	168	5k Hours	400 TV Shows
Content under management	Hybrid Cloud locations	Dubbing and Mastering annually	Powered daily by CLEAR
100,000	10 million	35,000	85
New television episodes managed in a year	Files delivered for VoD/ syndication fulfillment	Annual hours of subtitling and closed captioning	Percentage of Prime Time shows in Hollywood using PFT's product

Business arms

Prime Focus World (PFW)

PFW is the creative services arm of PFL. Post-merger with Double Negative (Dneg), it has emerged as the world's largest independent creative services provider employing over 4,000 professionals in 7 cities across 3 continents. It offers visual effects, stereo 3D conversion and animation services, and is a global leader in the 2D to 3D conversion space commanding nearly 30% of the market share.

Dneg works closely with leading Hollywood studios including Marvel, Universal, Warner Bros, Paramount, Twentieth Century Fox, Sony, Disney and Lionsgate, and prominent filmmakers like Christopher Nolan, David Yates, Ron Howard, Zack Snyder and Steven Spielberg. Dneg's reputation in the VFX market further enhances PFW's 3D conversion leadership making it the "house of choice" for VFX and 3D services for Hollywood studios. In FY16, Prime Focus offered bundled VFX and 3D offerings to blockbuster movies like 'Captain America: Civil War' (US\$ 1,151million), 'Batman v Superman: Dawn of Justice' (US\$ 872million), 'Alice Through The Looking Glass', 'In The Heart Of The Sea' and 'The Hunger Games: Mockingjay Part 2'.

The Animation division of PFW partners with production companies across all stages of production, from script to screen, to develop and deliver beautifully animated CG content. The Company's experience, scale and pioneering delivery model (WorldSourcing®) enables it to work on large scale projects, ensure workflow efficiency and achieve cost optimisation for its clients.

PFW / Dneg titles with over US\$ 500 million in Box Office Collections this year included:

- Spectre (US\$ 881million)
- The Martian (US\$ 630million)
- The Hunger Games: Mockingjay: Part 2 (US\$ 653million)
- Captain America: Civil War (US\$ 1,151million)
- Batman v. Superman: Dawn of Justice (US\$ 872.7million)
- Mission Impossible: Rogue Nation (US\$ 682million)
- X-Men: Apocalypse (US\$ 534million)

The upcoming pipeline of work for PFW and Dneg is strong, with projects such as:

- Inferno
- Annihilation
- Beauty and the Beast
- Assassin's Creed
- Baby Driver
- Cure for Wellness
- Suicide Squad
- Dunkirk
- Fantastic Beasts and Where to Find Them
- Fast 8
- Geostorm
- Jason Bourne
- Justice League
- Life
- King Arthur: Legend of the Sword
- Miss Peregrine's Home for Peculiar Children
- Star Trek Beyond
- The Mummy
- Ghost In The Shell
- The Solutrean
- Wonder Woman

The Animation team has a number of ongoing broadcast animation projects with a major global toy manufacturer, and is also in production on 3 new animated theatrical releases.

FY16 Highlights:

- Opened Mumbai facility for Dneg, working with the same tools and pipeline as Dneg's facilities in London and Vancouver, with particular emphasis on providing the very best working environment for artists.
- Cross-selling opportunities already started to materialize with combined VFX and 3D services for movies like Captain America: Civil War, Batman v Superman and Alice Through the Looking Glass.

Awards & Accolades

- Double Negative bagged second consecutive VFX Oscar for film Ex Machina, following last year's win for Interstellar. Dneg earlier won an Oscar for Christopher Nolan's Inception in 2011.
- PFW received Lumiere award for its 'DeepGen' tool from the Advanced Imaging Society. This is the 4th award PFW has picked up from the Society, following earlier wins for 'Best Stereography - Live Action' for Sin City, 'Outstanding 2D to 3D Conversion' for Gravity, and a technology award for its 'Hybrid Stereo Pipeline' conversion process.

Prime Focus Technologies (PFT)

Prime Focus Technologies is the technology subsidiary of Prime Focus, the global leader in media and entertainment industry services. PFT brings together a unique blend of Media and IT skills backed by a deep understanding of the global media and entertainment industry. CLEAR™, PFT's award-winning Hybrid Cloud-enabled Media ERP Suite and Cloud Media Services help broadcasters, studios, brands, sports and digital organizations drive creative enablement, enhance

ecosystem efficiencies and sustainability, reduce cost and realize new monetization opportunities.

In 2014, PFT acquired DAX®, the creators of the Primetime Emmy® Award winning Digital Dailies® and Academy Award® winning Lowry Digital to enhance its presence in North America. PFT also offers an SLA-based suite of media processing and monetization services like Metadata, Archiving, Bulk Digitization, Mastering, Delivery, Multi-platform Content Preparation, Editorial and Packaging, localization (Subtitling, Closed Captioning, and Dubbing), Cataloguing, SEO & Analytics, On Air Promo Creation and Contextual Advertising.

A large chunk of the Company's engineers work at the Company's R&D center in Bengaluru dedicated to CLEAR™ building tailored solutions for Broadcast Networks, Studios/ Production Houses, Brands, Sports and Digital businesses.

PFT works with major M&E companies like Disney, Warner Bros., 21st Century Fox-owned Star TV, GEE, Cricket Australia, Miramax, CBS Television Studios, 20th Century Fox Television Studios, FX Networks, Crown Media Holdings, Legendary Pictures, Starz Media, Lionsgate, A+E Networks, HBO, Mnet, CNBC Africa, SABC, IFC Films, HOOQ, Sony Music, Viacom 18, Showtime, BCCI, Indian Premier League, Novi Digital – Hotstar, Voot, TERN International, The Associated Press.

FY16 Highlights:

- US penetration is growing well post the DAX® and Lowry Digital acquisitions, increased cross selling to many DAX® and Lowry Digital clients
- Continued to invest in marketing and product development to fuel future growth
- Launched an OTT video platform, VOOT for Viacom Digital Ventures. Earlier the company has developed three of the most popular video-on-demand apps, Hotstar, HOOQ and Eros Now.
- Ramki Sankaranarayanan, MD, Prime Focus Ltd and Founder & CEO, Prime Focus Technologies listed as one of the most powerful people in the Indian M&E industry by Digital Studio magazine
- CLEAR™ Media ERP Suite's DAX® Production Cloud module provided cloud-based production workflow for 11 of the 2015 Emmy Award-Winners.
- PFT honoured with global analyst firm Frost & Sullivan's 2015 Global Growth Excellence Leadership Award after an independent analysis of the Media Workflow and Resource Management market.
- Won two Platinum Awards as part of the 2015 MarCom Awards competition for 'Digital Next' campaign.
- Helped clients Star India – Channel V, Life OK, Movies OK, Star World, Star Movies, Star Select, Novi Digital: Hotstar; Epic TV and Turner India win multiple awards at PromaxBDA Awards India 2016
- Won two awards at the 2016 CMO Asia National Awards for Marketing Excellence.
 - PFT's high profile 'Be Bold. Take the Leap.' campaign, launched at NAB Show 2016, received the Marketing Campaign of the Year award.
- PFT's Vice President and Head of Global Marketing and Communications, T Shobhana, was awarded Marketing Professional of the Year.
- **Clients Update:**
 - Signed a Media Asset Management deal with Global Eagle Entertainment to automate inflight entertainment supply chain
 - Signed an agreement with global film and television studio Miramax, to provide DAX® Production Solution to virtualize its content supply chain and production workflows
 - Offering Cloud-Based Media Asset Management (MAM) to Cricket Australia, the national governing body for cricket in Australia to consolidate and safeguard its growing portfolio of audio-visual content, effectively service existing and emerging distribution channels, manage metadata and lay a strong foundation to better monetize content.
 - PFT powers the aggregation of content delivery for TERN International's 4K/UHD channel INsight TV through CLEAR, leveraging cloud technology to enable collaboration between partners, increased speed of delivery and enhanced efficiencies in internal workflows
 - PFT has signed a deal with Viacom18 to deliver a 'Digital Next' workflow solution to VOOT, Viacom18's recently launched OTT video platform. The 'Digital Next' workflow will utilize CLEAR's Operations Cloud and Media Services to provide metadata tagging, quality control, packaging and delivery of content to VOOT
 - Added 5 new deals in CLEAR™ Media ERP SaaS segment in the year
 - Tata Sky revenue almost doubling on account of superior delivery
 - Emphasizing on brand services business, resulted in client base of around 140 brands
- **Product Updates:**
 - **CLEAR Broadcast Cloud:**
 - Launched Industry-First Promo Versioning Automation Module for Adobe Premiere Pro CC which will significantly reduce manual operations. This will ultimately increase operational efficiency for broadcasters and promotional content creators.
 - Promo Versioning Automation add-on module with enhanced templates
 - Additional flexibility to position any number of Layer Groups including combinations of voice overs, multiple audio languages, text and graphics which appear on the final promo version.
 - Simpler mechanism to import promo schedules
 - End-to-end media logistics and work order administration

Promo Operations module has successfully delivered 20,000 promos in 2 months and PoC (Proof of Concept) with top five US Broadcasters is underway.



CLEAR Cloud MAM:

- 'Story Teller on Air', a brand new functionality of CLEAR Cloud MAM, is a specialized appliance that helps create compelling stories from MAM/archive for playout on air directly. The appliance has SDI ports for both preview and output capabilities.

With the help of Story Teller, 21st Century Fox-owned Hotstar created over 120 videos every day as part of their RIO 2016 Olympics event coverage.

- CLEAR has always been Open and Interoperable. We have expanded our product integration portfolio to add over 40 products. The new additions include Atempo, Selenio, Digital Rapids, Manzanita (MP4/TS Multiplexer), SmartJog, Datacast XD, Kaltura, AVS (Accenture Video Solution), QuickPlay, Adobe Autitude, CatchBlue and WHATS'On.
- Better streaming capability across formats like HLS and MPEGDASH
- Support filters for auto suggest, which will facilitate Google-like suggestions
- Segment-wise search in album view that aids in better content discovery
- Extensible HMM capabilities in the library to organize and search for metadata hierarchically
- Refreshed UX for better experience across platforms and devices

CLEAR Operations Cloud:

- Extended CLEAR™ Operations Cloud to Amazon Web Services by launching Amazon Optimizer which promises to reduce the cost of transcoding for broadcasters and content owners, while increasing efficiencies – part of PFT's ongoing mission of virtualizing the content supply chain.
- All new scalable Dynamic Ad Insertion (DAI) feature that embeds SCTE-35 markers for a non-scripted Live stream providing new monetization opportunities through personalized delivery.
- Pre-configured delivery destinations grow to over 450.

Addition of native publish to new destinations include Amazon Prime, Facebook, Verizon and Spotify.

DAX@ Production Cloud:

- Launched DAX@ Production Cloud, an upgrade to DAX@ Digital Asset Management, which allows clients to use one software for all dailies and post servicing workflows at NAB 2016.
- Ability to ingest, conform and deliver raw camera footage to proxies and various downstream formats.
- This module will now also sport enhanced Editorial/VFX/Graphics workflows with BPM functionality to facilitate distribution of raw files to Editorial/VFX teams.
- 'My Projects' executive home page for executive viewers to have a streamlined one-click access to their most important content in a strong new, easy to access UI.
- Mobility: Android app added to Desktop Apps (Windows and Mac), Browser, iOS (iPad and iPhone), Set Top Box

Other Updates

- Appointed IT industry veteran Raghunath Mohanrao as Chief Operating Officer (COO) to focus on International growth.
- Expanded its board with the addition of Samu Devarajan as Independent and Non-Executive Director.
- PFT secured Apple iTunes Certification for direct content delivery. With this qualification, PFT can assist Apple and its content partners in delivering highly engaging content on the Apple Store with world-class quality
- PFT secured a Service Organization Control (SOC) 2 certification and expanded upon its ISO/IEC 27001:2013 certification for Information Security Management Systems (ISMS)

Financial Performance

PFL recorded Income from Operations for the FY16 (nine months ending Mar-16) of Rs 13,828 million, with 75% and 17% contribution from Creative and Technology services respectively. On the post production front, the India business continues to deliver strong performance. EBITDA Margin expands as Integration and Consolidation progresses ahead of plan – move towards mid-term target of 20%+. PAT Margins were adversely impacted due to certain non-cash and extraordinary expenses.

Financial Highlights of the nine months ending March 31, 2016 (Consolidated Audited financials):

- Income from Operations of the Company for the nine months ended March 31, 2016 is at Rs 13,828 million compared to Rs 16,076 million for the 12 month period ended June 30, 2015.
- EBITDA Margin for the nine months period reached 17.3% from 15% in 12 month period ended June 30, 2015 on account of integration and cost consolidation initiatives.
- PBT at Rs (1,183) million in nine months period compared to Rs (2,806) million in the 12 month period ended June 30, 2015. Integration and onetime expenses of Rs 835 million driven by planned closure of Singapore operations.
- The Company continues to focus on deleveraging as well as rationalizing the interest costs through an appropriate mix of domestic and lower cost foreign currency debt. Recently sold non-core real estate assets for US\$ 20million+, proceeds from which were utilized largely towards reduction of debt. Planned monetization of stake in Digital Domain will further help to de-leverage the group over and above the operating cash flows.
- Divested 30% stake in Digital Domain-Reliance, LLC to form Virtual Reality and Advertising JV in India with total deal Value at US\$ 55million, after the end of the Financial year.

SECTION 5

STRATEGY AND OUTLOOK

Business Strategy: Moving towards end of Phase 2 of integration; operating performance ahead of plan



SECTION 6

Outlook: PFL - the world's largest integrated media services powerhouse is all set for Profitable growth with all businesses on accelerated growth path.

As we enter FY17, PFL is propelled for profitable growth after unlocking significant synergies post three transformational transactions. The synergies, scale and technologies acquired by the Company through associations with various leading international and national companies opens up a gamut of opportunities for it. Increased momentum across businesses along with company's integrated business model, operational scale and development of revolutionary technological innovations allows it to have significant cost competitiveness in the industry.

The global Media and Entertainment (M&E) industry is expected to grow at a CAGR of 5.1% during 2015-19 driven by improving global macro-economic scenario and rising demand for digital advertising. The global (M&E) industry is witnessing a major shift on account of rising broadband and mobile penetration. This has led to growth in consumers' appetite for content (especially video) anytime, anywhere and on any device. There is significant change in consumer patterns as they look forward to spending for gaining access to content rather than buying it. As a result, industry players are looking forward to increase use of digital content and advertising. The global film industry is achieving new levels of success through production of VFX heavy and 3D films that create extraordinary and appealing viewing experience for the audiences. Rising demand for these kinds of films from regional film industry in China and India are expected to significantly drive growth in the VFX, animation and post production services. (Source: McKinsey: Global Media Report 2015)

The outlook for Indian economy is pretty strong - which is a good sign for the M&E industry as rising disposable income and low inflation would drive growth in the sector. The industry is expected to grow significantly at a CAGR of 14.3% during 2015-20 to reach Rs 2,260 billion by 2020. The year gone by was a cusp year for Indian Animation and VFX Industry which saw a movie like Baahubali which had a VFX spend of Rs 850 million witness spectacular success. India's VFX and Post Production segment is expected to grow at a CAGR (2016-20) of 25.6% and 13%, respectively. PFL, being one of the leading players in the fast growing Indian M&E Industry, is well poised to grow and monetize the opportunity.

With 800 million iTunes users, 75 million subscribers on Netflix, six billion hours of video watched per month on YouTube, and 19% of US millennials using Amazon Prime, content owners are in a mad race to get content

to digital platforms faster, cheaper and to make it quickly discoverable. To meet increased demands for digital content with the lowest cost of ownership, content creators and distributors can no longer rest on existing and independently functioning systems that result in islands of automation. Going digital is simply not enough, there is a need for content enterprises to become hyper digital, which augers very well for PFT's Global Expansion strategy.

Section 7

Opportunities and Threats

Media and Entertainment (M&E) industry has significantly evolved over the years with the introduction of new technologies. The impact of evolving technology is expected to change consumption habits and patterns of viewers over the next few years. Digital transformation and changing habits of consumers continue to disrupt existing business models. This is a major concern as well as an opportunity for the industry to match consumer expectations and gain first mover advantage. The problem with M&E industry is the rapid change in technologies leading to concerns for companies to adopt and adjust operations in time. The rapid and constant technological innovations will permanently change the way individuals would access and consume content. There continues to be a greater union of digitalization with various forms of media content. This accentuates the companies to focus on innovation and technology enhancement to provide amazing customer experiences.

In India, the industry is witnessing a notable shift with the digitalization of television through implementation of DTH and conversion from 2D viewing to 3D viewing of content. Globally, the technology for content distribution is shifting from 3G to 4G demanding higher speeds and better technology.

Adoption of innovative technological solutions by market participants will be vital for survival in this fast changing industry landscape. Recently, the 4K UHD TV has generated a lot of excitement among consumers and gained significant press attention leading to global broadcasters and media organizations focused on testing 4K UHD TV production including Sky, Netflix, and RAI, with transmission tests supported by SIS Live, Ericsson and others. In parallel, RMW merger adds Lowry digital in Prime Focus's portfolio which is equipped with 2K to 4K conversion and hence is in a better position to monetize on the upcoming opportunity.

Section 8

Risk and Concerns

Risks are an inherent feature of any business. PFL being a proactive Company regularly identifies various risks associated with the Company and undertakes necessary actions to mitigate or minimize the effect of such risks.

The various risks associated with business the Company operates in are:

Macro-economic risks:

A slowdown in the global economic environment leads to slowdown in the overall infrastructure development and industry performance, which in turn may impact the Company performance.

The current macro-economic scenario in India is very strong and favourable to industrial growth. Global economy though growing slowing seems to have stabilised. Moreover, the Company operates in the entertainment sector



which is amongst the least impacted industry as it is driven by consumer sentiments.

Intellectual capital risks:

PFL operates in a creative IT space that requires talented and skilled people. Inability to attract or retain competent personnel may lead to inability to deliver quality projects to clients resulting in diminishing goodwill. Moreover, specialised computer graphics skills are highly sought after by rival industry thus retaining talent is a big challenge.

PFL is a leading brand globally in the space of creative graphic designing. We ensure satisfaction of our employees by providing them conducive work environment, remuneration as per industry standards and prospects of performance based growth. Our HR policies are designed to ensure highest level of employee engagement along with job satisfaction. Moreover, the Company's spread across the globe encourages individuals to be part of a global organisation.

Competition risks:

The growing demand for animation and VFX services from mature and new markets has led to entry of new market participants resulting in higher competition. Super specialization and excellence has become an industry norm.

Prime Focus has years of experience in the sector, employs best talents and owns proprietary technologies that enable it to deliver highly creative and unique works. The Company has also merged operations with leading companies to enhance excellence. It has delivered award-winning works as well and enjoys healthy relationships with leading studios across the globe. Strong brand connect, portfolio of service offerings and continuous focus on expansion in the space further strengthens the Company's position in the industry.

Geographical risks:

Macro- economic or political pressures in a particular region may lead to slowdown in the industry.

The Company's operations are spread across 16 cities in 5 continents making it relatively de-risked from regional tensions. In the Indian market the Company has further diversified its operations in regional markets like Tamil, Telugu and Kannada to further mitigate its risk.

Currency fluctuation:

The Company receives a lot of foreign country jobs accounting for almost 20% of its total revenues. Thus any major fluctuations in the currency rates can impact profitability.

The Company has an experienced and efficient foreign exchange management team undertaking continuous monitoring of currency markets.

Input Costs

Low budget, rising cost of talent and marketing/promotion in the film industry can impact the margins available for creative services like animation, VFX and post-production.

The experience and overall quality of creative works done by the Company enhances the entertainment quotient of the films and have been positively received by the audiences. The value addition and overall appeal from the

creative works far exceeds the investments made by filmmakers. PFL's creative services are proven across the range of projects it has done for leading global studios. Moreover, projects with top tier studios are not driven by costs but by the quality of work and timeliness thereby placing PFL ahead in the league of competitors. The Company has track-record of working on some of the biggest international blockbusters. Risks of managing costs are only particular to regional film industries which are significantly mitigated by the Company's global portfolio.

Section 9

Internal Control Systems and their Adequacy

The Company is constantly endeavouring to improve the standards of internal control in various areas and taking steps to strengthen the internal control system to make it commensurate with the size of the respective entities and the nature of their business. The Internal Controls in the Company operates through well-documented standard operating procedures, policies and process guidelines. The Company's accounting and reporting guidelines ensure that transactions are recorded and reported in conformity with Generally Accepted Accounting Principles. The Company also has a Code of Business Conduct which lays down the ethical standards expected of each of its employees and business associates in their everyday actions. The Company has a robust internal audit programme which is conducted by a professional firm appointed by the Company. They conduct a risk based audit with a view to test the adherence to laid down policies and procedures and suggest improvements in processes and systems. Internal Audit observations and recommendations are reported to the Audit Committee, which monitors the implementation of such recommendations.

Section 10

Material Developments In Human Resources

The Company considers employees as the most important asset of the organisation. We continue to improve our human resource policies to ensure higher employee satisfaction, ensure their health and safety at work and focus on upgrading their skills through various professional skills and training development programmes. We ensure a professional and healthy work culture built around strong corporate ethos. We focus on enhancing employee motivation through regular employee engagement programs. The Company's total workforce stands at over 7,000 as on 31.03.2016.

Section 11

Cautionary Statement

This report contains statements that may be "forward looking" including, but without limitation, statements relating to the implementation of strategic initiatives, and other statements relating to 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. 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 confirm fully with laws, regulations and guidelines. The company's philosophy on corporate governance is to achieve business excellence and maximizing shareholder value through ethical business conduct. The Company's philosophy also includes building partnerships with all stakeholders, employees, customers, vendors, service providers, local communities and government. The Company has always set high targets for the growth, profitability, customer satisfaction, safety and environmental performance and continues its commitment to high standards of corporate governance practices. During the year under review, the Board continued its pursuit of achieving its objectives through the adoption and monitoring of corporate strategies and prudent business plans.

2. BOARD OF DIRECTORS:

The Board of Directors of the Company has a combination of 3 Executive, 2 Non-Executive Directors and 4 Independent Non-Executive Directors. With the appointment of Mr. Amit Bapna as Non-Executive Director with effect from September 16, 2015, in terms of Regulation 17 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the number of Independent Directors required on the Board has increased to 5. The Company has initiated necessary steps to comply with this requirement to appoint Independent Director at the earliest. Except Mr. Naresh Malhotra and Mr Namit Malhotra who are related to each other by way of father and son relationship, none of the other Directors are related to each other.

None of the Directors on the Company's Board is a Member of more than ten Committees and Chairman of more than five Committees [Committees being, Audit Committee and Stakeholder Relationship Committee] across all the Indian public limited companies in which he/she is a Director. All the Directors have made necessary disclosures

regarding Committee positions held by them in other companies and do not hold the office of Director in more than twenty companies, including ten public companies. All Non-Executive Non Independent Directors, are liable to retire by rotation. The appointment of the Managing Director and Executive Directors including the tenure and terms of remuneration are also approved by the members at the first meeting after the said appointment.

The required information, including information as enumerated in Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 is made available to the Board of Directors for discussions and consideration at Board Meetings. The CEO and the Chief Financial Officer (CFO) have certified to the Board upon inter alia, the accuracy of the financial statements and adequacy of internal controls for the financial reporting, in accordance with Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, pertaining to CEO and CFO certification for the period ended March 31, 2016

During the period under review three Board meetings were held on September 12, 2015, November 07, 2015, February 11, 2016 out of which the meeting on September 12, 2015 was adjourned and held on September 16, 2015. In order to align the financial year of the Company with the requirements of the Companies Act, 2013, the financial year 2015-16 was for a period of 9 months i.e. from the period July 1, 2015 to March 31, 2016 and hence only three Board meeting were held i.e. One meeting for each quarter. The maximum time-gap between any two meetings did not exceed 120 days.

The Board of Directors of the Company has an optimum combination of Executive and Non-Executive Directors. 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 as on the date of signing this report are as under:

Sr. No	Name of Director	Category of Director	No. of Directorship Held In other Companies	Membership Held In Committees Of Other Companies	Chairmanship Held In Committees Of Other Companies	No. of meetings attended during the year	Attendance at last Annual General Meeting	Shareholding in the Company
			#1	#2	#2	#5		
1.	Mr. Namit Malhotra DIN: 00004049	Chairman & Executive Director (Promoter)	1	Nil	Nil	1	Absent	1,49,00,000 equity shares
2.	Mr. Naresh Malhotra DIN: 00004597	Whole-Time Director (Promoter)	3	Nil	Nil	3	Present	6,22,01,546 equity shares
3.	Mr. Ramakrishnan Sankaranarayanan DIN: 02696897	Managing Director	5	Nil	Nil	3 ^{#4}	Present	50 equity shares
4.	Mr. Nainesh Jaisingh DIN: 00061014 #3	Non - Executive Director	2	Nil	Nil	Nil	-	Nil
5.	Mr. Vibhav Parikh DIN: 00848207 #3	Non-Executive Director (Alternate to Mr. Nainesh Jaisingh)	Nil	Nil	Nil	3	Absent	Nil

Sr. No	Name of Director	Category of Director	No. of Directorship Held In other Companies #1	Membership Held In Committees Of Other Companies #2	Chairmanship Held In Committees Of Other Companies #2	No. of meetings attended during the year #5	Attendance at last Annual General Meeting	Shareholding in the Company
6.	Mr. Amit Bapna (DIN: 00008443) #6	Non-Executive Director	9	5	Nil	3	Absent	Nil
7.	Mr. Kodi Raghavan Srinivasan DIN: 00012449	Non-Executive Director (Independent)	Nil	Nil	Nil	2	Absent	Nil
8.	Mr. Padmanabha Gopal Aiyar DIN: 02722981	Non-Executive Director (Independent)	2	2	Nil	2	Absent	Nil
9.	Mr. Rivkaran Chadha DIN: 00308288	Non-Executive Director (Independent)	7	Nil	3	3	Absent	Nil
10.	Dr. (Mrs.) Hemalatha Thiagarajan DIN: 07144803	Non-Executive Director (Independent)	Nil	Nil	Nil	2	Absent	Nil

#1 Excludes directorship held in Private Companies, Foreign Companies, Companies formed under Section 8 of the Companies Act 2013 (“the Act”) and Alternate Directorships.

#2 Includes Memberships/Chairmanships of only Audit Committees and Stakeholder Relationship Committees (excluding Prime Focus Limited)

#3 Mr. Vibhav Parikh was appointed as alternate to Mr. Nainesh Jaisingh (Nominee of investors viz Standard Chartered Private Equity (Mauritius) III Limited and Standard Chartered Private Equity (Mauritius) Limited) with effect from November 5, 2012.

#4 Mr. Ramakrishnan Sankaranarayanan, Managing Director did not attend the original meeting held on September 12, 2015 but he attended the adjourn meeting held on September 16, 2015.

#5 Includes meetings attended via video conference facility.

#6 Mr. Amit Bapna is a nominee Director appointed by Reliance MediaWorks Limited.

#7 The Company has not issued any convertible instruments.

Annual Independent Directors Meeting: In accordance with the provisions of schedule IV of the Act and SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, a separate meeting of the Independent Directors was held during the year on February 11, 2016, to review the performance of the Non-Independent Non-Executive Directors including the Chairman of the Board and performance of the Board as a whole. The Non-Independent Directors did not take part in the meeting.

Board Effectiveness Evaluation: Pursuant to the Regulation 17 and Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the Act, Board evaluation involving evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman, was conducted during the year. For details kindly refer the Directors’ Report.

Familiarization Programme for Independent Directors:

The details of familiarization Programme for Independent Directors is available on the website of the Company at http://www.primefocus.com/investor-center#Familiarisation_Prgm_for_ID

3. COMMITTEES OF THE BOARD

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

The Board has currently established the following statutory and non-statutory Committees:

- **STATUTORY COMMITTEES:**

A. Audit Committee:

The Audit Committee of the Company functions in accordance with the requirement of Section 177 of the Act and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The composition of the Audit Committee is in compliance of Regulation 18(1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The Audit Committee as on date of signing this report comprises of 4 Directors, out of which three are Independent Director and one is Non-Executive Director. The Members of the Audit Committee possesses financial/accounting expertise/exposure.

The meetings of the Audit Committee are also attended by the Chief Financial Officer, Representatives of the Statutory Auditors and other Senior Officials of the Company as special invitees. The Company Secretary of the Company acts as the Secretary to the Audit Committee. The minutes of each Audit Committee meeting are noted in the next meeting of the Board. During the year under review, three Audit Committee meetings were held on September 12, 2015, November 07, 2015, February 11, 2016 out of which the meeting held on September 12, 2015 was adjourned and was held on September 16, 2015.

As on the date of signing this report, the Audit Committee comprises of the following members of the Board:

Name of the Member	Category	Position	Meeting attended
Mr. Rivkaran Chadha	Independent & Non-Executive Director	Chairman	3
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	2
Mr. Padmanabha Gopal Aiyar	Independent & Non-Executive Director	Member	1
Mr. Amit Bapna	Non-Executive Director	Member	2
Mr. Nainesh Jaisingh	Non-Executive Director	Member	0
Mr. Vibhav Parikh (alternate to Mr. Nainesh Jaisingh)			3

Note:

- #1 Mr. Vibhav Parikh was appointed as alternate to Mr. Nainesh Jaisingh with effect from November 5, 2012.
- #2 Includes meetings attended via video conference facility.
- #3 Mr Amit Bapna was appointed as member of Audit Committee w.e.f September 16, 2015
- #4 Mr. Nainesh Jaisingh resigned from the Audit Committee w.e.f April 18, 2016

Terms of Reference:

The broad terms of reference includes the following as is mandated in Regulation 18 Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and Section 177 of the Act:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommend to the Board, the appointment, remuneration and terms of appointment of auditors of the listed entity;
- c. Approval of payment to statutory auditors for any other services rendered by them.
- d. Reviewing, with the management the annual financial statements and auditors' report thereon before submission to the Board for approval with particular reference to the matters stated under sub clause (a) to (g) of Part C of Schedule II of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015
- e. Reviewing, with the management the quarterly financial statements 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.

Deloitte Haskins & Sells, Chartered Accountants (ICAI Firm Registration No. 117364W), the Company's Statutory Auditor, is responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those financial statements with accounting principles generally accepted in India.

B. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee (NRC) of the Company functions in accordance with the Act and Listing Requirements, which are reviewed from time to time. The broad terms of reference of the Nomination and Remuneration Committee are as follows:

- a. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- b. formulation of criteria for evaluation of performance of independent directors and the board of directors;
- c. Devising a policy on Board diversity;
- d. Identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- e. whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.

During the year under review, two meetings of the Committee were held on September 12, 2015 and November 07, 2015. The decisions are taken by the Committee, at meetings or by passing circular resolutions.

As on the date of this report, the Nomination and Remuneration Committee comprises of 5 Directors, all of them being Non-Executive Directors with half the composition being Independent Directors. The Composition of Nomination and Remuneration Committee and attendance at its meeting is as follows:

Composition	Category	Positions	Meetings attended
Mr. Rivkaran Chadha	Independent & Non-Executive Director	Chairman	2
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	1
Mr. G.P. Aiyar	Independent & Non-Executive Director	Member	1
Mr. Amit Bapna#	Non-Executive Director	Member	-
Mr. Nainesh Jaisingh	Non-Executive Director	Member	0
Mr. Vibhav Parikh (alternate to Mr. Nainesh Jaisingh)			2

Note:

Mr Amit Bapna was appointed as member of Nomination and Remuneration Committee w.e.f November 7, 2015.

Remuneration Policy

The Company adopted a Remuneration Policy and criteria for making payments to Directors, Key Managerial Personnel and other employees in accordance with the provisions of the Act and the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. For details on the Remuneration Policy, kindly refer to the 'Annexure-B' of the Directors' Report.

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 is paid to the Directors for attending the Meeting of the Committees of the Board.

Details of the Remuneration paid to Non-Executive Directors for the year ended March 31, 2016 is as follows:

Name of Director	Remuneration Paid (in `)	Sitting Fees (in `)	Total (in `)
Non-Executive Directors			
Mr. Padmanabha Gopal Aiyar	-	40,000	40,000
Mr. Rivkaran Chadha	-	60,000	60,000
Mr. Kodi Raghavan Srinivasan	-	40,000	40,000
Mr. Nainesh Jaisingh	-	-	-
Mr. Vibhav Parikh (Alternate to Mr. Nainesh Jaisingh)	-	60,000	60,000
Dr. (Mrs.) Hemalatha Thiagarajan	-	40,000	40,000
Mr. Amit Bapna	-	60,000	60,000

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 Managerial Remuneration paid to the Executive Chairman, Managing Director and Whole time Director for the financial year ended March 31, 2016 i.e for period of nine months commencing from July 1, 2015 to March 31, 2016 and the terms of their appointment, is given below:

(Amount in `)

Name of the Director	Naresh Malhotra Whole Time Director	Namit Malhotra Executive Chairman	Ramakrishnan Sankaranarayanan Managing Director
Remuneration (in `)	45,00,000	37,50,003	37,50,003
Service Contracts	5 years	3 years	3 years
Performance linked Incentives	Nil	Nil	Nil

C. STAKEHOLDERS RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee functions with the objective of looking into the redressal of Shareholders'/Investors' grievances. The Stakeholders Relationship Committee is primarily responsible to:

1. Review statutory compliance relating to all securities holders.
2. Consider and resolve the grievances of security holders of the Company including complaints related to transfer of securities, non-receipt of annual report/declared dividends/notices/balance sheet.
3. Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
4. Approve issue of duplicate certificates of the Company.
5. Recommend measures for overall improvement of the quality of investor services.

The Stakeholders' Relationship Committee's composition and the terms of reference meets with the requirements of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and provisions of the Act. During the year under review, three meetings were held on the September 12, 2015, November 07, 2015 and February 11, 2016.

As on the date of signing this report, the Committee comprises of 5 Directors. The Composition of Committee and attendance at the meeting is as follows:

Composition	Position	Meetings attended
Mr. Rivkaran Chadha	Chairman	3
Mr. Kodi Raghavan Srinivasan	Member	2
Mr. Naresh Malhotra	Member	3
Mr. Amit Bapna#	Member	1
Mr. Nainesh Jaisingh	Member	0
Mr. Vibhav Parikh (Alternate to Mr. Nainesh Jaisingh)		3

Mr. Amit Bapna was appointed as member on the Committee with effect from November 7, 2015.

Compliance Officer

Ms. Parina Shah, Company Secretary is also designated as the Compliance Officer of the Company as per the requirements of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. In terms of Regulation 6 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the designated e-mail address for investor complaints is ir.india@primefocus.com.

Complaints from Investors

During the financial year 2015-16, the Company had received one complaint from the investors. There were no complaints pending as at the end of the financial year. Complaints or queries relating to the shares and/or Debentures can be forwarded to the Company's Registrar and Transfer Agent-Link Intime India Private Limited at C-13, Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup (W), Mumbai - 400078.

D. CORPORATE SOCIAL RESPONSIBILITY (CSR) COMMITTEE:

The CSR committee has been constituted in accordance with the Act to:

- a) Formulate and recommend to the Board, a CSR Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII;
- b) Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) Monitor the CSR policy of the Company from time to time.

During the year under review, one meeting of the Committee was held on September 12, 2015. The composition of the CSR Committee and attendance at its meeting is given hereunder:

Composition	Position	Attendance at Meeting held on September 12, 2015
Mr. Rivkaran Chadha	Chairman	Present
Mr. Naresh Malhotra	Member	Present
Mr. Amit Bapna#	Member	NA
Mr. Nainesh Jaisingh	Member	-
Mr. Vibhav Parikh (Alternate to Mr. Nainesh Jaisingh)		Present

Mr. Amit Bapna was appointed as member on the Committee with effect from November 7, 2015.

E. ESOP COMPENSATION COMMITTEE

Pursuant to the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and provisions of the Act, the Board of Directors in its meeting held on July 02, 2014 constituted ESOP Compensation Committee comprising of the following members:

Composition	Position
Mr. Rivkaran Chadha	Chairman
Mr. Nainesh Jaisingh or his Alternate viz. Mr. Vibhav Parikh, during his absence	Member
Mr. K. R. Srinivasan	Member
Mr. Amit Bapna #	Member

Mr. Amit Bapna was appointed as member of the Committee with effect from November 7, 2015.

The terms of reference of ESOP Compensation Committee include, inter alia, granting of Stock Options to the eligible employees, ascertaining the detailed terms and conditions for such grants, administering the Employee Stock Option Schemes of the Company and exercising the powers and performing the duties as prescribed under Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 and/or any amendment or repealment thereto.

F. INDEPENDENT DIRECTORS' COMMITTEE (IDC)

The Committee of Independent Directors was constituted pursuant to the requirement of Clause 26 (6) of SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations") as amended, upon receipt of the detailed public statement, to provide reasoned recommendations on the open offer made by Reliance MediaWorks Limited ("Acquirer") along with Reliance Land Private Limited ("PAC 1"), Mr. Namit Malhotra ("PAC 2"), Mr. Naresh Malhotra ("PAC 3") and Monsoon Studio Private Limited ("PAC 4") acting as persons acting in concert (collectively "PACs") so that the target Company i.e. Prime Focus Limited can publish such recommendations.

As per Clause 26 (7) of SEBI Takeover Regulations, IDC provided a written reasoned recommendations on the open offer ("Offer") made by the Acquirer and PAC's to the public Shareholders of the Company and such recommendations was published before the commencement of the tendering period, in the same newspapers where the public announcement of the open offer was published.

NON-STATUTORY COMMITTEES:

G. RISK MANAGEMENT COMMITTEE

Risk Management Committee was constituted by the Board pursuant to the provisions of the erstwhile Listing Agreement, comprising of members namely Mr. Naresh Malhotra, as Chairman, Ramakrishnan Sankaranarayanan, Nainesh Jaisingh (or his alternate Mr. Vibhav Parikh during his absence), Mr. Amit Bapna and Mr. Vikas Rathee as Members. Further the Risk Management Committee has been dissolved w.e.f. May 30, 2016.

The Risk Management Committee was responsible to monitor and review the risk management plan of the Company.

H. FOREIGN EXCHANGE RISK MANAGEMENT COMMITTEE

The Board constituted Foreign Exchange Risk Management Committee on November 7, 2015 comprising of members viz Mr Namit Malhotra as Chairman, Mr. Nainesh Jaisingh (or his alternate Mr. Vibhav Parikh during his absence), Mr Amit Bapna, Mr Vikas Rathee, Mr Nishant Fadia and Mr Mohan Umrotkar as Members. Further the Foreign Exchange Risk Management Committee has been dissolved w.e.f. May 30, 2016.

The Committee was constituted for the purpose for adopting a foreign exchange risk management policy of the Company and evaluating different risks associated with foreign exchange transactions dealt by the Company.

4. 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
2012-2013	September 30, 2013	Prime Focus Office, Main Frame IT Park, Building - H, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai - 400 065	10.00 a.m.
2013-2014	December 24, 2014	Prime Focus Office, Main Frame IT Park, Building - H, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai - 400 065	10.00 a.m.
2014-2015	December 24, 2015	9th Floor, 'True North', Plot No. 63, Road No. 13, Opp. Hotel Tunga Paradise, Midc, Andheri (East), Mumbai - 400093	10.00 a.m.

ii. Special Resolutions:

- a. Details of special resolutions passed in the Annual General Meetings during the last three financial years are as follows:

Date of General Meeting	Number of Special resolutions passed	Details of Special Resolutions
September 30, 2013	1	1. Alteration to the Articles of Association of the Company
December 24, 2014	4	1. Reappointment of Mr. Naresh Malhotra (DIN: 00004597) as Whole-time Director for a period of 5 (five) years with effect from April 01, 2015 2. Adoption of new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 3. Approval of transactions with related party as per Companies Act, 2013 4. Approval of transactions with related party as per applicable provisions of the Listing Agreement
December 24, 2015	1	1. Offer or invite for Subscription of Secured / Unsecured Non-Convertible Debentures and/or other Debt securities on private placement basis.

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

Date of Extra-Ordinary General Meeting	Number of Special resolutions passed	Details of Special Resolutions
August 1, 2014	6	1. Increase in the Authorised Share Capital from ` 25,00,00,000/- to ` 35,00,00,000/- and alteration of the Capital Clause in the Memorandum of Association of the Company. 2. Preferential Issue of Equity Shares of 113,461,538 equity shares of Re. 1/- each to Reliance MediaWorks Limited (RMW) and Monsoon Studio Private Limited 3. Authorization for ESOP Scheme of the Company

Date of Extra-Ordinary General Meeting	Number of Special resolutions passed	Details of Special Resolutions
		<ol style="list-style-type: none"> 4. Approval of extension of the benefits of the PFL-ESOP Scheme 2014 to the eligible employees of the holding company, subsidiary and, associate companies, if any, of the Company as per applicable laws 5. Appointment of Mr. Ramakrishnan Sankaranarayanan as a Managing Director for a period of 3 (three) years with effect from June 25, 2014 6. Appointment of Mr. Namit Malhotra as a Chairman and Executive Director for a period of 3 (three) years with effect from June 25, 2014.
January 28, 2015	1	1. Preferential Issue of Equity Shares

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

During the year under review, no special resolution has been passed through the exercise of postal ballot.

5. DISCLOSURES:

a. Related Party Transactions

Details of the relevant related party transactions entered into by the Company are set out in the Notes to Accounts. During the year under review, materially significant transactions with related parties were on an arm's length basis and did not have potential conflicts with the interests of the Company at large. Suitable disclosures as required by the Accounting Standard (AS18) have been made in the Annual Report. All transactions with related parties entered into by the Company were on an arm's length basis and were approved by the Audit Committee.

Pursuant to the Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 the Board of Directors have adopted the 'Related Party Transaction Policy'. The said policy is available on the Company's website. (Weblink: http://www.primefocus.com/sites/default/files/pdf/policy_on_related_parties.pdf)

b. Compliances by the Company

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities Exchange Board of India or any other statutory authority relating to the capital markets during the last three years. No penalties or structures have been imposed by them on the Company during the last three years except for penalty paid to the Stock Exchange(s) for delay in submission of Audited results for financial year ended June 30, 2015, as per clause 41 of the erstwhile Listing Agreement.

The composition of Board of Directors is not in compliance with Clause 49(II)(A)(2) of the Listing Agreements / Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to having at least half of the Board

of directors of the Company to comprise of independent directors when chairperson of board of directors is an executive director.

Mr. Amit Bapna was appointed as Non-Executive Director with effect from September 16, 2015 and pursuant to the said appointment, the number of Independent Directors required on the Board was five, in terms of Regulation 17(1)(b) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In view of above, Company had identified a few suitable candidates and already initiated a dialogue with them and would announce the appointment of the Independent Board Member at the earliest possible to comply with the stipulated requirement.

c. Whistle Blower Policy/Vigil Mechanism

Pursuant to Regulation 4 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and the provisions of Section 177 of the Act, the Board of Directors has adopted a 'Whistle Blower Policy/Vigil Mechanism', which provided a formal mechanism for all Directors and employees of the Company to approach the Management of the Company and make protective disclosure to the Management about unethical behavior, actual or suspected fraud. A copy of the policy is available on the website of the Company (Weblink: http://www.primefocus.com/sites/default/files/pdf/Vigil_Mechanism_Policy.pdf). The Company affirms that no director or employee of the Company has been denied access to the Audit Committee.

No complaint has been received as at the Financial Year ended March 31, 2016 and no employee of the Company was denied access to meet the Chairman of the Audit Committee in this regard.

d. CEO/CFO certification

In terms of requirements of Regulation 33(2) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the CEO and CFO of the Company has certified to the Board in the prescribed format for the year under review and the same has been reviewed by the Audit Committee and taken on record by the Board.

e. Compliance with mandatory and non-mandatory requirements

The Company has complied with all the mandatory requirements of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015. The details of these compliances have been given in the relevant sections of this report. The Company also incorporates certain non-mandatory recommendations and among the non-mandatory requirements SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company has complied with the following:

1. Reporting of Internal Auditor - The Internal Auditor reports directly to the Audit Committee.
2. The Auditors report on financial results are unqualified.

f. Reconciliation of Share Capital Audit

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. This Report is also placed before the Board for its noting.

6. CODE OF CONDUCT

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Code of Conduct is in consonance with the requirements of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Code of Conduct is available on the Company's website (weblink: 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 CEO of the Company.

7. MEANS OF COMMUNICATION

- 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 and Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 within prescribed time limits. Quarterly results are submitted to the Stock Exchanges in terms of the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
- The quarterly/half yearly and annual financial results are regularly submitted to Stock Exchanges in accordance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and published in one English national daily newspaper circulating in the whole or substantially the whole of India i.e. either of Business Standards / Economic Times / The Free Press Journal and one Marathi daily newspapers i.e. either of Pudhari Kokan/Maharashtra Times / Navshakti.

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

The Company posts its Quarterly / Half Yearly/Annual Results, Annual Report, official news releases, presentations made to investors and transcripts of the meetings with institutional investors / analysts on its website i.e. www.primefocus.com. This website contains the basic information about the Company, e.g., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who is responsible for assisting and handling investor grievances and such other details as may be required under Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Company ensures that the contents of this website are updated at all times.

8. UNCLAIMED SHARES/AMOUNTS

a. Unclaimed shares issued pursuant to Initial Public Offer (IPO):

Regulation 39 read with Schedule VI of SEBI (Listing Obligation and Disclosure Requirements), Regulation, 2015 stipulates a uniform procedure for dealing with unclaimed shares lying in the escrow account. Under the regulation, the said unclaimed shares are to be credited to a separate dematerialized suspense account. Accordingly,

all the corporate benefits accruing on these shares will also be credited to such account. All the voting rights shall remain frozen till the rightful owner claims the shares. All such rightful owners may approach the Company for re-transfer of such shares to their account which will be effected on proper verification of the identity of such owner.

Accordingly, as on March 31, 2016, the unclaimed shares lying in 'Prime Focus Limited-Unclaimed Securities Suspense Account' held with Centrum Broking Limited are as tabled below:

Particulars	No. of cases	No. of Shares
Number of Shareholders and the outstanding shares in the suspense account lying at the beginning of the Year 2015-16 i.e. as on July 1, 2015.	15	3960
Number of Shareholders who approached for Issuer/ Registrar for transfer of shares from suspense account during the year 2015-16.	-	-
Number of shareholders whom shares were transferred from suspense account during the year 2015-16.	-	-
Number of Shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. as on March 31, 2016	15	3960

9. SUBSIDIARY COMPANIES

The Company has adopted a Policy for Determining Material Subsidiaries of the Company, pursuant to the provisions of Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015., states the following:

- meaning of 'Material' Subsidiary
- Requirement of Independent Director in certain Material Non Listed Indian Subsidiaries
- Restriction on disposal of Shares of a Material Subsidiary by the Company
- Restriction on transfer of Assets of a Material Subsidiary and
- Disclosure requirements, based on Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 and any other laws and regulations as may be applicable to the Company.

This policy is available on the website of the Company (weblink: http://www.primefocus.com/sites/default/files/pdf/Policy_on_Material_Subsidiaries.pdf)

In terms of the provisions of Regulation 24 of the (Listing Obligations and Disclosure Requirements), Regulations, 2015, 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 Board periodically.

10. PREVENTION OF INSIDER TRADING

The Company has instituted mechanism to avoid Insider Trading. In accordance with the SEBI Regulations as amended, the Company has established systems and procedures to restrict insider trading activity and has framed a Code of Fair Disclosure and Conduct to prevent

misuse of any unpublished price sensitive information and prohibit any insider trading activity, in order to protect the interest of the shareholders at large. The said Code of Fair Disclosure and Conduct is available on the Company's website.

a. GENERAL SHAREHOLDER INFORMATION

1. Annual General Meeting Date, Time and Venue	Date: September 30, 2016 Time: 10.00 a.m. Venue: 9th Floor, 'True North', Plot no. 63, Road no. 13, Opp. Hotel Tunga Paradise, MIDC, Andheri (East), Mumbai - 400093
2. Financial Year	March 31, 2016
3. Dates of Book Closure	Monday, September 26, 2016 to Friday, September 30, 2016
4. Dividend	To conserve the financial resources, no Dividend has been declared
5. Listing on Stock Exchanges	The equity shares of your Company are listed on: BSE Limited (BSE) Add:- P.J. Towers, Dalal Street, Fort, Mumbai - 400 001; & National Stock Exchange of India Limited (NSE) Add:- Exchange Plaza, Bandra-Kurla Complex, Bandra, Mumbai - 400 051. The Zero Coupon Unsecured Redeemable Non-Convertible Debentures (NCDs) issued by the Company under Series A and Series B are listed on Wholesale Debt Market Segment of the BSE Limited (BSE). Your Company has paid Annual Listing Fees to all the exchanges for the financial year 2016-17 within the prescribed time limit.
6. Stock Code	For Equity Shares BSE Limited (BSE):- "532748" National Stock Exchange of India Limited (NSE):- "PFOCUS" ISIN Code : INE367G01038 For NCDs (Listed on BSE - Wholesale Debt Market segment) SERIES A-ISIN Code : INE367G08017 SERIES B-ISIN Code : INE367G08025 Unlisted NCDs: ISIN Code: INE367G07019 ISIN Code: INE367G07027
7. Registrar & Transfer Agents	Link Intime India Private Limited Add:-C-13 Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai - 400078 Phone no:022- 25946970 Fax no.:022-25946969 Website: www.linkintime.co.in; email: mt.helpdesk@linkintime.co.in
8. Share Transfer System	The Board of Directors has delegated the authority to transfer the shares to M/s Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company. The Share Transfer Agent attends to share transfer formalities, if any, once in a fortnight.
9. 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: Santacruz Office Anand Kunj, Linking Road , Santacruz (West), Mumbai-400065. Goregaon Mainframe Office Building-H, Mainframe, Royal Palms, Aarey Milk Colony, Goregaon (East), Mumbai-400065. Goregaon-Film City Office Dadasaheb Phalke Film City, Goregaon (East), Mumbai-400065. Khar Office Prime Focus House, Linking Road, Opposite Citibank, Khar (West), Mumbai-400052. Hyderabad Office Rama Naidu Studios Complex, 79, Film Nagar, Jubilee Hills, Hyderabad - 500033, India.
10. Address for Correspondence	Ms. Parina Shah, Company Secretary and Compliance Officer Prime Focus Limited Registered Office: Prime Focus House, Linking Road, Opposite Citibank, Khar (West), Mumbai-400052, India. Phone: +91-22-67155000; Fax: +91-22-67155001 Website: www.primefocus.com; email: ir.india@primefocus.com
11. Dematerialization of Shares and liquidity	As on March 31, 2016; 29,88,78,954 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.
12. 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.
13. Investor Complaints to be addressed to	Registrar and Share Transfer Agent - M/s Link Intime India Private Limited at helpdesk@linkintime.co.in or to Ms. Parina Shah, Company Secretary at ir.india@primefocus.com.

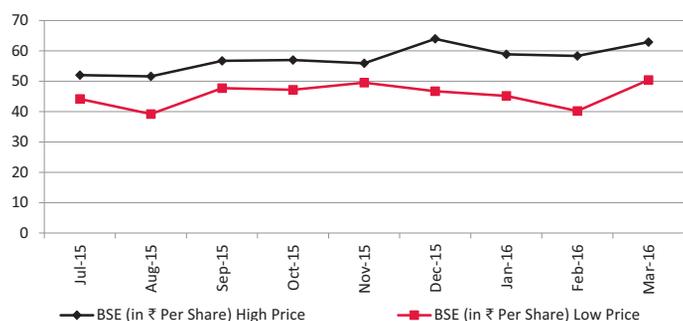
14. Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDRs/ ADRs/ Warrants. There are no outstanding convertible instruments as on March 31, 2016.
15. Commodity price risk or foreign exchange risk and hedging activities	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.

b. Market Price Data

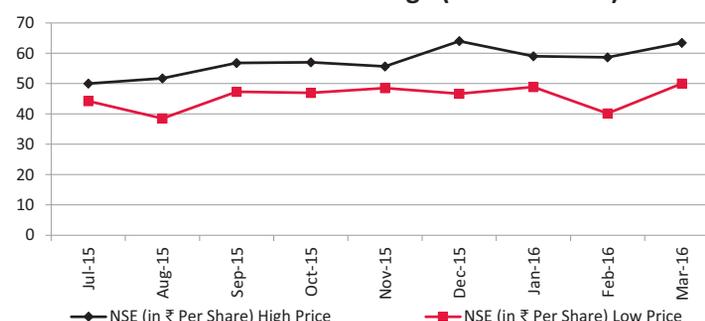
The price of the Company's Share-High, Low during each month in the last financial year 2015-16 on the Stock Exchanges is given below in a tabular form:

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)
July 2015	52.00	44.15	261,070	50.00	44.25	41,328
August 2015	51.60	39.20	523,703	51.75	38.50	83,137
September 2015	56.70	47.75	733,479	56.80	47.30	15,42,581
October 2015	57.00	47.15	222,603	57.00	46.95	57,132
November 2015	55.90	49.50	191,372	55.65	48.55	1,30,020
December 2015	63.95	46.70	954,015	64.00	46.65	1,36,725
January 2016	58.90	45.15	341,957	59.00	48.85	53,143
February 2016	58.35	40.20	324,253	58.70	40.20	98,122
March 2016	62.90	50.40	2,05,022	63.45	50.00	53,524

Bombay Stock Exchange (in ₹ Per share)



National Stock Exchange (in ₹ Per share)

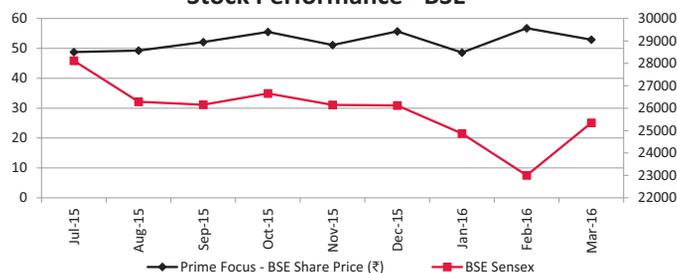


c. Performance of share price of the Company in comparison with the broad based indices

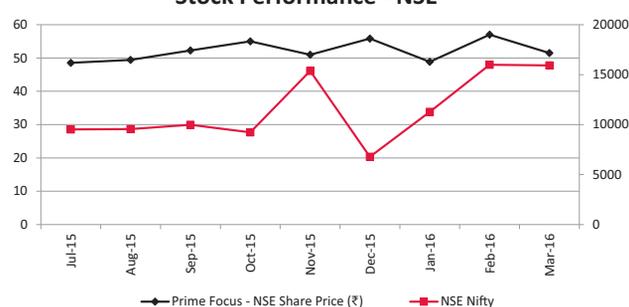
Prime Focus Share Price compared with BSE Sensex & NSE Nifty (Month-end closing):

Month	BSE Share Price (₹)	Sensex	NSE Share Price (₹)	NSE Nifty
July 2015	48.80	28115	48.55	9522
August 2015	49.25	26283	49.45	9548
September 2015	52.10	26155	52.25	9982
October 2015	55.50	26657	55.00	9218
November 2015	51.10	26146	50.95	15369
December 2015	55.70	26118	55.85	6781
January 2016	48.60	24871	48.85	11277
February 2016	56.75	23002	57.00	15992
March 2016	52.90	25342	51.50	15919

Stock Performance - BSE



Stock Performance - NSE



d. Distribution of Shareholding as on March 31, 2016

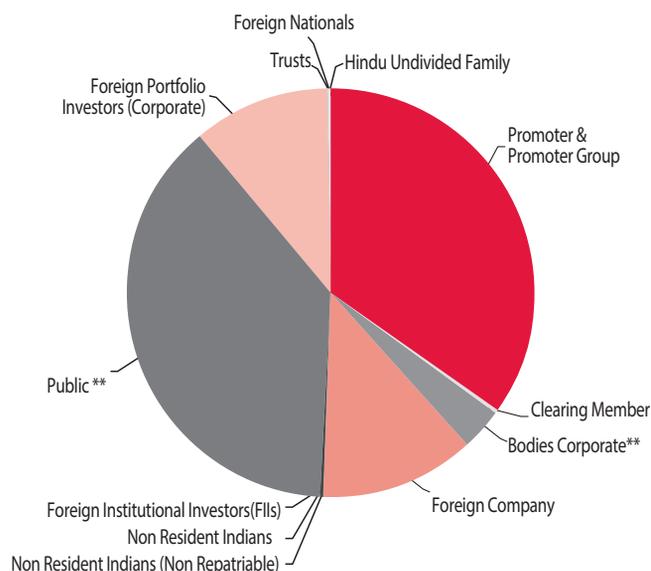
The broad shareholding distribution of the Company as on March 31, 2016 with respect to categories of investors was as follows:

Sr. No.	Category	No. of Equity Shares	Percentage%
1.	Promoter & Promoter Group	104607641	35.0000
2.	Clearing Member	259589	0.0869
3.	Bodies Corporate	10219495	3.4193
4.	Foreign Company***	36549990	12.2290
5.	Foreign Institutional Investors (FIIs)	1247	0.004
6.	Non Resident Indians	645330	0.2159
7.	Non Resident Indians (Non Repatriable)	140616	0.0470
8.	Public **	114066369	38.1647
9.	Foreign Portfolio Investors (Corporate)	31850112	10.6565
10.	Trusts	100	0.00003
11.	Foreign Nationals	400	0.0001
12.	Hindu Undivided Family	538085	0.1800
	Total	29,88,78,974	100.0000

Note:

*** As set out in the Letter of Offer dated December 08, 2014 issued by Reliance MediaWorks Limited along with Reliance Land Private Limited (Person Acting in Concert 1), Mr. Namit Malhotra (Person Acting in Concert 2), Mr. Naresh Malhotra (Person Acting in Concert 3), Monsoon Studio Private Limited (PAC 4), this includes 10,49,39,361 shares held by Reliance MediaWorks Limited, a person acting in concert with the Promoters.

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



c. The broad shareholding distribution of the Company as on March 31, 2016 with respect to/ holdings was as follows:

Range	No. of Holders	Percentage %	No. of Shares	Percentage %
1- 500	7829	77.0723	1338803	0.4479
501-1000	1124	11.0652	943834	0.3158
1001-2000	506	4.9813	801454	0.2682
2001-3000	174	1.7129	463816	0.1552
3001-4000	99	0.9746	365849	0.1224
4001-5000	103	1.0140	501175	0.1677
5001-10000	144	1.4176	1093111	0.3657
10001 and above	179	1.7622	293370932	98.1571
TOTAL	10158	100.0000	298878974	100.0000

For and on behalf of the Board of Directors

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Naresh Malhotra
Whole-time Director
DIN: 00004597

Place: Mumbai
 Date : May 30, 2016



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

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

I, Namit Malhotra, Chief Executive Officer, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the period ended March 31, 2016.

For and on behalf of the Board

Namit Malhotra
Chief Executive Officer

Place: Mumbai
Date : May 30, 2016

CERTIFICATE OF COMPLIANCE WITH THE CORPORATE GOVERNANCE

To
The Members,

Prime Focus Limited

We have examined the compliance of conditions of Corporate Governance by Prime Focus Limited ("the Company"), for the year ended on 31 March 2016, as stipulated in Clause 49 of the Listing Agreement of the said Company with the stock exchanges for the period 1st July 2015 to 30th November 2015 and as per the relevant provisions of Securities & Exchange Board of India (Listing Obligations & Disclosure Requirements) Regulations 2015 ("Listing Regulations") as referred to in regulation 15(2) of Listing Regulations for the period 1st December 2015 to 31st March 2016.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Agreement/Listing Regulations as applicable except mentioned below:

The composition of Board of Directors is not in compliance with Clause 49(II)(A)(2) of the Listing Agreements / Regulation 17(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with regard to having at least half of the Board of directors of the Company to comprise of Independent Directors when chairperson of board of directors is an executive director.

We 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 **Yash Pareek & Associates**
Company Secretaries

CS Yash Pareek
Proprietor
M.no: A42874
C.P No.: 15887

Place: Bhopal
Date : 30/05/2016

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PRIME FOCUS LIMITED

Report on the Standalone Financial Statements

We have audited the accompanying standalone financial statements of PRIME FOCUS LIMITED ("the Company"), which comprise the Balance Sheet as at 31 March 2016, the Statement of Profit and Loss, the Cash Flow Statement for the period from 1st July, 2015 to 31st March, 2016 and a summary of the significant accounting policies and other explanatory information.

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 Companies Act, 2013 ("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 and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these standalone financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order Under section 143(11) of the Act.

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2016, and its profit and its cash flows for the period ended on that date.

Report on Other Legal and Regulatory Requirements

- As required by Section 143 (3) of the Act, we report that:
 - 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.
 - 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.
 - The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act.
 - On the basis of the written representations received from the directors as on 31 March 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2016 from being appointed as a director in terms of Section 164 (2) of the Act.
 - 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'
 - 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, in our opinion and to the best of our information and according to the explanations given to us:
 - The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note 30 (i) to the financial statements;
 - The Company did not have any long-term contracts, including derivative contracts for which there were any material foreseeable losses;
 - There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.
- As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

Abhijit. A. Damle
(Partner)
(Membership No. 102912)

Mumbai, Dated: 30th May 2016

ANNEXURE “A” TO THE INDEPENDENT AUDITOR’S REPORT

(Referred to in paragraph 1(f) under ‘Report on Other Legal and Regulatory Requirements’ 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, 2016 in conjunction with our audit of the standalone 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 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 qualified 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.

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weakness has been identified in the Company’s internal financial controls over financial reporting as at March 31, 2016:

The Company did not have documented evidence of the reviews performed in respect of journal entries including those relating to significant management estimates including for unbilled revenues, accruals and assessment of provisioning for various asset balances.

A ‘material weakness’ is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company’s annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, to the best of our information and according to the explanations given to us, except for the effects/possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of March 31, 2016, 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.

We have considered the material weaknesses identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company for the year ended March 31, 2016, and the material weakness does not affect our opinion on the said standalone financial statements of the Company.

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

Abhijit. A. Damle
(Partner)

Mumbai, Dated: 30th May 2016

(Membership No. 102912)

ANNEXURE “B” TO THE INDEPENDENT AUDITOR’S REPORT

Re: Prime Focus Limited

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

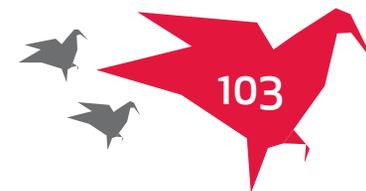
Having regard to the nature of the Company’s business/ activities/ result during the year, clauses (ii), (vi), (xii), (xiv) of paragraph 3 of the Order are not applicable to the Company. In respect of other clauses, we report as under:

- (i) In respect of its fixed assets:
- The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - The fixed assets were physically verified during the period by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
 - According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of buildings which are freehold, are held in the name of the Company as at the Balance Sheet date. In respect of immovable properties of land that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- (ii) According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company’s interest.
 - The schedule of repayment of principal and payment of interest has been stipulated and repayments or receipts of principal amounts and interest have been regular as per stipulations.
 - There is no overdue amount remaining outstanding as at the year-end.
- (iii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities, as applicable.

- (iv) According to the information and explanations given to us, the Company has not accepted any deposit during the period.
- (v) According to the information and explanations given to us in respect of statutory dues:
- The Company has generally been regular in depositing undisputed statutory dues including Provident fund, Employees’ State Insurance, Sales-tax, Customs duty, Excise duty, Value Added Tax, cess and any other material statutory dues applicable to it with the appropriate authorities, except for payment of Service Tax and Tax Deducted at Source, where significant delays have been noted. There were no undisputed amounts payable in respect of the aforesaid dues in arrears, as at 31st March, 2016 for a period of more than six months from the date they became payable.
 - There are no cases of non- deposit with the appropriate authorities of disputed dues of Sales Tax, Service Tax, Customs Duty, Excise duty, Value Added Tax, and Cess. Details of dues of Income Tax which have not been deposited as on 31st March, 2016 on account of disputes are given below:

Statute	Nature of Dues	Amount involved (Rs)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income Tax	152,416,556	Assessment year 2007-2008, 2010-2011 and 2012-13	Commissioner of Income Tax (Appeals)
		653,294	Assessment year 2008-2009	Income Tax Appellate Tribunal
Total		153,069,850		

- (vi) In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks and debenture holders. The Company has had no dues to financial institutions and government.
- (vii) In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company for the purposes for which they were raised. The Company has not raised monies by way of initial public offer or further public offer (including debt instruments).
- (viii) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the period.
- (ix) In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act, 2013.



- (x) In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- (xi) In our opinion and according to the information and explanations given to us, during the period the Company has not entered into any non-cash transactions with its directors or persons connected with him and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- (xii) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

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

Abhijit. A. Damle
(Partner)
(Membership No. 102912)

Mumbai, Dated: 30th May 2016

BALANCE SHEET

as at 31st March, 2016

in `

	Notes	AS AT MARCH 31, 2016	AS AT JUNE 30, 2015
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	298,878,974	298,878,974
Reserves and Surplus	4	9,996,996,878	10,131,127,297
		10,295,875,852	10,430,006,271
Non-current liabilities			
Long-term borrowings	5	5,139,878,581	3,642,137,017
Other long-term liabilities	7	35,675,550	635,675,550
Long-term provisions	8	21,789,609	22,471,308
		5,197,343,740	4,300,283,875
Current liabilities			
Short-term borrowings	9	700,358,402	712,706,617
Trade payables			
Total outstanding dues to Micro and Small Enterprise	32	-	-
Total outstanding dues to Creditors other than Micro and Small Enterprise		231,934,871	188,609,840
Other current liabilities	10	642,806,718	621,392,904
Short-term provisions	8	33,957,469	13,235,197
		1,609,057,460	1,535,944,558
		17,102,277,052	16,266,234,704
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	2,716,770,174	2,694,293,801
Intangible assets	12	30,610,787	23,535,360
Capital work-in-progress		3,042,228	844,112
Intangible assets under development		8,374,971	2,212,503
Non-current investments	13	8,726,727,642	8,642,817,704
Deferred tax assets (net)	6	624,802,023	584,413,947
Long-term loans and advances	15	1,016,429,922	946,919,138
		13,126,757,747	12,895,036,565
Current assets			
Trade receivables	14	834,033,540	537,442,773
Cash and bank balances	16	51,757,949	56,209,753
Short-term loans and advances	15	2,951,250,986	2,613,785,958
Other current assets	17	138,476,830	163,759,655
		3,975,519,305	3,371,198,139
		17,102,277,052	16,266,234,704
Notes to accounts	1-37		

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit A. Damle
Partner

Naresh Malhotra
Whole-time Director
DIN: 00004597

Namit Malhotra
Chairman (Executive Director)
and Chief Executive Officer
DIN: 00004049

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Place : Mumbai
Date : May 30, 2016

Vikas Rathee
Chief Financial Officer

Parina Shah
Company Secretary

STATEMENT OF PROFIT AND LOSS

for the Period from July 01, 2015 to March 31, 2016



	Notes	FOR THE PERIOD ENDED MARCH 31, 2016	FOR THE YEAR ENDED JUNE 30, 2015
in `			
Income			
Revenue from operations-sale of services (net)		1,110,861,103	1,134,935,721
Other operating income	25	77,683,711	101,013,837
Other income	18	151,047,029	110,258,912
		1,339,591,843	1,346,208,470
Expenses			
Employee benefits expense	19	226,652,538	225,928,422
Technician fees		147,955,378	158,317,521
Finance costs	20	208,486,848	246,678,684
Depreciation and amortization expense	11 & 12	223,667,396	235,662,689
Other expenses	21	381,403,441	369,292,411
		1,188,165,601	1,235,879,727
Profit before exceptional items and tax		151,426,242	110,328,743
Exceptional Items	22	-	157,032,446
Profit / (Loss) before tax		15,1426,242	(46,703,703)
Tax expense			
Current tax		21,654,985	(424,230,682)
Deferred tax		46,181,042	658,628,931
Total tax expense		67,836,027	234,398,249
Profit / (Loss) for the period / year		83,590,215	(281,101,952)
Earnings per equity share of face value of ` 1 each (before exceptional items)			
(refer note 23)			
Basic		0.28	(0.67)
Diluted		0.28	(0.67)
Earnings per equity share of face value of ` 1 each (after exceptional items)			
(refer note 23)			
Basic		0.28	(1.33)
Diluted		0.28	(1.33)
Notes to accounts	1-37		

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Abhijit A. Damle
Partner

Place : Mumbai
Date : May 30, 2016

For and on behalf of the Board of Directors

Naresh Malhotra
Whole-time Director
DIN: 00004597

Vikas Rathee
Chief Financial Officer

Namit Malhotra
Chairman (Executive Director)
and Chief Executive Officer
DIN: 00004049

Parina Shah
Company Secretary

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

CASH FLOW STATEMENT

for the period ended March 31, 2016

in `

	FOR THE PERIOD ENDED MARCH 31, 2016	FOR THE YEAR ENDED JUNE 30, 2015
Cash flow from operating activities		
Profit / (Loss) before tax	151,426,242	(46,703,703)
Adjusted for		
Depreciation and amortization expense	223,667,396	235,662,689
(Profit) on sale of fixed assets (net)	(906,257)	(1,469,559)
Fixed assets written off	480,016	-
Loss on sale of subsidiary (net) of provision ` Nil, (previous year ` 514,636,483)	-	106,971,970
Unrealized foreign exchange (gain) (net)	(52,684,423)	(31,473,393)
Bad debts written off (net) of provision doubtful debts of ` 51,006,556, (previous year ` 57,703,641)	939,626	10,694,690
Provision for doubtful debts/ advances (net)	(388,381)	48,972,535
Loans and advances written off (Net) of provision for doubtful loans and advances of ` Nil, (previous year ` 1,399,495,838)	-	-
Sundry balances written off	4,060,942	2,979,984
Sundry credit balance written back	(3,269,466)	(31,097,330)
Interest income	(87,614,227)	(52,890,824)
Dividend income	-	(24,000)
Finance Costs	208,486,848	246,678,684
Operating profit before working capital changes	444,198,316	488,301,743
Movements in working capital :		
Increase / (Decrease) in trade payables	54,669,320	(93,132,410)
(Decrease) in provisions	(1,614,412)	(1,073,792)
(Decrease) in other current liabilities	(35,149,931)	(473,491)
(Decrease) / Increase in other long-term liabilities	(600,000,000)	631,705,290
(Increase) / Decrease in trade receivables	(301,488,611)	884,235,893
Decrease / (Increase) in long-term loans and advances	(980,766)	(1,778,222)
(Increase) in short-term loans and advances	(30,839,633)	(75,587,326)
Decrease / (Increase) in other current assets	24,262,667	(60,315,359)
Cash (used in) generated from operations	(446,943,050)	1,771,882,326
Direct taxes (paid) (net)	(77,332,546)	(79,680,889)
Net cash flow (used in) / generated from operating activities (A)	(524,275,596)	1,692,201,437
Cash flow from investing activities		
Purchase of fixed assets	(246,235,164)	(162,310,806)
Proceeds from sale of fixed assets	3,561,697	7,649,958
Consideration received towards backend sale	-	1,675,800,000
Purchase of investment in subsidiaries	(83,909,938)	(6,137,268,791)
Proceeds from sale of investment in subsidiary	-	17,087,534
Loans given to subsidiaries	(1,362,044,360)	(2,699,947,462)
Loans repaid by subsidiaries	1,149,306,630	3,103,272,223
Inter-corporate deposits given	-	(26,000,000)
Inter-corporate deposits received back	-	50,500,000
Margin money and fixed deposits under lien	2,623,944	15,492,148



in `

	FOR THE PERIOD ENDED MARCH 31, 2016	FOR THE YEAR ENDED JUNE 30, 2015
Interest received	45,561,523	22,301,880
Dividend received	-	24,000
Net cash flow used in investing activities (B)	(491,135,668)	(4,133,399,316)
Cash flow from financing activities		
Proceeds from long term borrowings (net of expenses)	1,381,452,795	1,011,732,985
Repayment of long term borrowings	(128,699,779)	(469,212,808)
Proceeds from short term borrowings (net)	(12,348,215)	(144,481,045)
Proceeds from issuance of shares (including share premium and net of issue expenses)	-	2,394,099,992
Finance costs paid	(226,666,041)	(344,669,142)
Net Cash generated from financing activities (C)	1,013,738,760	2,447,469,982
Net (Decrease) / Increase in cash and cash equivalents (A+B+C)	(1,672,504)	6,272,103
Cash and cash equivalents at the beginning of the period / year	11,803,517	5,531,414
Cash and cash equivalents at the end of the period / year (Refer note below)	10,131,013	11,803,517
Note:		
Reconciliation of cash and cash equivalents		
Cash and Bank balances		
As per Balance Sheet (Refer note 16)	51,757,949	56,209,753
less: Other bank balances (Refer note 16)	41,626,936	44,406,236
As per Cash Flow Statement	10,131,013	11,803,517

Notes:

- During the year ended June 30, 2015, 67,307,692 equity shares were issued to Reliance MediaWorks Limited ("RMW") as consideration other than cash towards the transfer of its film and media services business to the Company in accordance with the Business Transfer Agreement dated November 19, 2014 between the Company, RMW and Reliance Land Private Limited. (Refer note 28)
- During the year ended June 30, 2015, receivable from N2M Realty Private Limited of Rs. 265,000,000 was transferred to GVS Software Private Limited in consideration for 265,000 Redeemable Convertible Preference Shares of an equivalent value. (Refer note 27)

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Abhijit A. Damle
Partner

For and on behalf of the Board of Directors

Naresh Malhotra
Whole-time Director
DIN: 00004597

Namit Malhotra
Chairman (Executive Director)
and Chief Executive Officer
DIN: 00004049

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Place: Mumbai
Date: May 30, 2016

Vikas Rathee
Chief Financial Officer

Parina Shah
Company Secretary

NOTES TO ACCOUNTS

1. Corporate information

Prime Focus Limited (the Company) is a public listed company domiciled in India and incorporated under the provisions 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 of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards specified under section 133 of the Companies Act, 2013 (the 'Act'). The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those of previous year, unless otherwise specified.

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 assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Accounting estimates change from period to period. Actual results could differ from those 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. Tangible fixed assets

Fixed assets 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 fixed asset 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 fixed assets, 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.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

d. Depreciation

Depreciation on tangible fixed assets is provided using the Straight Line Method (SLM) as per the useful lives of the assets estimated by the management, which are similar to 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.

Depreciation is provided at 100% on items of fixed assets costing less than ` 5000/- in the year of purchase.

e. Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic lives.

Software

Software is amortized on straight line basis over the estimated useful life of six years.

f. Impairment

The carrying values of assets are reviewed at each Balance Sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

g. Leases

Finance leases, which effectively transfer to the Company substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the leased term.

h. Borrowing cost

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

Borrowing costs relating to acquisition or construction of qualifying assets which takes substantial period of time to get ready for its intended use are capitalised to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the period in which they occur.

i. Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

j. 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.

- i. 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 losses become evident.

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

- ii. Others

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends are recognised when the shareholders' right to receive payment is established by the Balance Sheet date. Dividend from subsidiaries is recognized even if same are declared after the balance sheet date but pertains to period on or before the date of balance sheet.

k. Foreign currency transactions

Initial recognition

Foreign Currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

At the year/ period end, foreign currency monetary items are reported using the closing exchange rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction

Exchange differences

Exchange differences are recognised as income or expenses in the period in which they arise except in case of exchange differences arising on long term foreign currency monetary items related to acquisition of fixed assets which are capitalised and depreciated over the remaining useful life of assets.

l. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961 enacted in India. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier year.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognised only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised. In situations, where the Company has unabsorbed depreciation or carry forward tax losses, deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date, the Company re-assesses unrecognised deferred tax assets. It recognises unrecognised deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realised.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realised. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Company reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Company will pay normal Income Tax during the specified period.

m. 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.

n. Provisions and contingencies

A provision is recognized when the Company has a legal and constructive obligation as a result of a past event, for which

it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Company has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

o. Retirement and other employee benefits

Defined Contribution Plan

Provident Fund:

The Company contributes towards Provident Fund and Family Pension Fund. Liability in respect thereof is determined on the basis of contribution as required under the Statute / Rules.

Defined Benefit Plan

Gratuity:

Provision for gratuity is made based upon the actuarial valuation done at the end of every financial year using "Projected Unit Credit Method". Major drivers in actuarial assumptions, typically, are years of services and employees compensation. Gains and losses on changes in actuarial assumptions are accounted for in the Statement of Profit and Loss.

p. Cash flow statement

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



3. SHARE CAPITAL

	in `	
	As at March 31, 2016	As at June 30, 2015
Authorised shares:		
350,000,000 Equity shares of ` 1/- each	350,000,000	350,000,000
Issued, subscribed and paid-Up:		
298,878,974 Equity shares of ` 1/- each	298,878,974	298,878,974
	298,878,974	298,878,974

a. Reconciliation of the shares outstanding at the beginning and at the end of the period / year:

	in `			
	As at March 31, 2016		As at June 30, 2015	
	No.	Amount	No.	Amount
At the beginning of the period / year	298,878,974	298,878,974	185,417,436	185,417,436
Issued during the period / year	-	-	113,461,538	113,461,538
At the end of the period / year	298,878,974	298,878,974	298,878,974	298,878,974

b. 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.

c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:

	March 31, 2016 No.	June 30, 2015 No.
Equity shares allotted as fully paid up pursuant to business transfer agreement for consideration other than cash	67,307,692	67,307,692

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

	As at March 31, 2016		As at June 30, 2015	
	No.	% of holding	No.	% of holding
Naresh Malhotra	62,201,546	20.81	62,201,546	20.81
Reliance MediaWorks Limited	104,939,361	35.11	134,080,061	44.86
Standard Chartered Private Equity (Mauritius) III Limited	10,458,768	3.50	36,549,990	12.23
Standard Chartered Private Equity (Mauritius) Limited	29,241,817	9.78	-	-
Marina IV (Singapore) Pte. Limited	23,390,875	7.83	-	-
Monsoon Studio Private Limited	27,506,095	9.20	27,506,095	9.20
Namit Malhotra	14,900,000	4.99	14,900,000	4.99

e. In the Board of Directors meeting held on July 02, 2014 approval was granted to introduce and implement Employee Stock Option Scheme titled 'PFL-ESOP Scheme 2014' whereby stock options upto 6% of the paid up capital of the Company (post preferential allotment) aggregating 17,932,738 stock options would be issued to eligible employees of the Company, its subsidiaries and associates. The said scheme was approved by the shareholders in the Extra-ordinary General Meeting held on August 01, 2014.

4. RESERVES AND SURPLUS

in `

	As at March 31, 2016	As at June 30, 2015
Securities Premium Account		
As per last balance sheet	8,395,179,673	2,825,090,697
Add: Premium on issue of equity shares	-	5,786,538,438
Less: Expenses on issue of equity shares	-	5,900,000
Less: Premium on redemption of debentures (net of tax)	181,362,777	210,549,462
	8,213,816,896	8,395,179,673
Capital Reserve		
On acquisition of business	517,690,352	517,690,352
	517,690,352	517,690,352
General Reserve		
As per last balance sheet	13,400,000	13,400,000
	13,400,000	13,400,000
Debenture Redemption Reserve		
As per last balance sheet	586,655,965	586,655,965
Add: Transferred from Surplus in the Statement of Profit and Loss	10,869,035	-
	597,525,000	586,655,965
Surplus in the Statement of Profit and Loss		
As per last balance sheet	608,722,512	900,084,544
Add: Profit / (Loss) for the period / year	83,590,215	(281,101,952)
Less: Transferred to Debenture Redemption Reserve	10,869,035	-
Less: Depreciation on account of transitional provisions of Schedule II to the Companies Act, 2013 (net of tax)	-	10,260,080
	681,443,692	608,722,512
Foreign currency translation reserve		
	(26,879,062)	9,478,795
	9,996,996,878	10,131,127,297

5. LONG-TERM BORROWINGS

in `

	Non-current portion		Current maturities	
	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015
Debentures (unsecured)				
Non-convertible debentures - series A	1,010,000,000	1,010,000,000	-	-
Non-convertible debentures - series B	891,000,000	891,000,000	-	-
Premium on aforesaid debentures	1,028,263,720	761,781,859	-	-
(Refer note (a) below)				
Debentures (secured)				
Non-convertible debentures	489,100,000	489,100,000	-	-
Premium on aforesaid debentures	9,974,940	2,808,006	-	-
(Refer note (b) below)				
Term loans (secured)				
from others	496,509,988	406,196,930	116,634,516	26,540,141
(Refer note (c) & (d) below)				
Other loans and advances (unsecured)				
Inter corporate deposit received	1,083,800,000	-	-	-
(Refer note (e) below)				
Other loans and advances (secured)				
Finance lease obligations	46,450,865	15,425,781	18,088,197	11,990,813
(Refer note (f) below)				
Foreign currency loans - buyers credit	84,779,068	65,824,441	32,857,923	96,167,847
(Refer note (g) below)				
	5,139,878,581	3,642,137,017	167,580,636	134,698,801
The above amount includes				
Secured borrowings	1,126,814,861	979,355,158	167,580,636	134,698,801
Unsecured borrowings	4,013,063,720	2,662,781,859	-	-
Amount disclosed under the head "other current liabilities"	-	-	(167,580,636)	(134,698,801)
(Refer note 10)				
Net amount	5,139,878,581	3,642,137,017	-	-

- a. On November 05, 2012, the Company issued 1,901 Zero Coupon Unsecured Redeemable Non-Convertible Debentures (NCDs) of ` 1,000,000 each, of the aggregate nominal value of ` 1,901,000,000 to Standard Chartered Private Equity (Mauritius) III Limited. The Debentures were issued in two series being the Series A NCDs and the Series B NCDs. The Series A NCDs comprised of 1,010 Debentures aggregating ` 1,010,000,000 redeemable after 5 years and the Series B NCDs comprised of 891 Debentures aggregating ` 891,000,000 redeemable after 6 years.

The amounts payable on redemption on Debentures are as follows:

- i. With respect to the Series A NCDs, an amount equal to 188.17% of the Principal amount of Series A NCDs.
- ii. With respect to the Series B NCDs, an amount equal to 213.41% of the Principal amount of Series B NCDs

In the event that either the Company or the Debenture Holders are desirous of redeeming the Debentures prior to its scheduled maturity other than upon the occurrence of an Event of Default, the Company and the Debenture Holders shall mutually agree on the amounts payable to the Debenture Holders upon such early redemption and the other terms of such redemption.

- b. On February 20, 2015 the Company made an offer for the issuance of upto 4,000 unlisted, unrated, redeemable debentures not convertible into Equity Shares of the Company of face value of ` 1,00,000/- each ("Debentures") aggregating upto ` 270,000,000 with a Green Shoe Option of upto ` 130,000,000 on a private placement basis. On March 04, 2015, 2,891 Debentures aggregating ` 289,100,000 were allotted. On April 7, 2015 the Company made an additional offer for the issuance of upto 2,000 unlisted, unrated, redeemable debentures not convertible into Equity Shares of the Company of face value of ` 1,00,000/- each ("Debentures") aggregating upto ` 200,000,000. On May 5, 2015, the Company allotted 1,580 debentures under Tranche - 1, aggregating ` 158,000,000 and on May 08, 2015 the Company further allotted 420 debentures under Tranche - 2, aggregating ` 42,000,000. In aggregate, the company allotted 4,891 debentures amounting to ` 489,100,000 at 14% interest payable quarterly and a redemption premium payable on maturity of the debenture to make the IRR of 17%. Of these Debentures ` 289,100,000 mature in August 2017 and ` 200,000,000 matures in November 2017.

- c. On August 13, 2014, the Company entered into a long term loan agreement with others to borrow ₹ 450,000,000 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 installment starting from October 01, 2014 for loan availed on August 29, 2014 and from November 01, 2014 for loan availed on September 05, 2014. Further, the term loan is secured by a specific charge on immovable properties of the Company. At the period end, ₹ 384,009,988 is disclosed as non-current and ₹ 29,134,516 is disclosed as current. As at June 30, 2015 ₹ 432,737,071 is disclosed as non-current.
- d. On October 19, 2015, the Company entered into an agreement for term loan with others to borrow ₹ 200,000,000 at an interest rate of 15.25% p.a., to repay the existing term loan and for general corporate purpose which includes working capital. The loan is repayable in 6 quarterly installments starting from end of 3rd quarter from the date of disbursement. The loan is secured by pledge of shares by promoters. At the period end ₹ 112,500,000 is disclosed as non-current and ₹ 87,500,000 is disclosed as current.
- e. During the current period, on various dates, the Company entered into an agreement for an unsecured inter corporate deposit aggregating ₹ 1,083,800,000 at an interest rate of 13% p.a., for general corporate purpose which includes working capital. These inter corporate deposits are repayable after 2 years from the date of disbursement. As at March 31, 2016, outstanding balance of these inter corporate deposits are ₹ 1,083,800,000.
- f. Lease obligations towards assets acquired under finance leases:

	Total minimum lease payments outstanding		Future Interest on outstanding lease payments		Present Value of minimum lease payments	
	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015
	Within one year	24,973,002	14,615,619	6,884,805	2,624,806	18,088,197
Later than one year and not later five years	56,955,978	17,501,620	10,505,113	2,075,839	46,450,865	15,425,781
Later than five years	-	-	-	-	-	-
	81,928,980	32,117,239	17,389,918	4,700,645	64,539,062	27,416,594

Finance lease obligations are secured by hypothecation of plant and equipment, office equipment and vehicles taken on lease.

- g. Foreign currency loans – buyer's credit are secured by pari passu charge on the immoveable assets of the Company, both present and future (except building in Royal Palms, Goregaon, Mumbai), pari passu charge on the Company's current assets both present and future and personal guarantees of the promoter director.

6. DEFERRED TAX (ASSET) (NET)

	As at March 31, 2016	As at June 30, 2015
Deferred tax liability		
Difference between tax and books written-down values of fixed assets	199,404,260	168,829,692
Foreign currency translation reserve relating to net investments in foreign operations	6,818,563	-
	206,222,823	168,829,692
Deferred tax assets		
Unabsorbed Loss Carried forward	488,889,179	488,889,179
Premium on redemption of NCD	318,449,757	225,062,076
Provision for doubtful debts / advances	16,995,000	34,464,139
Provision for gratuity & others	6,690,910	4,828,245
	831,024,846	753,243,639
Net deferred tax (assets)	(624,802,023)	(584,413,947)

The Company had recognized a deferred tax asset on the carry forward losses in the earlier years. Based on the agreements entered into by the Company for lease/ sub-lease of its premises and to render outsourcing service to its subsidiaries coupled with the revenue from existing business activities, the management is confident that sufficient taxable income to offset carry forward losses would be generated.

7. OTHER LONG-TERM LIABILITIES

	in `	
	As at March 31, 2016	As at June 30, 2015
Security deposits	35,675,550	35,675,550
Other payables	-	600,000,000
	35,675,550	635,675,550

8. PROVISIONS

	Long-term		Short-term		in `
	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015	
Provision for gratuity (refer note 24)	13,647,965	11,866,341	1,405,844	2,338,557	
Provision for leave encashment	8,141,644	10,604,967	-	-	
Provision for income tax (net of advance tax)	-	-	32,551,625	10,896,640	
	21,789,609	22,471,308	33,957,469	13,235,197	

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

9. SHORT-TERM BORROWINGS (SECURED)

	in `	
	As at March 31, 2016	As at June 30, 2015
From Banks / Others		
Cash credit/ overdraft	260,358,402	330,306,617
Short-term demand loans	440,000,000	382,400,000
	700,358,402	712,706,617

- In February 2011, the Company entered into an agreement for a working capital demand loan of ` 250,000,000 from a bank for a term of six months at an interest rate of 13% p.a. This is renewed periodically and is secured by first pari passu charge on the Company's current assets both present and future, personal guarantees and pledge of shares by the promoter director. As at March 31, 2016 and as at June 30, 2015, ` 100,000,000 is outstanding and is included in short-term demand loans.
- On November 6, 2012, the Company entered in to an agreement for pre-shipment financing under export orders ("Facility") of ` 385,000,000 for funding against confirmed orders up to 100% of export sales. The interest rate for the facility drawn in Indian rupees is base rate plus margin and for facility drawn in currency other than Indian rupees is LIBOR plus margin. There are sub-limits under the facility for financial guarantees / standby letter of credit for payment undertaking for buyer's credit, pre-shipment financing under export letter of credit, export bills discounting, export invoice financing, import invoice financing, overdraft, short-term loans and bonds/ guarantees. The Facility is secured by first pari-passu charge on stock and book debts of the Company, personal guarantee of the promoters, first pari-passu charge on movable fixed assets of the Company, first pari-passu charge on immovable fixed assets located at Royal Palms-Mastermind, Goregoan, Mumbai and Raghuvanshi Mills, Mumbai and pledge of shares of the Company. As at March 31, 2016 ` 146,607,729 and as at June 30, 2015 ` 146,718,825 is outstanding under the Facility and included in cash credit/ overdraft.
- On October 28, 2014, the Company borrowed ` 5,000,000 as working capital demand loan from a bank for a term of ten months at an interest rate of 13.75%. The short-term demand loan is secured by first pari passu charge on the Company's current assets both present and future, personal guarantees and pledge of shares by the promoter director. As at March 31, 2016 and as at June 30, 2015, ` 5,000,000 is outstanding and is included in short-term demand loans.

- d. On November 5, 2014, the Company raised ` 50,000,000 from others at an interest rate of 15.5% per annum for a term of 6 months from date of disbursement. This loan is renewed and is secured by pledge of shares by a promoter director. The loan was repaid during the period.
- e. On February 18, 2015, the Company raised ` 50,000,000 from others at an interest rate of 17% per annum for a term of 363 days from the date of disbursement. The short-term demand loan is secured by pledge of shares by a promoter director. As at March 31, 2016 ` 100,000,000 and as at June 30, 2015 ` 50,000,000 was outstanding and is included under short-term demand loan.
- f. Cash credits/overdraft from banks are secured against first pari passu charge on the Company's current assets both present and future, personal guarantees and pledge of shares by the promoter director. The cash credit is repayable on demand and carries interest at the rate of 14.50% to 14.75% per annum. As at March 31, 2016 and June 30, 2015, the cash credits/ overdraft outstanding were ` 113,750,673 and ` 183,587,792 respectively.
- g. On January 31, 2013, the Company entered into an agreement for a working capital loan of ` 150,000,000 from others at an interest rate of 16% per annum for a term of 12 months from the date of disbursement. This loan is renewed periodically and is secured by personal guarantee and pledge of shares by a promoter director. On February 01, 2016, the Company rolled over the said loan at an interest rate of 15.50% per annum for a term of 12 months from the date of renewal. On January 21, 2015, the Company additionally borrowed ` 50,000,000 for general corporate purpose at an interest rate of 15.50% per annum for a term of 12 months from the date of disbursement. On January 22, 2016, the Company rolled over the loan at an interest rate of 15.50% per annum for a term of 12 months from the date of renewal. The general corporate purpose loan is secured by personal guarantee and pledge of shares by a promoter director. As at March 31, 2016 ` 135,000,000 and as at June 30, 2015 ` 177,400,000 was outstanding and is included under short-term demand loan.
- h. On September 14, 2015, the Company entered into an agreement for a working capital demand loan of ` 100,000,000 from a bank for a term of 90 days at an interest rate of 13.90% per annum. This loan is renewed periodically and is secured by first pari passu charge on the Company's current assets both present and future, personal guarantees and pledge of shares by the promoter director. As at March 31, 2016, ` 100,000,000 is outstanding and is included in short-term demand loans.
- i. On November 06, 2015, the Company entered into an agreement for an unsecured inter-corporate deposit of ` 330,000,000 from others at an interest rate of 13% p.a., for general corporate purpose which includes working capital. The inter-corporate deposit was repaid during the period.
- j. On April 20, 2015, the Company entered in an agreement with others for an unsecured demand loan for an amount not exceeding ` 100,000,000 in as many tranches as parties mutually decide. Of the total available limits, the Company has availed loan of ` 60,000,000 during the period for working capital purpose at an interest rate of 11% p.a. The outstanding balance as on March 31, 2016 is ` Nil.

10. OTHER CURRENT LIABILITIES

	in `	
	As at March 31, 2016	As at June 30, 2015
Current maturities of long-term borrowings (Refer note 5)	167,580,636	134,698,801
Accrued salaries and benefits	36,179,098	26,627,720
Advances received from clients	23,810,136	43,549,349
Interest accrued but not due on borrowings	40,564,786	8,572,545
Security deposits	38,417,029	35,506,271
Capital creditors	153,362,437	162,060,195
Bank book overdraft	135,863	151,879,992
Deferred revenue	54,053,365	13,774,228
Other payables	128,703,368	44,723,803
	642,806,718	621,392,904

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



11. TANGIBLE ASSETS

in `

	Building	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Office equipments	Vehicles	Total
Gross block							
As at July 1, 2014	500,004,038	2,622,030,660	187,771,904	31,668,836	57,977,379	23,095,651	3,422,548,468
Acquisitions	651,900,000	304,392,585	10,723,744	-	46,452,015	3,800,535	1,017,268,879
Additions	-	213,966,608	26,689	1,797,840	107,175	5,898,277	221,796,589
Deduction	-	(11,716,426)	(1,449,602)	-	-	(800,496)	(13,966,524)
As at Jun 30, 2015	1,151,904,038	3,128,673,427	197,072,735	33,466,676	104,536,569	31,993,967	4,647,647,412
Depreciation							
As at July 1, 2014	38,754,992	1,518,503,398	97,009,825	21,521,109	40,203,638	6,098,427	1,722,091,389
For the year	12,951,699	172,487,097	16,513,633	4,339,148	13,156,835	4,056,715	223,505,127
Adjusted against reserve	-	14,377,129	12,297	-	987,199	166,595	15,543,220
Deduction	-	(5,849,990)	(1,175,664)	-	-	(760,471)	(7,786,125)
As at Jun 30, 2015	51,706,691	1,699,517,634	112,360,091	25,860,257	54,347,672	9,561,266	1,953,353,611
Net block							
As at Jun 30, 2015	1,100,197,347	1,429,155,793	84,712,644	7,606,419	50,188,897	22,432,701	2,694,293,801
	Building	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Office equipments	Vehicles	Total
Gross block							
As at July 1, 2015	1,151,904,038	3,128,673,427	197,072,735	33,466,676	104,536,569	31,993,967	4,647,647,412
Additions	-	226,381,661	302,118	5,570,394	2,638,641	4,876,994	239,769,808
Deduction	(629,892)	(4,696,663)	-	-	-	(1,525,703)	(6,852,258)
As at March 31, 2016	1,151,274,146	3,350,358,425	197,374,853	39,037,070	107,175,210	35,345,258	4,880,564,962
Depreciation							
As at July 1, 2015	51,706,691	1,699,517,634	112,360,091	25,860,257	54,347,672	9,561,266	1,953,353,611
For the period	21,207,260	157,118,139	13,684,467	2,923,068	15,058,249	4,166,796	214,157,979
Deduction	(149,876)	(2,928,310)	-	-	-	(638,616)	(3,716,802)
As at March 31, 2016	72,764,075	1,853,707,463	126,044,558	28,783,325	69,405,921	13,089,446	2,163,794,788
Net block							
As at March 31, 2016	1,078,510,071	1,496,650,962	71,330,295	10,253,745	37,769,289	22,255,812	2,716,770,174

- Additions to plant and equipment includes ` 4,280,189 (net loss) [Previous year: ` 2,635,642 (net loss)] on account of exchange difference during the period.
- Plant and equipment and vehicles include assets taken on finance lease as under:
 - Gross block: ` 77,131,969 (Previous year: ` 41,233,601)
 - Depreciation charge for the period: ` 4,564,751 (Previous year: ` 7,171,487)
 - Accumulated depreciation: ` 17,211,379 (Previous year: ` 13,906,109)
 - Net block: ` 59,920,590 (Previous year: ` 27,327,492)
- Building includes leasehold premises of ` 651,900,000 and its accumulated depreciation of ` 20,340,351 (Previous year: ` 651,900,000 and ` 5,055,351 respectively)

12. INTANGIBLE ASSETS

in `

	Goodwill	Film Rights	Software	Total
Gross block				
As at July 1, 2014	5,320,000	30,000,000	60,775,397	96,095,397
Additions	-	-	3,515,000	3,515,000
As at Jun 30, 2015	5,320,000	30,000,000	64,290,397	99,610,397
Depreciation				
As at July 1, 2014	5,320,000	19,495,891	39,101,584	63,917,475
For the year	-	5,145,206	7,012,356	12,157,562
As at Jun 30, 2015	5,320,000	24,641,097	46,113,940	76,075,037
Net block				
As at Jun 30, 2015	-	5,358,903	18,176,457	23,535,360
Gross block				
As at July 1, 2015	5,320,000	30,000,000	64,290,397	99,610,397
Additions	-	-	16,584,844	16,584,844
As at March 31, 2016	5,320,000	30,000,000	80,875,241	116,195,241
Depreciation				
As at July 1, 2015	5,320,000	24,641,097	46,113,940	76,075,037
For the period	-	3,858,903	5,650,514	9,509,417
As at March 31, 2016	5,320,000	28,500,000	51,764,454	85,584,454
Net block				
As at March 31, 2016	-	1,500,000	29,110,787	30,610,787

- a. Software include assets taken on finance lease as under:
- Gross block: ` 9,666,348 (Previous year: ` Nil)
 - Depreciation charge for the period: ` 448,836 (Previous year: ` Nil)
 - Accumulated depreciation: ` 448,836 (Previous year: ` Nil)
 - Net block: ` 9,217,512 (Previous year: ` Nil)

13. NON-CURRENT INVESTMENTS

	in `	
	As at March 31, 2016	As at June 30, 2015
Trade investments (at cost)		
In subsidiary companies		
Unquoted, fully paid up		
Prime Focus Technologies Private Limited	75,500	75,500
1,517,550 equity shares of ` 10/- each		
Prime Focus Technologies Private Limited	150,000,000	150,000,000
15,000,000 preference shares of ` 10/- each		
Prime Focus Visual Effects Private Limited	99,990	99,990
9,999 equity shares of ` 10/- each		
De-Fi Media Limited	2,082,178,346	2,082,178,346
(formerly known as Prime Focus International Limited)		
24,367,188 equity share of Pound 1/- each		
Prime Focus Motion Pictures Limited	500,000	500,000
50,000 equity shares of ` 10/- each		
GVS Software Private Limited	100,000	100,000
10,000 equity shares of ` 10/- each		
GVS Software Private Limited	265,000,000	265,000,000
265,000 Redeemable Convertible Preference Shares of Rs.10/- each		
PF Investments Limited	2,199,580	2,199,580
43,000 equity shares of \$ 1/- each		
PF World Limited	4,786,060	4,786,060
106,000 equity shares of \$ 1/- each		
PF World Limited	6,220,614,641	6,137,268,791
102,792,500, (previous year 101,532,500) 12% Non-convertible redeemable preference shares		
Prime Focus 3D India Private Limited	500,000	500,000
50,000 equity shares of ` 10/- each		
PF Overseas Limited	5,937	5,937
100 equity shares of \$ 1/- each		
Prime Focus Malaysia sdn bhd	564,088	-
35,000 (previous year Nil) equity shares of RM 1 each		
Gener8 India Media Services Limited	-	-
850,000 equity shares of ` 10/- each		
1,200,000 Redeemable non-convertible preference shares of ` 1/- each (Refer note c below)		
Reliance MediaWorks (Mauritius) Limited	-	-
1,000 ordinary shares of MUR 1/- each (Refer note c below)		
Reliance Lowry Digital Imaging Services Inc	-	-
100 equity shares of \$ 1/- each (Refer note c below)		
	8,726,624,142	8,642,714,204

in `

	As at March 31, 2016	As at June 30, 2015
Non-trade		
Unquoted - fully paid up		
The Shamrao Vithal Co-operative Bank	100,000	100,000
4,000 equity shares of ` 25/- each		
Mainframe Premises Co-Operative Society	3,500	3,500
350 equity shares of ` 10/- each		
	103,500	103,500
	8,726,727,642	8,642,817,704
a. Aggregate amount of quoted Investments	-	-
Aggregate amount of unquoted Investments	8,726,727,642	8,642,817,704

- b. On March 31, 2015 the Company sold its entire holdings of 21,492,003 ordinary shares of Prime Focus London Plc., a subsidiary company incorporated in the U.K. for a consideration of ` 37,074,693. After the reversal of provision of ` 514,636,483 made in respect of this investment in the past, the Company incurred a loss of ` 106,971,970, which was disclosed as an exceptional item in the previous year (Refer note 22). Of the total consideration, ` 18,967,001 (previous year ` 19,987,159) is outstanding as at March 31, 2016. (Refer note 17).
- c. These investments form part of net assets acquired on slump sale basis, recorded at fair value ` Nil based on valuation report obtained. (Refer note 28).

14. TRADE RECEIVABLES (UNSECURED)

in `

	As at March 31, 2016	As at June 30, 2015
Debts outstanding for a period exceeding six months		
Considered good	357,579,467	226,683,003
Considered doubtful	-	51,394,937
Other debts		
Considered good	476,454,073	310,759,770
	834,033,540	588,837,710
Less: Provision	-	51,394,937
	834,033,540	537,442,773



15. LOANS AND ADVANCES

	Long-term		Short-term	
	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015
Unsecured - considered good				
Capital advances	14,474,434	38,392,331	-	-
Deposits	76,409,525	75,428,759	2,886,904	3,883,904
Inter-company deposits (including interest)	-	-	59,764,719	59,118,952
Loans to subsidiaries (Refer note 27)	566,897,951	551,782,517	2,360,193,590	2,112,114,435
Other receivables from subsidiaries (Refer note 27)	-	-	423,572,690	366,317,635
MAT credit entitlement	68,524,051	68,524,051	-	-
Advance payment of taxes	290,123,961	212,791,480	-	-
(Net of provision for tax)				
Other loans and advances	-	-	104,833,083	72,351,032
	1,016,429,922	946,919,138	2,951,250,986	2,613,785,958
Unsecured - considered doubtful				
Other loans and advances	-	-	50,000,000	50,000,000
	-	-	50,000,000	50,000,000
Less: Provision	-	-	50,000,000	50,000,000
	-	-	-	-
	1,016,429,922	946,919,138	2,951,250,986	2,613,785,958
Total				

- a. Other loans and advances includes prepaid expenses, loans and advances to employees and others, advances to suppliers and service taxes receivable.
- b. Loans and advances include amount due from private companies in which directors is a member / director

	As at March 31, 2016	As at June 30, 2015
Prime Focus Visual Effects Private Limited	24,331	23,731
GVS Software Private Limited	120,744	2,936
Prime Focus Technologies Private Limited	17,145,158	26,446,966
Prime Focus 3D India Private Limited	9,019	9,019
Prime Focus World Creative Services Private Limited	144,438,874	96,656,472
	161,738,126	199,038,898

- c. i. Loans given to subsidiaries

Name of the Company	As at March 31, 2016	Maximum outstanding balance during the period	As at June 30, 2015	Maximum outstanding balance during the year
Prime Focus London Plc, UK (refer note 13b)	-	-	-	1,239,978,500
Prime Focus Technologies Private Limited	-	-	-	113,262,638
Prime Focus World Creative Services Private Limited	119,431,774	473,102,716	50,607,719	349,668,779
Gener8 India Media Services Limited	1,167,267,824	1,214,770,319	1,027,523,149	2,047,700,000
Reliance MediaWorks (Mauritius) Limited	1,073,493,992	1,111,031,177	1,033,983,567	1,033,983,567
De-Fi Media Limited	566,897,951	584,253,458	551,782,517	551,782,517

- a. Loans given to subsidiaries except for De-Fi Media Limited are considered under “Short-Term Loans and Advances” and are repayable on demand and management intends to receive the loan within an operating cycle. De-Fi Media Limited loan is without planned maturity nor is repayable on demand.
 - b. All the above loans carry interest @ rate of 10% - 15% except for loan of ₹ 909,785,248 given to Gener8 India Media Services Limited (acquired in business combination) which is interest free.
 - c. All loans are given for general corporate purpose of the subsidiaries.
 - d. There are no advances in the nature of loans.
- ii. Investment by loanee in the shares of the subsidiaries.

Investment by Prime Focus Technologies Private Limited in subsidiaries

Name of the Company	Amount of investment	
	As at March 31, 2016	As at June 30, 2015
Prime Focus Technologies UK Limited	1	1
Prime Focus Technologies, Inc	92,133,810	92,133,810

Investment by Prime Focus Technologies, Inc in subsidiary

Name of the Company	Amount of investment	
	As at March 31, 2016	As at June 30, 2015
DAX PFT LLC	*	*
* SPV created but no investment was made		

Investment by Prime Focus Technologies UK Limited in subsidiary

Name of the Company	Amount of investment	
	As at March 31, 2016	As at June 30, 2015
Prime Post (Europe) Limited	9,775	9,775

16. CASH AND BANK BALANCES

	Amount of investment	
	As at March 31, 2016	As at June 30, 2015
Cash and cash equivalents		
Cash on hand	76,536	231,281
Balances with banks:		
In Current Accounts	10,054,477	11,572,236
	10,131,013	11,803,517
Other bank balances:		
Margin money deposits	41,626,936	44,406,236
	41,626,936	44,406,236
	51,757,949	56,209,753



- a. Margin money deposits aggregating ₹ 20,669,336 (previous year: ₹ 23,448,636) are subject to first charge to secure the foreign currency loans – buyer's credit and bank guarantees.
- b. Margin money deposits aggregating ₹ 20,957,600 are subject to first charge to secure the interest of non-convertible debenture holders.

17. OTHER CURRENT ASSETS

	in ₹	
	As at March 31, 2016	As at June 30, 2015
Unbilled revenue	119,410,240	143,517,551
Receivable towards sale of subsidiary (Refer note 13b)	18,967,001	19,987,159
Interest accrued on fixed deposits	99,589	254,945
	138,476,830	163,759,655

18. OTHER INCOME

	in ₹	
	Period ended March 31, 2016	Year ended June 30, 2015
Dividend		
Long-term investments - non trade	-	24,000
Interest Income		
Bank deposits	2,372,513	2,875,721
On Income Tax refunds	3,668,586	5,404,191
Others (including loan to subsidiaries)	85,241,714	50,015,103
Profit on sale of fixed assets (net)	906,257	1,469,559
Exchange gain (net)	41,382,459	16,812,983
Excess provision for doubtful debts written back	388,381	1,087,941
Sundry credit balances written back	3,269,466	31,097,330
Insurance claim received	-	423,694
Bad debts recovered	11,658,779	72,937
Miscellaneous income	2,158,874	975,453
	151,047,029	110,258,912

19. EMPLOYEE BENEFITS EXPENSE

	in ₹	
	Period ended March 31, 2016	Year ended June 30, 2015
Salaries and wages	203,073,349	209,756,456
Contribution to provident and other funds	4,932,330	3,802,196
Gratuity (refer note 24)	2,712,321	(868,420)
Staff welfare	15,934,538	13,238,190
	226,652,538	225,928,422

20. FINANCE COSTS

in `

	Period ended March 31, 2016	Year ended June 30, 2015
Interest on working capital finance	81,277,223	151,791,306
Interest on term loan	55,834,383	56,979,105
Interest on buyer's credit	3,357,919	5,234,174
Interest on non convertible debentures	23,731,886	8,351,800
Interest on inter corporate deposits	21,583,562	-
Interest on others	16,381,260	10,342,461
Bank charges	6,320,615	13,979,838
	208,486,848	246,678,684

21. OTHER EXPENSES

in `

	Period ended March 31, 2016	Year ended June 30, 2015
Technical service cost	46,947,349	68,890,824
Manpower cost	43,908,706	-
Communication cost	9,535,075	6,086,894
Consumable stores	18,199	122,659
Director's sitting Fees	300,400	900,000
Electricity charges	58,552,940	41,133,494
Insurance cost	5,846,252	10,626,278
Legal and professional fees	13,215,797	26,326,158
Fixed asset written off	480,016	-
Rates and taxes	16,209,514	87,226
Rebates and discount	7,175,517	17,892,388
Rent (refer note 25)	81,889,517	92,094,204
Traveling and conveyance	10,744,501	14,379,971
Repairs and maintenance-equipment	18,402,003	21,076,321
Repairs and maintenance-building	19,933,834	14,396,797
Bad debts written off	939,626	10,694,690
(Net of provision for doubtful debt of ` . 51,006,556 previous year ` . 57,703,641)		
Sundry balances written off	4,060,942	2,979,984
Auditor's remuneration		
As auditor		
Audit fees	2,800,000	2,875,000
In other matters (certification, limited reviews, taxation, etc.)*	2,416,215	1,802,500
Miscellaneous expenses	38,027,038	36,927,023
	381,403,441	369,292,411

* Includes payment of ` . 1,750,000 (previous year ` Nil) for taxation matters to an affiliated firm in view of the networking arrangement which is registered with the Institute of Chartered Accountants of India.



22. Exceptional items

	in `	
	Period ended March 31, 2016	Year ended June 30, 2015
Loss on sale of subsidiary (Refer Note 13b)	-	106,971,970
(Net of provision of ` Nil (previous year: ` 514,636,483))	-	-
Provision for doubtful debts	-	50,060,476
Loans and Advances Written Off	-	-
(Net of provision of ` Nil (previous year: ` 1,399,495,838))	-	-
	-	157,032,446

23. Earnings per share (EPS)

	in `	
	Period ended March 31, 2016	Year ended June 30, 2015
Net Profit / (Loss) attributable to equity shareholders	83,590,215	(281,101,952)
Exceptional items (net of tax)	-	(140,016,890)
Net Profit / (Loss) before exceptional items but after tax	83,590,215	(141,085,062)
	NUMBER	NUMBER
Weighted average number of equity shares in calculating basic and diluted EPS	298,878,974	211,839,986
Earnings per share (before exceptional items)		
Basic EPS	0.28	(0.67)
Diluted EPS	0.28	(0.67)
Earnings per share (after exceptional items)		
Basic EPS	0.28	(1.33)
Diluted EPS	0.28	(1.33)

24. The disclosures as required under Accounting Standard 15 "Employee Benefits" are as follows:

a. Defined benefit plan:

The Company has a defined benefit gratuity plan (unfunded). This plan provides a lump sum payment to employees on retirement or termination of employment, an amount based on respective employee's last drawn salary and tenure of employment with the Company.

I. Reconciliation of asset/ liability recognized in the Balance Sheet

	in `	
	As at March 31, 2016	As at June 30, 2015
Defined benefit obligation	15,053,809	14,204,898
Liability recognized	15,053,809	14,204,898

II. Expense recognised in Statement of Profit and Loss

	in `	
	Period ended March 31, 2016	Year ended June 30, 2015
Current service cost	2,083,908	1,939,888
Interest cost	884,255	735,292
Actuarial (gain)	(255,842)	(3,543,600)
Net expense	2,712,321	(868,420)

III. Changes in the present value of the defined benefit obligation are as follows:

	in `	
	Period ended March 31, 2016	Year ended June 30, 2015
Opening defined benefit obligation	14,204,898	8,206,382
Interest cost	884,255	735,292
Current service cost	2,083,908	1,939,888
Liability transferred on acquisition	-	6,866,936
Benefit paid directly by the employer	(1,863,410)	-
Actuarial (gain)	(255,842)	(3,543,600)
Closing defined benefit obligation	15,053,809	14,204,898

Principal Actuarial Assumptions:

	As at March 31, 2016	As at June 30, 2015
Discount rate	8.01%	8.30%
Rate of escalation in salary (per annum)	5.00%	5.00%
Employee turnover	2.00%	2.00%
Mortality	Indian Assured Lives Mortality (2006-08) Ultimate	

Major drivers in actuarial assumptions typically are years of service and employee compensation. 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 as certified by the actuary.

b. Defined contribution plan:

The Company contributed ` 4,238,936 (Previous year: ` 2,965,436) to provident fund during the year and recognized the contribution as an expense, which is included in note 19 as contribution to provident fund and other funds.

25. Leases

The Company has taken premises on non-cancellable operating lease basis. The tenure of leases ranges from 36 to 180 months with non-cancellable periods ranging from 12 to 60 months. Future lease rentals in respect of the premises taken on non-cancellable operating leases are as follows:

	in `	
	As at March 31, 2016	As at June 30, 2015
Lease Payments due within one year	4,352,544	450,057
Lease Payments due later than one and not later than five years	4,668,391	842,428
Lease Payments due later than five years	-	-
	9,020,935	1,292,485

Amount of lease rental charged to the Statement of Profit and Loss in respect of non-cancellable operating leases is ` 1,431,127 (Previous year: ` 1,736,056).

The Company has taken certain premises on cancellable operating lease basis. The tenure of the lease ranges from 11 to 180 months. Amount of lease rental charged to the Statement of Profit and Loss in respect of cancellable operating leases is ` 80,458,390 (Previous year: ` 90,358,148).

The Company has sublet certain premises on cancellable operating lease basis. The tenure of the lease is of 60 months. An amount of ` 66,413,951 (Previous year: ` 80,773,094) has been recognized as other operating income in respect of the sublease (Refer note 27).

26. Segment information

Business is the primary segment for the Company being post production activities. Since, the Company's entire operations are governed by the same set of risks and returns, these have been considered as representing a single segment.

Segment information for secondary segment reporting (by geographical segment based on location of customers)

	Revenue from operations (net)		Segment Assets		Capital Expenditure	
	Period ended March 31, 2016	Year ended June 30, 2015	As at March 31, 2016	As at June 30, 2015	Period ended March 31, 2016	Year ended June 30, 2015
India	1,019,238,715	1,000,417,313	3,745,484,160	3,470,539,428	240,797,339	1,200,461,002
United Kingdom	76,131,594	129,940,850	147,852,685	33,764,890	-	-
U.S.A	-	120,399	12,646	177,584	-	-
Canada	57,848	20,502	39,248	-	-	-
U.A.E	14,377,621	-	10,087,275	-	-	-
Other Countries	1,055,325	4,436,657	7,369,872	11,520,450	-	-
	1,110,861,103	1,134,935,721	3,910,845,886	3,516,002,352	240,797,339	1,200,461,002

27. Related party disclosures

a. List of Parties where control exists, irrespective of transactions:

i) Subsidiary companies

Prime Focus London Plc, UK (till March 31, 2015) (Refer note 13(b))

De-fi Media Limited (formerly known as Prime Focus International Limited)

Prime Focus Technologies Private Limited

Prime Focus Visual Effects Private Limited

GVS Software Private Limited

Prime Focus Motion Pictures Limited

PF World Limited, (Mauritius)

PF Investments Limited (Mauritius)

Prime Focus 3D India Private Limited

Gener8 India Media Services Limited (w.e.f. April 07, 2015) (formerly known as Prime Focus Entertainment Services Limited / Reliance MediaWorks Entertainment Services Limited)

Reliance MediaWorks (Mauritius) Limited (w.e.f. April 07, 2015)

PF Overseas Limited (Mauritius)

Prime Focus Malaysia sdn bhd (w.e.f. July 15, 2015)

ii) Step-down subsidiary companies

Subsidiary companies of PF World Limited (Mauritius)

Prime Focus Luxembourg S.a.r.l

Gener8 Digital Media Services Limited, Canada (w.e.f. December 24, 2014)

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

Prime Focus World N.V. (Subsidiary of Prime Focus 3D Cooperatief U.A.)

Prime Focus International Services UK Limited (Subsidiary of Prime Focus World N.V.)

Prime Focus North America Inc. (Subsidiary of Prime Focus World N.V.)

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

Prime Focus Creative Services Canada Inc. (Subsidiary of Prime Focus World N.V.)

Prime Focus VFX Australia Pty Limited (Subsidiary of Prime Focus World N.V.) (Liquidated in FY 2014)

Vegas II VFX Limited (Subsidiary of Prime Focus Creative Services Canada Inc.)

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

Prime Focus ME Holdings Limited (Subsidiary of Prime Focus World N.V.)

Prime Focus World Malaysia sdn bhd (Subsidiary of Prime Focus World N.V.)

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

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

Prime Focus World Creative Services Private Limited (Subsidiary of Prime Focus World N.V.)

Reliable Laptops Private Limited (Subsidiary of Prime Focus World Creative Services Private Limited)

Double Negative Holdings Limited (w.e.f. July 01, 2014) (Subsidiary of Prime Focus World N.V.)

Double Negative Limited UK (w.e.f. July 01, 2014) (Subsidiary of Double Negative Holdings Limited)
 Double Negative Singapore Pte Limited (w.e.f. July 01, 2014) (Subsidiary of Double Negative Holdings Limited)
 Double Negative Canada Productions Limited (w.e.f. July 01, 2014) (Subsidiary of Double Negative Holdings Limited)
 Double Negative Film Limited UK (w.e.f. July 01, 2014) (Subsidiary of Double Negative Holdings Limited)
 Double Negative Huntsman VFX Limited (Subsidiary of Double Negative Canada Productions Limited)

Subsidiary companies of Prime Focus London Plc, UK (till March 31, 2015) (Refer note 13b)

VTR Media Services Limited (formerly known as Prime Focus Visual Entertainment Services Limited) (Under Liquidation)
 VTR Media Investments Limited
 PF Broadcast & Commercial Limited (Under Administration)
 Busy Buses Limited
 Prime Focus Broadcast Limited (Liquidated in FY 2014)
 Clipstream Limited
 VTR Post Limited (formerly known as Prime Focus Post Limited/ Amazing Spectacles Limited) (Subsidiary of VTR Media Investments Limited)
 Prime Post (Europe) Limited (formerly known as Prime Focus (MW) Limited) (Subsidiary of VTR Media Investments Limited till October 14, 2014, Subsidiary of Prime Focus Technologies UK Limited w.e.f. October 15, 2014)
 VTR Media Investments 2 Limited (formerly known as Prime Focus Productions 1 Limited) (Subsidiary of VTR Media Investments Limited)
 Prime VFX Limited (formerly known as PF Television VFX Limited) (Subsidiary of VTR Media Investments Limited)
 DMJM Film Limited (Subsidiary of VTR Media Investments Limited) (Liquidated in FY 2013)
 PF Broadcast VFX Limited (Under Administration) (Subsidiary of VTR Media Investments Limited)
 Prime Focus Productions 5 Limited (Dissolved on July 28, 2015) (Subsidiary of VTR Media Investments Limited)
 PF Film UK Limited (Under Administration) (Subsidiary of VTR Media Investments Limited)

Subsidiary companies of Prime Focus Technologies Private Limited

Prime Focus Technologies UK Limited
 Prime Focus Technologies, Inc.
 Prime Post Europe Ltd (Subsidiary of Prime Focus Technologies UK Limited)
 DAX PFT LLC (Subsidiary of Prime Focus Technologies, Inc.)
 DAX Cloud ULC (Subsidiary of DAX PFT LLC)

Subsidiary companies of Reliance MediaWorks (Mauritius) Limited

Reliance Lowry Digital Imaging Services Inc.

b. List of related parties with whom transactions have taken place during the period / year

i. Subsidiary companies

Prime Focus Technologies Private Limited
 Prime Focus Visual Effects Private Limited
 GVS Software Private Limited
 Prime Focus 3D India Private Limited
 Prime Focus Motion Pictures Limited
 Prime Focus International Limited

PF World Limited

Gener8 India Media Services Limited

Reliance MediaWorks (Mauritius) Limited

Prime Focus Malaysia sdn bhd

ii. Step down subsidiary companies

Prime Focus North America, Inc

Prime Focus Creative Services Canada Inc

Prime Focus International Services UK Limited

Prime Focus ME Holdings Limited

Prime Focus World N.V.

Prime Focus World Creative Services Private Limited

Prime Focus Technologies, Inc

iii. Key management personnel

Mr. Namit Malhotra – CEO, Chairman and Executive Director

Mr. Naresh Malhotra – Whole-time Director

Mr. Ramakrishnan Sankaranarayanan – Managing Director

Mr. Vikas Rathee – CFO (w.e.f August 1, 2014)

Mr. Nishant Fadia – CFO (till July 31, 2014)

Ms. Kirti Desai – Company Secretary (resigned w.e.f. July 7, 2015)

Ms. Parina Shah – Company Secretary (w.e.f. September 12, 2015)

iv. Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Blooming Buds Coaching Private Limited

N2M Realty Private Limited

Monsoon Studio Private Limited

v. Enterprises exercising significant influence over the Company

Reliance MediaWorks Limited

Standard Chartered Private Equity (Mauritius) III Limited

Standard Chartered Private Equity (Mauritius) Limited

Standard Chartered Bank



c. Particulars of related party transaction
 (i) Subsidiary companies #

	in `	
	Period ended March 31, 2016	Year ended June 30, 2015
Revenue		
Prime Focus Technologies Private Limited	1,355,100	411,250
Prime Focus London Plc, UK	-	149,262
De-Fi Media Limited	69,868,666	116,637,704
Other operating income - SFIS		
Prime Focus Technologies Private Limited	250,344	5,076,874
Technical service cost		
Prime Focus Technologies Private Limited	1,396,850	81,501
Transfer of Deposit to		
Prime Focus Technologies Private Limited	10,406,849	-
Reimbursement of expenses incurred by:		
Prime Focus Technologies Private Limited	690,097	1,128,347
De-Fi Media Limited	-	325,729
Prime Focus London Plc, UK	-	163,575
Reimbursement of expenses incurred on behalf of:		
Prime Focus Technologies Private Limited	18,056,049	20,227,340
GVS Software Private Limited	117,808	2,631
PF World Limited, Mauritius	50,171,434	280,040,295
Prime Focus Visual Effects Private Limited	600	2,631
Prime Focus 3D India Private Limited	-	3,133
Prime Focus Motion Pictures Limited	400	3,133
Investments		
GVS Software Private Limited (Refer Note below cash flow statement)	-	265,000,000
Prime Focus Malaysia sdn bhd	564,088	-
PF World Limited, Mauritius	83,345,850	6,137,268,791
Loan to subsidiary (on acquisition) (Refer note 28)		
Gener8 India Media Services Limited	-	2,047,700,000
Reliance MediaWorks (Mauritius) Limited	-	1,008,000,000
Loans given		
Gener8 India Media Services Limited	267,661,117	34,087,793
Prime Focus Technologies Private Limited	-	345,650,000
De-Fi Media Limited	12,716,600	706,491,075
Loans repaid (including interest, where applicable)		
Gener8 India Media Services Limited	147,731,506	1,057,303,929
De-Fi Media Limited	8,547,600	194,083,659
Prime Focus Technologies Private Limited	-	352,602,747
Interest on loans		
Gener8 India Media Services Limited	19,815,064	3,039,285
De-Fi Media Limited	40,485,727	30,661,295
Prime Focus Technologies Private Limited	-	421,757

	in `	
	As at March 31, 2016	As at June 30, 2015
Balance outstanding ##		
Trade receivables		
De-Fi Media Limited	120,602,883	-
Prime Focus Technologies Private Limited	10,450	-
Trade payables		
Prime Focus Technologies Private Limited	10,406,849	-
Prime Focus 3D India Private Limited	500,000	500,000
De-Fi Media Limited	309,103	325,729
Other receivable		
Prime Focus Visual Effects Private Limited	24,331	23,731
GVS Software Private Limited	120,744	2,936
Prime Focus Motion Pictures Limited	589,912	589,512
Prime Focus Technologies Private Limited	15,740,926	26,446,966
Prime Focus 3D India Private Limited	9,019	9,019
PF World Limited, Mauritius	346,234,035	285,637,246
Loans receivable (including interest, where applicable)		
De-Fi Media Limited	566,897,951	551,782,517
Gener8 India Media Services Limited	1,167,267,824	1,027,523,149
Reliance MediaWorks (Mauritius) Limited	1,073,493,992	1,033,983,567

(ii) **Step-down Subsidiaries #**

	in `	
	Period ended March 31, 2016	Year ended June 30, 2015
Other operating income - Rent		
Prime Focus World Creative Services Private Limited	66,413,951	80,773,094
Other operating income - SFIS		
Prime Focus World Creative Services Private Limited	508,738	3,518
Technical service cost		
Prime Focus World Creative Services Private Limited	8,501,305	34,526,590
Manpower Cost		
Prime Focus World Creative Services Private Limited	43,908,705	-
Reimbursement of expenses incurred by:		
Prime Focus World Creative Services Private Limited	6,670,643	10,756,079
Reimbursement of expenses incurred on behalf of:		
Prime Focus World Creative Services Private Limited	22,646,963	20,307,687
Prime Focus International Services UK Limited	6,210,971	-
Prime Focus Creative Services Canada, INC	11,135,905	-
Gener8 Digital Media Services Ltd., Canada	10,652,216	-
Prime Focus Technologies Inc	-	7,423,817
Loans given		
Prime Focus World Creative Services Private Limited	1,081,666,643	1,613,718,594
Loans repaid (including interest)		
Prime Focus World Creative Services Private Limited	1,035,884,876	1,517,394,102
Interest on loans		
Prime Focus World Creative Services Private Limited	23,042,288	20,372,021
Security deposit received		
Prime Focus World Creative Services Private Limited	-	39,264,792
Security deposit repaid		
Prime Focus World Creative Services Private Limited	3,589,242	3,970,260

	in `	
	As at March 31, 2016	As at June 30, 2015
Balance outstanding		
Trade receivables		
Prime Focus World Creative Services Private Limited	118,695,623	75,899,774
Trade payable		
Prime Focus World Creative Services Private Limited	19,768,991	-
Other receivable		
Prime Focus International Services UK Limited	6,210,971	-
Prime Focus World Creative Services Private Limited	25,007,100	46,048,753
Prime Focus Technologies Inc.	7,847,531	7,559,472
Prime Focus Creative Services Canada, INC	11,135,905	-
Gener8 Digital Media Services Ltd., Canada	10,652,216	-
Loans receivable		
Prime Focus World Creative Services Private Limited	119,431,774	50,607,719
Security deposit		
Prime Focus World Creative Services Private Limited	35,675,550	39,264,792

(iii) Key Management Personnel*

	in `	
	Period ended March 31, 2016	Year ended June 30, 2015
Remuneration		
Mr.Naresh Malhotra	4,500,000	6,000,000
Mr.Ramakrishnan Sankaranarayanan	3,750,003	5,000,004
Mr.Namit Malhotra	3,750,003	5,000,004
Mr.Vikas Rathee	10,628,281	13,750,000
Mr.Nishant Faida	-	1,000,000
Ms.Kirti Desai	29,452	1,565,112
Ms.Parina Shah	956,354	-

	in `	
	As at March 31, 2016	As at June 30, 2015
Balance Outstanding – Remuneration Payable		
Mr.Naresh Malhotra	500,000	500,000
Mr.Ramakrishnan Sankaranarayanan	416,667	416,667
Mr. Namit Malhotra	416,667	416,667
Mr.Vikas Rathee	1,161,183	1,250,000
Ms.Kirti Desai	-	130,426
Ms.Parina Shah	144,174	-

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

	in `	
	Period ended March 31, 2016	Year ended June 30, 2015
Rent		
Blooming Bud Coaching Private Limited	30,068,000	33,600,000
Capital advance repaid		
N2M Realty Private Limited	-	65,000,000
Capital advance transferred to subsidiary		
N2M Realty Private Limited (Refer Note below cash flow statement)	-	265,000,000
Issue of equity shares (including share premium)		
Monsoon Studio Private Limited	-	1,199,999,996

	in `	
	As at March 31, 2016	As at June 30, 2015
Balance outstanding		
Deposit		
Blooming Buds Coaching Private Limited	53,000,000	53,000,000

(v) Enterprises exercising significant influence over the Company

	in `	
	Period ended March 31, 2016	Year ended June 30, 2015
Issue of equity shares (including share premium)		
Reliance MediaWorks Private Limited	-	4,699,999,996
Loan (repayments) / taken, net		
Standard Chartered Bank	15,203,494	(470,549,031)
Finance costs		
Standard Chartered Bank	15,092,398	29,303,040
Premium on NCD		
Standard Chartered Private Equity (Mauritius) Limited	266,481,861	316,158,001

	in `	
	As at March 31, 2016	As at June 30, 2015
Balance outstanding		
Loan outstanding		
Standard Chartered Bank	151,607,729	151,718,825
Bank Balance in current account		
Standard Chartered Bank	3,951	4,954
Non-convertible debentures		
Standard Chartered Private Equity (Mauritius) Limited	1,901,000,000	1,901,000,000
Premium on NCD accrued		
Standard Chartered Private Equity (Mauritius) Limited	1,028,263,720	761,781,859

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

	As at March 31, 2016	As at June 30, 2015
Prime Focus Technologies Private Limited	₹ 1739600000	₹ 2463700000
Prime Focus North America, Inc	₹ 355,143,044	₹ 342,106,767
	₹ 5,372,904	₹ 5,372,904
PF World Limited, Mauritius	₹ 2,951,315,885	₹ 2,842,981,590
	₹ 44,650,000	₹ 44,650,000
Prime Focus World Creative Services Private Limited	₹ 444,640,906	₹ 430,000,000
	₹ 221,500	₹ -

* Key management personnel have given personal guarantee and have pledged part of their shareholdings for borrowings obtained by the Company. (Refer notes 5 and 9).

There are no provisions for doubtful debts / amounts written off / written back in respect of dues from / to related parties.

28. Vide Business Transfer Agreement dated November 19, 2014 between the Company, Reliance Media Works Limited (RMW) and Reliance Land Private Limited, the Company acquired RMW's film and media services business for consideration other than cash. In accordance with the said Agreement, the transfer of BOT Agreement pertaining to the Studio including other business assets and liabilities related to the BOT Agreement ("Studios") and debt facilities of Rs. 20,000 lac was to be effected post receipt of the necessary additional approvals. Pending receipt of the additional approvals, the Studios' and the debt facilities have not been transferred to and recorded by the Company. However, based on the mutual understanding with RMW, the Company, continues to operate the Studio, recognize revenue from operations and incurs operating expenses including obligations towards lease rentals and property tax.

29. CAPITAL AND OTHER COMMITMENTS

	As at March 31, 2016	As at June 30, 2015
i. Estimated amount of contracts remaining to be executed on capital account and not provided for:	16,673,905	27,335,411

30. CONTINGENT LIABILITIES IN RESPECT OF

	As at March 31, 2016	As at June 30, 2015
i. Income Tax matters under dispute*	153,069,850	69,410,252
Relates to demands raised by the income tax authorities for various assessment years mainly on account of disallowances of depreciation on computer based assets, additions under the Transfer Pricing provisions and Tax deducted at source (TDS) amounts		
* In the above matter, the Company is hopeful of succeeding and as such does not expect any significant liability to crystalize.		
ii. Guarantees given on behalf of subsidiary and step-down subsidiary companies	5,490,699,835	6,078,788,357

31. UNHEDGED FOREIGN CURRENCY EXPOSURE

in `

	As at March 31, 2016	As at June 30, 2015
Buyer's Credit (Liability)	` 117,636,990	` 161,992,288
	\$357,421	\$1,868,325
	£283,433	£0
	€ 893,910	€ 609,152
Trade Receivables (Assets)	` 164,625,593	` 42,119,406
	\$255,322	\$140,124
	£1,550,117	£325,146
	AED 29,791	AED 29,791
	€ 0	€ 2,000
Loans and Advances (Assets)	` 2,042,520,596	` 1,901,598,546
	\$21,597,768	\$20,884,976
	CAD 427,496	CAD 0
	€ 0	€ 1,757
	£6,245,657	£5,713,393
Trade Payables and Other Current Liabilities	` 114,070,325	` 111,681,092
	€ 68,660	€ 294,529
	£7,255	£12,815
	\$1,637,363	\$1,407,085

32. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The Company does not have suppliers who are registered as micro, small or medium enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2016. The information regarding micro, small and medium enterprises has been determined on the basis of information available with the management.

33. VALUE OF IMPORTS CALCULATED ON CIF BASIS

in `

	Period ended March 31 2016	Period ended June 30, 2015
Capital Goods	143,401,032	130,682,608

34. EXPENDITURE IN FOREIGN CURRENCY (ACCRUAL BASIS)

in `

	Period ended March 31, 2016	Year ended June 30, 2015
Bank charges	84,624	87,236
Interest on buyer's credit	1,321,936	1,966,025
Legal and professional fees	192,885	25,622
Repairs and maintenance	6,146,275	3,619,082
Consumable stores	-	52,590
Freight and clearing	14,682	17,322
Rebates and discount	68,521	-
Membership & Subscription Charges	-	64,571



35. EARNINGS IN FOREIGN CURRENCY (ACCRUAL BASIS)

	in `	
	Period ended March 31, 2016	Year ended June 30, 2015
Revenue from operations	91,609,288	136,068,604
Interest Income	40,485,727	30,661,295

36. The Board of Directors of the Company vide resolution passed on September 17, 2015 inter-alia, considered and approved re-alignment of the Financial Year of the Company in accordance with Section 2(41) of the Companies Act, 2013 and accordingly the financial year 2015-16 is for a period of 9 months ending on March 31, 2016 and therefore the financial statements of the last financial year are not comparable with financial statements of the current period which are for nine (9) months.

37. Previous year's figures have been regrouped where necessary to confirm to current period's classification.

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

Abhijit A. Damle
Partner

Place : Mumbai
Date : May 30, 2016

For and on behalf of the Board of Directors

Naresh Malhotra
Whole-time Director
DIN: 00004597

Vikas Rathee
Chief Financial Officer

Namit Malhotra
Chairman (Executive Director)
and Chief Executive Officer
DIN: 00004049

Parina Shah
Company Secretary

Ramkrishnan Sankaranarayanan
Managing Director
DIN: 02696897

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PRIME FOCUS LIMITED

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of PRIME FOCUS LIMITED (hereinafter referred to as "the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), comprising of the Consolidated Balance Sheet as at 31st March, 2016, the Consolidated Statement of Profit and Loss, the Consolidated Cash Flow Statement for the period from 1st July, 2015 to 31st March, 2016, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Group in accordance with the accounting principles generally accepted in India, including the Accounting Standards prescribed under Section 133 of the Act. 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; the 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, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated financial statements that give a true and fair view in order to design audit procedures that are

appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated financial statements.

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 Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at 31st March, 2016, and their consolidated loss and their consolidated cash flows for the period ended on that date.

Other Matters

We did not audit the financial statements / consolidated financial statements of 17 subsidiaries, whose financial statements / consolidated financial statements reflect total assets of ` 30,367,252,721 as at 31st March, 2016, total revenues of ` 11,216,075,609 and net cash outflows amounting to ` 82,165,047 for the year / period ended on that date. The financial information of the said subsidiaries for the year / period ended 31st March, 2016, as considered in the consolidated financial statements for the nine months period ended 31st March, 2016, has been derived by making appropriate adjustments, to the financial information as per the aforementioned audited financial statements / consolidated financial statements for the year / period ended 31st March, 2016. The financial information so derived of the said subsidiaries reflect total assets of ` 17,748,612,729 as at 31st March, 2016, total revenues of ` 8,033,971,493 and net cash inflows amounting to ` 124,948,523 for the period ended on that date, as considered in the consolidated financial statements. These financial statements / consolidated financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements, 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 and the financial statements / financial information certified by the Management.

Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, 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, and the Consolidated Cash Flow Statement 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 Accounting Standards prescribed under Section 133 of the Act.
- e. On the basis of the written representations received from the directors of the Holding Company as on 31st March, 2016 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiary companies, incorporated in India, none of the directors of the Group's companies incorporated in India, is disqualified as on 31st March, 2016 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 Report in "Annexure A", which is based on the auditors' reports of the Holding company, and its subsidiary companies incorporated in India.
- 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 Auditor's) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group – Refer Note 29 to the consolidated financial statements.
 - b. There are no long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - c. There has been no delay in transferring amounts, required to be transferred to the Investor Education and Protection Fund by the Holding Company. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the subsidiary companies incorporated in India.

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

Abhijit. A. Damle
(Partner)

Mumbai, Dated: 30th May 2016

(Membership No. 102912)

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' 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 financial statements of the Company as of and for the period from 1st July, 2015 to 31st March, 2016, we have audited the internal financial controls over financial reporting of Prime Focus Limited (hereinafter referred to as "the Holding Company") and its subsidiary companies, some of which are companies incorporated in India, as of that date.

Management's Responsibility for Internal Financial Controls

The respective Board of Directors of the Holding company, 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 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 (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 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") 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 Matters paragraph below, 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.

Qualified opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified in the Group's internal financial controls over financial reporting as at 31st March, 2016:

- a. The Holding Company and 2 of the subsidiaries incorporated in India did not have documented evidence of the reviews performed in respect of journal entries including those relating to significant management estimates including for unbilled revenues, accruals and assessment of provisioning for various asset balances.
- b. A subsidiary Company incorporated in India did not have documentation in respect of processes and controls for intangible assets currently under development.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.



In our opinion, to the best of our information and according to the explanations given to us, except for the effects/possible effects of the material weakness described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as of 31st March, 2016, 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.

We have considered the material weakness identified and reported above in determining the nature, timing, and extent of audit tests applied in our audit of the consolidated financial statements of the Company for the period ended 31st March, 2016, and the material weakness does not affect our opinion on the said consolidated financial statements of the Company.

Other Matters

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to 8 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Abhijit. A. Damle
(Partner)
(Membership No. 102912)

Mumbai, Dated: 30th May 2016

CONSOLIDATED BALANCE SHEET

as at March 31, 2016

	Notes	As at March 31, 2016	As at June 30, 2015
Equity and Liabilities			
Shareholders' funds			
Share Capital	3	298,878,974	298,878,974
Reserves and Surplus	4	9,251,399,988	10,819,409,832
		9,550,278,962	11,118,288,806
Minority Interest		1,322,170,474	1,540,165,046
Non-current liabilities			
Long-term borrowings	5	6,602,357,675	5,773,797,371
Deferred tax liability (net)	6	124,685,611	92,577,272
Other long-term liabilities	7	3,191,803,693	3,925,820,114
Long-term provisions	8	64,647,213	48,889,645
		9,983,494,192	9,841,084,402
Current liabilities			
Short-term borrowings	9	4,264,678,969	2,424,273,371
Trade payables			
Total outstanding dues to Micro and Small Enterprise	34	-	-
Total outstanding dues to Creditors other than Micro and Small Enterprise		2,012,370,149	2,504,791,966
Other current liabilities	10	6,999,217,734	6,349,727,284
Short-term provisions	8	149,291,080	101,538,604
		13,425,557,932	11,380,331,225
TOTAL		34,281,501,560	33,879,869,479
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	6,692,993,634	8,071,170,658
Intangible assets	12	5,451,780,402	5,276,377,957
Capital work-in-progress		8,960,539	3,423,779
Intangible assets under development		498,798,185	441,379,416
Goodwill on consolidation		8,317,191,231	8,029,711,933
Non-current investments	13	884,500,884	857,398,278
Deferred tax assets (net)	6	624,802,023	584,413,947
Long-term loans and advances	15	1,645,513,015	1,645,738,987
Other non-current assets	17	-	682,447
		24,124,539,913	24,910,297,402
Current assets			
Inventories		6,206,877	5,644,678
Trade receivables	14	4,183,742,260	3,756,318,782
Cash and bank balances	16	1,134,840,682	616,232,865
Short-term loans and advances	15	3,422,136,211	2,646,561,931
Other current assets	17	1,410,035,617	1,944,813,821
		10,156,961,647	8,969,572,077
TOTAL		34,281,501,560	33,879,869,479
Notes forming part of the consolidated financial statements	1-35		

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit A. Damle
Partner

Naresh Malhotra
Whole-time Director
DIN: 00004597

Namit Malhotra
Chairman (Executive Director)
and Chief Executive Officer
DIN: 00004049

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Place : Mumbai
Date : May 30, 2016

Vikas Rathee
Chief Financial Officer

Parina Shah
Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS

for the Period from July 01, 2015 to March 31, 2016



	Notes	For the period ended March 31, 2016	For the year ended June 30, 2015
in `			
Income			
Revenue from operations – sale of services (net)		13,301,899,303	15,379,744,586
Other operating income		526,246,983	696,108,695
Other income	18	444,743,417	195,595,168
		14,272,889,703	16,271,448,449
Expenses			
Employee benefits expense	19	8,589,722,683	9,263,574,080
Technician fees		246,945,585	277,503,714
Finance costs	20	820,387,290	727,254,999
Depreciation and amortization expense	11 & 12	2,007,272,192	2,211,412,998
Other expenses	21	2,956,645,746	4,122,507,332
		14,620,973,496	16,602,253,123
		(348,083,793)	(330,804,674)
(Loss) before exceptional items and tax			
Exceptional Items	22	835,027,816	2,475,479,679
(Loss) before tax		(1,183,111,609)	(2,806,284,353)
Tax expense			
Current tax		158,228,484	(328,210,983)
Deferred tax		78,194,320	653,461,917
Total tax expense		236,422,804	325,250,934
(Loss) after tax (before adjustment of minority interest)		(1,419,534,413)	(3,131,535,287)
Minority interest		(334,784,908)	(209,306,984)
(Loss) for the period / year attributable to the shareholders of the company		(1,084,749,505)	(2,922,228,303)
Earnings per equity share of face value of ` 1 each (before exceptional items) (refer note 23)			
Basic		(0.84)	(2.19)
Diluted		(0.84)	(2.19)
Earnings per equity share of face value of ` 1 each (after exceptional items) (refer note 23)			
Basic		(3.63)	(13.79)
Diluted		(3.63)	(13.79)
Notes forming part of the consolidated financial statements	1-35		

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit A. Damle
Partner

Naresh Malhotra
Whole-time Director
DIN: 00004597

Namit Malhotra
Chairman (Executive Director)
and Chief Executive Officer
DIN: 00004049

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Place: Mumbai
Date: May 30, 2016

Vikas Rathee
Chief Financial Officer

Parina Shah
Company Secretary

CONSOLIDATED CASH FLOW STATEMENT

for the period ended March 31, 2016

	in `	
	For the period ended March 31, 2016	For the year ended June 30, 2015
Cash flow from Operating activities		
(Loss) before tax	(1,183,111,609)	(2,806,284,353)
Adjusted for:		
Depreciation and amortization expense	2,007,272,192	2,211,412,998
Loss / (Profit) on sale of fixed assets (net)	75,041,876	(1,440,418)
Loss on sale of investment in subsidiary	-	453,022,758
Unrealized foreign exchange (gain) (net)	(192,748,772)	(145,361,717)
Loan to Prime Focus London Plc written off	-	1,353,249,789
Bad debts written off (net)	1,020,444	37,800,257
Provision for doubtful debts/ advances, net	(388,381)	(75,470,474)
Sundry credit balance written back	(8,905,439)	(31,097,330)
Sundry balances written off	5,072,043	-
Write-off of receivable from the Economic Development Board	209,529,019	-
Stock option expense	42,828,089	67,584,889
Interest income	(51,925,665)	(20,545,221)
Dividend income	-	(24,000)
Finance costs	741,068,394	668,473,381
Operating profit before working capital changes	1,644,752,191	1,711,320,559
Movements in working capital		
(Decrease) / Increase in trade payables	(483,516,377)	4,349,985,800
(Decrease) / Increase in provisions	(49,023,724)	64,452,807
Increase in current liabilities	1,020,384,650	254,873,559
(Decrease) / Increase in other long term liabilities	(886,946,471)	894,669,016
(Increase) in trade receivables	(428,055,541)	(2,285,986,532)
Decrease / (Increase) in long term loans and advances	80,080,259	(640,537,277)
(Increase) in short term loans and advances	(983,495,595)	(1,591,755,239)
(Increase) in inventories	(562,195)	(1,620,503)
Decrease / (Increase) in other current assets	535,702,126	(341,810,664)
Decrease in other non current assets	682,447	-
Cash generated from operations	450,001,770	2,413,591,526
Direct taxes (paid) (net)	(153,891,291)	(286,718,685)
Net cash flow generated from operating activities (A)	296,110,479	2,126,872,841
Cash flow from investing activities		
Purchase of fixed assets	(2,232,139,962)	(3,195,224,953)
Proceeds from sale of fixed assets	1,361,999,194	169,784,123
Purchase / acquisition of long-term investments / business:		
Gener8 Digital Media Corp	(80,713,036)	(171,478,914)
Double Negative Holdings Limited	(116,886,433)	(1,918,698,846)
Proceeds from sale of subsidiary - Prime Focus London Plc, (net of cash) (Refer note 22)	-	12,625,080
Purchase of non-current investments	-	(34,493,560)
Inter-corporate deposits given	-	(26,000,000)
Inter-corporate deposits received back	-	50,500,000
Margin money and fixed deposits under lien	34,862,473	(178,150,882)



in `

	For the period ended March 31, 2016	For the year ended June 30, 2015
Interest received	44,321,996	6,787,593
Dividends received	-	24,000
Net cash flow (used in) investing activities (B)	(988,555,768)	(5,284,326,359)
Cash flow from financing activities		
Proceeds from long term borrowings (net)	136,343,570	304,098,114
Proceeds from short term borrowings (net)	1,782,569,121	494,047,149
Proceeds from issuance of shares (net of expenses)	-	2,394,099,992
Finance costs paid	(685,022,881)	(649,692,138)
Net cash flow generated from financing activities (C)	1,233,889,810	2,542,553,117
Effect of exchange on cash and cash equivalents (D)	12,025,769	1,858,004
Net (decrease) in cash and cash equivalents (A+B+C+D)	553,470,290	(613,042,397)
Cash and cash equivalents at the beginning of the period / year	354,609,187	141,451,313
Cash and bank balances on acquisition of subsidiaries during the period / year	-	826,200,271
Cash and cash equivalents at the end of the period / year (Refer note below)	908,079,477	354,609,187
Note:		
Reconciliation of cash and cash equivalents		
Cash and Bank balances		
As per Balance Sheet (Refer note 16)	1,134,840,682	616,232,865
less: Other bank balances (Refer note 16)	226,761,205	261,623,678
As per Cash Flow Statement	908,079,477	354,609,187

Note:

In previous year 67,307,692 equity shares were issued to Reliance MediaWorks Limited ("RMW") as consideration other than cash towards the transfer of its film and media services business to the Company in accordance with the Business Transfer Agreement dated November 19, 2014 between the Company, RMW and Reliance Land Private Limited. (Refer note 32)

As per our report of even date

For **Deloitte Haskins & Sells**
Chartered Accountants

For and on behalf of the Board of Directors

Abhijit A. Damle
Partner

Naresh Malhotra
Whole-time Director
DIN: 00004597

Namit Malhotra
Chairman (Executive Director)
and Chief Executive Officer
DIN: 00004049

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Place: Mumbai
Date: May 30, 2016

Vikas Rathee
Chief Financial Officer

Parina Shah
Company Secretary

NOTES TO ACCOUNTS

1. CORPORATE INFORMATION

Prime Focus Limited (the “Company” or the “Parent Company”) is a public company domiciled in India and incorporated under the provision of the Companies Act, 1956. The Company, its subsidiaries and an associate (collectively referred to as ‘the Group’) are engaged in the business of post-production 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.

2. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES:

a. Basis of preparation

The consolidated financial statements of the Group have been prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards specified under section 133 of the Companies Act, 2013, (the ‘Act’). The consolidated financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of consolidated financial statements are consistent with those of previous year, unless otherwise specified.

b. Principles of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries (collectively referred to as ‘the Group’), which are more than 50% owned or controlled and have been prepared, in accordance with the principles of consolidation laid down in Accounting Standard 21, Consolidated Financial Statements.

The consolidated financial statements have been prepared on the following basis:

- i) The financial statements / consolidated financial statements of certain subsidiaries have been drawn for the year ended March 31, 2016. The financial information of the said subsidiaries, as considered in the consolidated financial statements for the nine months period ended March 31, 2016 has been derived by making appropriate adjustments to the financial information for the year ended March 31, 2016.

- ii) The financial statements of the Company and that of its subsidiaries have been combined on a line-by line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances / transactions and resulting profits in full. An unrealized loss resulting from intra-group transactions has also been eliminated to the extent that recoverable value of related assets is lower than their cost to the Group.
- iii) The assets and liabilities of non-integral subsidiaries are translated into Indian Rupees at the rate of exchange prevailing as of the balance sheet date. Revenue and expenses are translated into Indian Rupees at an average rate. Any exchange difference arising on consolidation is recognised in the Foreign Currency Translation Reserve.
- iv) The consolidated financial statements are prepared using uniform accounting policies to the extent practicable across the Group. Where necessary, adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Company, except in case of depreciation.
- v) Goodwill arising on consolidation

The excess of cost to the parent, of its investment in subsidiary over its portion of equity in the subsidiary at the respective dates on which investment in the subsidiary was made, is recognized in the financial statements as goodwill and in the case where equity exceeds the cost; the difference is accounted as capital reserve. The parent’s portion of equity in the subsidiary is determined on the basis of the value of assets and liabilities as per the financial statements of the subsidiary as on the date of investment.

However, for subsidiary companies, Prime Focus World N.V. (‘PFWNV’) and its subsidiaries (‘PFW Group’), goodwill arising on consolidation represents the excess of their respective cost of acquisition over the fair value of their respective share of the net assets / net liabilities of the acquired entity at the date of acquisition in earlier years. Goodwill arising on this count is ` 1,331,639,478 (Previous year: ` 1,207,581,397).

Goodwill arising on consolidation is evaluated for impairment annually.

- vi) List of subsidiaries which are more than 50% owned or controlled and included in the consolidated financial statements:

Name of subsidiaries	Principal activity	Country of incorporation	Current year percentage of holding	Previous period percentage of holding
De-Fi Media Limited (formerly known as Prime Focus International Limited)	Media and other Investments	England & Wales	100%	100%
Prime Focus Technologies Private Limited	Digital Asset Management	India	75.50%	75.50%
Prime Focus Visual Effects Private Limited	Dormant	India	100%	100%
GVS Software Private Limited	Dormant	India	100%	100%
Prime Focus Motion Pictures Limited	Dormant	India	100%	100%
PF World Limited	Investments	Mauritius	100%	100%
PF Investments Limited	Investments	Mauritius	100%	100%
PF Overseas Limited	Investments	Mauritius	100%	100%

Name of subsidiaries	Principal activity	Country of incorporation	Current year percentage of holding	Previous period percentage of holding
Prime Focus 3D India Private Limited	Dormant	India	100%	100%
Gener8 India Media Services Limited (formerly known as Prime Focus Entertainment Services Limited / Reliance MediaWorks Entertainment Services Limited)	Post Production Services	India	100%	100%
Reliance MediaWorks (Mauritius) Limited (w.e.f. April 07, 2015)	Investments	Mauritius	100%	100%
Prime Focus Malaysia SDN BHD (w.e.f. July 15, 2015)	Post Production Services	Malaysia	100%	-
Subsidiary company of Reliance MediaWorks (Mauritius) Limited				
Reliance Lowry Digital Imaging Services Inc. #10% is held by Prime Focus Limited directly	Restoration	USA	100%#	100%#
Subsidiary company of PF World Limited				
Prime Focus Luxembourg S.a.r.l	Investments	Luxembourg	100%	100%
Gener8 Digital Media Services Limited	Post Production Services	Canada	100%	100%
Subsidiary company of Prime Focus Luxembourg S.a.r.l				
Prime Focus 3D Cooperatief U.A. #0.01% is held by PF Investments Limited	Investments	Netherlands	99.99%#	99.99%#
Subsidiary company of Prime Focus 3D Cooperatief U.A.				
Prime Focus World N.V.	Investments	Netherlands	76.33%	76.33%
Subsidiary companies of Prime Focus World N.V.				
Prime Focus Creative Services Canada Inc	Post Production and VFX Services	Canada	100%	100%
Prime Focus VFX USA Inc	Dormant	USA	100%	100%
Prime Focus North America Inc	Post Production and VFX Services	USA	100%	100%
Prime Focus International Services UK Limited.	Post Production and VFX Services	England & Wales	100%	100%
Prime Focus ME Holdings Limited	Post Production and VFX Services	British Virgin Island	100%	100%
Prime Focus World Creative Services Private Limited	Post Production and VFX Services	India	100%	100%
Prime Focus China Limited	Post Production and VFX Services	British Virgin Island	70%	70%
Double Negative Holdings Limited	Investments	England & Wales	100%	100%
Prime Focus World Malaysia sdn bhd (w.e.f. July 20, 2015)	Post Production and VFX Services	Malaysia	100%	-
Subsidiary companies of Double Negative Holdings Limited				
Double Negative Limited	Post Production and VFX Services	England & Wales	100%	100%
Double Negative Singapore Pte Limited	Post Production and VFX Services	Singapore	100%	100%
Double Negative Films Limited	Dormant	England & Wales	100%	100%
Double Negative Canada Productions Limited	Post Production and VFX Services	Canada	100%	100%
Subsidiary company of Double Negative Canada Productions Limited				
Double Negative Huntsman VFX Limited	Post Production and VFX Services	Canada	100%	-
Subsidiary company of Prime Focus Creative Services Canada Inc.				
Vegas II VFX Limited	Post Production and VFX Services	Canada	100%	100%
Subsidiary company of Prime Focus North America Inc.				
1800 Vine Street LLC	Administrative	USA	100%	100%
Subsidiary company of Prime Focus China Ltd.				
Prime Focus (HK) Holdings Limited	Post Production and VFX Services	Hong Kong	100%	100%
Subsidiary company of Prime Focus World Creative Services Private Limited.				
Reliable Laptops Private Limited (w.e.f. December 07, 2015)	Post Production and VFX Services	India	100%	-
Subsidiary companies of Prime Focus Technologies Private Limited				
Prime Focus Technologies UK Limited	Digital Asset Management	England & Wales	100%	100%
Prime Focus Technologies Inc.	Post Production Services	USA	100%	100%
Subsidiary company of Prime Focus Technologies Inc.				
DAX PFT LLC	Digital Asset Management	USA	100%	100%
Subsidiary company of DAX PFT LLC				
DAX Cloud ULC	Digital Asset Management	Canada	100%	100%
Subsidiary company of Prime Focus Technologies UK Limited				
Prime Post (Europe) Limited	Post Production Services	England & Wales	100%	100%

c. Use of estimates

The preparation of consolidated financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of 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 change from period to period. Actual results could differ from those 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 consolidated financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the consolidated financial statements.

d. Tangible fixed assets

Fixed assets are carried 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 fixed asset 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 fixed assets, 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.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the Statement of Profit and Loss when the asset is derecognized.

e. Depreciation

Depreciation on tangible fixed assets of the Company and its Indian subsidiaries is provided using the Straight Line Method (SLM) as per the useful lives of the assets estimated by the management which is similar to the useful life prescribed under Schedule II of the Companies Act, 2013.

Depreciation on tangible fixed assets of the Company's foreign subsidiaries other than De-fi Media Limited, has been provided on SLM as per the estimated useful life of such assets as follows:

Buildings	Over 40 years
Equipment, fixture & fittings	Over 3 to 10 years
Motor vehicles	Over 5 years
Leasehold improvements	Over the period of the lease or useful economic life whichever is shorter

In case of, De-fi Media Limited, depreciation has been provided using Written Down Value ('WDV') Method, to write down the cost of fixed assets to their residual values over the estimated useful economic lives at the following rates:

Asset Group	Rates (WDV)
Plant and equipment	13.91%
Fixtures and fittings	18.10%
Vehicles	25.89%

Cost of leasehold improvements and leasehold building is amortized on a straight line basis over the period of the lease or useful economic life whichever is shorter.

In case of De-fi Media Limited, Gross book value of assets is ` 1,746,931,329 (previous year ` 1,840,891,729), net book value of assets is ` 1,560,920,163 (previous year ` 1,680,917,729) and depreciation charge for the period is ` 35,623,312 (previous year ` 68,471,947).

f. Intangible assets

Intangible assets are stated at cost less accumulated amortization and impairment loss, if any. Intangible assets are amortized on a straight line basis over the estimated useful economic lives.

The Group amortizes intangible asset pertaining to the 2D to 3D conversion business over 20 years as the Group believes the benefits from this intangible asset will accrue over 20 years.

Film rights

The Company amortizes 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 unrecognized 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.

Software

Software is amortized on straight line basis over the estimated useful life of six years.

Acquired intangible assets

Externally acquired finite-lived intangible assets are initially recognized at cost and subsequently amortized on a straight-line basis over their useful economic lives.

Intangible assets are recognized in business combinations if they are separable from the acquired entity or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

Finite-lived intangible assets that were acquired in a business combination, such as trade names, developed technology, customer relationships/ contracts, non-compete, brands and intellectual property are amortized on a straight-line basis over their estimated useful life of upto 8 years.

The period of amortization only starts at the point at which the asset becomes available to produce economic returns. Amortization is classified as an operating expense.

Goodwill on acquisition is not amortized but is tested for impairment on an annual basis.

Research and development costs

Research costs are expensed as incurred. Development costs are expensed as incurred unless, technical and commercial feasibility of the project together with availability of required resource the intent to complete the project and ability to use or sell the asset, can be demonstrated. Additionally, the assets should be able to generate probable future economic benefit and cost thereof should be measured reliably.

g. Impairment

The carrying values of assets are reviewed at each Balance Sheet date for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognized, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

h. Borrowing cost

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

Borrowing costs relating to acquisition or construction of qualifying assets which takes substantial period of time to get ready for its intended use are capitalised to the extent they relate to the period till such assets are ready to be put to use. All other borrowing costs are expensed in the period in which they occur.

i. Leases

Finance leases, which effectively transfer to the Group substantially all the risks and benefits incidental to ownership of the leased item, are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the

lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the Statement of Profit and Loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight line basis over the leased term.

j. Inventory

Inventory is valued at the lower of cost and net realizable value less any provision for impairment.

k. Investments

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

l. Revenue Recognition

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

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

i. The Group provides a variety of post-production services including digital intermediate, visual special effects (VFX), two dimension to three dimension (2D to 3D) conversion and other technical services to its clients in the film, broadcast and commercial sectors.

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

Unbilled revenue is included within 'other current assets' and billing in advance is included as deferred revenue in

‘other current liabilities’

ii. Contract 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 management perform an assessment of the probability that the contingent event will occur. These assessments are generally based on available market information and revenue will only be recognised when this assessment shows that it is probable the contingent event will occur and therefore it is probable the economic benefits will flow to the Group. When the determination to recognize revenue is reached, the Group calculates revenue in accordance with the fixed price contract policy with regard to percentage of completion method, unbilled revenue, deferred revenue and change orders.

iii. Others

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

Dividends are recognised when the shareholders’ right to receive payment is established by the Balance Sheet date.

m. Foreign currency transactions

Initial recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Conversion

At the year end, foreign currency monetary items are reported using the closing exchange rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Exchange differences

Exchange differences are recognised as income or expenses in the period in which they arise except in case of exchange differences arising on long term foreign currency monetary items related to acquisition of fixed assets which are capitalised and depreciated over the remaining useful life of assets.

Translation of integral and non-integral foreign operation

The Company classifies all its foreign operations as either “integral foreign operation” or “non-integral foreign operation.” The financial statements of an integral foreign operation are translated as if the transactions of the foreign operation have been those of the Company itself.

The assets and liabilities of a non-integral foreign operation are translated into the reporting currency at the exchange rate prevailing at the reporting date and items of Statement of Profit and Loss are translated at average rate. The exchange differences arising on translation are accumulated in the foreign currency translation reserve. On disposal of a non-integral foreign operation, the accumulated foreign currency translation reserve relating to that foreign operation is recognized in the Statement of Profit and Loss. When there is a change in classification of a foreign operation, the translation procedures applicable to the revised classification are applied from the date of the change in the classification.

n. Income taxes

Tax expense comprises of current and deferred tax. Current income tax is determined on the basis of taxable income and tax credits computed for each of the entities in the Group in accordance with the provisions of applicable tax laws of the respective jurisdiction where the entities are located. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the period and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the Group has unabsorbed depreciation or carry forward tax losses, the corresponding deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.

At each balance sheet date the Group re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The Group writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

Minimum Alternative Tax (MAT) credit is recognized as an asset only when and to the extent there is convincing evidence

that the Group will pay normal income tax during the specified period. In the year in which the MAT credit becomes eligible to be recognized as an asset in accordance with the recommendations contained in Guidance Note issued by the Institute of Chartered Accountants of India, the said asset is created by way of a credit to the Statement of Profit and Loss and shown as MAT credit entitlement. The Group reviews the same at each balance sheet date and writes down the carrying amount of MAT credit entitlement to the extent there is no longer convincing evidence to the effect that the Group will pay normal income tax during the specified period.

o. 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.

p. Provisions and contingencies

A provision is recognized when the Group has a legal and constructive obligation as a result of a past event, for which it is probable that cash outflow will be required and a reliable estimate can be made of the amount of the obligation. A contingent liability is disclosed when the Group has a possible or present obligation where it is not probable that an outflow of resources will be required to settle it. Contingent assets are neither recognized nor disclosed.

q. Retirement and other employee benefits

Post-employment benefits and other long term benefits of the Group:

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

Retirement benefits in the form of Provident Fund and Family Pension Fund are defined contribution schemes and the contributions are charged to the Statement of Profit and Loss of the period when the contributions to the respective funds are due. Liability in respect thereof is determined on the basis of contributions as required under the Statute/Rules. There are no other obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit obligation and is provided for on the basis of an actuarial valuation done as per Projected Unit Credit method, carried out by an independent actuary at the end of the year. Actuarial gains and losses are recognized in full in the period in which they occur in the Statement of Profit and Loss.

r. Cash flow statement

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 Group are segregated based on the available information.

3. SHARE CAPITAL

in `

	As at March 31, 2016	As at June 30, 2015
Authorised shares:		
350,000,000 Equity shares of ` 1/- each	350,000,000	350,000,000
Issued, subscribed and paid-Up:		
298,878,974 Equity shares of ` 1/- each	298,878,974	298,878,974
	298,878,974	298,878,974

a. Reconciliation of the shares outstanding at the beginning and at the end of the period / year:

in `

	As at March 31, 2016		As at June 30, 2015	
	No.	Amount	No.	Amount
At the beginning of the period / year	298,878,974	298,878,974	185,417,436	185,417,436
Issued during the period / year	-	-	113,461,538	113,461,538
At the end of the period / year	298,878,974	298,878,974	298,878,974	298,878,974

b. 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.

c. Aggregate number of bonus shares issued, shares issued for consideration other than cash and shares

bought back during the period of five years immediately preceeding the reporting date:

	March 31, 2016 No.	June 30, 2015 No.
Equity shares allotted as fully paid up pursuant to business transfer agreement for consideration other than cash	67,307,692	67,307,692

d. Details of shareholders holding more than 5% shares in the Company

	As at March 31, 2016		As at June 30, 2015	
	No.	% holding	No.	% holding
Naresh Malhotra (Promoter)	62,201,546	20.81	62,201,546	20.81
Reliance MediaWorks Limited	104,939,361	35.11	134,080,061	44.86
Standard Chartered Private Equity (Mauritius) III Limited	10,458,768	3.50	36,549,990	12.23
Standard Chartered Private Equity (Mauritius) Limited	29,241,817	9.78	-	-
Marina IV (Singapore) Pte. Limited	23,390,875	7.83	-	-
Monsoon Studio Private Limited	27,506,095	9.20	27,506,095	9.20
Namit Malhotra (Promoter)	14,900,000	4.99	14,900,000	4.99

e. In the Board of Directors meeting held on July 02, 2014 approval was granted to introduce and implement Employee Stock Option Scheme titled 'PFL-ESOP Scheme 2014' whereby stock options upto 6% of the paid up capital of the Company (post preferential allotment) aggregating 17,932,738 stock options would be issued to eligible employees of the Company and its subsidiaries. The said scheme was approved by the shareholders in the Extra-ordinary General Meeting held on August 01, 2014.

4. RESERVES AND SURPLUS

	in `	
	As at March 31, 2016	As at June 30, 2015
Securities Premium Account		
As per last balance sheet	10,632,513,635	4,590,396,975
Add: Premium on issue of equity shares	-	6,634,422,455
Less: Share of minority	-	375,856,333
Less: Expenses on issue of equity/ preferred shares	-	5,900,000
Less: Premium on redemption of debentures (net of tax)	181,362,777	210,549,462
	10,451,150,858	10,632,513,635
Capital Reserve		
As per last balance sheet, on acquisition of business	517,690,352	517,690,352
	517,690,352	517,690,352
General Reserve		
As per last balance sheet	13,400,000	13,400,000
	13,400,000	13,400,000
Debenture Redemption Reserve		
As per last balance sheet	702,005,965	636,455,965
Add: Transferred from Surplus in the Statement of Profit and Loss	10,869,035	65,550,000
	712,875,000	702,005,965
Balance in the Statement of Profit and Loss		
As per last balance sheet	(1,237,816,796)	1,982,008,351
Add: Loss for the period / year	(1,084,749,505)	(2,922,228,303)
Less: Depreciation on account of transitional provisions of Schedule II to the Companies Act, 2013 (net of tax)	-	15,176,987
Less: Transferred to Debenture Redemption Reserve	10,869,035	65,550,000
Less: Minority share	-	216,869,857
	(2,333,435,336)	(1,237,816,796)
Share options outstanding account		
As per last balance sheet	225,939,646	225,939,646
Amounts recorded on grants during the period	-	-
Less: Deferred stock compensation expense	7,277,172	50,105,261
	218,662,474	175,834,385
Foreign currency translation reserve		
	(328,943,360)	15,782,291
	9,251,399,988	10,819,409,832

On March 19, 2013, PFWNV issued 187,500 of class B Convertible Redeemable Preferred Shares ("class B Preferred"), which carry a par value of €0.01 per share, for \$10.0 million. These class B Preferred shares form a separate class and carry equal rights. The preferred shares are senior to the ordinary shares of PFWNV with respect to distribution of assets and rights upon liquidation of PFWNV or a Sale Transaction. The holder of the class B Preferred is entitled to the same dividend or distribution that the Board may declare to the holders of the Ordinary shares of PFWNV. The class B Preferred shareholders are entitled to vote together with Ordinary shareholders and the number of entitled votes will be calculated based on an as converted basis according to the then applicable conversion rate of the class B Preferred shares to ordinary shares of PFWNV. All outstanding class B Preferred shares shall automatically be converted into ordinary shares of PFWNV in the event of a qualifying initial public offering.

On June 21, 2013, PFWNV issued 827,781 of class A Convertible Redeemable Preferred Shares ("class A Preferred"), which carry a par value of €0.01 per share, for \$38.0 million. These class A Preferred form a separate class and carry equal rights. The Series A Preferred shares are senior to the Series B Preferred shares and 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 A Preferred is entitled to a cumulative preferred dividend, accrued on quarterly basis, of 5% per annum over the aggregate of (a) nominal value of the class A Preferred, plus (b) share premium paid, in addition to the same dividend or distribution that the Board may declare from time to time to the holders of the Ordinary shares of PFWNV. The class A Preferred shareholders are entitled to vote together with Ordinary shareholders of PFWNV and the number of entitled votes will be calculated based on an "as converted" basis according to the then applicable conversion rate of the class A Preferred shares to ordinary shares of PFWNV. All outstanding class A Preferred shares shall mandatorily convert to ordinary shares of PFWNV upon completion of a qualifying initial public offering or at any time at the option of the holder into ordinary shares.

In consolidated financials, class A & B Convertible Redeemable Preferred Shares are considered as part of Minority interest of the group.

5. LONG-TERM BORROWINGS

in `

	Non-current portion		Current maturities	
	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015
Debentures (unsecured)				
Non-convertible debentures - series A	1,010,000,000	1,010,000,000	-	-
Non-convertible debentures - series B	891,000,000	891,000,000	-	-
Premium on aforesaid debentures (Refer note (a) below)	1,028,263,720	761,781,859	-	-
Debentures (secured)				
Optionally convertible debentures (Refer note (b) below)	-	461,400,000	461,400,000	-
Non-convertible debentures	489,100,000	489,100,000	-	-
Premium on Non-convertible debentures (Refer note (c) below)	9,974,940	2,808,006	-	-
Term loans (secured)				
from banks (Refer note (d), (e), (i) below and 9(s))	764,041,982	430,467,119	537,445,478	1,247,514,153
from financial institutions (Refer note (f) below)	-	588,423,227	-	14,673,860
from others (Refer note (g) & (h) below)	496,509,988	406,196,930	116,634,516	28,198,254
Term loans (unsecured)				
from others (Refer note (j) below)	-	-	7,853,919	-
Other loans and advances (secured)				
Finance lease obligations (Refer note (k) below)	665,649,826	593,292,903	602,667,160	608,962,571
Foreign currency loans - buyers credit (Refer note (l) below)	164,017,219	139,327,327	132,297,620	277,305,571
Other loans and advances (unsecured)				
Inter corporate deposit received (Refer note (m) below)	1,083,800,000	-	-	-
	6,602,357,675	5,773,797,371	1,858,298,693	2,176,654,409
The above amount includes				
Secured borrowings	2,589,293,955	3,111,015,512	1,850,444,774	2,176,654,409
Unsecured borrowings	4,013,063,720	2,662,781,859	7,853,919	-
Amount disclosed under the head "other current liabilities" (note 10)	-	-	(1,858,298,693)	(2,176,654,409)
	6,602,357,675	5,773,797,371	-	-

- a. On November 05, 2012, the Company issued 1,901 Zero Coupon Unsecured Redeemable Non-Convertible Debentures (NCDs) of ` 1,000,000 each, of the aggregate nominal value of ` 1,901,000,000 to Standard Chartered Private Equity (Mauritius) III Limited. The Debentures were issued in two series being the Series A NCDs and the Series B NCDs. The Series A NCDs comprised of 1,010 Debentures aggregating ` 1,010,000,000 redeemable after 5 years and the Series B NCDs comprised of 891 Debentures aggregating ` 891,000,000 redeemable after 6 years.

The amounts payable on redemption on Debentures are as follows:

- i. With respect to the Series A NCDs, an amount equal to 188.17% of the Principal amount of Series A NCDs.

- ii. With respect to the Series B NCDs, an amount equal to 213.41% of the Principal amount of Series B NCDs
- In the event that either the Company or the Debenture Holders are desirous of redeeming the Debentures prior to its scheduled maturity other than upon the occurrence of an Event of Default, the Company and the Debenture Holders shall mutually agree on the amounts payable to the Debenture Holders upon such early redemption and the other terms of such redemption.
- b. During March 2014 and April 2014, Prime Focus Technologies Private Limited (PFT) raised through private placement of secured, unlisted, unrated, redeemable, optionally convertible debentures (OCDs) aggregating ` 461,400,000. After 2 years from allotment, Investors will have an option of converting up to 25% of the total principal amount into equity shares of PFT. OCDs are secured by pledge of equity shares of PFT equivalent to 3 times of the issue size held by the Parent Company, guarantee issued by the Parent Company and personal guarantees of promoters. Further, secured by second charge on all the fixed assets of PFT and first and exclusive charge on Debt Service Reserve Amount (DSRA). Interest rate 14% p.a. with maturity profile of 27 months.
- c. On February 20, 2015 the Company made an offer for the issuance of upto 4,000 unlisted, unrated, redeemable debentures not convertible into Equity Shares of the Company of face value of ` 1,00,000/- each ("Debentures") aggregating upto ` 270,000,000 with a Green Shoe Option of upto ` 130,000,000 on a private placement basis. On March 04, 2015, 2,891 Debentures aggregating ` 289,100,000 were allotted. On April 7, 2015 the Company made an additional offer for the issuance of upto 2,000 unlisted, unrated, redeemable debentures not convertible into Equity Shares of the Company of face value of ` 1,00,000/- each ("Debentures") aggregating upto ` 200,000,000. On May 5, 2015, the Company allotted 1,580 debentures under Tranche - 1, aggregating ` 158,000,000 and on May 08, 2015 the Company further allotted 420 debentures under Tranche - 2, aggregating ` 42,000,000. In aggregate, the company allotted 4,891 debentures amounting to ` 489,100,000 at 14% interest payable quarterly and a redemption premium payable on maturity of the debenture to make the IRR of 17%. Of these Debentures ` 289,100,000 mature in August 2017 and ` 200,000,000 matures in November 2017.
- d. Term loans from bank include ` 437,292,577 (Previous year: ` 346,443,420) taken by PFT, which is secured by first and exclusive charge on all existing and future current assets and existing and movable fixed asset except for fixed assets financed through equipment loan/lease, extension of mortgage property owned by the Group at Khar Mumbai, pledge of parent company shares held by the promoter, corporate guarantee issued by the parent company and personal guarantees of promoters. Loan is repayable in 42 equal monthly installments beginning after a moratorium of 6 months from the date of disbursement with an interest rate of 7.25% p.a to 13.65% p.a. As at March 31, 2016, ` 237,025,960 (Previous year: ` 170,666,701) is included in current maturities of long-term borrowings and balance of ` 200,266,617 (Previous year: ` 175,776,719) is included in long-term borrowings.
- e. Term loans from bank include \$ 4,000,000, (` 264,395,600) (Previous year: \$ 4,000,000, (` 254,690,400)) taken by Prime Focus Technologies Inc. (PFT Inc.), which is secured by exclusive first charge on all assets including current assets of PFT Inc., cash margin, escrow of receivables, pledge of shares of PFT Inc. and DAX PFT LLC, pledge of certain shares of PFT and of the Company both backed by non-disposal undertaking, corporate guarantee of PFT and personal guarantee of the promoter. Term loan facility 1 of USD 2,000,000 (` 132,197,800) is repayable in 4 yearly equal installments beginning September 30, 2016 and facility 2 of USD 2,000,000 (` 132,197,800) on October 3, 2016. ` 165,247,250 (Previous year: ` Nil) is included in current maturities of long-term borrowings and balance of ` 99,148,350 (Previous year: ` 254,690,400) is included in long-term borrowings. Interest rate on term loans are based on 6 months libor plus 550 basis.
- f. As at June 30, 2015 term loan from financial institution included ` 603,097,087 for a mortgage taken by PFW Group which was collateralized by the land and building of the PFW Group. Interest charged on this mortgage was a fixed rate of 3.8%. On sale of building, the mortgage was released and settled at entirety in March 2016.
- g. On August 13, 2014, the Company entered into a long term loan agreement with others to borrow ` 450,000,000 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 installment starting from October 01, 2014 for loan availed on August 29, 2014 and from November 01, 2014 for loan availed on September 05, 2014. Further, the term loan is secured by a specific charge on immovable properties of the Company. At the period end, ` 384,009,988 is disclosed as non-current and ` 29,134,516 is disclosed as current. As at June 30, 2015 ` 432,737,071 is disclosed as non-current.
- h. On October 19, 2015, the Company entered into an agreement for term loan with others to borrow ` 200,000,000 at an interest rate of 15.25% p.a., to repay the existing term loan and for general corporate purpose which includes working capital. The loan is repayable in 6 quarterly installments starting from end of 3rd quarter from the date of disbursement. The loan is secured by pledge of shares by promoters. At the period end ` 112,500,000 is disclosed as non-current and ` 87,500,000 is disclosed as current.
- i. PFW Group has availed term loan from a bank of \$ 9,074,270 for which bank has a fixed and floating charge in respect of all present and future liabilities and obligations secured on the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, and fixed plant & machinery. As at March 31, 2016 ` 464,627,015 is disclosed as non-current long term borrowing and ` 135,172,268 as current portion of long-term borrowing.
- j. Unsecured term loans from others are availed on zero percent interest rate and is considered under current maturities of long term borrowings.

- k. Lease obligations towards assets acquired under finance leases:

	in ₹					
	Total minimum lease payments outstanding		Future Interest on outstanding lease payments		Present Value of minimum lease payments	
	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015
Within one year	717,368,865	683,690,517	114,701,705	74,727,946	602,667,160	608,962,571
Later than one year and not later five years	747,774,842	649,427,498	82,125,016	56,134,595	665,649,826	593,292,903
Later than five years	-	-	-	-	-	-
	1,465,143,707	1,333,118,015	196,826,721	130,862,541	1,268,316,986	1,202,255,474

Finance lease obligations are secured by hypothecation of plant and machinery, office equipment, vehicles and software taken on lease.

- l. **Foreign currency loans**

Foreign currency loans – buyer's credit of ₹ 117,636,991 (Previous year ₹ 161,992,288) of which ₹ 84,779,068 (Previous year ₹ 65,824,441) is non-current and ₹ 32,857,923 (Previous year ₹ 96,167,847) is current and secured by pari passu charge on the immoveable assets of the Parent Company, both present and future (except building in Royal Palms, Goregaon, Mumbai), pari passu charge on the Parent Company's current assets both present and future and personal guarantees of the promoter director. Also secured against margin monies – Fixed Deposits.

Foreign currency loans- buyer's credit of ₹ 178,677,848 (Previous year ₹ 254,640,610) of which ₹ 79,238,151 (Previous year ₹ 73,502,886) is non-current and ₹ 99,439,697 (Previous year ₹ 181,137,724) is disclosed as current maturity of long term loans is secured against margin monies- fixed deposits pledged. Interest rate ranges from 1% to 2% p.a. with maturity profile of 2-3 years.

- m. During the current period, on various dates, the Company entered into an agreement for an unsecured inter corporate deposit aggregating ₹ 1,083,800,000 at an interest rate of 13% p.a., for general corporate purpose which includes working capital. These inter corporate deposits are repayable after 2 years from the date of disbursement. As at March 31, 2016, outstanding balance of these inter corporate deposits are ₹ 1,083,800,000.

6. DEFERRED TAX LIABILITY (NET)

	in ₹	
	As at March 31, 2016	As at June 30, 2015
Deferred tax liability		
Difference between tax and books written down values of fixed assets	305,808,811	118,628,762
	305,808,811	118,628,762
Deferred tax assets		
Unabsorbed loss carried forward	138,428,539	12,790,645
Provision for gratuity	33,401,017	6,053,962
Others (Rent straight lining etc.)	9,293,644	7,206,883
	181,123,200	26,051,490
	124,685,611	92,577,272



DEFERRED TAX (ASSET) (NET)

	in `	
	As at March 31, 2016	As at June 30, 2015
Deferred tax liability		
Difference between tax and books written down values of fixed assets	199,404,260	168,829,692
Foreign currency translation reserve relating to net investments in foreign operations	6,818,563	
	206,222,823	168,829,692
Deferred tax assets		
Unabsorbed loss carried forward	488,889,179	488,889,179
Premium on redemption on NCD	318,449,757	225,062,076
Provision for doubtful debts / advances	16,995,000	34,464,139
Provision for gratuity and others	6,690,910	4,828,245
	831,024,846	753,243,639
	(624,802,023)	(584,413,947)

The Company had recognized a deferred tax asset on the carry forward losses in the earlier years. Based on the agreements entered into by the Company for lease/ sub-lease of its premises and to render outsourcing service to its subsidiaries coupled with the revenue from existing business activities, the management is confident that sufficient taxable income to offset carry forward losses would be generated.

7. OTHER LONG-TERM LIABILITIES

	in `	
	As at March 31, 2016	As at June 30, 2015
Security deposits	14,572,334	55,500,000
Lease rent liability	1,367,614,889	1,495,903,530
Deferred revenue	31,975,343	-
Deferred consideration for acquisition of business	1,544,839,476	1,765,359,736
Other payables	232,801,651	609,056,848
	3,191,803,693	3,925,820,114

8. PROVISIONS

	Long-term		Short-term		in `
	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015	
Provision for employee benefits					
Provision for gratuity	55,903,186	35,338,372	1,804,299	2,428,605	
Provision for leave encashment	8,744,027	13,551,273	2,103,664	8,297,052	
Provision for onerous contract	-	-	-	57,963,598	
Provision for income tax (net of advance tax)	-	-	145,383,117	32,849,349	
	64,647,213	48,889,645	149,291,080	101,538,604	

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

9. SHORT-TERM BORROWINGS

in `

	As at March 31, 2016	As at June 30, 2015
From Banks / Financial Institutions/ Others (Secured)		
Cash credit / overdraft (Refer note (b), (f), (i) & (m))	1,510,911,766	1,167,830,387
Short-term demand loan (Refer note (a), (c), (e), (g), (h), (k), (o), (n) & (s))	1,578,452,235	604,680,728
Invoice discounting facility (Refer note (i), (j) & (l))	942,876,171	396,553,370
From Others (Unsecured)		
Short-term demand loan (Refer note (p))	232,438,797	255,208,886
	4,264,678,969	2,424,273,371

- a. In February 2011, the Company entered into an agreement for a working capital demand loan of ` 250,000,000 from a bank for a term of six months at an interest rate of 13% p.a. This is renewed periodically and is secured by first pari passu charge on the Company's current assets both present and future, personal guarantees and pledge of shares by the promoter director. As at March 31, 2016 and as at June 30, 2015 ` 100,000,000 is outstanding and is included in short-term demand loans (secured).
- b. On November 6, 2012, the Company entered in to an agreement for pre-shipment financing under export orders ("Facility") of ` 385,000,000 for funding against confirmed orders up to 100% of export sales. The interest rate for the facility drawn in Indian rupees is base rate plus margin and for facility drawn in currency other than Indian rupees is LIBOR plus margin. There are sub-limits under the facility for financial guarantees / standby letter of credit for payment undertaking for buyer's credit, pre-shipment financing under export letter of credit, export bills discounting, export invoice financing, import invoice financing, overdraft, short-term loans and bonds/ guarantees. The Facility is secured by first pari-passu charge on stock and book debts of the Company, personal guarantee of the promoters, first pari-passu charge on movable fixed assets of the Company, first pari-passu charge on immovable fixed assets located at Royal Palms-Mastermind, Goregoan, Mumbai and Raghuvanshi Mills, Mumbai and pledge of shares of the Company. As at March 31, 2016 ` 146,607,729 and as at June 30, 2015 ` 146,718,825 is outstanding under the Facility and included in cash credit/ overdraft.
- c. On October 28, 2014, the Company borrowed ` 5,000,000 as working capital demand loan from a bank for a term of ten months at an interest rate of 13.75%. The short-term demand loan is secured by first pari passu charge on the Company's current assets both present and future, personal guarantees and pledge of shares by the promoter director. As at March 31, 2016 and as at June 30, 2015, ` 5,000,000 is outstanding and is included in short-term demand loans (secured).
- d. On November 5, 2014, the Company raised ` 50,000,000 from others at an interest rate of 15.5% per annum for a term of 6 months from date of disbursement. This loan is renewed and is secured by pledge of shares by a promoter director. The loan was repaid during the period.
- e. On February 18, 2015, the Company raised ` 50,000,000 from others at an interest rate of 17% per annum for a term of 363 days from the date of disbursement. The short-term demand loan is secured by pledge of shares by a promoter director. As at March 31, 2016 ` 100,000,000 and as at June 30, 2015 ` 50,000,000 was outstanding and is included under short-term demand loan (secured).
- f. Cash credits/ overdraft from banks are secured against first pari passu charge on the Company's current assets both present and future, personal guarantees and pledge of shares by the promoter director. The cash credit is repayable on demand and carries interest at the rate of 14.50% to 14.75% per annum. As at March 31, 2016 and June 30, 2015, the cash credits/ overdraft outstanding were ` 113,750,673 and ` 183,587,792 respectively.
- g. On January 31, 2013, the Company entered into an agreement for a working capital loan of ` 150,000,000 from others at an interest rate of 16% per annum for a term of 12 months from the date of disbursement. This loan is renewed periodically and is secured by personal guarantee and pledge of shares by a promoter director. On February 01, 2016, the Company rolled over the said loan at an interest rate of 15.50% per annum for a term of 12 months from the date of renewal. On January 21, 2015, the Company additionally borrowed ` 50,000,000 for general corporate purpose at an interest rate of 15.50% per annum for a term of 12 months from the date of disbursement. On January 22, 2016, the Company rolled over the loan at an interest rate of 15.50% per annum for a term of 12 months from the date of renewal. The general corporate purpose loan is secured by personal guarantee and pledge of shares by a promoter director. As at March 31, 2016 ` 135,000,000 and as at June 30, 2015 ` 177,400,000 was outstanding and is included under short-term demand loan (secured).
- h. On September 14, 2015, the Company entered into an agreement for a working capital demand loan of ` 100,000,000 from a bank for a term of 90 days at an interest rate of 13.90% per annum. This loan is renewed periodically and is secured by first pari passu charge on the Company's current assets both present and future, personal guarantees and pledge of shares by the promoter director. As at March 31, 2016, ` 100,000,000 is outstanding and is included in short-term demand loans (secured).

- i. PFT has availed a cash credit and invoice discounting facility from bank, which is 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 loans are further secured by corporate guarantee issued by parent company and personal guarantee of promoters. The rate of interest for cash credit / overdraft ranges from 12.65% to 14.90%. As at March 31, 2016 and June 30, 2015 ` 172,849,328 and ` 139,189,630 respectively was included in Cash Credit / Overdraft and as at March 31, 2016 ` 100,171,479 and as at June 30, 2015 ` 50,041,223 was included in Invoice Discounting Facility.
- j. In current period, PFT UK availed an invoice discounting facilities from financial institution. The loan is secured by charge on debtors and carries interest of 3.5% p.a. As on March 31, 2016 ` 6,542,689 is outstanding and included in Invoice Discounting Facility.
- k. Short term demand loan (secured) includes bank loan of ` 223,519,434 (\$3,381,591) (Previous year: ` 222,280,725 (\$3,322,032)) taken by PFW Group, which is collateralized by the tax credit receivables. The line of credit amount is \$3,950,000. The line of credit is bearing interest rate at the bank prime rate plus 1.3%, equivalent to 4.3%.
- l. PFW Group has availed borrowings from banks for pre-shipment and post-shipment export finance at a rate of interest of LIBOR+2.50% to LIBOR+7.25% with a tenor of upto 1 year. The facility is secured against current assets and fixed assets of the Company, pledge of shares of the ultimate holding Company by the promoter of the ultimate holding company, corporate guarantee of the ultimate holding company and personal guarantee of the promoter of the ultimate holding company to the extent of ` 250,000,000 and is secured against current assets and fixed assets of the Company and corporate guarantee from ultimate holding company and parent company to the extent of ` 180,000,000. As at March 31, 2016 ` 836,162,003 (Previous year: ` 346,512,147) is included in Invoice discounting facility.
- m. PFW Group has availed cash credit/ overdraft from a bank for which bank has a fixed and floating charge in respect of all present and future liabilities and obligations secured on the undertaking and all property and assets present and future including goodwill, book debts, uncalled capital, buildings, fixtures, and fixed plant & machinery. As at March 31, 2016 ` 1,077,704,036 (Previous year: ` 698,334,140) is outstanding and is included in cash credit/ overdraft.
- n. Short term demand loan includes bank loan of \$ 3,569,045 taken by PFW Group during the year, falling due within one year which is collateralized by the tax credit receivables. The line of credit is bearing interest rate at the bank prime rate plus 0.75%. The outstanding balance as at March 31, 2016 is ` 235,909,916.
- o. Short term demand loan includes loan from others of ` 158,560,146 taken by PFW Group during the year, which is collateralized by tax credit receivables.
- p. PFW Group has availed unsecured short term working capital loans from corporates during the year. As at March 31, 2016 ` 232,438,797 (Previous year: ` 255,208,886) is outstanding and is included in short term demand loan (unsecured).
- q. On November 06, 2015, the Company entered into an agreement for an unsecured inter-corporate deposit of ` 330,000,000 from others at an interest rate of 13% p.a., for general corporate purpose which includes working capital. The inter-corporate deposit was repaid during the period.
- r. On April 20, 2015, the Company entered in an agreement with others for an unsecured demand loan for an amount not exceeding ` 100,000,000 in as many tranches as parties mutually decide. Of the total available limits, the Company has availed loan of ` 60,000,000 during the period for working capital purpose at an interest rate of 11% p.a. The outstanding balance as on March 31, 2016 is ` Nil.
- s. Bank loan of \$ 7,874,000 as at March 31, 2016 (Previous year: \$ 16,912,258) is collateralized by the tangible and intangible assets of the PFW Group, with the land and buildings subordinated to the mortgage holder. Interest is charged on this facility at a variable rate, which ranged 5.2% to 6% in the current period. During the current period, the terms of the loan were amended to make it repayable on demand, consequent to which balance outstanding as of March 31, 2016 ` 520,462,739 is included in short-term demand loan (secured). As at June 30, 2015 ` 1076,847,552 was shown under current maturity of long term borrowing.

10. OTHER CURRENT LIABILITIES

in `

	As at March 31, 2016	As at June 30, 2015
Current maturities of long-term borrowings (Refer note 5)	1,858,298,693	2,176,654,409
Accrued salaries and benefits	524,582,183	498,836,130
Capital Creditors	178,818,403	191,756,253
Advances received from clients	327,883,749	168,344,468
Interest accrued but not due on borrowings	68,788,773	14,567,149
Interest & redemption premium payable on OCD's	15,273,213	13,449,324
Security deposits	38,417,029	31,917,029
Bank book overdraft	135,863	153,892,020
Deferred revenue	1,451,541,706	1,257,078,392
Deferred consideration for acquisition of business	612,289,157	593,704,232
Other payables	1,923,188,965	1,249,527,878
	6,999,217,734	6,349,727,284

Other payables include withholding taxes, service tax payable, VAT payable and employer and employee contribution to provident and other funds liability.

11. TANGIBLE ASSETS

in `

	Building	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Office equipments	Vehicles	Total
Gross block							
As at July 01, 2014	1,957,390,330	7,261,152,607	532,591,933	1,232,969,888	171,268,886	38,395,929	11,193,769,573
Business acquisition	658,415,151	5,635,137,069	93,873,236	1,945,276,967	90,318,065	3,800,535	8,426,821,023
Additions	-	1,687,950,668	12,099,100	450,332,810	69,745,236	5,898,277	2,226,026,091
Deduction	-	(187,391,290)	(10,028,183)	-	-	(800,496)	(198,219,969)
Sale of investment in subsidiary	-	(2,219,672,212)	(270,735,525)	(419,624,427)	-	(2,865,706)	(2,912,897,870)
Exchange differences	90,897,554	(462,572,710)	(25,988,556)	(188,582,020)	2,358,717	259,277	(583,627,738)
As at June 30, 2015	2,706,703,035	11,714,604,132	331,812,005	3,020,373,218	333,690,904	44,687,816	18,151,871,110
Depreciation							
As at July 01, 2014	167,524,917	3,637,977,008	312,565,985	656,713,294	85,804,484	11,578,370	4,872,164,058
Business acquisition	6,515,151	4,327,008,801	36,075,483	999,506,479	43,003,469	-	5,412,109,383
For the year	42,649,989	1,257,948,851	23,966,869	472,610,981	47,958,338	6,090,584	1,851,225,612
Adjustment against reserve	-	16,496,805	12,297	-	5,296,947	166,595	21,972,644
Deduction	-	(23,671,190)	(5,444,604)	-	-	(760,471)	(29,876,265)
Sale of investment in subsidiary	-	(1,103,715,237)	(189,177,986)	(377,226,335)	-	(1,542,612)	(1,671,662,170)
Exchange differences	9,011,377	(266,936,519)	(14,366,788)	(88,479,809)	(14,552,655)	91,584	(375,232,810)
As at June 30, 2015	225,701,434	7,845,108,519	163,631,256	1,663,124,610	167,510,583	15,624,050	10,080,700,452
Net block							
As at June 30, 2015	2,481,001,601	3,869,495,613	168,180,749	1,357,248,608	166,180,321	29,063,766	8,071,170,658

	Building	Plant and equipment	Furniture and fixtures	Lease Hold Improvement	Office equipments	Vehicles	Total
Gross block							
As at July 01, 2015	2,706,703,035	11,714,604,132	331,812,005	3,020,373,218	333,690,904	44,687,816	18,151,871,110
Additions	-	1,359,887,726	3,207,455	234,205,614	11,196,698	4,876,994	1,613,374,487
Deduction	(1,607,737,395)	(71,071,230)	-	(111,562,014)	-	(8,515,728)	(1,798,886,367)
Exchange differences	59,246,973	(166,539,716)	1,738,831	(27,331,125)	15,966,458	396,921	(116,521,658)
As at March 31, 2016	1,158,212,613	12,836,880,912	336,758,291	3,115,685,693	360,854,060	41,446,003	17,849,837,572
Depreciation							
As at July 01, 2015	225,701,434	7,845,108,519	163,631,256	1,663,124,610	167,510,583	15,624,050	10,080,700,452
For the period	43,715,964	1,134,037,993	23,450,910	372,195,703	48,003,735	5,064,157	1,626,468,462
Deduction	(196,384,081)	(39,603,893)	-	(110,961,801)	-	(3,511,229)	(350,461,004)
Exchange differences	6,669,226	(173,334,711)	941,606	(50,781,886)	16,461,612	180,181	(199,863,972)
As at March 31, 2016	79,702,543	8,766,207,908	188,023,772	1,873,576,626	231,975,930	17,357,159	11,156,843,938
Net block							
As at March 31, 2016	1,078,510,070	4,070,673,004	148,734,519	1,242,109,067	128,878,130	24,088,844	6,692,993,634

- The Group has capitalized exchange loss, arising on long-term foreign currency loans, amounting to ` 549,065 (Previous year: ` 11,492,969) to the cost of plant and equipment.

12. INTANGIBLE ASSETS

in `

	Goodwill	Film Rights	Customer relationships and contracts	Trade names, Brand and Non-complete	Software	Total
Gross block						
As at July 01, 2014	604,216,213	1,627,225,392	66,394,762	7,316,753	1,532,896,369	3,838,049,489
Business acquisition	416,645,871	-	-	45,322,793	1,565,019,691	2,026,988,355
Additions	309,845,007	-	-	-	657,517,148	967,362,155
Deduction/ Adjustments	(57,305,340)	-	-	-	(9,130,403)	(66,435,743)
Sale of subsidiary	(43,642,535)	(147,862,818)	-	-	-	(191,505,353)
Exchange differences	154,718,930	(42,780,339)	426,380	8,028,697	(21,114,586)	99,279,082
As at June 30, 2015	1,384,478,146	1,436,582,235	66,821,142	60,668,243	3,725,188,219	6,673,737,985
Amortization						
As at July 01, 2014	5,320,000	19,495,891	66,394,762	7,316,753	409,295,242	507,822,648
Business acquisition	-	-	-	-	518,387,174	518,387,174
For the year	-	5,145,206	-	6,767,925	348,274,255	360,187,386
Exchange differences	-	-	426,380	4,365,015	6,171,425	10,962,820
As at June 30, 2015	5,320,000	24,641,097	66,821,142	18,449,693	1,282,128,096	1,397,360,028
Net block						
As at June 30, 2015	1,379,158,146	1,411,941,138	-	42,218,550	2,443,060,123	5,276,377,957
	Goodwill	Film Rights	Customer relationships and contracts	Trade names, Brand and Non-complete	Software	Total
Gross block						
As at July 01, 2015	1,384,478,146	1,436,582,235	66,821,142	60,668,243	3,725,188,219	6,673,737,985
Acquisition	254,883,353	-	-	-	-	254,883,353
Additions	-	-	-	-	570,112,721	570,112,721
Deduction	-	-	-	-	(38,870,900)	(38,870,900)
Exchange differences	(253,082,752)	(71,792,940)	277,234	4,580,860	93,501,277	(226,516,321)
As at March 31, 2016	1,386,278,747	1,364,789,295	67,098,376	65,249,103	4,349,931,317	7,233,346,838
Depreciation						
As at July 01, 2015	5,320,000	24,641,097	66,821,142	18,449,693	1,282,128,096	1,397,360,028
For the period	-	3,858,903	-	5,400,440	371,544,387	380,803,730
Deduction	-	-	-	-	(38,724,905)	(38,724,905)
Exchange differences	1,337	-	277,234	2,981,444	38,867,568	42,127,583
As at March 31, 2016	5,321,337	28,500,000	67,098,376	26,831,577	1,653,815,146	1,781,566,436
Net block						
As at March 31, 2016	1,380,957,410	1,336,289,295	-	38,417,526	2,696,116,171	5,451,780,402

- The Group has capitalized exchange loss, arising on long-term foreign currency loans, amounting to ` 334,519 (Previous year: ` 442,777) to the cost of software.

13. NON-CURRENT INVESTMENTS

	in `	
	As at March 31, 2016	As at June 30, 2015
Non-trade		
Unquoted - fully paid up		
The Shamrao Vithal Co-operative Bank Ltd. 4,000 shares of ` 25/- each	100,000	100,000
Mainframe Premises Co-Operative Society Ltd. 350 shares of ` 10/- each	3,500	3,500
Locksmith Ltd 1400 shares of £ 0.001 each	33,239,121	35,035,987
Digital Domain-Reliance LLC*	851,158,263	822,258,791
	884,500,884	857,398,278

* The Group has 30% ownership interest in Digital Domain-Reliance LLC

14. TRADE RECEIVABLES (UNSECURED)

	in `	
	As at March 31, 2016	As at June 30, 2015
Debts outstanding for a period exceeding six months		
Considered good	2,582,422,891	2,404,067,989
Considered doubtful	95,712,624	109,324,484
Other debts		
Considered good	1,601,319,369	1,352,250,793
Considered doubtful	-	-
	4,279,454,884	3,865,643,266
Less: Provision	95,712,624	109,324,484
	4,183,742,260	3,756,318,782

15. LOANS AND ADVANCES

in `

	Long-term		Short-term	
	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015
Unsecured - considered good				
Capital advances	282,624,974	309,865,599	-	-
Deposits	759,992,466	828,648,104	4,136,829	3,883,904
Inter-company deposits (including interest)	-	-	238,803,703	225,218,671
MAT credit entitlement	68,524,051	72,520,042	-	-
Prepaid expenses	-	-	341,269,299	499,898,785
Tax credits receivable from foreign government	-	-	1,006,549,568	980,776,852
Advance payment of taxes (Net of Provision for Tax)	529,794,558	418,703,655	-	-
Other loans and advances	4,576,966	16,001,587	1,831,376,812	936,783,719
	1,645,513,015	1,645,738,987	3,422,136,211	2,646,561,931
Unsecured - considered doubtful				
Other loans and advances	-	-	50,000,000	50,000,000
	-	-	50,000,000	50,000,000
Less: Provision	-	-	(50,000,000)	(50,000,000)
	-	-	-	-
	1,645,513,015	1,645,738,987	3,422,136,211	2,646,561,931

Other loans advances include loans and advances to employees and others, advances to suppliers, input credit, deposits to Government authorities, service taxes receivable, etc.

16. CASH AND BANK BALANCES

in `

	As at March 31, 2016	As at June 30, 2015
Cash and cash equivalents		
Cash on hand	2,114,696	2,462,646
Balances with banks:		
In Current Accounts	905,964,781	352,146,541
	908,079,477	354,609,187
Other bank balances:		
Margin money deposits	226,761,205	261,623,678
	226,761,205	261,623,678
	1,134,840,682	616,232,865

- Margin money deposits aggregating ` 205,803,605 (previous year: ` 240,666,078) are subject to first charge to secure the foreign currency loans – buyer's credit and bank guarantees.
- Margin money deposits aggregating ` 20,957,600 (previous year: ` 20,957,600) are subject to first charge to secure the interest of non-convertible debenture holders issued by the Company.



17. OTHER ASSETS

	in `			
	Non-current		Current	
	As at March 31, 2016	As at June 30, 2015	As at March 31, 2016	As at June 30, 2015
Unbilled revenue	-	-	1,360,581,868	1,920,357,166
Interest accrued on fixed deposits	-	-	5,393,418	4,469,496
Receivable on sale of subsidiary (Refer note 22b)	-	-	18,967,001	19,987,159
Other assets	-	682,447	25,093,330	-
	-	682,447	1,410,035,617	1,944,813,821

18. OTHER INCOME

	in `	
	Period ended March 31, 2016	Year ended June 30, 2015
Dividend		
Long term investments - non trade	-	24,000
Interest Income		
Bank deposits	11,427,772	12,650,717
On income tax refunds	3,668,586	5,404,191
Others	40,497,893	7,894,504
Profit on sale of asset	29,135,114	3,601,169
Exchange gain (net)	325,144,329	-
Excess provision for doubtful debts written back	388,381	127,275,492
Sundry credit balance written back	8,905,439	31,097,330
Insurance claim received	-	423,694
Bad debt recovered	11,658,779	72,937
Miscellaneous income	13,917,124	7,151,134
	444,743,417	195,595,168

19. EMPLOYEE BENEFITS EXPENSE

	in `	
	Period ended March 31, 2016	Year ended June 30, 2015
Salaries, wages and bonus	8,394,979,387	9,002,358,531
Stock option expense (refer note 30)	42,828,089	67,584,889
Contribution to provident and other funds	52,331,957	38,184,139
Gratuity	12,598,266	7,411,081
Staff welfare	86,984,984	148,035,440
	8,589,722,683	9,263,574,080

20. FINANCE COSTS

in `

	Period ended March 31, 2016	Year ended June 30, 2015
Interest on working capital finance	408,177,888	282,453,456
Interest on term loan	113,336,376	259,399,508
Interest on buyer's credit	5,713,886	7,848,315
Interest on non convertible debentures	23,731,886	8,351,800
Interest on optionally convertible debentures	54,880,050	75,213,668
Interest on Inter Corporate Deposits	21,583,562	-
Interest on others	113,644,746	35,206,635
Bank charges	79,318,896	58,781,617
	820,387,290	727,254,999

21. OTHER EXPENSES

in `

	Period ended March 31, 2016	Year ended June 30, 2015
Technical service cost	460,370,007	514,548,103
Communication cost	149,693,631	166,489,320
Consumable stores	193,570,317	250,847,572
Director's sitting fees	300,400	900,000
Electricity charges	133,387,179	111,857,765
Insurance cost	81,892,085	91,652,802
Legal and professional fees	366,566,633	380,795,563
Loss on sale of fixed assets	480,016	2,160,751
Rates and taxes	171,302,147	70,920,778
Rebates and discount	7,175,517	17,892,388
Rent (Refer note 26)	644,698,927	1,044,361,623
Traveling and conveyance	259,958,068	258,625,440
Repairs and maintenance-equipment	97,535,412	69,738,809
Repairs and maintenance-buildings	22,577,122	167,071,134
Bad debts written off (net of provision for doubtful debts written back of ` 63,055,254) (Previous year ` 61,906,158)	1,020,444	37,800,257
Provision for doubtful debts	-	1,744,542
Sundry balances written off	5,072,043	2,979,984
Exchange loss (net)	-	372,538,385
Auditor's remuneration		
As auditor		
Audit fees	15,690,734	22,482,256
In other matters	4,289,156	1,802,500
Miscellaneous expenses	341,065,908	535,297,360
	2,956,645,746	4,122,507,332



22. EXCEPTIONAL ITEMS

	in `	
	Period ended March 31, 2016	Year ended June 30, 2015
Provision for doubtful debts / advances (net)	-	50,060,476
Loss on sale of assets	103,696,974	-
Restructuring and integration costs (Refer note a below)	731,330,842	619,146,656
Loss on disinvestment of subsidiary (Refer note b below)	-	453,022,758
Loan and advances written off	-	1,353,249,789
	835,027,816	2,475,479,679

- a. During the latter half of 2015, the management team of Prime Focus World NV decided to close Double Negative Singapore PTE. Ltd, an outsourcing facility that provided support to Double Negative Limited as part of an overall strategy to improve efficiencies and reduce costs. As part of the strategy to reduce costs, an outsourcing facility in India has been set-up. The Indian facility was in operation from October 2015.

An announcement was made in September 2015 to staff for the planned curtailment of Double Negative Singapore PTE. Ltd and a public announcement of closure was made in March 2016. Discussions in this regards are in progress with Economic Development Board (EDB), consequent to which closure of the Singapore operations will be completed in the year 2016-17.

The above includes restructuring and integration costs pertaining to Singapore operations:

- Redundancy costs of ` 7,474,580
- Provision for dilapidations of ` 36,610,923
- The write off of receivables from the Economic Development Board of ` 209,529,019
- Other costs of ` 333,926,040 for the period from October 2015 to March 2016

- b. On March 31, 2015 the Company sold its entire holdings of 21,492,003 ordinary shares of Prime Focus London Plc. (PFL Plc), a subsidiary company incorporated in the U.K. for a consideration of ` 37,074,693. The Company incurred a loss of ` 453,022,758. Of the total consideration, ` 18,967,001 (previous year ` 19,987,159) is outstanding as at March 31, 2016. (Refer note 17).

23. EARNINGS PER SHARE (EPS)

	in `	
	Period ended March 31, 2016	Period ended June 30, 2015
Net loss attributable to equity shareholders	(1,084,749,505)	(2,922,228,303)
Exceptional items (net of tax)	835,027,816	2,458,464,123
Net Profit before exceptional items but after tax	(249,721,689)	(463,764,180)
	NUMBER	NUMBER
Weighted average number of equity shares in calculating basic and diluted EPS	298,878,974	211,839,986
Earnings per share (before exceptional items)		
Basic EPS	(0.84)	(2.19)
Diluted EPS	(0.84)	(2.19)
Earnings per share (after exceptional items)		
Basic EPS	(3.63)	(13.79)
Diluted EPS	(3.63)	(13.79)

24. SEGMENT INFORMATION

Primary segment information – Business Segments

The Group is presently operating as integrated post production set up. The entire operations of the Group are governed by the same set of risks and returns and hence have been considered as representing a single segment. The said treatment is in accordance with the guiding principles enunciated in the Accounting Standard on Segment Reporting (AS-17).

Segment information for secondary segment reporting (by geographical segment based on location of customers)

in `

	Revenue from operations		Segment Assets		Capital Expenditure	
	Period ended March 31, 2016	Year ended June 30, 2015	As at March 31, 2016	As at June 30, 2015	Period ended March 31, 2016	Year ended June 30, 2015
India	2,439,218,607	2,567,812,885	9,063,272,003	8,662,327,389	863,179,152	1,856,778,394
United Kingdom	3,143,296,172	4,327,766,845	15,081,857,270	15,386,367,222	774,247,243	1,323,530,385
U.S.	2,962,507,588	6,917,937,867	2,170,298,429	2,591,445,890	138,026,787	935,978,915
Canada	4,719,447,345	1,220,939,884	3,629,128,806	2,561,684,485	638,489,382	1,002,632,210
U.A.E	19,464,175	-	76,785,651	-	-	-
Other Countries	17,965,416	345,287,105	933,572,067	2,044,517,656	1,717,166	53,810,797
	13,301,899,303	15,379,744,586	30,954,914,226	31,246,342,642	2,415,659,730	5,172,730,701

25. RELATED PARTY DISCLOSURES

a. List of related parties with whom transactions have taken place during the period / year

i. Key management personnel

Prime Focus Limited

Mr. Naresh Malhotra – Whole-time Director
 Mr. Ramakrishnan Sankaranarayanan – Managing Director
 Mr. Namit Malhotra – CEO, Chairman and Executive Director
 Mr. Nishant Fadia – CFO (till July 31, 2014)
 Mr. Vikas Rathee – CFO (w.e.f August 1, 2014)
 Ms. Parina Shah – Company Secretary (w.e.f. September 12, 2015)
 Ms. Kirti Desai – Company Secretary (resigned w.e.f. July 7, 2015)

Prime Focus World N.V.

Mr. Namit Malhotra – Chief Executive Officer and Whole-time Director
 Mr. Massoud Entekhabi – Whole-time Director

Prime Focus Technologies Private Limited

Mr. Ramakrishnan Sankaranarayanan – Whole-time Director
 Mr. Ganesh V.Sankaran - Whole-time Director

ii. Relative of Key management personnel

Prime Focus Technologies Private Limited

Mrs. Sumati Ganesh – Wife of Mr. Ganesh V Sankaran (resigned w.e.f. February, 19, 2016)

iii. Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Blooming Buds Coaching Private Limited
 N2M Reality Private Limited
 Monsoon Studio Private Limited

iv. **Enterprises exercising significant influence over Prime Focus Limited**

Reliance MediaWorks Limited (w.e.f. April 07, 2015)
Standard Chartered Private Equity (Mauritius) III Limited
Standard Chartered Private Equity (Mauritius) Limited
Standard Chartered Bank

(i) **Key Management Personnel***

	in `	
	Period ended March, 31 2016	Year ended June, 30 2015
Remuneration		
Mr. Naresh Malhotra	4,500,000	6,000,000
Mr. Ramakrishnan Sankaranarayanan	6,251,877	8,391,433
Mr. Namit Malhotra	83,569,927	35,974,544
Mr. Massoud Entekhabi	-	24,779,942
Mr. Vikas Rathee	10,628,281	13,750,000
Mr. Nishant Fadia	-	1,000,000
Mr. Ganesh V. Sankaran	7,641,430	7,200,000
Ms. Parina Shah	956,354	-
Ms. Kirti Desai	29,452	1,565,112

	in `	
	As at March 31, 2016	As at June 30, 2015
Balance Outstanding – Remuneration Payable		
Mr. Naresh Malhotra	500,000	500,000
Mr. Ramakrishnan Sankaranarayanan	592,936	608,555
Mr. Namit Malhotra	416,667	416,667
Mr. Ganesh V. Sankaran	523,228	437,026
Mr. Vikas Rathee	1,161,183	1,250,000
Ms. Parina Shah	144,174	-
Ms. Kirti Desai	-	130,426

(ii) **Relative of Key Management Personnel**

	in `	
	Period ended March, 31 2016	Year ended June, 30 2015
Remuneration		
Mrs. Sumati Ganesh	483,507	579,961

	in `	
	As at March 31, 2016	As at June 30, 2015
Balance Outstanding – Remuneration Payable		
Mrs. Sumati Ganesh	-	33,515

(iii) Enterprise owned and significantly influence by Key Management Personnel or their relatives

	in `	
	Period ended March, 31 2016	Year ended June, 30 2015
Rent		
Blooming Bud Coaching Private Limited	30,068,000	33,600,000
Capital advance repaid (net)		
N2M Reality Private Limited	-	65,000,000
Shares issued on preferential basis (including share premium)		
Monsoon Studio Private Limited	-	1,199,999,996

	in `	
	As at March 31, 2016	As at June 30, 2015
Balance outstanding		
Deposit		
Blooming Buds Coaching Private Limited	53,000,000	53,000,000
Capital advance		
N2M Reality Private Limited	265,000,000	265,000,000

(iv) Enterprise exercising significant influence over the Company

	in `	
	Period ended March, 31 2016	Year ended June, 30 2015
Loan (repayments) / taken, net		
Standard Chartered Bank	15,203,494	(470,549,031)
Finance costs		
Standard Chartered Bank	15,092,398	29,303,040
Premium on NCD		
Standard Chartered Private Equity (Mauritius) Limited	266,481,861	316,158,001
Issue of equity shares (including share premium)		
Reliance MediaWorks Limited	-	4,699,999,980

	in `	
	As at March 31, 2016	As at June 30, 2015
Balance outstanding		
Loan outstanding		
Standard Chartered Bank	151,607,729	151,718,825
Bank Balance in current account		
Standard Chartered Bank	3,951	4,954
Non-convertible debentures		
Standard Chartered Private Equity (Mauritius) Limited	1,901,000,000	1,901,000,000
Premium on NCD accrued		
Standard Chartered Private Equity (Mauritius) Limited	1,028,263,720	761,781,859

* 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 (Refer note 5 and 9).



26. LEASES

	in `	
	As at March 31, 2016	As at June 30, 2015
Lease Payments due within one year	726,153,233	709,342,365
Lease Payments due later than one year and not later than five years	2,301,461,698	2,459,396,727
Lease Payments due later than five years	5,353,223,199	6,296,848,308
	8,380,838,130	9,465,587,400

Amount of lease rental charged to the Statement of Profit and Loss in respect of non-cancellable operating leases is ` 401,395,083 (Previous year: ` 859,434,212)

The Company has taken certain premises on cancellable operating lease basis. The tenure of the lease ranges from 11 to 180 months. Amount of lease rental charged to the Statement of Profit and Loss in respect of cancellable operating leases is ` 243,303,844 (Previous year: ` 184,927,411).

27. CAPITALIZATION OF EXPENDITURE

	in `	
	Period ended March, 31 2016	Year ended June, 30 2015
Foreign currency loss	883,584	11,935,746
Employee benefit expenses	483,281,494	771,616,459
Direct overheads *	37,409,743	55,421,434
Finance cost	1,269,012	3,489,252

During the period, the Group has capitalized the following expenses of revenue nature to the cost of intangible asset under development / capital work in progress and tangible assets. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Group.

* Includes rent, electricity and security charges

28. CAPITAL AND OTHER COMMITMENTS

	in `	
	As at March 31, 2016	As at June 30, 2015
i Estimated amount of contracts remaining to be executed on capital account net of advances, and not provided for:	48,906,392	214,795,736

PFT and the promoters of the Company have agreed that neither PFT nor its subsidiaries will undertake any activities, as defined under Memorandum / Articles of Association without obtaining consent of debenture holders in the Company, so long as at least 20% or more of the debentures issued by the Company are outstanding.

29. CONTINGENT LIABILITIES

in `

	As at March 31, 2016	As at June 30, 2015
i Income Tax matters under dispute*	153,069,850	69,410,252
Relates to demands raised by the income tax authorities for various assessment years mainly on account of disallowances of depreciation on computer based assets, additions under the Transfer Pricing provisions and Tax deducted at source (TDS) amounts		
* in the above matter, the Company is hopeful of succeeding and as such does not expect any significant liability to crystalize.		
ii Guarantees given by the Group	3,696,458,929	3,575,088,357
iii Earn outs and performance linked consideration payable for business acquisitions	113,962,800	417,769,937
iv Cummulative dividend on class A Convertible Redeemable Preferred Shares	349,237,613	235,326,952
v Disputed Cess Tax Demand pending with Deputy Commissioner, Navi Mumbai Municipal Corporation-Cess Department. The Company believes, being an SEZ unit it is fully exempt from payment of Octroi/Cess Tax as per Maharashtra IT-ITEs policy, 2009. The amount of Rs. 9,656,175/- deposited, as Tax demand, for the purpose of admission of Appeal is reflected as Short Term Loans and Advances.	53,688,655	53,688,655
vi Claims against the Company not acknowledged as debts	627,939,550	583,422,280

30. STOCK BASED COMPENSATION

- i. PFT has reserved issuance of 242,021 (Previous year 210,396) equity shares of ` 10/- each for offering to eligible employees of the Company under Employees Stock Option Scheme (ESOP). 31,625 options were granted during the period. From options granted in previous years 21,313 were vested during the period (Previous Year 12,237).

The current status of the stock options granted to the Employees is as under:

Particulars	Current period	Previous year	Current period	Previous year
	No. of outstanding options		Weighted average exercise price	
Outstanding at the beginning of the period/ year	187,158	217,865	2,359	2,683
Granted during the period/ year	31,625	19,024	2,908	2,745
Lapsed/ forfeited during the period/ year	6,480	49,730	1,154	2,757
Exercised during the period/ year	-	-	-	-
Expired during the period/ year	-	-	-	-
Outstanding at the end of the period/ year	212,303	187,159	2,359	2,359
Exercisable at the end of the period/ year	38,430	17,117	911	911

For stock options outstanding as at March 31, 2016 the range of exercise price is ` 263 to ` 4,478 and weighted average remaining contractual life is 4.29

Weighted average fair value of options granted during the year is ` 630

Following are details with regard to determination of the fair value of stock options:

Option Pricing Model used – Black-Scholes-Merton formula

Weighted average share price – ` 2,488/- per share

Expected volatility – 10%

Option life – 6 years

Expected dividends – 0% yield

Risk-free interest rate – 7.95% p.a.

PFT has followed the intrinsic value method to account for the grant of stock options. Since the intrinsic value, being the difference between the Net Asset Value and the Exercise Price, is Nil, the grant of options does not have any financial implications. Had the fair value method been followed, profit and loss impact for the year would have been ` 23,862,378.

- ii. During fiscal year 2014, the Board of Directors of PFWNV and its Shareholders' approved a share option plan and reserved 973,285 common shares for issuance thereunder. During fiscal year 2014, options totalling 408,586 ordinary shares were granted to certain executives and board members.

Each share option converts into one ordinary share of PFWNV on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date of vesting to the date of the expiry.

The following share-based payment arrangements were in existence during the current year:

	Number	Grant date	Expiry date	Exercise Price per share	Fair Value at Grant date
Grants	408,586	July 01, 2013	July 01, 2023	\$ 13.13	\$ 8.92-9.31

61,250 options were fully vested at the date of grant and 347,336 options vest over a period of 16 to 36 months after their date of the grant and expire within ten years from the date of grant, or ninety days after the resignation of the optionee, if not exercised.

Fair value of share options granted in 2014

The weighted average fair value of the share options granted during the fiscal year 2014 is \$9.12. Options were priced using a black scholes option pricing model. Where relevant, the expected life used in the model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavioural considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 5.19 – 5.81 years.

Inputs into the model were as follows:

Grant date share price	\$ 13.13
Exercise price	\$ 13.13
Expected volatility	85%
Expected life	5.19 – 5.81 years
Dividend yield	-
Risk free interest rate	1.39 – 1.66%

Movement in shares options during the period

The following reconciles the shares options outstanding at the beginning and the end of the period/ year:

Particulars	2016		2015	
	Numbers of Options	Weighted average exercise price	Numbers of Options	Weighted average exercise price
Balance at beginning of period/ year	408,586	\$ 13.13	408,586	\$ 13.13
Granted during the period/ year	-	-	-	-
Forfeited during the period/ year	-	-	-	-
Exercised during the period/ year	-	-	-	-
Expired during the period/ year	-	-	-	-
Balance at the end of the period/ year	408,586	\$ 13.13	408,586	\$ 13.13

The average remaining contractual life in respect of share based options is 91 days (FY 15: 365 days).

31. ADDITIONAL INFORMATION PURSUANT TO PARA 2 OF GENERAL INSTRUCTIONS FOR THE PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

In `

Sr. No.	Name of entity	Net assets		Share in profit/ (loss)	
		as % of consol net assets	Amount	as % of consol profit/ loss	Amount
Parent					
1.	Prime Focus Limited	108%	10,295,875,853	-8%	83,590,215
Subsidiaries					
Indian					
2.	Prime Focus Technologies Private Limited	7%	703,865,122	-10%	106,051,419
3.	Prime Focus Motion Pictures Limited	0%	474,320	0%	(10,400)
4.	Prime Focus Visual Effects Private Limited	0%	39,318	0%	(10,600)
5.	GVS Software Private Limited	3%	264,958,741	0%	(127,808)
6.	Prime Focus 3D India Limited	0%	480,981	0%	(10,000)
7.	Gener8 India Media Services Limited	-13%	(1,205,241,580)	8%	(84,907,172)
8.	Prime Focus World Creative Services Private Limited	31%	2,942,959,850	-59%	641,747,797
9.	Reliable Laptops Private Limited	0%	(164,024)	0%	(222,202)
Foreign					
10.	Prime Focus Technologies Inc.	-4%	(399,568,115)	5%	(49,440,542)
11.	DAX PFT LLC	4%	418,596,486	-1%	15,026,279
12.	DAX Cloud ULC	0%	45,250,922	-2%	20,765,730
13.	Prime Focus Technologies UK Limited	-1%	(50,942,795)	1%	(8,427,878)
14.	Prime Post (Europe) Limited	0%	3,483,648	3%	(32,074,603)
15.	Reliance Lowry Digital Imaging Services Inc.	-11%	(1,055,233,541)	4%	(41,898,405)
16.	Reliance Mediaworks Mauritius Ltd	-9%	(901,724,064)	2%	(24,423,255)
17.	De-Fi Media Limited	16%	1,542,690,701	1%	(8,793,066)
18.	PF Investments Limited	0%	(746,294)	0%	(437,173)
19.	PF Overseas Limited	0%	(2,878,039)	0%	(180,971)
20.	Prime Focus World Malaysia SDN BHD	0%	445,568	0%	(397,908)
21.	Prime Focus Malaysia SDN BHD	0%	442,413	0%	(139,002)
22.	PF World Limited	72%	6,870,085,878	-2%	17,969,137
23.	Prime Focus Luxembourg S.arl	10%	982,275,313	3%	(27,949,899)
24.	Prime Focus 3D Co-operatief U.A.	24%	2,280,979,422	0%	(1,281,671)
25.	Double Negative Holdings Limited	0%	(18,455)	0%	-
26.	Double Negative Limited	-24%	(2,252,129,531)	64%	(696,175,113)
27.	Double Negative Films Limited	0%	95	0%	-
28.	Double Negative Canada Productions Limited	-2%	(154,547,754)	14%	(154,569,090)
29.	Double Negative Huntsman VFX Limited	0%	(17,143,277)	2%	(17,143,328)
30.	Double Negative Singapore Pte Limited	11%	1,077,504,723	25%	(267,018,327)
31.	Prime Focus World N.V.	41%	3,877,795,784	13%	(139,550,091)
32.	Prime Focus North America Inc.	30%	2,879,941,486	64%	(694,343,377)
33.	Prime Focus International Services UK Limited	-1%	(132,149,242)	18%	(190,983,313)
34.	Prime Focus Creative Services Canada Inc.	-3%	(269,352,318)	-10%	103,701,478
35.	Gener8 Digital Media Services Limited	0%	36,178,877	-1%	6,814,199
36.	Prime Focus ME Holdings Limited	13%	1,225,721,343	-9%	102,490,696
37.	1800 Vine Street LLC	6%	604,555,490	-57%	621,351,448
38.	Vegas II VFX Limited	0%	(4,281,010)	4%	(40,432,475)



In ₹

Sr. No.	Name of entity	Net assets		Share in profit/ (loss)	
		as % of consol net assets	Amount	as % of consol profit/ loss	Amount
39.	Prime Focus China Limited	0%	(176,624)	0%	(82,757)
40.	Prime Focus (HK) Holdings Limited	0%	(18,051,809)	4%	(38,412,963)
41.	Prime Focus VFX USA Inc.	0%	(16,811,098)	0%	-
			29,573,442,761		(799,934,988)
	Add / (Less): Effect of inter company adjustments / eliminations	-196%	(18,702,997,167)	-5%	53,014,188
	Less: Minority interest in all subsidiaries	-14%	(1,322,170,474)	31%	(334,784,908)
	Total		9,550,278,963		(1,084,749,504)

Note: Net Assets and Share in profit or Loss for Holding Company and Subsidiaries are as per the Standalone / Consolidated Financial Statement of the respective entities.

- 32.** Vide Business Transfer Agreement dated November 19, 2014 between the Company, Reliance Media Works Limited (RMW) and Reliance Land Private Limited, the Company acquired RMW's film and media services business for consideration other than cash. In accordance with the said Agreement, the transfer of BOT Agreement pertaining to the Studio including other business assets and liabilities related to the BOT Agreement ("Studios") and debt facilities of Rs. 20,000 lac was to be effected post receipt of the necessary additional approvals. Pending receipt of the additional approvals, the Studios' and the debt facilities have not been transferred to and recorded by the Company. However, based on the mutual understanding with RMW, the Company, continues to operate the Studio, recognize revenue from operations and incurs operating expenses including obligations towards lease rentals and property tax.
- 33.** The Board of Directors of the Company vide resolution passed on September 17, 2015 inter-alia, considered and approved re-alignment of the Financial Year of the Company in accordance with Section 2(41) of the Companies Act, 2013 and accordingly the financial year 2015-16 is for a period of 9 months ending on March 31, 2016 and therefore the figures of the last financial year being twelve (12) months are not comparable with figures of the current period which are for nine (9) months.

34. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER THE MSMED ACT, 2006

The Company does not have suppliers who are registered as micro, small or medium enterprise under the Micro, Small and Medium Enterprises Development Act, 2006 as at March 31, 2016. The information regarding micro, small and medium enterprises has been determined on the basis of information available with the management.

- 35.** Previous year's figures have been regrouped where necessary to confirm to current period's classification.

For and on behalf of the Board of Directors

Naresh Malhotra
Whole-time Director

Namit Malhotra
Chairman (Executive Director) and
Chief Executive Officer

Ramakrishnan Sankaranarayanan
Managing Director

Vikas Rathee
Chief Financial Officer

Parina Shah
Company Secretary

Place: Mumbai
Date : May 30, 2016

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

In `

Sr. No.	Name of the Subsidiary	Prime Focus Technologies Private Limited	Prime Focus Technologies UK Limited	Prime Focus Technologies, Inc.	Prime Post Europe Limited	DAX PFT LLC	DAX Cloud ULC	De-Fi Media Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR 1	GBP 94.969	USD 66.099	GBP 94.969	USD 66.099	CAD 50.967	GBP 94.969
3	Share capital (Rs.)	170,100,000	1	1,058	9,497	-	-	2,314,127,477
4	Reserves & surplus	533,765,144	(50,942,797)	(399,569,172)	3,474,152	418,596,486	45,250,922	(771,436,776)
5	Total assets	3,010,625,670	85,449,118	1,412,133,000	162,127,183	418,596,486	46,061,584	5,652,364,258
6	Total liabilities	2,306,760,526	136,391,914	1,811,701,114	158,643,534	-	810,662	4,109,673,557
7	Investments	92,133,811	9,497	-	-	-	-	-
8	Turnover	2,073,114,237	53,270,866	326,607,620	225,152,235	315,660,224	30,762,756	759,144,283
9	Profit before taxation	245,208,816	(20,347,108)	(155,046,339)	(30,067,507)	95,567,610	23,885,783	88,838,766
10	Provision for taxation	98,066,564	569,814	770,383	-	-	-	-
11	Profit after taxation	147,142,252	(19,777,294)	(154,275,956)	(30,067,507)	95,567,610	23,885,783	88,838,766
12	Proposed Dividend	-	-	-	-	-	-	-
13	% of shareholding	75.50%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

In `

Sr. No.	Name of the Subsidiary	Prime Focus Visual Effects Private Limited	GVS Software Private Limited	PF Motion Pictures Limited	Prime Focus 3D India Private Limited	PF Investments Limited	PF Overseas Limited	PF World Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR 1.00	INR 1.00	INR 1.00	INR 1.00	USD 66.099	USD 66.099	USD 66.099
3	Share capital (Rs.)	100,000	2,750,000	500,000	500,000	2,842,253	6,610	6,801,477,662
4	Reserves & surplus	(60,682)	262,111,041	(610,427)	(19,019)	(3,588,509)	(2,884,688)	68,608,171
5	Total assets	90,400	265,002,300	500,000	500,000	984,213	6,610	7,217,958,130
6	Total liabilities	51,082	141,259	610,427	19,019	1,730,469	2,884,688	347,872,297
7	Investments	-	-	-	-	94,786	-	3,776,425,744
8	Turnover	-	-	-	-	-	-	-
9	Profit before taxation	(10,600)	(127,808)	(10,400)	(10,000)	(636,280)	(574,785)	35,908,165
10	Provision for taxation	-	-	-	-	-	-	-
11	Profit after taxation	(10,600)	(127,808)	(10,400)	(10,000)	(636,280)	(574,785)	35,908,165
12	Proposed Dividend	-	-	-	-	-	-	-
13	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

In `

Sr. No.	Name of the Subsidiary	Prime Focus ME Holdings Limited	Prime Focus China Limited	Prime Focus (HK) Holdings Limited	Prime Focus World Malaysia sdn bhd	Prime Focus World Creative Services Private Limited	Reliable Laptops Private Limited	Double Negative Holdings Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD 66.099	USD 66.099	USD 66.099	MYR 16.883	INR 1	INR 1	GBP 94.969
3	Share capital (Rs.)	454,354	19,830	-	844,166	3,469,760	100,000	704
4	Reserves & surplus	1,225,266,989	(18,248,263)	-	(398,598)	2,939,490,090	(264,024)	(29,302)
5	Total assets	1,444,732,697	102,763,846	-	881,647	4,428,316,990	9,771	23,245
6	Total liabilities	219,011,354	120,992,279	-	436,079	1,485,357,140	173,795	51,843
7	Investments	-	-	-	-	99,763	-	10,143
8	Turnover	-	-	-	-	2,451,542,482	-	-
9	Profit before taxation	(7,473,345)	(35,406,546)	-	(398,598)	640,079,606	263,410	-
10	Provision for taxation	-	-	-	-	7,032,672	-	-
11	Profit after taxation	(7,473,345)	(35,406,546)	-	(398,598)	633,046,935	263,410	-
12	Proposed Dividend	-	-	-	-	-	-	-
13	% of shareholding	100.00%	70.00%	100.00%	100.00%	100.00%	100.00%	100.00%

In `

Sr. No.	Name of the Subsidiary	Double Negative Limited	Double Negative Singapore Pte Limited	Double Negative Canada Productions Limited	Double Negative Huntsman VFX Limited	Double Negative Films Limited
1	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16	31-Mar-16
2	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	GBP 94.969	SGD 49.016	CAD 50.967	CAD 50.967	GBP 94.969
3	Share capital (Rs.)	9,972	49	-	-	-
4	Reserves & surplus	(2,313,213,755)	1,077,677,826	(154,575,306)	(17,143,328)	-
5	Total assets	3,170,951,795	82,402,788	967,712,271	361,946,639	-
6	Total liabilities	5,484,155,578	(995,275,087)	1,122,287,629	379,089,916	-
7	Investments	-	-	-	-	-
8	Turnover	8,369,202,876	1,035,192,935	2,449,625,153	288,630,295	-
9	Profit before taxation	(526,330,009)	(26,733,216)	(145,217,930)	(17,143,328)	-
10	Provision for taxation	-	89,293,276	-	-	-
11	Profit after taxation	(526,330,009)	(116,026,492)	(145,217,930)	(17,143,328)	-
12	Proposed Dividend	-	-	-	-	-
13	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%

For and on behalf of the Board of Directors

Naresh Malhotra
Whole-time Director
DIN: 00004597

Namit Malhotra
Chairman (Executive Director)
and Chief Executive Officer
DIN: 00004049

Ramakrishnan Sankaranarayanan
Managing Director
DIN: 02696897

Place : Mumbai
Date : May 30, 2016

Vikas Rathee
Chief Financial Officer

Parina Shah
Company Secretary



PRIME FOCUS LIMITED

Registered Office: Prime Focus House, Opp. CITI Bank, Linking Road, Khar (West),
Mumbai- 400052 Tel: +91 22 6715 5000
Website: www.primefocus.com; Email Id: ir.india@primefocus.com
CIN: L92100MH1997PLC108981

Share Transfer Agent: Link Intime India Pvt. Ltd., C-13, Pannalal Silk Mills Compound, LBS Marg,
Bhandup (West), Mumbai - 400 078.

PROXY FORM

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies
(Management and Administration Rules) 2014

Name of the member(s) :
Registered Address :
E-mail ID :
Folio No. / Client ID No. :

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name : Email ID :
Address :
Signature :, or failing him/her
2. Name : Email ID :
Address :
Signature :, or failing him/her
3. Name : Email ID :
Address :
Signature :, or failing him/her

as my / our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 19th Annual General Meeting of the Company, to be held on Friday, 30th September, 2016 at 10.00 a.m. at 9th Floor, 'True North', Plot no. 63, Road no. 13, Opp. Hotel Tunga Paradise, MIDC, Andheri (East), Mumbai - 400093 and at any adjournment thereof in respect of such resolutions as is indicated below:

Sr. No.	RESOLUTIONS	Optional*		
		For	Against	Abstain
Ordinary business				
1	To receive, consider and adopt : a. the Audited Financial Statements of the Company for the Financial Year ended March 31, 2016, together with the Report of the Board of Directors and Auditors thereon. b. The Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2016 and the Report of Auditors thereon.			
2	To appoint a Director in place of Mr. Namit Malhotra (DIN: 00004049), who retires by rotation and being eligible offers himself for re-appointment			
3	Ratification of Auditors' Appointment			
Special Business				
4	Offer or invite for Subscription of Secured / Unsecured Non-Convertible Debentures and/or other Debt securities on private placement basis			
5	Issue of Securities to the Qualified Institutional Buyers			

**Affix
Revenue
Stamp**

Signed this _____ day of _____ 2016 Signature of the shareholder : Signature of Proxy holder(s) :

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statements and Notes, please refer the Notice of Annual General Meeting.
3. The Company reserves its right to ask for identification of the proxy.
4. The proxy form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company/depository participant.
5. *It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

DISCLAIMER

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expects’, ‘projects’, ‘intends’, ‘plans’, ‘believes’ and word of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.



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