



**PRIME FOCUS**  
L I M I T E D

**September 07, 2023**

**To,**  
**National Stock Exchange of India**  
Listing Department,  
Exchange Plaza, Bandra Kurla Complex,  
Bandra East,  
Mumbai – 400 051  
Fax Nos.: 26598237/26598238

**To,**  
**BSE Limited**  
Listing Department,  
Phiroze Jeejebhoy Towers  
Dalal Street  
Mumbai – 400 001  
Fax Nos.:22723121/2037/2039

**Sub: Notice of the 26<sup>th</sup> Annual General Meeting and Annual Report for the Financial Year 2022-23.**

**Ref: NSE Code: PFOCUS / BSE Code: 532748**

Dear Sir/ Madam,

Pursuant to Regulations 30 and 34 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**"), we hereby inform that the 26<sup>th</sup> Annual General Meeting ("**AGM**") of the Members of the Company is scheduled to be held on **Friday, September 29, 2023 at 12:30 P.M. (IST)** through Video Conferencing/ Other Audio Visual Means ("**VC/ OAVM**") in compliance with the applicable provisions of the Companies Act, 2013, rules framed thereunder, Listing Regulations and circulars issued by the Ministry of Corporate Affairs ("**MCA**") dated December 28, 2022 read with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021 and December 14, 2021 and May 05, 2022 (collectively referred to as "**MCA Circulars**") and Securities and Exchange Board of India ("**SEBI**") vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, and other applicable circulars issued in this regard (collectively referred to as "**SEBI Circulars**").

In accordance with the aforesaid circulars, the Notice of the AGM and Annual Report of the Company for the Financial Year 2022-23 is being sent through electronic mode to all those members of the Company whose email addresses are registered with the Company / Company's Registrar and Share Transfer Agent or Depositories/ Depository Participants.

The Members, holding shares either in physical or in dematerialized form as on the cut-off date i.e. **Friday, September 22, 2023** will be entitled to avail the facility of remote e-voting as well as voting at the AGM on the Resolutions set forth in the Notice of AGM.

The remote e-Voting facility would be available during the following period:

Commencement of Remote e-Voting	09:00 a.m. (IST) on Monday, September 25, 2023
End of Remote e-Voting	05:00 p.m. (IST) on Thursday, September 28, 2023



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The Notice of the 26<sup>th</sup> AGM and Annual Report for the Financial Year 2022-23 are enclosed below and the same are also available on the Company's website [www.primefocus.com](http://www.primefocus.com).

Kindly acknowledge the receipt and take the same on records.

Thanking You,

Yours Faithfully,

**For Prime Focus Limited**

**Parina Shah**  
**Company Secretary & Compliance Officer**  
Encl: As above



# PRIME FOCUS LIMITED

CIN: L92100MH1997PLC108981

**Registered Office:** Prime Focus House, Opp. CITI Bank, Linking Road, Khar (West), Mumbai- 400052

**Tel:** +91 22 6715 5000, **Fax:** +91 22 6715 5001

**Website:** [www.primefocus.com](http://www.primefocus.com); **Email Id:** [ir.india@primefocus.com](mailto:ir.india@primefocus.com)

## NOTICE

NOTICE is hereby given that the **TWENTY- SIXTH ANNUAL GENERAL MEETING ("AGM")** of the Members of **Prime Focus Limited**, will be held on **Friday, September 29, 2023 at 12.30 p.m. (IST)** through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**") to transact the following business:

### ORDINARY BUSINESS

**1. To receive, consider and adopt:**

- (a) the Audited Standalone Financial Statements of the Company for the Financial Year ended March 31, 2023, together with the Reports of the Board of Directors and Auditors thereon.
- (b) the Audited Consolidated Financial Statements of the Company for the Financial Year ended March 31, 2023 and the Report of Auditors thereon.

**2. To appoint a Director in place of Mr. Namit Naresh Malhotra (DIN: 00004049) who retires by rotation and being eligible offers himself for re-appointment.**

**3. To appoint Statutory Auditors and to fix their remuneration.**

To consider, and, if thought fit, to pass, the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 read with rule 3 of the Companies (Audit and Auditors) Rules, 2014 and other relevant rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the recommendations of the Audit Committee and approval of the Board of Directors ("**the Board**"), M/s. M S K A & Associates, Chartered Accountants (Firm Reg No. 105047W), be and are hereby appointed as the Statutory Auditors of the Company to hold office for a term of 5 (five) consecutive years from conclusion of this 26<sup>th</sup> Annual General Meeting till the conclusion of 31<sup>st</sup> Annual General Meeting of the Company to be held for the Financial Year 2027-28, at such remuneration and out of pocket expenses, as recommended by the Audit Committee and as may be mutually agreed between the Board of the Company and the Statutory Auditors.

**RESOLVED FURTHER THAT** the Board of Directors or Company Secretary of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient, including filing the requisite forms with Ministry of

Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.

**RESOLVED FURTHER THAT** a copy of the above resolution duly certified as true by any of the Director or Company Secretary of the Company be furnished to such parties/authorities as may be required from time to time in connection with the above matter."

### SPECIAL BUSINESS

**4. To alter the Object Clause of the Memorandum of Association of the Company.**

To consider and if thought fit, to pass, the following resolution as a **Special Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Sections 4, 13, 15 and other applicable provisions of the Companies Act, 2013 read with applicable rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and subject to such approvals, permissions and sanctions, as may be required, the consent of the members be and is hereby accorded to alter the existing object clause of Memorandum of Association (MoA) of the Company by making following changes:

1. Sub clause 5 of Clause III (B) (Objects incidental or ancillary to the attainment of main objects) of the existing MoA be shifted to Clause III (A) (Main objects of the Company to be pursued by the Company on its Incorporation) which states as follows:

"To sell, improve, manage, develop, exchange, rent, mortgage, enfranchise, let on lease, royalty or tribute, grant licences, easements, options and other rights over and in any other manner deal with or abandon, dispose of the whole or any part of the undertaking, property, assets, rights and effects of the Company for the consideration as may be thought fit in the interest of the Company and in particular for stocks, shares whether fully or partly paid up or securities of any other company."

2. Clause III (B) (Objects incidental or ancillary to the attainment of main objects) and Clause III (C) (Other Objects) of the existing MoA be merged and substituted with Clause III (B) and the same be renamed as "Matters which are necessary for furtherance of the objects specified in clause III (A)"

**RESOLVED FURTHER THAT** the Board of Directors or Chief Financial Officer or Company Secretary of the Company be and is hereby authorised to do all acts and take all such steps as may be necessary, proper or expedient, including filing the requisite forms with Ministry of Corporate Affairs or submission of documents with any other authority, for the purpose of giving effect to this resolution and for matters connected therewith or incidental thereto.

**RESOLVED FURTHER THAT** a copy of the above resolution duly certified as true by any of the Director or Company Secretary of the Company be furnished to such parties/authorities as may be required from time to time in connection with the above matter."

**5. To approve to sell/transfer/ dispose/ Lease/ assign asset(s) of the material subsidiary(ies):**

To consider and, if thought fit, to pass, the following resolution as a **Special Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Regulation 24 and other applicable provisions, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the '**Listing Regulations**') and the applicable provisions of the Companies Act, 2013 and the Rules framed thereunder (as amended from time to time) (the '**Act**') and the Memorandum and Articles of Association of the Company and subject to requisite approvals, if any, as may be required, consent of the Members be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as '**Board**', which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute) to sell, transfer, assign, lease or dispose-off the assets of PF World Limited, a material subsidiary of the Company, to the lenders/ buyers/ third-parties, through various modes, including by way of slump sale, asset sale or through other contractual arrangements, for any purpose in connection with the business activities of the Company or its subsidiaries, in one or more tranches, on such terms and conditions and in such manner as the Board may deem fit, resulting in sale/disposal/lease of more than 20% (in value) of assets of PF World Limited, a material subsidiary of the Company, in one of more tranches, during any financial year.

**RESOLVED FURTHER THAT** the Board of Directors of the Company as well as the Board of Directors of PF World Limited be and are hereby severally authorised to do all such acts, deeds, matters and things including but not limited to deciding on the timing, manner and extent of carrying out the aforesaid activities and to negotiate, finalise and execute agreement(s), such other document(s), by whatever name called including but not limited to agreement(s) for sale, undertakings, forms, letters, applications with such modification(s) as may be required from time to time and to do all acts, matters and things as may be necessary in this regard and to settle any questions or difficulties that may arise in this regard and incidental thereto as they may in their absolute discretion deem fit, without being required to seek any further consent or approval of the Members and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other Officer(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary."

**6. To approve material related party transaction(s) between the Company and DNEG India Media Services Limited, a subsidiary of the Company:**

To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the '**Listing Regulations**'), as amended from time to time, the applicable provisions of the Companies Act, 2013 (the '**Act**') read with the Rules made thereunder, other applicable laws/statutory provisions, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company's Policy on Related Party Transactions (the '**RPT Policy**') and other applicable laws, and charter documents of the Company, and subject to such approval(s)/ consent(s)/ permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to enter/ continue to enter into material related party transactions (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between the Company and DNEG India Media Services Limited, a subsidiary of the Company, such that the maximum value of the related party transactions between the Company and DNEG India Media Services Limited, a subsidiary of the Company, in aggregate does not exceed value as specified under each category, in the explanatory statement, and such related party transactions shall inter alia include transaction(s)/ contract(s)/ arrangement(s)/ agreement(s) in relation to:

- a) Availing and rendering of services;
- b) purchase / sale / exchange / transfer / lease of business asset(s) and / or equipments to meet its business objectives / requirements;
- c) transfer of any resources, services or obligations to meet its business objectives/ requirements;
- d) reimbursement of expenses, including recharge received and recharge given;
- e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the '**Board**' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary



documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

**7. To approve material related party transaction(s) between DNEG India Media Services Limited, a subsidiary of the Company and certain identified Related Parties of the Company:**

To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘**Listing Regulations**’), as amended from time to time, the applicable provisions of the Companies Act, 2013 (the ‘**Act**’) read with the Rules made thereunder, other applicable laws/statutory provisions, if any ( including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company’s Policy on Related Party Transactions (the ‘**RPT Policy**’) and other applicable laws, and charter documents of the Company, and subject to such approval(s)/ consent(s)/ permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to enter/continue to enter into material related party transactions (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between two “Related Parties” of the Company, i.e DNEG India Media Services Limited, a subsidiary of the Company with certain Identified Related Parties of the Company, such that the maximum value of the related party transactions between DNEG India Media Services Limited and such Related Parties of the Company, in aggregate does not exceed value as specified under each category, in the explanatory statement, and such related party transactions shall inter alia include transaction(s)/contract(s)/ arrangement(s)/ agreement(s) in relation to:

- a) Availing and rendering of services;
- b) purchase / sale / exchange / transfer / lease of business asset(s) and /or equipments to meet its business objectives / requirements;
- c) transfer of any resources, services or obligations to meet its business objectives/ requirements;
- d) reimbursement of expenses, including recharge received and recharge given;
- e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon;
- f) allocation of expenses towards grant of Stock Option;
- g) purchase/sale of investments.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the ‘**Board**’ which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

**8. To approve material related party transaction(s) between Double Negative Montréal Productions Ltd., a subsidiary of the Company and certain identified Related Parties of the Company:**

To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘**Listing Regulations**’), as amended from time to time, the applicable provisions of the Companies Act, 2013 (the ‘**Act**’) read with the Rules made thereunder, other applicable laws/statutory provisions, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company’s Policy on Related Party Transactions (the ‘**RPT Policy**’) and other applicable laws, and charter documents of the Company, and subject to such approval(s)/ consent(s)/ permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to enter/continue to enter into material related party transactions (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between two “Related Parties” of the Company, i.e Double Negative Montréal Productions Ltd., a subsidiary of the Company with certain Identified Related Parties of the Company, such that the maximum value of the related party transactions between Double Negative Montréal Productions Ltd. and such Related Parties of the Company, in aggregate does not exceed value as specified under each category, in the explanatory statement, and such related party transactions shall inter alia include transaction(s)/contract(s)/ arrangement(s)/ agreement(s) in relation to:

- a) Availing and rendering of services;
- b) purchase / sale / exchange / transfer / lease of business asset(s) and /or equipments to meet its business objectives / requirements;

- c) transfer of any resources, services or obligations to meet its business objectives/requirements;
- d) reimbursement of expenses, including recharge received and recharge given;
- e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon;
- f) allocation of expenses towards grant of Stock Option;
- g) purchase/sale of investments.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the '**Board**' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

**9. To approve material related party transaction(s) between Double Negative Limited, a subsidiary of the Company and certain identified Related Parties of the Company:**

To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the '**Listing Regulations**'), as amended from time to time, the applicable provisions of the Companies Act, 2013 (the '**Act**') read with the Rules made thereunder, other applicable laws/statutory provisions, if any ( including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company's Policy on Related Party Transactions (the '**RPT Policy**') and other applicable laws, and charter documents of the Company, and subject to such approval(s)/ consent(s)/ permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to enter/continue to enter into material related party transactions (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between two "Related Parties" of the Company, i.e Double Negative Limited, a subsidiary of the Company with certain Identified Related Parties of the Company,

such that the maximum value of the related party transactions between Double Negative Limited and such Related Parties of the Company, in aggregate does not exceed value as specified under each category, in the explanatory statement, and such related party transactions shall inter alia include transaction(s)/ contract(s)/ arrangement(s)/ agreement(s) in relation to:

- a) Availing and rendering of services;
- b) purchase / sale / exchange / transfer / lease of business asset(s) and /or equipments to meet its business objectives /requirements;
- c) transfer of any resources, services or obligations to meet its business objectives/requirements;
- d) reimbursement of expenses, including recharge received and recharge given;
- e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon;
- f) allocation of expenses towards grant of Stock Option;
- g) purchase/sale of investments.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the '**Board**' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

**10. To approve material related party transaction(s) between Double Negative Canada Productions Ltd., a subsidiary of the Company and certain identified Related Parties of the Company:**

To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the '**Listing Regulations**'), as amended from time to time, the applicable provisions of the Companies Act, 2013 (the '**Act**') read with the Rules made thereunder, other applicable laws/statutory provisions, if any ( including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company's Policy on Related Party Transactions (the '**RPT Policy**') and other applicable laws, and charter documents of the Company, and subject to such approval(s)/ consent(s)/ permission(s) as

may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to enter/continue to enter into material related party transactions (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between two "Related Parties" of the Company, i.e Double Negative Canada Productions Ltd., a subsidiary of the Company with certain Identified Related Parties of the Company, such that the maximum value of the related party transactions between Double Negative Canada Productions Ltd. and such Related Parties of the Company, in aggregate does not exceed value as specified under each category, in the explanatory statement, and such related party transactions shall inter alia include transaction(s)/contract(s)/ arrangement(s)/ agreement(s) in relation to:

- a) Availing and rendering of services;
- b) purchase / sale / exchange / transfer / lease of business asset(s) and / or equipments to meet its business objectives / requirements;
- c) transfer of any resources, services or obligations to meet its business objectives/ requirements;
- d) reimbursement of expenses, including recharge received and recharge given;
- e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon;
- f) allocation of expenses towards grant of Stock Option;
- g) purchase/ sale of investments.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the **'Board'** which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

**11. To approve material related party transaction(s) between Prime Focus World N.V., a subsidiary of the Company and certain identified Related Parties of the Company:**

To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the **'Listing Regulations'**), as amended from time to time, the applicable provisions of the Companies Act, 2013 (the **'Act'**) read with the Rules made thereunder, other applicable laws/statutory provisions, if any ( including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company's Policy on Related Party Transactions (the **'RPT Policy'**) and other applicable laws, and charter documents of the Company, and subject to such approval(s)/ consent(s)/ permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to enter/continue to enter into material related party transactions (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between two "Related Parties" of the Company, i.e Prime Focus World N.V., a subsidiary of the Company with certain Identified Related Parties of the Company, such that the maximum value of the related party transactions between Prime Focus World N.V. and such Related Parties of the Company, in aggregate does not exceed value as specified under each category, in the explanatory statement, and such related party transactions shall inter alia include transaction(s)/contract(s)/ arrangement(s)/ agreement(s) in relation to:

- a) Availing and rendering of services;
- b) purchase / sale / exchange / transfer / lease of business asset(s) and / or equipments to meet its business objectives/requirements;
- c) transfer of any resources, services or obligations to meet its business objectives/ requirements;
- d) reimbursement of expenses, including recharge received and recharge given;
- e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon;
- f) allocation of expenses towards grant of Stock Option;
- g) purchase/ sale of investments.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the **'Board'** which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

**12. To approve material related party transaction(s) between DNEG North America, Inc., a subsidiary of the Company and certain identified Related Parties of the Company:**

To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘**Listing Regulations**’), as amended from time to time, the applicable provisions of the Companies Act, 2013 (the ‘**Act**’) read with the Rules made thereunder, other applicable laws/statutory provisions, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company’s Policy on Related Party Transactions (the ‘**RPT Policy**’) and other applicable laws, and charter documents of the Company, and subject to such approval(s)/ consent(s)/ permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to enter/continue to enter into material related party transactions (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between two “Related Parties” of the Company, i.e DNEG North America, Inc., a subsidiary of the Company with certain Identified Related Parties of the Company, such that the maximum value of the related party transactions between DNEG North America, Inc. and such Related Parties of the Company, in aggregate does not exceed value as specified under each category, in the explanatory statement, and such related party transactions shall inter alia include transaction(s)/ contract(s)/ arrangement(s)/ agreement(s) in relation to:

- a) Availing and rendering of services;
- b) purchase / sale / exchange / transfer / lease of business asset(s) and / or equipments to meet its business objectives / requirements;
- c) transfer of any resources, services or obligations to meet its business objectives/ requirements;
- d) reimbursement of expenses, including recharge received and recharge given;
- e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon;
- f) allocation of expenses towards grant of Stock Option;
- g) purchase/ sale of investments.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the ‘**Board**’ which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts,

deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects.”

**13. To approve material related party transaction(s) between Double Negative Films Limited, a subsidiary of the Company and DNEG PLC, a subsidiary of the Company:**

To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the ‘**Listing Regulations**’), as amended from time to time, the applicable provisions of the Companies Act, 2013 (the ‘**Act**’) read with the Rules made thereunder, other applicable laws/statutory provisions, if any ( including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company’s Policy on Related Party Transactions (the ‘**RPT Policy**’) and other applicable laws, and charter documents of the Company, and subject to such approval(s)/ consent(s)/ permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to enter/continue to enter into material related party transactions (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between two “Related Parties” of the Company, i.e Double Negative Films Limited, a subsidiary of the Company and DNEG PLC, a subsidiary of the Company, such that the maximum value of the related party transactions between Double Negative Films Limited and DNEG PLC, in aggregate does not exceed value as specified under each category, in the explanatory statement, and such related party transactions shall inter alia include transaction(s)/contract(s)/ arrangement(s)/ agreement(s) in relation to:

- a) Availing and rendering of services;
- b) purchase / sale / exchange / transfer / lease of business asset(s) and / or equipments to meet its business objectives / requirements;
- c) transfer of any resources, services or obligations to meet its business objectives/ requirements;
- d) reimbursement of expenses, including recharge received and recharge given;
- e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon;

- f) allocation of expenses towards grant of Stock Option;
- g) purchase/ sale of investments.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the '**Board**' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

**14. To approve material related party transaction(s) between Double Negative Holdings Limited, a subsidiary of the Company and Incamera Limited, associate of the Company:**

To consider and, if thought fit, to pass, the following Resolution as an **Ordinary Resolution**:

"**RESOLVED THAT** pursuant to the provisions of Regulation 23 (4) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the '**Listing Regulations**'), as amended from time to time, the applicable provisions of the Companies Act, 2013 (the '**Act**') read with the Rules made thereunder, other applicable laws/statutory provisions, if any (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company's Policy on Related Party Transactions (the '**RPT Policy**') and other applicable laws, and charter documents of the Company, and subject to such approval(s)/ consent(s)/ permission(s) as may be necessary from time to time and basis the approval and recommendation of the Audit Committee and the Board of Directors of the Company, approval of the members of the Company be and is hereby accorded to enter/continue to enter into material related party transactions (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise), on such material terms and conditions as detailed in the explanatory statement to this resolution and as may be mutually agreed between two "Related Parties" of the Company, i.e Double Negative Holdings Limited, a subsidiary of the Company and Incamera Limited, associate of the Company, such that the maximum value of the related party transactions between Double Negative Holdings Limited and Incamera Limited, in aggregate does not exceed value as specified under each category, in the explanatory statement, and such related party transactions shall inter alia include transaction(s)/ contract(s)/ arrangement(s)/ agreement(s) in relation to:

- a) Availing and rendering of services;
- b) purchase / sale / exchange / transfer / lease of business asset(s) and / or equipments to meet its business objectives / requirements;
- c) transfer of any resources, services or obligations to meet its business objectives/ requirements;
- d) reimbursement of expenses, including recharge received and recharge given;
- e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon;
- f) allocation of expenses towards grant of Stock Option;
- g) purchase/ sale of investments.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (hereinafter referred to as the '**Board**' which term shall be deemed to include the Audit Committee of the Company and any duly constituted/to be constituted Committee of Directors thereof to exercise its powers including powers conferred under this resolution) be and is hereby authorised to do all such acts, deeds, matters and things as it may deem fit at its absolute discretion and to take all such steps as may be required in this connection including finalizing and executing necessary documents, contract(s), scheme(s), agreement(s) and such other documents as may be required, seeking all necessary approvals to give effect to this resolution, for and on behalf of the Company.

**RESOLVED FURTHER THAT** all actions taken by the Board in connection with any matter referred to or contemplated in this resolution, be and are hereby approved, ratified and confirmed in all respects."

**By Order of the Board of Directors**

**Parina Shah**  
**Company Secretary**  
**ACS 18061**

**Place: Mumbai**

**Date: September 01, 2023**

**Registered Office:**

Prime Focus House,  
 Opp. CITI Bank, Linking Road,  
 Khar (West), Mumbai - 400 052.  
 CIN: L92100MH1997PLC108981



## NOTES:

1. The relevant Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 (“Act”), as amended from time to time, in respect of the Special Business under Item Nos. 4 to 14 as set out above and details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 (“Listing Regulations”) and Secretarial Standard on General Meetings (“SS-2”), in respect of the Director seeking appointment/ re-appointment at this Annual General Meeting (“AGM”) are annexed hereto.
2. In accordance with the provisions of the Act, read with the Rules made thereunder and the Ministry of Corporate Affairs (“MCA”) has vide its circulars dated December 28, 2022 read with circulars dated April 8, 2020, April 13, 2020, May 5, 2020, January 13, 2021, December 14, 2021, May 05, 2022 (collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/PoD-2/P/CIR/2023/4 dated January 05, 2023, and other applicable circulars issued in this regard, (collectively referred to as “SEBI Circular”) permitted the holding of the Annual General Meeting (“AGM”) through video conferencing/other audio visual means (“VC / OAVM”) till September 30, 2023 without the physical presence of the Members at a common venue. In compliance with the provisions of the Act, Listing Regulations and MCA Circulars, the AGM of the Company is being held through VC / OAVM. The deemed venue for the AGM shall be the Registered Office of the Company.
3. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY/ PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF AND SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** Since this AGM is being held through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form and Attendance Slip including Route Map are not annexed to this Notice.
4. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of Listing Regulations (as amended), and SS-2 on “General Meetings”, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has engaged the services of Central Depository Services (India) Limited (“CDSL”) for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
5. Members desirous of getting any information in relation to the Company's Annual Report 2022-23 or who would like to express their views / have questions are requested to address their query(ies) well in advance, i.e. at least 10 days before the Meeting, to the Company Secretary of the Company through e-mail on [ir.india@primefocus.com](mailto:ir.india@primefocus.com). These queries will be replied to by the company suitably by email.
6. In compliance with the aforesaid MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company / Registrar and Transfer Agent / Depositories. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website [www.primefocus.com](http://www.primefocus.com), websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively, and on the website of CDSL at <https://www.evotingindia.com>.
7. Members are requested to support Green initiative by registering/ updating their e-mail addresses with the Depository Participant (in case of shares in dematerialized form) or with Link Intime India Private Limited, the Registrar and Transfer Agent (“RTA”) of the Company (in case of shares held in physical form) for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically. For any communication, the Members may also send requests to the Company's email ID: [ir.india@primefocus.com](mailto:ir.india@primefocus.com).
8. Members are requested to:
  - a) intimate any change in their addresses/mandates and address all their queries relating to shares of the Company to the RTA, for shares held in physical form.
  - b) quote Client ID and DP ID in respect of shares held in dematerialized form and ledger folio number in respect of shares held in physical form in all the correspondence.
  - c) make nomination in respect of the shares held in physical form in the Company. The Nomination Form as prescribed by the MCA can be obtained from the Registrar and Share Transfer Agents of the Company. Members holding shares in electronic form are requested to contact their Depository Participant directly for recording their nomination.
9. Non-Resident Indian members are requested to immediately notify the Registrar and Share Transfer Agents i.e. Link Intime India Private Limited:
  - a) the change in residential status on return to India for permanent settlement;
  - b) the particulars of the bank account(s) maintained in India with complete name, branch, account type, account number and address of the bank, if not furnished; and
  - c) Indian address for sending all communications, if not provided so far.
10. The Board of Directors has appointed Mr. Mehul Raval, Practicing Company Secretary (Membership No. ACS-18300, CP No. 24170) as the Scrutinizer to scrutinize the E- voting process in a fair and transparent manner.
11. The voting rights of Members shall be in proportion to their shares in the paid-up equity share capital of the Company as on the cut-off date i.e. Friday, September 22, 2023.

12. Institutional / Corporate members (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/Letter of Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote through remote e-voting. The said Resolution/Letter of Authorization shall be sent to scrutinizer at [csmechulraval@gmail.com](mailto:csmechulraval@gmail.com) by email and copy marked to the Company at [ir.india@primefocus.com](mailto:ir.india@primefocus.com).
13. Pursuant to aforesaid MCA Circulars, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Act representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
14. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Act.
15. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
16. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance at least 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [ir.india@primefocus.com](mailto:ir.india@primefocus.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [ir.india@primefocus.com](mailto:ir.india@primefocus.com). These queries will be replied to by the company suitably by email. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
17. Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act and the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and the Certificate from the Secretarial Auditor of the Company certifying that the ESOP Schemes of the Company are being implemented in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 and other relevant documents referred to in this Notice and the Explanatory Statement shall be available for inspection through electronic mode. Members are requested to write to the Company on [ir.india@primefocus.com](mailto:ir.india@primefocus.com) up to the date of the AGM i.e. Friday, September 29, 2023 for inspection of said documents.
18. Members are requested to intimate changes, if any pertaining to change of name / address, email address, telephone / mobile numbers, Permanent Account Number (PAN), Nomination, power of attorney, bank account details or any other information to their respective depository participant(s) (DP) in case the shares are held in electronic mode or to RTA at Link Intime India Pvt. Ltd., LBS Marg, Vikhroli (West), Mumbai – 400 083, Contact No: 91-22-49186270/ (0)810 811 6767, Fax No: 91-22-49186060, Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) in Form ISR-1 in case the shares are held in physical form.
19. SEBI has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participant with whom they are maintaining their demat accounts. Members holding shares in physical form or transferees of Physical Shares must furnish their self- attested copy of the PAN card to the Company/Registrar and Share Transfer Agents.
20. SEBI had vide circular dated March 16, 2023 introduced Common and Simplified Norms for furnishing PAN, KYC details and Nomination by the Shareholders, in supersession of circulars dated November 3, 2021 and December 14, 2021 according to which, all shareholders holding shares in physical form are mandatorily required to furnish PAN (compulsorily linked with Aadhaar), contact details, bank account details and specimen signature to RTA in writing in Form ISR-1 along with the supporting documents to Link Intime India Pvt. Ltd., Registrar and Share Transfer Agent ("RTA") 247 Park, LBS Marg, Vikhroli (West), Mumbai – 400 083 or by email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) from their registered email id. The Company has also sent individual letters to all the Members holding shares of the Company in physical form for furnishing their PAN, KYC details and Nomination pursuant to above SEBI Circular.  
  
Further, it is mandated that the RTA shall not process any service request or complaint of shareholders till PAN, KYC and nomination document/details are received. In case any one of aforesaid documents are not available on or after October 1, 2023, the folios shall be frozen by the RTA. If the folios continue to remain frozen as on December 31, 2025, the frozen folios shall be referred by RTA/Company to administering authority under the Benami Transactions (Prohibitions) Act, 1988 and/or Prevention of Money Laundering Act, 2002.
21. Regulation 40 of Listing Regulations, as amended, mandates that transfer, transmission and transposition of securities of listed companies held in physical form shall be effected only in demat mode. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or Company's RTA for assistance in this regard.
22. Members may please note that SEBI vide its Circular No. SEBI/HO/MIRSD/MIRSD\_RTAMB/P/CIR/2022/8 dated January 25, 2022 has mandated the listed companies to issue securities in dematerialized form only while processing service requests viz.

Issue of duplicate securities certificate; claim from unclaimed suspense account; renewal/ exchange of securities certificate; endorsement; sub-division/ splitting of securities certificate; consolidation of securities certificates/folios; transmission and transposition. Accordingly, Members are requested to make service requests by submitting a duly filled and signed Form ISR – 4, the format of which is available on the Company's website at [www.primefocus.com](http://www.primefocus.com) and on the website of the Company's RTA, Link Intime India Pvt. Ltd at [www.linkintime.co.in](http://www.linkintime.co.in). It may be noted that any service request can be processed only after the folio is KYC compliant.

23. The facility for making Nomination is available for the Members in respect of the shares held by them. Members who have not yet registered their Nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt out or cancel the earlier Nomination and record a fresh Nomination, he / she may submit the same in Form ISR-3 or SH-14 as the case may be. The said forms can be downloaded from the Company's website at <http://www.primefocus.com/investor-center#Results Reports> under tab 2021-22. Members are requested to submit the said details to their DP in case the shares are held by them in electronic form and to Link Intime in case the shares are held in physical form.
24. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
25. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised not to leave their demat accounts dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.
26. The members, whose unclaimed shares have been transferred to IEPF, may claim the same by making application to the IEPF authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in) for details of unclaimed shares transferred to IEPF please refer company's website viz [www.primefocus.com](http://www.primefocus.com). The Member/ Claimant can file only one consolidated claim in a Financial Year as per IEPF Rules.

**Instructions for e-voting and joining the AGM are as follows:**

1. The general meetings of the companies shall be conducted as per the guidelines issued by the Ministry of Corporate Affairs (MCA) vide Circular No. 14/2020 dated April 8, 2020, Circular No.17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No.02/2022, Circular no.03/2022 dated May 05, 2022 and Circular no. 10/2022 dated December 28, 2022. The forthcoming Annual General Meeting (AGM) will thus be held through video conferencing (VC) or other audio visual means (OAVM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM.

2. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and MCA Circulars dated April 08, 2020, April 13, 2020, May 05, 2020, Circular No. 02/2022 and Circular no. 03/2022 dated May 05, 2022 and Circular No. 10/2022 dated December 28, 2022 the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with Central Depository Services (India) Limited (CDSL) for facilitating voting through electronic means, as the authorized e-Voting's agency. The facility of casting votes by a member using remote e-voting as well as the e-voting system on the date of the AGM will be provided by CDSL.
3. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available to at least 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
4. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of ascertaining the quorum under Section 103 of the Companies Act, 2013.
5. Pursuant to MCA Circular No. 14/2020 dated April 08, 2020, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, in pursuance of Section 112 and Section 113 of the Companies Act, 2013, representatives of the members such as the President of India or the Governor of a State or body corporate can attend the AGM through VC/OAVM and cast their votes through e-voting.
6. In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company at [www.primefocus.com](http://www.primefocus.com). The Notice can also be accessed from the websites of the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively. The AGM Notice is also disseminated on the website of CDSL (agency for providing the Remote e-Voting facility and e-voting system during the AGM) i.e. [www.evotingindia.com](http://www.evotingindia.com).
7. The AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 8, 2020, MCA Circular No. 17/2020 dated April 13, 2020, MCA Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2022 and Circular no. 03/2022 dated May 05, 2022 and Circular no. 10/2022 dated December 28, 2022.

8. In continuation of this Ministry's General Circular No. 20/2020, dated May 05, 2020, General Circular No. 02/2022 dated May 05, 2022 and Circular no. 10/2022 dated December 28, 2022 and after due examination, it has been decided to allow companies whose AGMs were due to be held in the year 2023, to conduct their AGMs on or before September 30, 2023, in accordance with the requirements provided in paragraphs 3 and 4 of the General Circular No. 20/2020 and as per MCA circular no. 02/2022 and 03/2022 dated May 05, 2022 and MCA Circular no. 10/2022 dated December 28, 2022.

**THE INTRUCTIONS OF SHAREHOLDERS FOR E-VOTING AND JOINING VIRTUAL MEETINGS ARE AS UNDER:**

- (i) The voting period begins at **09:00 a.m. (IST) on Monday, September 25, 2023 and ends at 05:00 p.m. (IST) on Thursday, September 28, 2023.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, September 22, 2023 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- (iii) Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 09, 2020, under Regulation 44 of Listing Regulations, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level. Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.
- (iv) In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants.** Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.
- (v) In terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository

Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<p>1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasitoken/Home/Login">https://web.cdslindia.com/myeasitoken/Home/Login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi.</p> <p>2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly.</p> <p>3) If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</a></p> <p>4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page or click on <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a> The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.</p>

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<p>1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>2) If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com/">https://eservices.nsd.com/</a>. Select "Register Online for IDeAS "Portal or click at <a href="https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/IdeasDirectReg.jsp</a></p> <p>3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting</p>
Individual Shareholders (holding securities in demat mode) login through their Depository Participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/ CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 23058738 and 22-23058542-43 or at toll free no. 1800 22 55 33
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at 022 - 4886 7000 and 022 -2499 7000

(vi) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- 2) Click on "Shareholders" module.
- 3) Now enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

	For Physical shareholders and other than individual shareholders holding shares in Demat.
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> <li>• Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.</li> </ul>
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> <li>• If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.</li> </ul>



- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (ix) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (xi) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xvi) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvii) There is also an optional provision to upload BR/POA if any uploaded, which will be made available to scrutinizer for verification.

**(xviii) ADDITIONAL FACILITY FOR NON - INDIVIDUAL SHAREHOLDERS AND CUSTODIANS -FOR REMOTE VOTING ONLY.**

- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves in the "Corporates" module.
- A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
- The list of accounts linked in the login will be mapped automatically & can be delink in case of any wrong mapping.
- It is Mandatory that scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; [ir.india@primefocus.com](mailto:ir.india@primefocus.com), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

**INSTRUCTIONS FOR SHAREHOLDERS ATTENDING THE AGM THROUGH VC/OAVM & E-VOTING DURING MEETING ARE AS UNDER:**

1. The procedure for attending meeting & e-Voting on the day of the AGM is same as the instructions mentioned above for e-voting.
2. The link for VC/OAVM to attend meeting will be available where the EVSN of Company will be displayed after successful login as per the instructions mentioned above for e-voting.
3. Shareholders who have voted through Remote e-Voting will be eligible to attend the meeting. However, they will not be eligible to vote at the AGM.
4. Shareholders are encouraged to join the Meeting through Laptops / IPads for better experience.
5. Further shareholders will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
6. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
7. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker by sending their request in advance atleast 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at [ir.india@primefocus.com](mailto:ir.india@primefocus.com). The shareholders who do not wish to speak during the AGM but have queries may send their queries in advance 10 days prior to meeting mentioning their name, demat account number/folio number, email id, mobile number at Company's email address viz; [ir.india@primefocus.com](mailto:ir.india@primefocus.com) These queries will be replied to by the company suitably by email.

8. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ask questions during the meeting.
9. Only those shareholders, who are present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system available during the AGM.
10. If any Votes are cast by the shareholders through the e-voting available during the AGM and if the same shareholders have not participated in the meeting through VC/OAVM facility, then the votes cast by such shareholders shall be considered invalid as the facility of e-voting during the meeting is available only to the shareholders attending the meeting.

**PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.**

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [ir.india@primefocus.com](mailto:ir.india@primefocus.com) / [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
2. For Demat shareholders -, Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.
4. If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or contact at toll free no 1800225533.
5. All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futorex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call on toll free no 1800225533.

**OTHER INSTRUCTIONS:**

1. The period for e-voting starts on **Monday, September 25, 2023 at 9:00 a.m. (IST) and ends on Thursday, September 28, 2023 at 5:00 p.m. (IST)**. E-voting shall be disabled by CDSL at **5:00 p.m. (IST) on Thursday, September 28, 2023** and members shall not be allowed to vote through remote e-voting thereafter. During this period, Members holding shares either in physical form or in dematerialized form, as on Friday, September 22, 2023 (end of day) i.e. cut-off date, may cast their vote electronically. Any person who is not a member as on the cut-off date should treat this notice for information purposes only. The e-voting module

shall be disabled by CDSL for voting. The Members who have cast their vote by remote e-voting prior to the AGM may also participate the AGM through VC/OAVM but shall not be entitled to cast their vote again. The facility for voting during the AGM will also be made available. Members present in the AGM through VC/OAVM and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

2. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting, or through e-voting at the AGM.
3. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of cut-off date, may follow the same procedure as mentioned above for e-Voting.
4. The scrutinizer shall, immediately after the conclusion of the AGM, first count the votes cast during the AGM, thereafter unblock the votes cast through remote e-voting and issue a consolidated Scrutinizer's report of the total votes cast in favour or against the resolution, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same. The Scrutinizer shall issue his report within the stipulated timelines under the applicable laws.
5. The Result of the voting declared along with the Scrutinizer's Report shall be placed on the website of the Company i.e. [www.primefocus.com](http://www.primefocus.com) and on the website of the CDSL i.e. [www.evotingindia.com](http://www.evotingindia.com) immediately. The Company shall simultaneously forward the results to BSE Limited and National Stock Exchange of India Limited, where the shares of the Company are listed.
6. Subject to the receipt of requisite number of votes, the Resolutions shall be deemed to be passed on the date of Meeting i.e Friday, September 29, 2023.
7. Since the AGM will be held through VC / OAVM, the Route Map of the venue of the AGM is not annexed in this Notice.

**By Order of the Board of Directors**

**Parina Shah**  
Company Secretary  
ACS 18061

**Place: Mumbai**  
**Date: September 01, 2023**

**Registered Office:**  
Prime Focus House,  
Opp. CITI Bank, Linking Road,  
Khar (West), Mumbai – 400 052.  
CIN: L92100MH1997PLC108981

## EXPLANATORY STATEMENT

(Pursuant to Section 102 of the Companies Act, 2013)

As required under Section 102 of the Act, the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 3 to 14 accompanying the Notice.

### Item No. 3:

M/s Deloitte Haskins & Sells Chartered Accountants LLP (Firm Registration No. 117364W/W100739) ("DHS"), were appointed as the Statutory Auditors of the Company, pursuant to the provisions of the Companies Act, 1956, (i.e. prior to the commencement of the new Act), at the Annual General Meeting of the Company held on September 30, 2013, for the financial year 2013-14. Further, their re-appointment as Statutory Auditors of the Company was made at the Annual General Meeting of the Company held on December 24, 2014, for a period of 5 (five) years, to hold office from the conclusion of that Annual General Meeting till the conclusion of the Annual General Meeting held for the financial year 2018-19.

Pursuant to the Sub-Section (2) of Section 139 of the Companies Act, 2013 and to fulfill the requirement of rotation, DHS were re-appointed for a further period of 4 (four) years. Therefore, DHS were re-appointed as Statutory Auditors of the Company at the Annual General Meeting of the Company held on September 30, 2019 for the period of 4 (four) years to hold office from the conclusion of Annual General Meeting held for the Financial Year 2018-19 till the conclusion of the Annual General Meeting to be held for the financial year 2022-23. The term of DHS is expiring at the ensuing 26<sup>th</sup> Annual General Meeting of the Company.

Pursuant to Sub-Section (2) of Section 139 of the Act, no listed company shall appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years.

In compliance with the above-mentioned provisions, the Board, pursuant to recommendation of Audit Committee, at its meeting held on September 01, 2023 approved the appointment of M/s. M S K A & Associates, Chartered Accountants (Firm Reg No. 105047W), as Statutory Auditors of the Company for a term of 5 (five) consecutive years, from the conclusion of this 26<sup>th</sup> Annual General Meeting till the conclusion of 31<sup>st</sup> Annual General Meeting of the Company to be held for the Financial Year 2027-28, subject to approval of the members of the Company and the Board thus hereby propose to the members to approve the abovementioned appointment as set out in the resolution at Item No. 3.

The Company has received consent letter and eligibility certificate from M/s. M S K A & Associates, Chartered Accountants (Firm Reg No.105047W) to act as Statutory Auditors of the Company along with the confirmation that, their appointment, if made, would be within the limits prescribed under the relevant provisions of the Act. Further, as required under Regulation 33 of the Listing Regulations, they have also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

Besides the audit services, the Company would also obtain certifications from the Statutory Auditors under various statutory regulations and certifications required by clients, banks, statutory authorities, audit related services and other permissible non-audit services as required from time to time, for which they will be remunerated separately on mutually agreed terms, as approved by the Board in consultation with the Audit Committee.

None of the Directors and Key Managerial Personnel (KMPs) of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the resolution, except to the extent of their shareholding in the Company.

Appointment of Statutory Auditors of the Company requires approval of the members of the Company by means of an Ordinary Resolution. Based on the recommendation of the Audit Committee, the Board recommends the Ordinary Resolution set out at Item No. 3 of the Notice for approval of the Members.

Disclosures as required under Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Particulars of information required	Particulars of information provided
Proposed fees payable to the statutory auditor(s) along with terms of appointment and in case of a new auditor, any material change in the fee payable to such auditor from that paid to the outgoing auditor along with the rationale for such change	₹ 28,00,000/- p.a as audit fees for FY 2023-24 to M/s. M S K A & Associates Chartered Accountants, plus applicable taxes, travelling and other out-of-pocket expenses incurred in connection with the Statutory audit on actual basis. The remuneration of statutory auditors for subsequent years during their term would be determined by the Audit Committee and the Board of Directors, mutually with the statutory auditors.  There is no material change in the fees payable to M/s. M S K A & Associates Chartered Accountants as compared to the outgoing auditors.
Basis of recommendation for appointment including the details in relation to and credentials of the statutory auditor(s) proposed to be appointed.	M/s. M S K A & Associates is an Indian partnership firm registered with the Institute of Chartered Accountants of India (ICAI) and the PCAOB (US Public Company Accountancy Oversight Board) and has presence in 11 cities across India, M/s. M S K A & Associates is a member firm of BDO International and offers a range of Assurance services, led by industry experts with deep knowledge pockets.  The Audit Committee and the Board of Directors considered various parameters, the rich experience and expertise, capability to serve the landscape as that of the Company, market standing of the firm, clientele served, technical knowledge etc. and found M/s. M S K A & Associates, Chartered Accountants to be best suited to handle the audit of the financial statements of the Company.

### Item No. 4:

Prime Focus Limited (PFL) was incorporated in the year 1997 and engaged in the provision of Line Production, Visual Effects (VFX), Bollywood Business Segment that includes (video and audio post-production services, digital intermediate, colour grading, technical and creative services to studios, broadcasting, advertising services, camera rentals, equipment rental), shooting premises rental to the Bollywood industry and related services to the players in the Media and Entertainment industry.

To deliver the above services, in last couple of years PFL had procured/ created office premises for operations and built infrastructure to fulfill the service delivery which were capitalized in the books of PFL. But gradually over the last few years, management and members of the business have taken few strategic decisions so as to rationalize the operating structure and transferred few business segments to its subsidiary like:

1. Transfer of Visual Effects (VFX) business to DNEG Creative Services Limited as a slump sale on a going concern basis effective from October 07, 2019.
2. Transfer of other Bollywood business to DNEG India Media Services Limited as a slump sale on a going concern basis effective from March 31, 2022

As a result of the above business transfers, PFL was not able to utilise its current available infrastructure and premises optimally.

In view of the above, PFL has started earning a majority of income from leasing of premises, studio, alongwith existing infrastructure, equipment and provide other facilities/ services in connection with the same with effect from April 1, 2022 onwards.

Given the above, to capture the revised business objectives, it is proposed to consider the above business as core business operations of the Company and thus move the said object from ancillary object to main object clause of Memorandum of Association (MoA) of the Company.

Further, the MoA was framed under the form prescribed under the Companies Act, 1956 and contain references to specific sections of Companies Act, 1956. Pursuant to the applicability of the Companies Act, 2013, it was necessary to align the provisions of the MoA to the prescribed provisions of the Companies Act, 2013.

In view of the said requirements, the existing Objects Clause is proposed to be amended as follows:

1. Sub clause 5 of Clause III (B) (Objects incidental or ancillary to the attainment of main objects) of the existing MoA be shifted to Clause III (A) (Main objects of the Company to be pursued by the Company on its Incorporation) which states as follows:

"To sell, improve, manage, develop, exchange, rent, mortgage, enfranchise, let on lease, royalty or tribute, grant licences, easements, options and other rights over and in any other manner deal with or abandon, dispose of the whole or any part of the undertaking, property, assets, rights and effects of the Company for the consideration as may be thought fit in the interest of the Company and in particular for stocks, shares whether fully or partly paid up or securities of any other company."

2. Clause III (B) (Objects incidental or ancillary to the attainment of main objects) and Clause III (C) (Other Objects) of the existing MoA be merged and substituted with Clause III (B) and the same be renamed as "Matters which are necessary for furtherance of the objects specified in clause III (A)"

The Board of Directors ("**The Board**") at its meeting held on May 30, 2023 approved the aforesaid alteration in the Object Clause of the MoA of the Company, subject to the approval of the members of the Company. The Board hereby propose the members to alter the Objects Clause of the MoA of the Company as set out in the resolution at Item No. 4. The aforesaid alteration, if approved by the members shall be registered with the Registrar of Companies, Mumbai, Maharashtra ("**ROC**") as per the provisions of the Act with such modifications as may be advised by the ROC.

None of the Directors and Key Managerial Personnel (KMPs) of the Company or their relatives are, in any way, concerned or interested, financially or otherwise, in the said resolution, except to the extent of their shareholding in the Company.

Any alteration of the MoA of the Company, requires approval of the members of the Company by means of a Special Resolution pursuant to the provisions of Section 13 of the Companies Act, 2013. Therefore,

the Board recommends the Special Resolution set out at Item No. 4 of the Notice for approval of the Members.

#### Item No. 5

The Group continuously keeps exploring opportunities to repay/ settle the borrowings/loans availed by the Company or its subsidiaries from time to time and reduce the debts. In this regard, it is proposed to sell/ transfer/assign/dispose off certain assets (in one of more tranches) of PF World Limited, a material subsidiary of the Company, in which the Company holds 100% shareholding, to the lenders / buyers / third-parties, through various modes, including by way of slump sale, asset sale or through other contractual arrangements, on such terms and conditions as the Board of the Company and board of directors of PF World Limited may deem fit, in one of more financial years.

The Board believes that the aforesaid transfer of assets by PF World Limited will present a way to settle/reduce the loan/borrowings availed by PF World Limited and is in the best interest of the Company and PF World Limited.

In terms of Regulation 24(6) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, selling, disposing and leasing of assets amounting to more than 20% of the assets of the material subsidiary on an aggregate basis during a financial year shall require prior approval of the Members by way of a special resolution.

In view of inter alia the aforesaid regulatory requirement and provisions of the Companies Act, 2013, approval of the Members is sought for the resolution proposed at item no. 5 of the said notice.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Special Resolution set out at Item No. 5 of the Notice for approval by the Members.

#### Item No. 6 to 14

Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**"), as amended from time to time, effective April 1, 2022, states that all material related party transactions with an aggregate value exceeding ₹ 1,000 crore or 10% of annual consolidated turnover of the Company as per the last audited financial statements of the Company, whichever is lower, shall require approval of members by means of an ordinary resolution. The said limits are applicable, even if the transactions are in the ordinary course of business of the concerned company and at an arm's length basis. The amended Regulation 2(1)(zc) of the Listing Regulations has also expanded the definition of related party transaction which now includes within its ambit a transaction involving a transfer of resources, services or obligations between (i) a listed entity or any of its subsidiaries on one hand and a related party of the listed entity or any of its subsidiaries on the other hand or (ii) a listed entity or any of its subsidiaries on one hand, and any other person or entity on the other hand, the purpose and effect of which is to benefit a related party of the listed entity or any of its subsidiaries, regardless of whether a price is charged or not.

SEBI vide its Circular No. SEBI/HO/CFD/CMD1/CIR/P/2022/47 dated April 08, 2022, clarified that in case of omnibus approval for material related party transactions is obtained from the shareholders in mode other than AGM, validity of such omnibus approvals shall not exceed one year and if approved in an AGM shall be valid upto the date of the next AGM for a period not exceeding fifteen months. Accordingly, in line with the said SEBI Circular, the said resolution is being presented again for the approval of shareholders, so as to extend the validity of shareholders approval for this resolution until the next annual general meeting of the Company for a period not exceeding fifteen months to be held in FY 2024-25.

The Company now proposes to enter into related party transactions as provided in resolutions at Item Nos. 6 to 14, during FY 2023-24 and FY 2024-25, at the agreed terms of the transactions. Accordingly, the approval of the shareholders be sought for the resolutions contained at Item Nos. 6 to 14 of the accompanying Notice.

Item no. 6

Details of proposed RPTs between the Company and DNEG India Media Services Limited including the information required to be disclosed in the Explanatory Statement pursuant to SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 are as follows:

Sr No.	Description	Details of proposed RPTs between the Company and DNEG India Media Services Limited
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.	
a	Name of the Related Party	DNEG India Media Services Limited
b	Nature of relationship [including nature of its concern or interest (financial or otherwise)]	Subsidiary of the Company
c	Type of the proposed transaction	<ul style="list-style-type: none"> <li>a) Availing and rendering of services;</li> <li>b) purchase/sale/exchange/transfer/lease of business asset(s) and/or equipments to meet its business objectives/requirements;</li> <li>c) transfer of any resources, services or obligations to meet its business objectives/requirements;</li> <li>d) reimbursement of expenses including recharge received and recharge given;</li> <li>e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon.</li> </ul>
d	Material terms and particulars of contract/ arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.
e	Tenure of the proposed transaction	Financial Year 2023-24 and 2024-25
f	Value of the proposed transaction	Shall not exceed ₹ 770 crores and ₹ 1,600 crores for the Financial Year 2023-24 and 2024-25 respectively.
g	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover* on a standalone basis shall be additionally provided)  *The Subsidiary's annual turnover on a standalone basis is considered for the Financial Year 2022-23.	<ul style="list-style-type: none"> <li>a. 16.64% and 34.57% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.</li> <li>b. 75.70% and 157.29%* of annual turnover of DNEG India Media Services Limited for the Financial Year 2023-24 and 2024-25 respectively.</li> </ul>
2	If the transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	
a	Details of the source of funds in connection with the proposed transaction	Internal Accruals
b	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,	
	- Nature of indebtedness	Not Applicable
	- Cost of funds	Not Applicable
	- Tenure	Not Applicable
c	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	<ul style="list-style-type: none"> <li>• Applicable Terms, Tenure &amp; Repayment Schedule: As mutually agreed under the agreement loans and borrowings between the Companies.</li> <li>• Interest Rate: Rate of Interest would be cost of funds + spread.</li> <li>• Unsecured Borrowings.</li> </ul>
d	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Working Capital Requirement
3	Justification as to why the RPT is in the interest of the listed entity	The transactions are to meet funding requirements and the transactions will also help both the Companies to smoothen business operations undertaken in accordance with laid down norms, policies and procedures of the Group, and therefore, in the interest of the Company.
4	A copy of the valuation or other external party report, if any such report has been relied upon	All contracts with related parties are reviewed for arm's length testing.



Sr No.	Description	Details of proposed RPTs between the Company and DNEG India Media Services Limited
5	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the members	Not Applicable
6	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any and the nature of their relationship	Mr. Naresh Malhotra and Mr. Samu Devarajan, Directors of the Company, are also Directors on the Board of DNEG India Media Services Limited.
7	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives other than as mentioned above, are concerned or interested, in the resolution.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members by way of an Ordinary Resolution.

It is pertinent to note that no related party shall vote to approve this Resolution whether such related party is a related party to the particular transaction or not.

#### Item no. 7

**Details of proposed RPTs between DNEG India Media Services Limited and certain Identified Related Parties of the Company including the information required to be disclosed in the Explanatory Statement pursuant to SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 are as follows:**

Sr No.	Description	Details of proposed RPTs between DNEG India Media Services Limited and certain Identified Related Parties of the Company				
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.					
a	Name of the Related Party	Prime Focus World N.V.	Double Negative Montreal Productions Ltd.	Double Negative Limited	Prime Focus International Services UK Limited	Double Negative Toronto Productions Ltd.
b	Nature of relationship [including nature of its concern or interest (financial or otherwise)]	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company
c	Type of the proposed transaction	a) Availing and rendering of services; b) purchase/sale/exchange/transfer/lease of business asset(s) and/or equipments to meet its business objectives/requirements; c) transfer of any resources, services or obligations to meet its business objectives/ requirements; d) reimbursement of expenses including recharge received and recharge given; e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon. f) allocation of expenses towards grant of Stock Option; g) purchase/ sale of investments.				
d	Material terms and particulars of contract/ arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.				
e	Tenure of the proposed transaction	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25
f	Value of the proposed transaction	Shall not exceed ₹ 1,500 crores and ₹ 1,500 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 800 crores and ₹ 1,900 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 2,400 crores and ₹ 2,400 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 550 crores and ₹ 550 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 550 crores and ₹ 550 crores for the Financial Year 2023-24 and 2024-25 respectively.

Sr No.	Description	Details of proposed RPTs between DNEG India Media Services Limited and certain Identified Related Parties of the Company				
g	<p>The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover* on a standalone basis shall be additionally provided)</p> <p>*The Subsidiary's annual turnover on a standalone basis is considered for the Financial Year 2022-23.</p>	<p>a. 32.41% and 32.41% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>b. 147.46% and 147.46%* of annual turnover of DNEG India Media Services Limited for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>c. *Annual turnover of Prime Focus World N.V. is Nil.</p>	<p>a. 17.29% and 41.05% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>b. 78.64% and 186.78%* of annual turnover of DNEG India Media Services Limited for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>c. 30.35% and 72.09%* of annual turnover of Double Negative Montreal Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.</p>	<p>a. 51.86% and 51.86% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>b. 235.93% and 235.93%* of annual turnover of DNEG India Media Services Limited for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>c. 277.05% and 277.05%* of annual turnover of Double Negative Limited for the Financial Year 2023-24 and 2024-25 respectively.</p>	<p>a. 11.88% and 11.88% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>b. 54.07% and 54.07%* of annual turnover of DNEG India Media Services Limited for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>c. 3611.29% and 3611.29%* of annual turnover of Prime Focus International Services UK Limited for the Financial Year 2023-24 and 2024-25 respectively.</p>	<p>a. 11.88% and 11.88% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>b. 54.07% and 54.07%* of annual turnover of DNEG India Media Services Limited for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>c. 374.43% and 374.43%* of annual turnover of Double Negative Toronto Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.</p>
2	If the transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary					
a	Details of the source of funds in connection with the proposed transaction	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals
b	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,					
	- Nature of indebtedness	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	- Cost of funds	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	- Tenure	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
c	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	<ul style="list-style-type: none"> <li>Applicable Terms, Tenure &amp; Repayment Schedule: As mutually agreed under the agreement loans and borrowings between the Companies.</li> <li>Interest Rate: Rate of Interest would be cost of funds + spread.</li> <li>Unsecured Borrowings.</li> </ul>				
d	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement
3	Justification as to why the RPT is in the interest of the listed entity	The transactions are to meet funding requirements and the transactions will also help both the Companies to smoothen business operations undertaken in accordance with laid down norms, policies and procedures of the Group, and therefore, in the interest of the Company.				
4	A copy of the valuation or other external party report, if any such report has been relied upon	All contracts with related parties are reviewed for arm's length testing.				
5	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the members	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Name of the Director or Key Managerial Personnel ("KMP") who is related, if any and the nature of their relationship	None of the Directors or KMP of DNEG India Media Services Limited is a Director or KMP of Prime Focus World N.V	Mr. Vikas Rathee, Director & KMP of DNEG India Media Services Limited is also a Director & KMP of Double Negative Montreal Productions Ltd.	Mr. Vikas Rathee, Director & KMP of DNEG India Media Services Limited, is also a Director on the Board of Double Negative Limited	Mr. Vikas Rathee, Director & KMP of DNEG India Media Services Limited is also a Director or KMP of Prime Focus International Services UK Limited	Mr. Vikas Rathee, Director & KMP of DNEG India Media Services Limited is also a Director of Double Negative Toronto Productions Ltd.
7	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.				

None of the Directors or Key Managerial Personnel of the Company or their respective relatives other than as mentioned above, are concerned or interested, in the resolution.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members by way of an Ordinary Resolution.

It is pertinent to note that no related party shall vote to approve this Resolution whether such related party is a related party to the particular transaction or not.

#### Item No. 8

**Details of proposed RPTs between Double Negative Montreal Productions Ltd. and certain Identified Related Parties of the Company including the information required to be disclosed in the Explanatory Statement pursuant to SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 are as follows:**

Sr No.	Description	Details of proposed RPTs between Double Negative Montreal Productions Ltd. and certain Identified Related Parties of the Company					
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.						
a	Name of the Related Party	Double Negative Limited	Double Negative Canada Productions Ltd.	Prime Focus International Services UK Limited	DNEG North America, Inc.	Prime Focus World N.V.	Double Negative Toronto Productions Ltd.
b	Nature of relationship [including nature of its concern or interest (financial or otherwise)]	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company
c	Type of the proposed transaction	a) Availing and rendering of services; b) purchase/sale/exchange/transfer/lease of business asset(s) and/or equipments to meet its business objectives/requirements; c) transfer of any resources, services or obligations to meet its business objectives/ requirements; d) reimbursement of expenses including recharge received and recharge given; e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon. f) allocation of expenses towards grant of Stock Option; g) purchase/ sale of investments.					
d	Material terms and particulars of contract/ arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.					
e	Tenure of the proposed transaction	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25
f	Value of the proposed transaction	Shall not exceed ₹ 4,100 crores and ₹ 6,000 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 600 crores and ₹ 1,500 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 750 crores and ₹ 1,250 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 750 crores and ₹ 1,500 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 2,200 crores and ₹ 4,000 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 1,150 crores and ₹ 1,600 crores for the Financial Year 2023-24 and 2024-25 respectively.

Sr No.	Description	Details of proposed RPTs between Double Negative Montreal Productions Ltd. and certain Identified Related Parties of the Company					
g	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover* on a standalone basis shall be additionally provided) *The Subsidiary's annual turnover on a standalone basis is considered for the Financial Year 2022-23.	a. 88.59% and 129.64% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.	a. 12.96% and 32.41% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.	a. 16.21% and 27.01% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.	a. 16.21% and 32.41% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.	a. 47.54% and 86.43% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.	a. 24.85% and 34.57% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.
		b. 155.57% and 227.66%* of annual turnover of Double Negative Montreal Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.	b. 22.77% and 56.91%* of annual turnover of Double Negative Montreal Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.	b. 28.46% and 47.43%* of annual turnover of Double Negative Montreal Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.	b. 28.46% and 56.91%* of annual turnover of Double Negative Montreal Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.	b. 83.48% and 151.77%* of annual turnover of Double Negative Montreal Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.	b. 43.63% and 60.71%* of annual turnover of Double Negative Montreal Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.
		c. 473.29% and 692.62%* of annual turnover of Double Negative Limited for the Financial Year 2023-24 and 2024-25 respectively.	c. 104.65% and 261.63%* of annual turnover of Double Negative Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.	c. 4924.49% and 8207.49%* of annual turnover of Prime Focus International Services UK Limited for the Financial Year 2023-24 and 2024-25 respectively.	c. 458.46% and 916.93%* of annual turnover of DNEG North America, Inc. for the Financial Year 2023-24 and 2024-25 respectively.	c. *Annual turnover of Prime Focus World N.V. is Nil.	c. 782.90% and 1089.25%* of annual turnover of Double Negative Toronto Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.
2	If the transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary						
a	Details of the source of funds in connection with the proposed transaction	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals
b	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,						
	-Nature of indebtedness	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	- Cost of funds	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	- Tenure	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
c	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	<ul style="list-style-type: none"> <li>Applicable Terms, Tenure &amp; Repayment Schedule: As mutually agreed under the agreement loans and borrowings between the Companies.</li> <li>Interest Rate: Rate of Interest would be cost of funds + spread.</li> <li>Unsecured Borrowings.</li> </ul>					
d	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement
3	Justification as to why the RPT is in the interest of the listed entity	The transactions are to meet funding requirements and the transactions will also help both the Companies to smoothen business operations undertaken in accordance with laid down norms, policies and procedures of the Group, and therefore, in the interest of the Company.					

Sr No.	Description	Details of proposed RPTs between Double Negative Montreal Productions Ltd. and certain Identified Related Parties of the Company					
4	A copy of the valuation or other external party report, if any such report has been relied upon	All contracts with related parties are reviewed for arm's length testing.					
5	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the members	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any and the nature of their relationship	Mr. Vikas Rathee, KMP of Double Negative Montreal Productions Ltd. is also director in Double Negative Limited.	Mr. Vikas Rathee, Mr. Chris Pflug & Mr. Rohan Desai, Director or KMP of Double Negative Montreal Productions Ltd. are also Director or KMP in Double Negative Canada Productions Ltd..	Mr. Vikas Rathee, KMP of Double Negative Montreal Productions Ltd. is also director in Prime Focus International Services UK Limited.	Mr. Vikas Rathee, Mr. Chris Pflug, Director or KMP of Double Negative Montreal Productions Ltd. are also Director or KMP in DNEG North America, Inc..	None of the Directors or KMP of Double Negative Montreal Productions Ltd. is a Director or KMP of Prime Focus World N.V.	Mr. Vikas Rathee, Mr. Rohan Desai and Mr. Chris Pflug, Directors and KMP of Double Negative Montreal Productions Ltd. are also Directors in Double Negative Toronto Productions Ltd.
7	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.					

Sr No.	Description	Details of proposed RPTs between Double Negative Montreal Productions Ltd. and certain Identified Related Parties of the Company		
1	Summary of information provided by	the Management to the Audit Committee for approval of the proposed RPTs.		
a	Name of the Related Party	Double Negative Films Limited	Incamera Limited	DNEG Australia Pty Ltd.
b	Nature of relationship [including nature of its concern or interest (financial or otherwise)]	Subsidiary of the Company	Associate of the Company	Subsidiary of the Company
c	Type of the proposed transaction	a) Availing and rendering of services; b) purchase/sale/exchange/transfer/lease of business asset(s) and/or equipments to meet its business objectives/requirements; c) transfer of any resources, services or obligations to meet its business objectives/requirements; d) reimbursement of expenses including recharge received and recharge given; e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon. f) allocation of expenses towards grant of Stock Option; g) purchase/ sale of investments.		
d	Material terms and particulars of contract/ arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.		
e	Tenure of the proposed transaction	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25
f	Value of the proposed transaction	Shall not exceed ₹ 550 crores and ₹ 550 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 1,100 crores and ₹ 1,100 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 1,300 crores and ₹ 1,300 crores for the Financial Year 2023-24 and 2024-25 respectively.



Sr No.	Description	Details of proposed RPTs between Double Negative Montreal Productions Ltd. and certain Identified Related Parties of the Company			
g	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover* on a standalone basis shall be additionally provided)  *The Subsidiary's annual turnover on a standalone basis is considered for the Financial Year 2022-23.	a. 11.88% and 11.88% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.  b. 20.87% and 20.87%* of annual turnover of Double Negative Montreal Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.  c. 3368.03% and 3368.03%* of annual turnover of Double Negative Films Limited for the Financial Year 2023-24 and 2024-25 respectively.	a. 23.77% and 23.77% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.  b. 41.74% and 41.74%* of annual turnover of Double Negative Montreal Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.  c. 886.95% and 886.95%* of annual turnover of Incamera Limited for the Financial Year 2023-24 and 2024-25 respectively.	a. 28.09% and 28.09% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.  b. 49.33% and 49.33%* of annual turnover of Double Negative Montreal Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.  c. 8207.07% and 8207.07%* of annual turnover of DNEG Australia Pty Ltd. for the Financial Year 2023-24 and 2024-25 respectively.	
2	If the transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary				
a	Details of the source of funds in connection with the proposed transaction	Internal Accruals	Internal Accruals	Internal Accruals	
b	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,				
	- Nature of indebtedness	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	- Cost of funds	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	- Tenure	Not Applicable	Not Applicable	Not Applicable	Not Applicable
c	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	<ul style="list-style-type: none"> <li>Applicable Terms, Tenure &amp; Repayment Schedule: As mutually agreed under the agreement loans and borrowings between the Companies.</li> <li>Interest Rate: Rate of Interest would be cost of funds + spread.</li> <li>Unsecured Borrowings.</li> </ul>			
d	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement	
3	Justification as to why the RPT is in the interest of the listed entity	The transactions are to meet funding requirements and the transactions will also help both the Companies to smoothen business operations undertaken in accordance with laid down norms, policies and procedures of the Group, and therefore, in the interest of the Company.			
4	A copy of the valuation or other external party report, if any such report has been relied upon	All contracts with related parties are reviewed for arm's length testing.			
5	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the members	Not Applicable	Not Applicable	Not Applicable	
6	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any and the nature of their relationship	Mr. Vikas Rathee, KMP of Double Negative Montreal Productions Ltd. is also Director in Double Negative Films Limited.	None of the Directors or KMP of Double Negative Montreal Productions Ltd. is a Director or KMP of Incamera Limited.	None of the Directors or KMP of Double Negative Montreal Productions Ltd. is a Director or KMP of DNEG Australia Pty Ltd.	
7	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.			

None of the Directors or Key Managerial Personnel of the Company or their respective relatives other than as mentioned above, are concerned or interested, in the resolution.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members by way of an Ordinary Resolution.

It is pertinent to note that no related party shall vote to approve this Resolution whether such related party is a related party to the particular transaction or not.

Item no. 9

Details of proposed RPTs between Double Negative Limited and certain Identified Related Parties of the Company including the information required to be disclosed in the Explanatory Statement pursuant to SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 are as follows:

Sr No.	Description	Details of proposed RPTs between Double Negative Limited and certain Identified Related Parties of the Company					
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.						
a	Name of the Related Party	Double Negative Canada Productions Ltd.	Prime Focus World N.V.	Double Negative Films Limited	Double Negative Toronto Productions Ltd.	DNEG North America, Inc.	Prime Focus International Services UK Limited
b	Nature of relationship [including nature of its concern or interest (financial or otherwise)]	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company
c	Type of the proposed transaction	a) Availing and rendering of services; b) purchase/sale/exchange/transfer/lease of business asset(s) and/or equipments to meet its business objectives/requirements; c) transfer of any resources, services or obligations to meet its business objectives/requirements; d) reimbursement of expenses including recharge received and recharge given; e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon. f) allocation of expenses towards grant of Stock Option; g) purchase/ sale of investments.					
d	Material terms and particulars of contract/ arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.					
e	Tenure of the proposed transaction	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25
f	Value of the proposed transaction	Shall not exceed ₹ 800 crores and ₹ 2,000 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 4,100 crores and ₹ 5,000 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 2,000 crores and ₹ 4,000 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 1,100 crores and ₹ 1,300 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 1,000 crores and ₹ 1,000 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 1,000 crores and ₹ 1,000 crores for the Financial Year 2023-24 and 2024-25 respectively.

Sr No.	Description	Details of proposed RPTs between Double Negative Limited and certain Identified Related Parties of the Company					
g	<p>The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover* on a standalone basis shall be additionally provided)</p> <p>*The Subsidiary's annual turnover on a standalone basis is considered for the Financial Year 2022-23.</p>	<p>a. 17.29% and 43.21% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>b. 92.35% and 230.87%* of annual turnover of Double Negative Limited for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>c. 139.54% and 348.84%* of annual turnover of Double Negative Canada Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.</p>	<p>a. 88.59% and 108.04% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>b. 473.29% and 577.19%* of annual turnover of Double Negative Limited for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>c. *Annual turnover of Prime Focus World N.V. is Nil.</p>	<p>a. 43.21% and 86.43% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>b. 230.87% and 461.75%* of annual turnover of Double Negative Limited for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>c. 12247.40% and 24494.79%* of annual turnover of Double Negative Films Limited for the Financial Year 2023-24 and 2024-25 respectively.</p>	<p>a. 23.77% and 28.09% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>b. 126.98% and 150.07%* of annual turnover of Double Negative Limited for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>c. 748.86% and 885.02%* of annual turnover of Double Negative Toronto Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.</p>	<p>a. 21.61% and 21.61% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>b. 115.44% and 115.44%* of annual turnover of Double Negative Limited for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>c. 611.28% and 611.28%* of annual turnover of DNEG North America, Inc. for the Financial Year 2023-24 and 2024-25 respectively.</p>	<p>a. 21.61% and 21.61% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>b. 115.44% and 115.44%* of annual turnover of Double Negative Limited for the Financial Year 2023-24 and 2024-25 respectively.</p> <p>c. 6565.99% and 6565.99%* of annual turnover of Prime Focus International Services UK Limited for the Financial Year 2023-24 and 2024-25 respectively.</p>
2	If the transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary						
a	Details of the source of funds in connection with the proposed transaction	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals
b	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,						
	- Nature of indebtedness	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	- Cost of funds	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	- Tenure	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
c	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	<ul style="list-style-type: none"> <li>Applicable Terms, Tenure &amp; Repayment Schedule: As mutually agreed under the agreement loans and borrowings between the Companies.</li> <li>Interest Rate: Rate of Interest would be cost of funds + spread.</li> <li>Unsecured Borrowings.</li> </ul>					
d	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement
3	Justification as to why the RPT is in the interest of the listed entity	The transactions are to meet funding requirements and the transactions will also help both the Companies to smoothen business operations undertaken in accordance with laid down norms, policies and procedures of the Group, and therefore, in the interest of the Company.					
4	A copy of the valuation or other external party report, if any such report has been relied upon	All contracts with related parties are reviewed for arm's length testing.					

Sr No.	Description	Details of proposed RPTs between Double Negative Limited and certain Identified Related Parties of the Company					
5	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the members	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any and the nature of their relationship	Mr. Vikas Rathee, Director of Double Negative Limited is also Director in Double Negative Canada Productions Ltd..	Mr. Namit Malhotra, Director of Double Negative Limited is also Director in Prime Focus World N.V	Mr. Vikas Rathee, Director of Double Negative Limited is also Director in Double Negative Films Limited.	Mr. Vikas Rathee, Director of Double Negative Limited is also Director in Double Negative Toronto Productions Ltd.	Mr. Namit Malhotra and Mr. Vikas Rathee, Directors of Double Negative Limited are also Directors and KMP in DNEG North America, Inc.	Mr. Vikas Rathee, Director of Double Negative Limited is also Director in Prime Focus International Services UK Limited.
7	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.					

Sr No.	Description	Details of proposed RPTs between Double Negative Limited and certain Identified Related Parties of the Company			
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.				
a	Name of the Related Party	DNEG PLC	Double Negative Holdings Limited	Incamera Limited	DNEG Australia Pty Ltd
b	Nature of relationship [including nature of its concern or interest (financial or otherwise)]	Subsidiary of the Company	Subsidiary of the Company	Associate of the Company	Subsidiary of the Company
c	Type of the proposed transaction	a) Availing and rendering of services; b) purchase/sale/exchange/transfer/lease of business asset(s) and/or equipments to meet its business objectives/requirements; c) transfer of any resources, services or obligations to meet its business objectives/ requirements; d) reimbursement of expenses including recharge received and recharge given; e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon. f) allocation of expenses towards grant of Stock Option; g) purchase/ sale of investments.			
d	Material terms and particulars of contract/ arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.			
e	Tenure of the proposed transaction	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25
f	Value of the proposed transaction	Shall not exceed ₹ 1,000 crores and ₹ 1,000 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 1,000 crores and ₹ 1,000 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 1,000 crores and ₹ 1,000 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 1,500 crores and ₹ 1,500 crores for the Financial Year 2023-24 and 2024-25 respectively.

Sr No.	Description	Details of proposed RPTs between Double Negative Limited and certain Identified Related Parties of the Company			
g	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover* on a standalone basis shall be additionally provided) *The Subsidiary's annual turnover on a standalone basis is considered for the Financial Year 2022-23.	a. 21.61% and 21.61% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. 115.44% and 115.44%* of annual turnover of Double Negative Limited for the Financial Year 2023-24 and 2024-25 respectively. c. *Annual turnover of DNEG PLC is Nil.	a. 21.61% and 21.61% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. 115.44% and 115.44%* of annual turnover of Double Negative Limited for the Financial Year 2023-24 and 2024-25 respectively. c. *Annual turnover of Double Negative Holdings Limited is Nil.	a. 21.61% and 21.61% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. 115.44% and 115.44%* of annual turnover of Double Negative Limited for the Financial Year 2023-24 and 2024-25 respectively. c. 806.32% and 806.32%* of annual turnover of Incamera Limited for the Financial Year 2023-24 and 2024-25 respectively.	a. 32.41% and 32.41% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. 173.16% and 173.16%* of annual turnover of Double Negative Limited for the Financial Year 2023-24 and 2024-25 respectively. c. 9469.70% and 9469.70%* of annual turnover of DNEG Australia Pty Ltd. for the Financial Year 2023-24 and 2024-25 respectively.
2	If the transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary				
a	Details of the source of funds in connection with the proposed transaction	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals
b	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,				
	- Nature of indebtedness	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	- Cost of funds	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	- Tenure	Not Applicable	Not Applicable	Not Applicable	Not Applicable
c	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	<ul style="list-style-type: none"> <li>Applicable Terms, Tenure &amp; Repayment Schedule: As mutually agreed under the agreement loans and borrowings between the Companies.</li> <li>Interest Rate: Rate of Interest would be cost of funds + spread.</li> <li>Unsecured Borrowings.</li> </ul>			
d	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement
3	Justification as to why the RPT is in the interest of the listed entity	The transactions are to meet funding requirements and the transactions will also help both the Companies to smoothen business operations undertaken in accordance with laid down norms, policies and procedures of the Group, and therefore, in the interest of the Company.			
4	A copy of the valuation or other external party report, if any such report has been relied upon	All contracts with related parties are reviewed for arm's length testing.			
5	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the members	Not Applicable	Not Applicable	Not Applicable	Not Applicable
6	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any and the nature of their relationship	Mr. Vikas Rathee and Mr. Namit Malhotra, Directors of Double Negative Limited are also Directors of DNEG PLC.	Mr. Vikas Rathee and Mr. Namit Malhotra, Directors of Double Negative Limited are also Directors of Double Negative Holdings Limited.	None of the Director or KMP of Double Negative Limited is a Director or KMP of Incamera Limited.	None of the Director or KMP of Double Negative Limited is a Director or KMP of DNEG Australia Pty Ltd
7	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.			



None of the Directors or Key Managerial Personnel of the Company or their respective relatives other than as mentioned above, are concerned or interested, in the resolution.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members by way of an Ordinary Resolution.

It is pertinent to note that no related party shall vote to approve this Resolution whether such related party is a related party to the particular transaction or not.

#### Item no. 10

Details of proposed RPTs between Double Negative Canada Productions Ltd. and certain Identified Related Parties of the Company including the information required to be disclosed in the Explanatory Statement pursuant to SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 are as follows:

Sr No.	Description	Details of proposed RPTs between Double Negative Canada Productions Ltd. and certain Identified Related Parties of the Company			
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.				
a	Name of the Related Party	DNEG India Media Services Limited	Prime Focus World N.V.	Prime Focus International Services UK Limited	Double Negative Toronto Productions Ltd.
b	Nature of relationship [including nature of its concern or interest (financial or otherwise)]	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company
c	Type of the proposed transaction	a) Availing and rendering of services; b) purchase/sale/exchange/transfer/lease of business asset(s) and/or equipments to meet its business objectives/requirements; c) transfer of any resources, services or obligations to meet its business objectives/requirements; d) reimbursement of expenses including recharge received and recharge given; e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon. f) allocation of expenses towards grant of Stock Option; g) purchase/ sale of investments.			
d	Material terms and particulars of contract/ arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.			
e	Tenure of the proposed transaction	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25
f	Value of the proposed transaction	Shall not exceed ₹ 500 crores and ₹ 500 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 1,500 crores and ₹ 1,500 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 750 crores and ₹ 750 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 1,500 crores and ₹ 1,500 crores for the Financial Year 2023-24 and 2024-25 respectively.

Sr No.	Description	Details of proposed RPTs between Double Negative Canada Productions Ltd. and certain Identified Related Parties of the Company			
g	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover* on a standalone basis shall be additionally provided) *The Subsidiary's annual turnover on a standalone basis is considered for the Financial Year 2022-23.	a. 10.80% and 10.80% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. 87.21% and 87.21%* of annual turnover of Double Negative Canada Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively. c. 49.15% and 49.15%* of annual turnover of DNEG India Media Services Limited for the Financial Year 2023-24 and 2024-25 respectively.	a. 32.41% and 32.41% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. 261.63% and 261.63%* of annual turnover of Double Negative Canada Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively. c. *Annual turnover of Prime Focus World N.V. is Nil.	a. 16.21% and 16.21% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. 130.81% and 130.81%* of annual turnover of Double Negative Canada Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively. c. 4924.49% and 4924.49%* of annual turnover of Prime Focus International Services UK Limited for the Financial Year 2023-24 and 2024-25 respectively.	a. 32.41% and 32.41% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. 261.63% and 261.63%* of annual turnover of Double Negative Canada Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively. c. 1021.17% and 1021.17%* of annual turnover of Double Negative Toronto Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.
2	If the transactions relates to any	loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary			
a	Details of the source of funds in connection with the proposed transaction	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals
b	Where any financial indebtedness is incurred to make or give	loans, inter-corporate deposits, advances or investments,			
	- Nature of indebtedness	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	- Cost of funds	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	- Tenure	Not Applicable	Not Applicable	Not Applicable	Not Applicable
c	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	<ul style="list-style-type: none"> <li>Applicable Terms, Tenure &amp; Repayment Schedule: As mutually agreed under the agreement loans and borrowings between the Companies.</li> <li>Interest Rate: Rate of Interest would be cost of funds + spread.</li> <li>Unsecured Borrowings.</li> </ul>			
d	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement
3	Justification as to why the RPT is in the interest of the listed entity	The transactions are to meet funding requirements and the transactions will also help both the Companies to smoothen business operations undertaken in accordance with laid down norms, policies and procedures of the Group, and therefore, in the interest of the Company.			
4	A copy of the valuation or other external party report, if any such report has been relied upon	All contracts with related parties are reviewed for arm's length testing.			
5	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the members	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Sr No.	Description	Details of proposed RPTs between Double Negative Canada Productions Ltd. and certain Identified Related Parties of the Company			
6	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any and the nature of their relationship	Mr. Vikas Rathee, Director of Double Negative Canada Productions Ltd. is also Director and KMP of DNEG India Media Services Limited	None of the Director or KMP of Double Negative Canada Productions Ltd. is a Director or KMP of Prime Focus World N.V.	Mr. Vikas Rathee, Director of Double Negative Canada Productions Ltd. is also Director of Prime Focus International Services UK Limited	Mr. Vikas Rathee, Mr. Rohan Desai and Mr. Chris Pflug, Directors and KMP of Double Negative Canada Productions Ltd. are also Directors in Double Negative Toronto Productions Ltd.
7	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.			

None of the Directors or Key Managerial Personnel of the Company or their respective relatives other than as mentioned above, are concerned or interested, in the resolution.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members by way of an Ordinary Resolution.

It is pertinent to note that no related party shall vote to approve this Resolution whether such related party is a related party to the particular transaction or not.

#### Item no. 11

Details of proposed RPTs between Prime Focus World N.V. and certain Identified Related Parties of the Company including the information required to be disclosed in the Explanatory Statement pursuant to SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 are as follows:

Sr No.	Description	Details of proposed RPTs between Prime Focus World N.V. and certain Identified Related Parties of the Company					
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.						
a	Name of the Related Party	DNEG North America, Inc.	Prime Focus International Services UK Limited	Double Negative Films Limited	DNEG PLC	Incamera Limited	Double Negative Toronto Productions Ltd.
b	Nature of relationship [including nature of its concern or interest (financial or otherwise)]	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company	Associate of the Company	Subsidiary of the Company
c	Type of the proposed transaction	a) Availing and rendering of services; b) purchase/sale/exchange/transfer/lease of business asset(s) and/or equipments to meet its business objectives/requirements; c) transfer of any resources, services or obligations to meet its business objectives/ requirements; d) reimbursement of expenses including recharge received and recharge given; e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon. f) allocation of expenses towards grant of Stock Option; g) purchase/ sale of investments.					
d	Material terms and particulars of contract/ arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.					
e	Tenure of the proposed transaction	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25	Financial Year 2023-24 and 2024-25
f	Value of the proposed transaction	Shall not exceed ₹ 2,400 crores and ₹ 2,000 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 2,150 crores and ₹ 2,150 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 3,550 crores and ₹ 3,550 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 700 crores and ₹ 700 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 550 crores and ₹ 550 crores for the Financial Year 2023-24 and 2024-25 respectively.	Shall not exceed ₹ 1,050 crores and ₹ 1,050 crores for the Financial Year 2023-24 and 2024-25 respectively.

Sr No.	Description	Details of proposed RPTs between Prime Focus World N.V. and certain Identified Related Parties of the Company					
g	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover* on a standalone basis shall be additionally provided) *The Subsidiary's annual turnover on a standalone basis is considered for the Financial Year 2022-23.	a. 51.86% and 43.21% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. *Annual turnover of Prime Focus World N.V. is Nil. c. 1467.08% and 1222.57%* of annual turnover of DNEG North America, Inc. for the Financial Year 2023-24 and 2024-25 respectively.	a. 46.46% and 46.46% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. *Annual turnover of Prime Focus World N.V. is Nil. c. 14116.87% and 14116.87%* of annual turnover of Prime Focus International Services UK Limited for the Financial Year 2023-24 and 2024-25 respectively.	a. 76.71% and 76.71% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. *Annual turnover of Prime Focus World N.V. is Nil. c. 21739.13% and 21739.13%* of annual turnover of Double Negative Films Limited for the Financial Year 2023-24 and 2024-25 respectively.	a. 15.12% and 15.12% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. *Annual turnover of Prime Focus World N.V. is Nil. c. *Annual turnover of DNEG PLC is Nil.	a. 11.88% and 11.88% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. *Annual turnover of Prime Focus World N.V. is Nil. c. 443.48% and 443.48%* of annual turnover of Incamera Limited for the Financial Year 2023-24 and 2024-25 respectively.	a. 22.69% and 22.69% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. *Annual turnover of Prime Focus World N.V. is Nil. c. 714.82% and 714.82%* of annual turnover of Double Negative Toronto Productions Ltd. for the Financial Year 2023-24 and 2024-25 respectively.
2	If the transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary						
a	Details of the source of funds in connection with the proposed transaction	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals	Internal Accruals
b	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,						
	- Nature of indebtedness	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	- Cost of funds	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	- Tenure	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
c	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	<ul style="list-style-type: none"> <li>Applicable Terms, Tenure &amp; Repayment Schedule: As mutually agreed under the agreement loans and borrowings between the Companies.</li> <li>Interest Rate: Rate of Interest would be cost of funds + spread.</li> <li>Unsecured Borrowings.</li> </ul>					
d	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement
3	Justification as to why the RPT is in the interest of the listed entity	The transactions are to meet funding requirements and the transactions will also help both the Companies to smoothen business operations undertaken in accordance with laid down norms, policies and procedures of the Group, and therefore, in the interest of the Company.					
4	A copy of the valuation or other external party report, if any such report has been relied upon	All contracts with related parties are reviewed for arm's length testing.					
5	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the members	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Sr No.	Description	Details of proposed RPTs between Prime Focus World N.V. and certain Identified Related Parties of the Company					
6	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any and the nature of their relationship	Mr. Namit Malhotra, Director of Prime Focus World N.V. is also Director in DNEG North America, Inc.	None of the Director or KMP of Prime Focus World N.V. is a Director or KMP of Prime Focus International Services UK Limited	None of the Director or KMP of Prime Focus World N.V. is a Director or KMP of Double Negative Films Limited	Mr. Namit Malhotra, Director of Prime Focus World N.V. is also Director and KMP of DNEG PLC.	None of the Director or KMP of Prime Focus World N.V. is a Director or KMP of Incamera Limited	None of the Director or KMP of Prime Focus World N.V. is a Director or KMP of Double Negative Toronto Productions Ltd.
7	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.					

Sr No.	Description	Details of proposed RPTs between Prime Focus World N.V. and certain Identified Related Parties of the Company	
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.		
a	Name of the Related Party	DNEG Australia Pty Ltd	
b	Nature of relationship [including nature of its concern or interest (financial or otherwise)]	Subsidiary of the Company	
c	Type of the proposed transaction	a) Availing and rendering of services; b) purchase/sale/exchange/transfer/lease of business asset(s) and/or equipments to meet its business objectives/requirements; c) transfer of any resources, services or obligations to meet its business objectives/requirements; d) reimbursement of expenses including recharge received and recharge given; e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon. f) allocation of expenses towards grant of Stock Option; g) purchase/ sale of investments.	
d	Material terms and particulars of contract/ arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.	
e	Tenure of the proposed transaction	Financial Year 2023-24 and 2024-25	
f	Value of the proposed transaction	Shall not exceed ₹ 1,150 crores and ₹ 1,150 crores for the Financial Year 2023-24 and 2024-25 respectively.	
g	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover* on a standalone basis shall be additionally provided)  *The Subsidiary's annual turnover on a standalone basis is considered for the Financial Year 2022-23.	a. 24.85% and 24.85% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. *Annual turnover of Prime Focus World N.V. is Nil. c. 7260.10% and 7260.10%* of annual turnover of DNEG Australia Pty Ltd. for the Financial Year 2023-24 and 2024-25 respectively.	
2	If the transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary		
a	Details of the source of funds in connection with the proposed transaction	Internal Accruals	
b	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,		
	- Nature of indebtedness	Not Applicable	
	- Cost of funds	Not Applicable	
	- Tenure	Not Applicable	
c	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	<ul style="list-style-type: none"> <li>Applicable Terms, Tenure &amp; Repayment Schedule: As mutually agreed under the agreement loans and borrowings between the Companies.</li> <li>Interest Rate: Rate of Interest would be cost of funds + spread.</li> <li>Unsecured Borrowings.</li> </ul>	
d	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Working Capital Requirement	



Sr No.	Description	Details of proposed RPTs between Prime Focus World N.V. and certain Identified Related Parties of the Company
3	Justification as to why the RPT is in the interest of the listed entity	The transactions are to meet funding requirements and the transactions will also help both the Companies to smoothen business operations undertaken in accordance with laid down norms, policies and procedures of the Group, and therefore, in the interest of the Company.
4	A copy of the valuation or other external party report, if any such report has been relied upon	All contracts with related parties are reviewed for arm's length testing.
5	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the members	Not Applicable
6	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any and the nature of their relationship	None of the Director or KMP of Prime Focus World N.V. is also Director or KMP of DNEG Australia Pty Ltd
7	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives other than as mentioned above, are concerned or interested, in the resolution.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members by way of an Ordinary Resolution.

It is pertinent to note that no related party shall vote to approve this Resolution whether such related party is a related party to the particular transaction or not.

#### Item no. 12

**Details of proposed RPTs between DNEG North America, Inc. and certain Identified Related Parties of the Company including the information required to be disclosed in the Explanatory Statement pursuant to SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 are as follows:**

Sr No.	Description	Details of proposed RPTs between DNEG North America, Inc. and certain Identified Related Parties of the Company		
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.			
a	Name of the Related Party	Prime Focus Technologies, Inc.	Prime Focus International Services UK Limited	DNEG Australia Pty Ltd
b	Nature of relationship [including nature of its concern or interest (financial or otherwise)]	Subsidiary of the Company	Subsidiary of the Company	Subsidiary of the Company
c	Type of the proposed transaction	a) Availing and rendering of services; b) purchase/sale/exchange/transfer/lease of business asset(s) and/or equipments to meet its business objectives/requirements; c) transfer of any resources, services or obligations to meet its business objectives/ requirements; d) reimbursement of expenses including recharge received and recharge given; e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon. f) allocation of expenses towards grant of Stock Option; g) purchase/ sale of investments.		
d	Material terms and particulars of contract/ arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.		
e	Tenure of the proposed transaction	Financial Year 2024-25	Financial Year 2024-25	Financial Year 2024-25
f	Value of the proposed transaction	Shall not exceed ₹ 500 crores for the Financial Year 2024-25.	Shall not exceed ₹ 700 crores for the Financial Year 2024-25.	Shall not exceed ₹ 500 crores for the Financial Year 2024-25.

Sr No.	Description	Details of proposed RPTs between DNEG North America, Inc. and certain Identified Related Parties of the Company		
g	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover* on a standalone basis shall be additionally provided)  *The Subsidiary's annual turnover on a standalone basis is considered for the Financial Year 2022-23.	a. 10.80% of the annual consolidated turnover of the Company for the Financial Year 2024-25. b. 305.64%* of annual turnover of DNEG North America, Inc. for the Financial Year 2024-25. c. 463.43%* of annual turnover of Prime Focus Technologies, Inc. for the Financial Year 2024-25.	a. 15.12% of the annual consolidated turnover of the Company for the Financial Year 2024-25. b. 427.90%* of annual turnover of DNEG North America, Inc. for the Financial Year 2024-25. c. 4596.19%* of annual turnover of Prime Focus International Services UK Limited for the Financial Year 2024-25.	a. 10.80% of the annual consolidated turnover of the Company for the Financial Year 2024-25. b. 305.64%* of annual turnover of DNEG North America, Inc. for the Financial Year 2024-25. c. 3156.57%* of annual turnover of DNEG Australia Pty Ltd for the Financial Year 2024-25.
2	If the transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary			
a	Details of the source of funds in connection with the proposed transaction	Internal Accruals	Internal Accruals	Internal Accruals
b	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,			
	- Nature of indebtedness	Not Applicable	Not Applicable	Not Applicable
	- Cost of funds	Not Applicable	Not Applicable	Not Applicable
	- Tenure	Not Applicable	Not Applicable	Not Applicable
c	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	<ul style="list-style-type: none"> <li>Applicable Terms, Tenure &amp; Repayment Schedule: As mutually agreed under the agreement loans and borrowings between the Companies.</li> <li>Interest Rate: Rate of Interest would be cost of funds + spread.</li> <li>Unsecured Borrowings.</li> </ul>		
d	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Working Capital Requirement	Working Capital Requirement	Working Capital Requirement
3	Justification as to why the RPT is in the interest of the listed entity	The transactions are to meet funding requirements and the transactions will also help both the Companies to smoothen business operations undertaken in accordance with laid down norms, policies and procedures of the Group, and therefore, in the interest of the Company.		
4	A copy of the valuation or other external party report, if any such report has been relied upon	All contracts with related parties are reviewed for arm's length testing.		
5	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the members	Not Applicable	Not Applicable	Not Applicable
6	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any and the nature of their relationship	None of the Director or KMP of DNEG North America, Inc. is a Director or KMP of Prime Focus Technologies, Inc.	Mr. Vikas Rathee, Director of DNEG North America, Inc. is also Director of Prime Focus International Services UK Limited.	None of the Director or KMP of DNEG North America, Inc. is a Director or KMP of DNEG Australia Pty Limited.
7	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.		

None of the Directors or Key Managerial Personnel of the Company or their respective relatives other than as mentioned above, are concerned or interested, in the resolution.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members by way of an Ordinary Resolution.

It is pertinent to note that no related party shall vote to approve this Resolution whether such related party is a related party to the particular transaction or not.

Item no. 13

Details of proposed RPTs between Double Negative Films Limited and DNEG PLC including the information required to be disclosed in the Explanatory Statement pursuant to SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 are as follows:

Sr No.	Description	Details of proposed RPTs between Double Negative Films Limited and DNEG PLC
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.	
a	Name of the Related Party	DNEG PLC
b	Nature of relationship [including nature of its concern or interest (financial or otherwise)]	Subsidiary of the Company
c	Type of the proposed transaction	a) Availing and rendering of services; b) purchase/sale/exchange/transfer/lease of business asset(s) and/or equipments to meet its business objectives/requirements; c) transfer of any resources, services or obligations to meet its business objectives/ requirements; d) reimbursement of expenses including recharge received and recharge given; e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon. f) allocation of expenses towards grant of Stock Option; g) purchase/ sale of investments.
d	Material terms and particulars of contract/ arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.
e	Tenure of the proposed transaction	Financial Year 2023-24 and 2024-25
f	Value of the proposed transaction	Shall not exceed ₹ 1,000 crores and ₹ 1,000 crores for the Financial Year 2023-24 and 2024-25 respectively.
g	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover* on a standalone basis shall be additionally provided)  *The Subsidiary's annual turnover on a standalone basis is considered for the Financial Year 2022-23.	a. 21.61% and 21.61% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. 61.23.70% and 61.23.70%* of annual turnover of Double Negative Films Limited for the Financial Year 2023-24 and 2024-25 respectively. c. *Annual turnover of DNEG PLC is Nil.
2	If the transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	
a	Details of the source of funds in connection with the proposed transaction	Internal Accruals
b	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,	
	- Nature of indebtedness	Not Applicable
	- Cost of funds	Not Applicable
	- Tenure	Not Applicable
c	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	<ul style="list-style-type: none"> <li>Applicable Terms, Tenure &amp; Repayment Schedule: As mutually agreed under the agreement loans and borrowings between the Companies.</li> <li>Interest Rate: Rate of Interest would be cost of funds + spread.</li> <li>Unsecured Borrowings.</li> </ul>
d	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Working Capital Requirement
3	Justification as to why the RPT is in the interest of the listed entity	The transactions are to meet funding requirements and the transactions will also help both the Companies to smoothen business operations undertaken in accordance with laid down norms, policies and procedures of the Group, and therefore, in the interest of the Company.
4	A copy of the valuation or other external party report, if any such report has been relied upon	All contracts with related parties are reviewed for arm's length testing.
5	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the members	Not Applicable
6	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any and the nature of their relationship	Mr. Vikas Rathee, Director of Double Negative Films Limited is also Director of DNEG PLC.
7	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives other than as mentioned above, are concerned or interested, in the resolution.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members by way of an Ordinary Resolution.

It is pertinent to note that no related party shall vote to approve this Resolution whether such related party is a related party to the particular transaction or not.

Item no. 14

Details of proposed RPTs between Double Negative Holdings Limited and Incamera Limited including the information required to be disclosed in the Explanatory Statement pursuant to SEBI Master Circular bearing reference no. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 are as follows:

Sr No.	Description	Details of proposed RPTs between Double Negative Holdings Limited and Incamera Limited
1	Summary of information provided by the Management to the Audit Committee for approval of the proposed RPTs.	
a	Name of the Related Party	Incamera Limited
b	Nature of relationship [including nature of its concern or interest (financial or otherwise)]	Associate of the Company
c	Type of the proposed transaction	a) Availing and rendering of services; b) purchase/sale/exchange/transfer/lease of business asset(s) and/or equipments to meet its business objectives/requirements; c) transfer of any resources, services or obligations to meet its business objectives/requirements; d) reimbursement of expenses including recharge received and recharge given; e) advances/ borrowing/ loan/ deposit given and/or taken, interest received and/or paid thereon. f) allocation of expenses towards grant of Stock Option; g) purchase/ sale of investments.
d	Material terms and particulars of contract/arrangement	Transactions in the normal course of business with terms and conditions that are generally prevalent in the industry segments that the Company operates in.
e	Tenure of the proposed transaction	Financial Year 2023-24 and 2024-25
f	Value of the proposed transaction	Shall not exceed ₹ 500 crores and ₹ 500 crores for the Financial Year 2023-24 and 2024-25 respectively.
g	The percentage of the listed entity's annual consolidated turnover, for the immediately preceding Financial Year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover* on a standalone basis shall be additionally provided)  *The Subsidiary's annual turnover on a standalone basis is considered for the Financial Year 2022-23.	a. 10.80% and 10.80% of the annual consolidated turnover of the Company for the Financial Year 2023-24 and 2024-25 respectively. b. *Annual turnover of Double Negative Holdings Limited is Nil. c. 403.16% and 403.16%* of annual turnover of Incamera Limited for the Financial Year 2023-24 and 2024-25 respectively.
2	If the transactions relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary	
a	Details of the source of funds in connection with the proposed transaction	Internal Accruals
b	Where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments,	
	- Nature of indebtedness	Not Applicable
	- Cost of funds	Not Applicable
	- Tenure	Not Applicable
c	Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	<ul style="list-style-type: none"> <li>Applicable Terms, Tenure &amp; Repayment Schedule: As mutually agreed under the agreement loans and borrowings between the Companies.</li> <li>Interest Rate: Rate of Interest would be cost of funds + spread.</li> <li>Unsecured Borrowings.</li> </ul>
d	The purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Working Capital Requirement
3	Justification as to why the RPT is in the interest of the listed entity	The transactions are to meet funding requirements and the transactions will also help both the Companies to smoothen business operations undertaken in accordance with laid down norms, policies and procedures of the Group, and therefore, in the interest of the Company.
4	A copy of the valuation or other external party report, if any such report has been relied upon	All contracts with related parties are reviewed for arm's length testing.
5	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the members	Not Applicable
6	Name of the Director or Key Managerial Personnel ('KMP') who is related, if any and the nature of their relationship	None of the Director or KMP of Double Negative Holdings Limited is a Director or KMP of Incamera Limited.
7	Any other information that may be relevant	All important information forms part of the statement setting out material facts, pursuant to Section 102(1) of the Companies Act, 2013 forming part of this Notice.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives other than as mentioned above, are concerned or interested, in the resolution.

The said transaction(s)/contract(s)/arrangement(s) have been recommended by the Audit Committee and Board of Directors of the Company for consideration and approval by the Members by way of an Ordinary Resolution.

It is pertinent to note that no related party shall vote to approve this Resolution whether such related party is a related party to the particular transaction or not.

## ANNEXURE TO THE NOTICE

(In terms of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings (SS-2)):

Name of the Director	Mr. Namit Naresh Malhotra
DIN	00004049
First date of appointment as Director	Since incorporation of the Company (i.e. June 24, 1997)
Date of Birth	April 02, 1976
Age (in yrs)	47
Qualifications	B.com
Nationality	Indian
Brief resume, Experience and Expertise in Specific Functional Areas.	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 his clients world-class creative and technical services, and intelligent financial solutions. Namit is the poster boy of Indian entrepreneurship in Hollywood. He is also the Chairman and CEO of DNEG PLC (formerly known as DNEG Limited), in the United Kingdom, Subsidiary of the Company.
Names of other companies in which the person holds the directorship (Excludes Private Companies, Foreign Companies, Companies formed under Section 8 of the Companies Act 2013)	i. *Prime Focus Technologies Limited ii. *Prime Focus Motion Pictures Limited *Subsidiary of Prime Focus Limited
Chairmanship / Membership of Committees of the board (In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, only two Committees of the board are considered Audit committee and Stakeholders Relationship Committee)	Nil
Remuneration last drawn by such person	Nil
Remuneration sought to be paid	Nil
Terms and conditions of appointment or re-appointment	Terms and Conditions as per the Board Resolution
Disclosure of relationships between directors inter-se and Manager and other Key Managerial Personnel of the company	Mr. Namit Naresh Malhotra is a promoter of the Company. Except Mr. Naresh Mahendranath Malhotra and Mr. Namit Naresh Malhotra who are related to each other by way of father and son relationship, none of the other Directors, Manager, Key Managerial Personnel of the company are related to Mr. Namit Naresh Malhotra.
No. of shares held in the company as on the date of notice	Shares held in the Company: 1,49,00,000 Equity Shares of Re. 1/- each Share held as Beneficial Owner: 13,59,72,232 Equity Shares of Re. 1/- each
The number of Meetings of the Board attended during the Financial Year 2022-23 ( till the date of this notice)	4
Name of the Listed entities from which director has resigned in the past 3 (three) year.	None
Performance evaluation done or not.	Yes

By Order of the Board of Directors

Parina Shah  
Company Secretary  
ACS 18061

Place: Mumbai

Date: September 01, 2023

Registered Office:

Prime Focus House,  
Opp. Citi Bank, Linking Road,  
Khar West, Mumbai - 400 052.  
CIN: L92100MH1997PLC108981





PRIME FOCUS  
LIMITED

**LEADING**

**INNOVATION THROUGH  
COLLABORATION**

**ANNUAL REPORT 2022-23**



# INTRODUCTION

We began our adventure 26 years ago in a garage in Mumbai, when four young friends came together with a vision to create a business that would provide the finest in technology-enabled creative services for the Media & Entertainment industry.



Collaboration has been part of our DNA from the start. Great creative minds working together to produce creative and technological innovation. The drive and ambition to push the boundaries and to do things differently. To never accept that something is not possible or out of reach. Knowing that when we work together, anything is possible.

Today, we count some of the industry's most sought-after creative minds as part of our global team. Our technicians are developing tools that will help to define how our industry will work in the future. Our software engineers create AI-driven hybrid cloud technologies to provide customers with transformative solutions that automate their content supply chains. And we collaborate with our partners to create and co-produce exciting new content for a global audience.

We are changing the way that we work with our customers, providing more value and developing deeper relationships. We have embraced our leadership position within our industry, and we are now driving the next stage of our evolution. Never content with the status quo, we are pushing harder, reaching further, and working smarter. Together.

Building on the incredible work of our teams around the globe, the strength of our customer relationships, and our hard-won creative and technical leadership position, backed by seven Academy Awards for Best Visual Effects and numerous other honours, we are ready to set new standards in our industry.

**PRIME FOCUS**  
**LEADING INNOVATION**  
**THROUGH COLLABORATION**



The background features a dark blue gradient with numerous thin, glowing lines in shades of blue and red. These lines are arranged in a way that suggests motion and connectivity, with some lines curving and others forming a network-like structure. The overall effect is a dynamic and futuristic aesthetic.

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# CHAIRMAN'S MESSAGE



It gives me great pleasure to reflect on the journey of Prime Focus, which has grown from humble origins over 26 years ago to take a leadership position in our industry, providing the finest in technology-enabled creative services to the global Media & Entertainment industry. We have come a long way.

A strong focus on collaboration and innovation has driven our success. We have always been passionate about bringing together great creative minds and advanced technology. And there have been no shortcuts to success; we have repeatedly demonstrated our value by accomplishing the seemingly impossible.

We are now the world's largest integrated media service group, allowing us to offer our clients premium services at the quality and scale that they require. With the introduction of ReDefine in 2019, we expanded our reach further, capturing more VFX and animation work from existing and new clients, and across different markets.

In April 2023, we announced a Memorandum of Understanding (MoU) for DNEG to acquire the business of Prime Focus Technologies. Upon completion of this agreement, DNEG will expand its client service offering even further, providing an industry-leading, end-to-end, integrated set of services from pre-production to distribution fulfilment.

We have generated new opportunities, expanded into new markets, and rationalised our operations. Every year, we advance further. We achieve greater success. We get stronger.

Here's to another year full of collaboration & innovation!

## **NARESH MALHOTRA**

Chairman and Whole-time Director  
Prime Focus Limited





# HIGHLIGHTS OF THE YEAR



# GLOBAL CREATIVE SERVICES

It has been another year of growth and advancement for DNEG, our world-leading visual entertainment services company for the creation of feature film, television, and multiplatform content. From announcing a non-exclusive, multi-year agreement to expand our VFX and virtual production slate with Netflix, to opening new studios in Toronto, Bangalore and Sydney, to welcoming Oscar-winning VFX supervisor talent such as Janek Sirrs, Eric Brevig, Greg Butler, Guillaume Rocheron - not to mention the releases of 'Brahmastra: Part One - Shiva' and Kid Cudi's 'Entergalactic' for DNEG Animation - it has been a busy, productive and exciting year for DNEG and ReDefine.

In the first few months of 2023, DNEG announced the acquisition of the film & TV production studio complex and premier production service assets of Prime Focus in Mumbai, and that it is entering into a Memorandum of Understanding to acquire the business of Prime Focus Technologies. Bringing these services under the DNEG banner will open up operational efficiencies and cost advantages for DNEG's global clients, while enabling them to unlock extra value in their content through new monetisation opportunities.

# GLOBAL CLOUD TECHNOLOGY BUSINESS

## **CLEAR® AI Reframe**

Automatically convert horizontal videos into square and vertical formats



The past year has been one of significant growth and achievement for PFT. Our focus on innovation, technology, and customer-centricity has been at the heart of our success.

We have continued to strengthen our position in the markets globally and expand our offerings to meet the evolving needs of our clients—launched new product modules under CLEAR® (CLEAR® Clip and CLEAR® Localize) and CLEAR® AI (CLEAR® AI Discover and CLEAR® AI Reframe). PFT continues to work steadily in helping content companies unlock the full potential of automation and AI to revolutionise content management, audience engagement, and revenue generation. We expanded strategic partnerships with AWS and Microsoft opening new horizons and enriching our capabilities to deliver exceptional solutions.

Undoubtedly, signing the Memorandum of Understanding (MoU) between DNEG and PFT has been a highlight of the year. This deal is focussed on providing greater value to our customers, anticipating growth, scale, and excellence in the future. We are excited about the potential of this collaboration and the opportunities it will bring to both organisations.

At PFT, we have always been committed to providing cutting-edge solutions that enable our clients to achieve their business goals. Our focus on innovation, technology, and customer-centricity has been at the heart of our success. We have remained steadfast in our commitment to our values of integrity, excellence, and teamwork. Our talented and dedicated team has worked tirelessly to deliver exceptional results and drive the company forward.

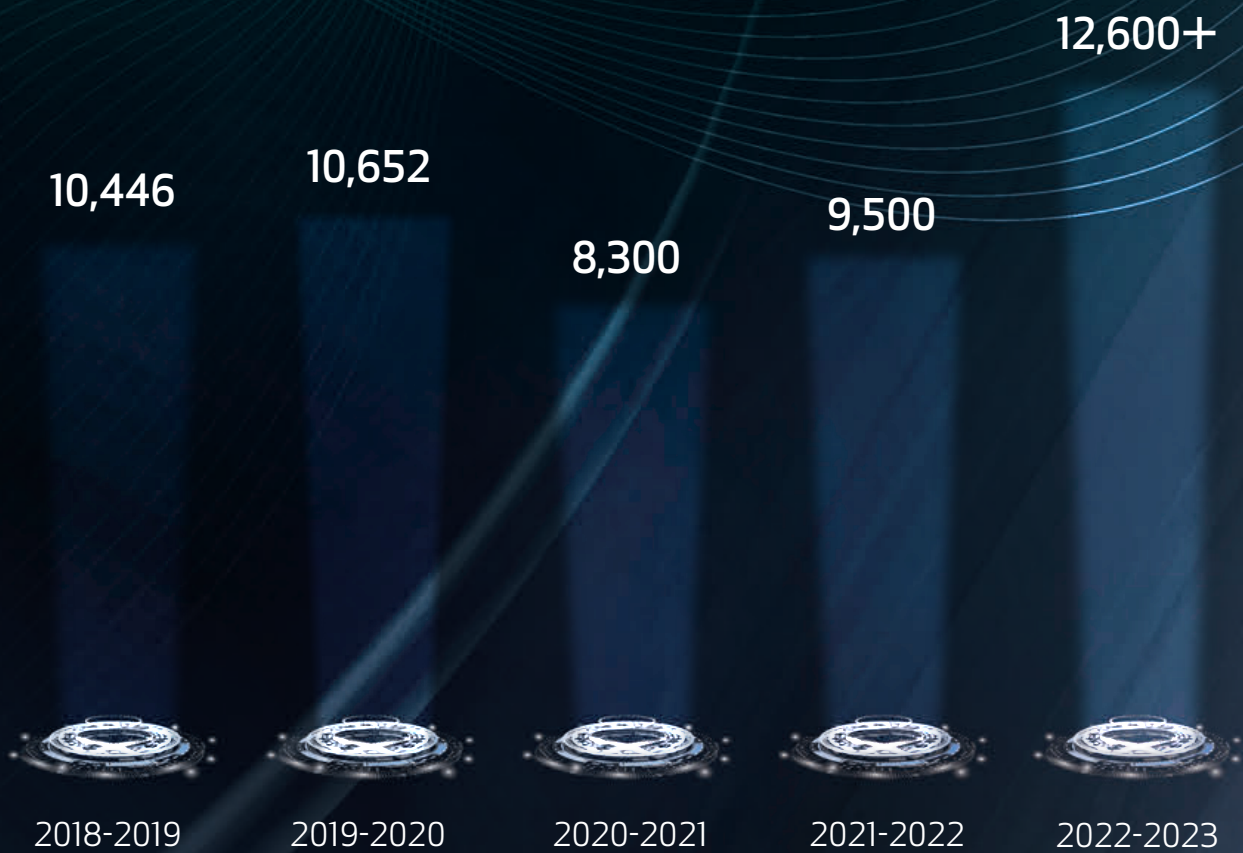
As we look ahead, we are confident in our ability to continue to deliver value to our clients, create opportunities for our employees, and generate sustainable growth for our shareholders.

We thank our clients, employees, and shareholders for their continued support and trust in PFT. We remain committed to enabling our clients to achieve their goals through innovative solutions and exceptional service.



# FINANCIAL HIGHLIGHTS

## EMPLOYEES



## REVENUE (in ₹ crores)



## ADJUSTED EBITDA (in ₹ crores)

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





# PROJECT HIGHLIGHTS



Bhediya



CAT



Ranveer vs. Wild with Bear Grylls



Brahmāstra: Part One - Shiva



Uunchai



Double XL



Goodbye



Kathmandu Connection



Dobaaraa



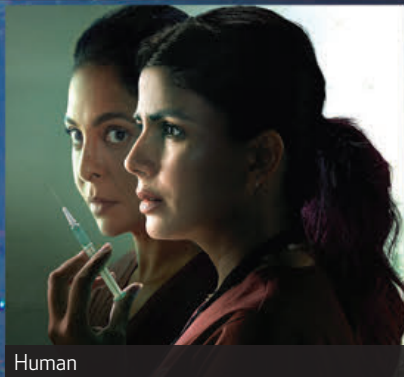
Mili



RRR



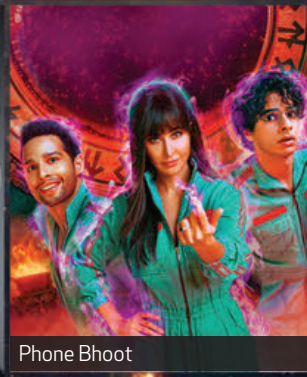
Rocketry: The Nambi Effect



Human



Freddy



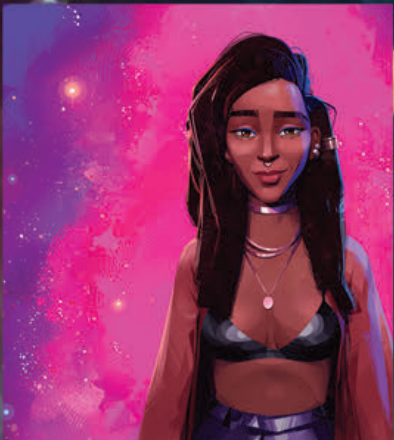
Phone Bhoor



Rudra

BOLLYWOOD





Entergalactic



The School for Good and Evil



1899



Significant Other



Shazam! Fury of the Gods



Extrapolations



Ambulance



Pinocchio



Glass Onion: A Knives Out Mystery



Black Adam



Me Time



Sonic the Hedgehog 2



Stranger Things - Season 4



Obi-Wan Kenobi



Bullet Train



The Lord of the Rings: The Rings of Power



The Last of Us



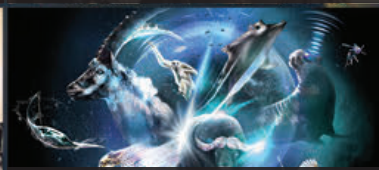
Scream VI



Secrets of the Sea



Whitney Houston: I Wanna Dance With Somebody



Super/Natural



All the Old Knives



The Essex Serpent



Lou



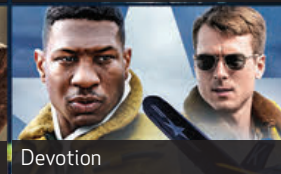
Circuit Breakers



Slumberland



Devotion



The Witcher: Blood Origin



Landscape with Invisible Hand



Locke & Key - Season 3



Jurassic World: Dominion



We Have a Ghost

HOLLYWOOD







# AWARDS

- **Visual Effects Society Award** for 'Outstanding Visual Effects in a Photoreal Episode' for 'The Lord of the Rings: The Rings of Power'
- Best Animation Award at the **26<sup>th</sup> LA Shorts Festival** for 'Mr. Spam Gets A New Hat'
- Best Animated Short Award at the **Cordillera International Film Festival** for 'Mr. Spam Gets A New Hat'
- Gold Award in the 'Feature Film VFX' category at the **2022 Australian Effects & Animation Festival (AEAF)** for 'Dune'
- Special Merit in the 'TV Series' category at the **2022 Australian Effects & Animation Festival (AEAF)** for 'Foundation'
- Namit Malhotra honoured at the **2022 Asian Achievers Award**
- DNEG and ReDefine win 'Best VFX Award' for 'Brahmāstra: Part One – Shiva' at the **IIFA Awards, Filmfare Awards and Zee Cine Awards 2023**
- **NABSHOW<sup>®</sup> Product of The Year 2023**
  - PFT won The Product of the Year Award under the 'AI/Machine Learning' category for its AI-led Video Reframing & transformation for CLEAR<sup>®</sup> Reframe
  - PFT also won the Product of the Year Award for CLEAR<sup>®</sup> Localize under the 'Asset Management, Automation, and Playout' categories
- **Tata Play's Supplier Information and Performance Management Program** certified PFT as one of its Top 10 Partners



# GROUP STRUCTURE



**69.96%**

Malhotra Family  
(Founders)

**21.97%**

Affirma Capital

**8.07%**

Public



**PRIME FOCUS**  
L I M I T E D

Prime Focus Limited (India)  
Listed on BSE/NSE



PRIME FOCUS

**+ ONEG**

Prime Focus World N.V. (Netherlands)  
Global Visual Effects & Animation business

**93.54%**



PRIME FOCUS  
TECHNOLOGIES

Prime Focus Technologies  
Global Cloud Technology Business

**73.21%**





# GLOBAL PRESENCE



4

CONTINENTS

7

TIME ZONES

27

CITIES

BARCELONA

BENGALURU

BHUBANESWAR

BUDAPEST

BURBANK

CHENNAI

GOA

HYDERABAD

KOLKATA

LEEDS

LONDON

LOS ANGELES

MOHALI

MONTRÉAL

MUMBAI

NEW YORK

NOIDA

PATNA

PUNE

RAJAHMUNDRY

SINGAPORE

SOFIA

SYDNEY

THIRUVANANTHAPURAM

TORONTO

VANCOUVER

VISAKHAPATNAM

# BUSINESS OVERVIEW

## GLOBAL CREATIVE SERVICES

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

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

## GLOBAL TECHNOLOGY BUSINESS

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



---

**92%**

OF GLOBAL REVENUE

---

**8%**

OF GLOBAL REVENUE



# GLOBAL CREATIVE SERVICES



2023 kicked off with another VES Award for 'Outstanding Visual Effects in a Photoreal Episode' for The Lord of the Rings: The Rings of Power. This was DNEG's nineteenth VES win in total. DNEG also brought home Filmfare, IIFA and Zee Cine Awards for 'Best VFX' for its work on Brahmāstra: Part One – Shiva.

Winding the clock back to 2022, the entertainment industry experienced significant changes and developments, with the rise in OTT viewership being a notable trend. This surge in streaming services' popularity was fuelled by the release of highly anticipated shows like 'Stranger Things 4', released in May 2022, and 'The Last of Us', which was released in January 2023. These productions were viewed by millions of people and received widespread acclaim for their compelling storylines, memorable characters, and breathtaking visuals.

Overall, 2022 marked a year of growth and innovation in the entertainment industry, with streaming services' continued rise and the increasing use of VFX shaping the future of media consumption.



## FILM VFX

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

- Christopher Nolan: Batman Begins, The Dark Knight, Inception, The Dark Knight Rises, Interstellar, Dunkirk, Tenet, **Oppenheimer**
- Denis Villeneuve: Blade Runner 2049, Dune: Part 1, **Dune: Part 2**
- Ruben Fleischer: Venom, **Uncharted**
- Patty Jenkins: Wonder Woman, **Wonder Woman 1984**
- Justin Lin: Fast & Furious 6, Star Trek Beyond, **F9: The Fast Saga**
- Edgar Wright: Shaun of the Dead, Hot Fuzz, Scott Pilgrim Vs. The World, Grindhouse, World's End, Baby Driver, **Last Night in Soho**
- David Yates: Harry Potter and the Half-Blood Prince, Harry Potter and the Order of the Phoenix, Harry Potter and the Deathly Hallows: Part 1 & 2, Fantastic Beasts and Where to Find Them, **Fantastic Beasts: The Crimes of Grindelwald**
- Francis Lawrence: The Hunger Games: Catching Fire, The Hunger Games: Mockingjay – Part 1 & 2, Red Sparrow, **Slumberland**





## EPISODIC VFX

Our dedicated Episodic VFX service enables creators of episodic content worldwide to access DNEG's talent, technical innovation, and infrastructure through a bespoke offering. Our dedicated team of VFX supervisors, producers and artists bring extensive experience and understanding of episodic content to every project they undertake, and their work has been rewarded with three Primetime Emmys and a BAFTA TV Craft Award, as well as numerous Visual Effects Society awards including the 2023 award for 'Outstanding Visual Effects in a Photoreal Episode' for 'The Lord of the Rings: The Rings of Power'.

### Standout Episodic projects in the last year include:

- Extrapolations
- The Last of Us
- The Witcher: Blood Origin
- Glass Onion: A Knives Out Mystery
- 1899
- The Lord of the Rings: The Rings of Power
- Stranger Things – Season 4

## DNEG ANIMATION

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

DNEG Animation's recent work includes **'Entergalactic'**, created by Scott 'Kid Cudi' Mescudi and Kenya Barris, the show tells the story of two young artists navigating the twists and turns of finding love in New York City and received great acclaim on its worldwide release in September on Netflix, and 'Mr. Spam Gets A New Hat', a short film co-produced with Oscar-winning director Bill Joyce, which is pushing the boundaries of what you can do with real-time, game engine technology in the animation pipeline and has already won a number of festival awards.

DNEG Animation is currently in production on a slate of exciting projects for its Hollywood and global studio clients, including 'Nimona' for Annapurna Pictures and Netflix, 'Garfield' with Alcon Entertainment for Sony Pictures, and 'That Christmas' for Locksmith Animation, among other projects.





# REDEFINE

ReDefine brings a fresh and dynamic approach to the art of visual effects (VFX) and animation for film, episodic and multiplatform content.

As part of the DNEG Group, ReDefine leverages an incredible legacy of creative and technical innovation to cater to projects that benefit from its agile, boutique approach. It designs solutions tailored to each show's requirements and consistently delivers the highest levels of quality.

With our integrated network of studios across North America, Europe and India, ReDefine's global team is as diverse as the stories it brings to life. Its flexible, personalised and human approach to its work reinvents how it collaborates with its creative partners, enabling the team to deliver timely, ambitious and remarkable results that enhance and breathe life into every project the company works on.

ReDefine is a global company with studios in North America (Montreal, Toronto, Vancouver, Los Angeles), Europe (London, Sofia, Barcelona, Budapest), and India (Mumbai, Hyderabad, Bengaluru, Pune, Thiruvananthapuram, Kolkata, Goa, Patna and Bhubaneswar).

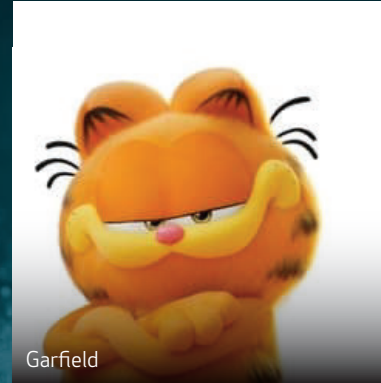






# STRONG PIPELINE

ONEG



Garfield

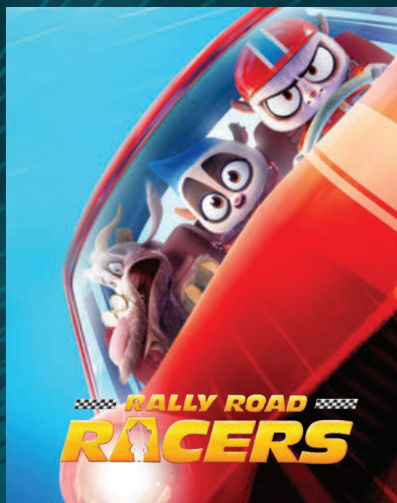


That Christmas



- Avatar: The Last Airbender
- The Gilded Age – Season 2
- Furiosa
- Lift
- Under the Boardwalk
- No One Will Save You
- No Way Up
- Coyote Vs Acme





REDEFINE





# PRIME FOCUS TECHNOLOGIES

Prime Focus Technologies (PFT), along with its cutting-edge solutions and services to M&E enterprises, continued its steadfast efforts by adding new features to its media recognition AI platform, CLEAR® AI, to make AI work for M&E companies. The platform helps solve real world business problems for content enterprises including streaming platforms, studios and broadcasters. PFT now offers technology, with bespoke strategic consulting services to make AI work for the customers, taking into consideration their specific business challenges and unique content.



# FULFILMENT SERVICES

Our Fulfilment services include QC (Quality Check), mastering, compliance and delivery services.

## QUALITY CHECK (QC) SERVICES

PFT offers stringent, multi-pass QC services to ensure that content meets all technical requirements necessary for OTT platforms & broadcasting. We provide secure QC operations across various formats such as 6K/4K/2K/HD/UHD/Dolby Atmos, 7.1, HDR, IMF, and more. We cater to QC requirements of multiple platforms, allowing real-time tracking and management of QC faults. Our in-house 24x7 expert technical operations support helps rectify QC errors promptly, enabling customers to manage their timelines effectively.

## MASTERING

PFT's CLEAR® provides end-to-end workflow orchestration for mastering. We have a state-of-the-art infrastructure, including industry standard mastering rooms, visual QC rooms, in-house dubbing studios, a Tier 3 Data Centre with extensive online/near-line storage capacities with TPN certification. Our mastering services cover cut to clock, censor certification, compliance edits.

## CONTENT COMPLIANCE

CLEAR® offers an industry-first solution for domestic and multi-territory compliance editing with multiple broadcast regulatory needs. This includes a built-in framework of parameters to adhere to the specifications of different regulatory bodies. PFT has processed and compiled around 20,000+ hours of content to meet the regulatory needs of clients such as Amazon Prime Video, MarVista Entertainment, Sinclair Broadcast Group, Gravitas Movies, Circle Network, Enterr10 Television Network, Tegna Inc. & many more.

## DELIVERY SERVICES

PFT's delivery services encompass digital packaging and delivery to various video streaming service platforms. Using CLEAR®, an automated process allows for the creation of packages, transcoding in multiple formats, and lightning-fast delivery to different new media platforms.

## MEDIA PRESERVATION WITH DIGITAL RESTORATION SERVICES (DRS)

In the rapidly evolving digital era, media preservation has become a crucial aspect for content owners and archives worldwide. The preservation of valuable audiovisual content, including films, documentaries, television shows, and more, requires meticulous attention to detail and advanced technological solutions. Prime Focus Technologies (PFT) is at the forefront of this transformation, offering state-of-the-art Digital Restoration Services (DRS) that ensure the longevity and quality of media assets.

**Preserving heritage through Digital Restoration:** Digital Restoration Services provided by PFT leverage cutting-edge technologies and a team of skilled experts to restore and revitalise media assets. With a deep understanding of the challenges faced by content owners, PFT employs a meticulous process to bring old, damaged, or deteriorating content back to life.

We have digitally restored and delivered 100 years old Disney features like Cinderella, Snow White, Disney Shorts & WB 'Friends' series in pristine 6K format output & digitally restored heritage movies of the National Film Archive of India.

## CONTENT CATALOGUING

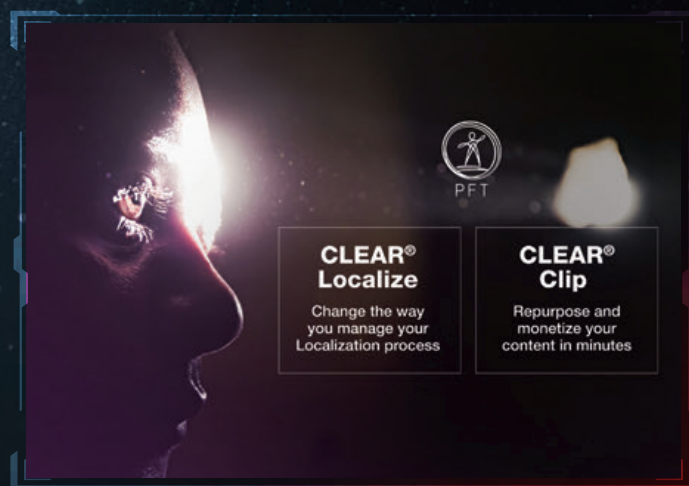
In today's digital age, content owners and media enterprises face the challenge of managing vast libraries of media assets efficiently. Content cataloguing plays a pivotal role in organising and streamlining media management processes. Prime Focus Technologies (PFT) offers comprehensive content cataloguing solutions that empower organisations to unlock the full potential of their media assets while optimising workflows and enhancing productivity.

PFT is revolutionising media by combining cutting-edge technologies, skilled expertise, and a meticulous approach, enhancing viewer experiences, and unlocking new monetisation opportunities. With a commitment to excellence, PFT continues to be a trusted partner in transforming media preservation.

Overall, PFT offers a comprehensive range of media processing services to support the needs of media enterprises, ensuring their content reaches a global worldwide audience.

# LOCALISATION SERVICES

PFT's localisation services ensure that content is adapted and delivered to a worldwide audience while maintaining the brand and style. We have a strong global network of partnerships and native translators who work on translating and adapting content. We offer timed text (subtitling) and forced narration capabilities in over 60+ languages and have a team of 1,500+ subtitling experts, translators & adapters. Annually, we deliver over 40,000 hours of subtitling and closed captioning services. Additionally, we offer dubbing services in over 60+ languages, dubbing more than 15,000 hours of content annually across various genres such as feature films, dailies, ads, documentaries, animation, and E-Learning. We have a track record of successfully completing dubbing projects, including five shows aired on Star Life, from 2022 onwards, which contributed to elevated TRP ratings compared to various competitors.





# PRIME FOCUS TECHNOLOGIES

## TECHNO-CREATIVE SOLUTIONS

PFT works with the streaming platforms, biggest broadcasters and brands, delivering cutting-edge Techno-Creative Solutions by providing award-winning genre and geo-agnostic long and short-form content backed by AI technology.

PFT's creative projects for leading content enterprises have won over 90 excellence awards till now and established new records in engagement and conversion ratios.

From creating breathtaking promos to support content campaigns, compelling shorts from long-form content, 360-degree post-production, versioning and distribution to mass-scale promotional content – thumbnails, e-mailers, banners, GIFs, print media adverts, etc.; PFT has been doing it all on a global scale for all the major M&E enterprises and brands.

Today, we deliver over 20K unique audio-video assets monthly and over 30 hours of premium original content annually. We also deliver more than 1,700 promos/trailers monthly in more than 15K versions.

Since 2013, we delivered over 140,000 assets annually for 37 channels for Disney Star. We have produced over 85K assets for Star Sports and Disney+ Hotstar.

We continue to deliver creative excellence anchored by our Techno-Creative Solutions powered by artificial intelligence that drives measurable business outcomes for our M&E customers and brands.

## AUDIO DESCRIPTION SERVICES (ADS)

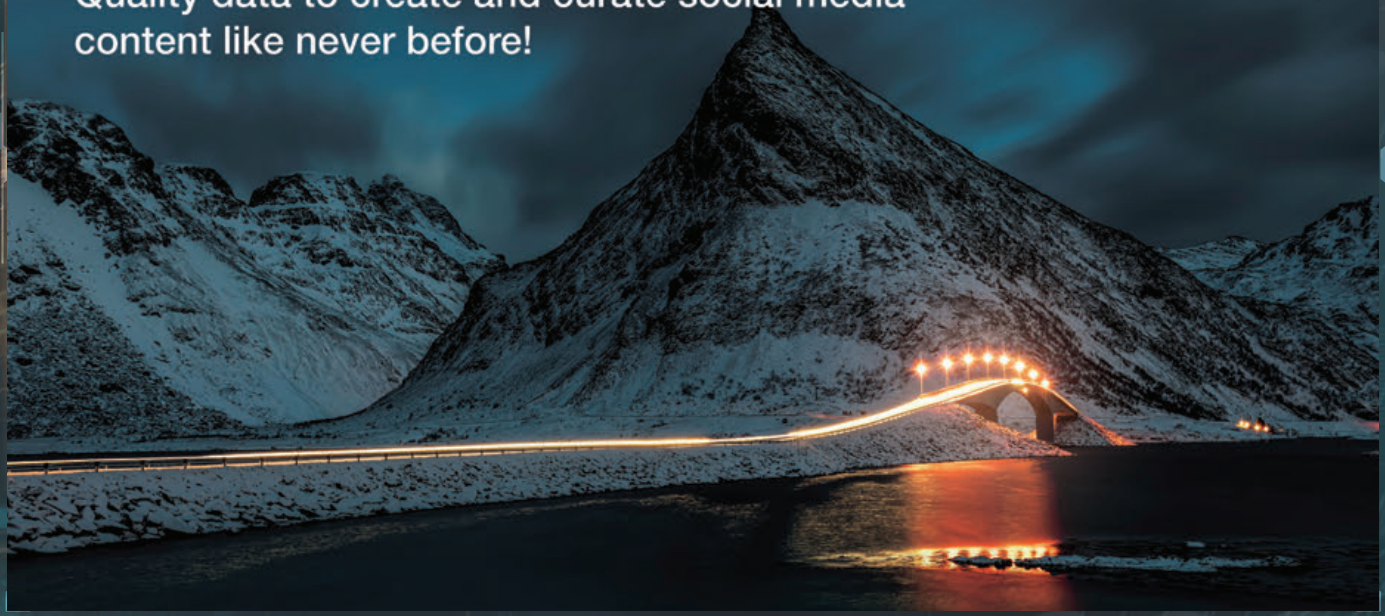
We provide audio description services to help visually impaired individuals access video content. ADS is mandatory for broadcasters in countries like the UK, Canada, and the USA.

A large, stylized 'AI' logo is centered within a futuristic, glowing blue interface. The interface features a grid of lines and various data points, suggesting a high-tech or artificial intelligence theme. The background is dark with glowing blue and orange lines, creating a sense of depth and complexity.



# CLEAR® AI Discover, enhanced by ChatGPT

Quality data to create and curate social media  
content like never before!



## OUR LATEST PRODUCTS

- **CLEAR® AI Reframe** eliminates the time-consuming process of resizing videos for different social media apps. This innovative module enables companies to convert horizontal videos automatically and accurately into square and vertical formats, saving time and unlocking revenue opportunities.
- **CLEAR® AI Discover** enhanced by ChatGPT, serves as a co-pilot for social media content creators. It uses CLEAR® AI to gather information across content, harnesses the power of PFT's patented Machine Wisdom that puts content in context for better quality data, and leverages ChatGPT to create unprecedented creative possibilities.
- **CLEAR® Localize** is our ready-to-go, fully cloud-based localisation portal connecting content owners and localisation partners globally to streamline communication with multiple vendors while giving complete transparency into progress updates and estimated delivery dates. No more time wasted on emails and calls chasing progress updates.
- **CLEAR® Clip** helps generate AI-curated clips from your existing content catalogue, stock footage, or any new content-allowing users to assemble & trim clips and create playlists. It unlocks powerful storytelling tools for captivating narratives and is the best AI-curated content for a top-notch selection and for quick publishing to preferred social platforms.



# INDIA FILM AND MEDIA SERVICES

## DIGITAL INTERMEDIATE/COLOR GRADING

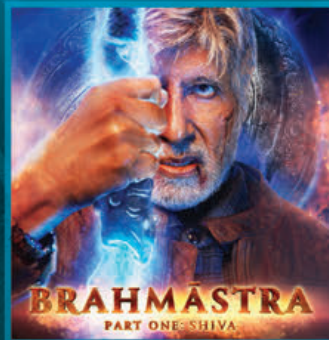
- Offering services for Bollywood and other regional feature films and digital releases in India, the Digital Intermediate (DI) branch continues to experience phenomenal growth
- Most of these projects are now launched on OTT platforms like Disney+ Hotstar, Amazon Prime, ZEE5, and Netflix since the OTT content market has rapidly expanded each year
- This year, we delivered services for top-grossing projects such as 'Brahmāstra: Part One – Shiva', the highest-grossing Bollywood film of the year, 'Ram Setu', 'Samrat Prithviraj', 'Bhediya', and more
- Prime Focus has maintained its dominance in the OTT market by delivering popular projects like 'Freddy', 'Escaype Liv', 'CAT', and 'Criminal Justice 3'
- The Company's future pipeline looks promising by having projects 'Rocky aur Rani ki Prem Kahani', 'Pirates', 'Merry Christmas', and 'Emergency'.

## DIGITAL RELEASES





# BOLLYWOOD



# FUTURE PIPELINE





# INDIA FILM AND MEDIA SERVICES

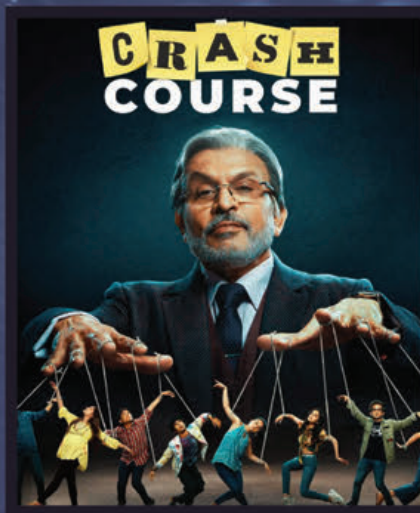
## EQUIPMENT RENTAL

The Equipment Rental business delivers services for more than 70 films every year around India. Prime Focus Limited won the 'Best Equipment Rental Company in India' at the Digital Studio Media Awards 2019 & 2021.

The division's inventory includes more than 40 high-end feature film cameras, and it caters to a wide spectrum of clients, including independent filmmakers, high-budget productions, live sporting events, and projects made for digital platforms.

The EQR pipeline also saw a rise in projects for OTT platforms by delivering EQR services for projects like 'CAT', 'Freddy', 'Crash Course', 'Uunchai', 'Brahmāstra: Part One – Shiva', and many more.





OD.  
SCENE





# CORPORATE INFORMATION

# BOARD OF DIRECTORS

## EXECUTIVE DIRECTOR

Mr. Naresh Malhotra  
*Chairman and Whole-time Director*

## NON-EXECUTIVE DIRECTORS

Mr. Namit Malhotra

Mr. Vibhav Parikh  
*(Appointed w.e.f. July 01, 2022)*

Mr. Kodi Raghavan Srinivasan  
*Independent Director*

Mrs. (Dr.) Hemalatha Thiagarajan  
*Independent Director*

Mr. Samu Devarajan  
*Independent Director*

Mr. Ramakrishnan Sankaranarayanan  
*(Resigned w.e.f. closure of business hours of May 30, 2023)*

Mr. Padmanabha Gopal Aiyar  
*Independent Director*  
*(Resigned w.e.f. closure of business hours of May 30, 2023)*

Mr. Rivkaran Singh Chadha  
*Independent Director*  
*(Resigned w.e.f. November 14, 2022)*

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

## CHIEF FINANCIAL OFFICER

Mr. Nishant Fadia

## COMPANY SECRETARY

Ms. Parina Shah

## STATUTORY AUDITORS

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

## REGISTRAR & SHARE TRANSFER AGENTS

Link Intime India Private Limited  
C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083  
Tel: (0) 810 811 6767 | Fax: +91 22 49186060  
Email: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)  
Website: [www.linkintime.co.in](http://www.linkintime.co.in)

## REGISTERED OFFICE

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

## CORPORATE IDENTITY NUMBER (CIN)

L92100MH1997PLC108981



# Directors' Report

To  
The Members of  
Prime Focus Limited ("the Company")

Your Company's Directors are pleased to present the Twenty-Sixth Annual Report together with the Audited Financial Statements for Financial Year ended March 31, 2023.

## 1. FINANCIAL PERFORMANCE SUMMARY

The Consolidated and Standalone Audited Financial Results for the Financial Year ended March 31, 2023 are as follows:

(₹ in Crores)

Particulars	Consolidated		Standalone	
	2022-23	2021-22	2022-23	2021-22
Income from services	4628.11	3369.15	40.74	102.51
Other operating income	16.15	16.76	-	18.41
Total income from operations	4644.26	3385.91	40.74	120.92
Less: Expenses	4136.85	3006.17	71.34	120.78
Add: Other income	279.49	91.85	40.63	72.64
Less: Finance costs	420.72	373.34	23.95	32.28
Less: Exceptional items(gain)	60.04	180.52	-	(250.20)
Less: Tax expense	111.65	91.62	10.55	-
Less: Minority interest	47.20	(2.32)	-	-
Profit / (Loss) for the year	147.29	(171.57)	(24.47)	290.70

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

### Consolidated

During the Financial Year under review, total income from operations of the Company and its subsidiaries stood at ₹4644.26 crores as compared to ₹3385.91 crores in the previous year. The Net Profit after tax after minority interest was ₹ 147.29 crores as compared to Net Loss of ₹(171.57) crores in previous year.

### Standalone

Total income from operations of the Company during the year was ₹40.74 crores as compared to ₹120.92 crores in the previous year. The Net loss after tax was ₹(24.47) crores as compared to profit of ₹ 290.70 crores in the previous year. A detailed analysis on the Company's performance, both Consolidated & Standalone, is included in the "Management Discussion & Analysis" Report which forms part of this Annual Report.

## 3. DIVIDEND

In view of the losses in the Financial Year 2022-23, the Directors do not recommend any dividend for its equity shares for the Financial Year 2022-23.

## 4. DIVIDEND DISTRIBUTION POLICY

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

## 5. TRANSFER TO RESERVES

In view of the losses in the Financial Year 2022-23, Your Company has not transferred any amount to Reserves.

## 6. SHARE-CAPITAL

### Authorised Share Capital

The Authorised Share Capital of your Company is ₹ 45,05,00,000/- (Rupees Forty Five Crores and Five Lakhs) comprising of 45,05,00,000 (Forty Five Crores and Five Lakhs) equity shares of Re. 1/- (Rupee One) each.

### Paid-Up Share Capital

The paid-up equity share capital of the Company as on March 31, 2023 stood at ₹ 29,95,36,644/- (Rupees Twenty Nine

Crores Ninety Five Lakhs Thirty Six Thousand Six Hundred Forty Four) comprising of 29,95,36,644 (Twenty Nine Crores Ninety Five Lakhs Thirty Six Thousand Six Hundred Forty Four) equity shares of Face Value of Re. 1/- (Rupee One) each.

The Company has neither issued share with differential voting rights nor sweat equity. As on March 31, 2023, none of the Directors of the Company hold instruments convertible into equity shares of the Company.

## 7. EMPLOYEE STOCK OPTION SCHEME (ESOP)

The Company has implemented 'PFL-ESOP Scheme 2014' compliant with the SEBI (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 ("SEBI SBEB & SE Regulations") to reward and retain the qualified and skilled employees and to give them an opportunity to participate in the growth of the Company, these schemes are administered by the ESOP Compensation Committee of the Company.

Pursuant to the applicable provisions of the Companies Act, 2013 (the 'Act') and the SEBI SBEB & SE Regulations and recommendation of ESOP Compensation Committee, Board of Directors vide its meeting held on June 30, 2022 approved modification in Clause 3.13 of 'PFL-ESOP Scheme 2014' to increase the period for exercise of the options vested under such Scheme from 5 years to 10 years and the same was subsequently approved by the Members of the Company vide Special Resolution passed by way of Postal Ballot on August 07, 2022.

A certificate from the Secretarial Auditors of the Company as required under Regulation 13 of the SEBI SBEB & SE Regulations shall be available electronically for inspection by the Members at the ensuing Annual General Meeting. The disclosures as required to be made under the provisions of the Act and Rules made thereunder and under Regulation 14 of the SEBI SBEB & SE Regulations read with SEBI Circular dated June 16, 2015 are accessible on Company's website at [http://www.primefocus.com/sites/default/files/pdf/2022\\_23/ESOP\\_disclosure\\_Reg\\_14\\_2022\\_23.pdf](http://www.primefocus.com/sites/default/files/pdf/2022_23/ESOP_disclosure_Reg_14_2022_23.pdf)

The details of Employee Stock Options form part of the Notes to Accounts to Financial Statements in this Annual Report. No employee of the Company received grant of options during the year amounting to 5% or more of the options granted or exceeding 1% of issued capital of the Company.

## 8. SECRETARIAL STANDARDS

The Company is in compliance with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') and approved by the Central Government under Section 118 (10) of the Act for the Financial Year ended 2022-23.

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

There have been no material changes and commitments affecting the financial position of the Company which have occurred between the end of Financial Year of the Company to which the Financial Statements relate and the date of this Report.

## 10. CHANGE IN NATURE OF BUSINESS

There is no change in the nature of business of the Company during the Financial Year ended March 31, 2023.

However, the Company has taken few strategic decisions to rationalize the operating structure and transferred few business segments to its subsidiary like:

1. Transfer of Visual Effects (VFX) business to DNEG Creative Services Limited (Subsidiary of the Company) as a slump sale on a going concern basis effective from October 07, 2019.
2. Transfer of other Bollywood business to DNEG India Media Services Limited (Subsidiary of the Company) as a slump sale on a going concern basis effective from March 31, 2022.

In view of the above, PFL has started earning a majority of income from leasing of premises, studio, alongwith existing infrastructure, equipment and provide other facilities/ services in connection with the same with effect from April 1, 2022 onwards.

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

During the Financial Year under review, there were no significant or material orders passed by the Regulators or Courts or Tribunal which would impact the going concern status of the Company and its future operation.

## 12. RISK MANAGEMENT

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



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

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

The Risk Management policy of the Company is available on the website at [http://www.primefocus.com/sites/default/files/pdf/2021\\_22/PFL\\_Risk\\_Management\\_Policy.pdf](http://www.primefocus.com/sites/default/files/pdf/2021_22/PFL_Risk_Management_Policy.pdf)

### 13. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

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

### 14. HUMAN RESOURCES

Human Resource is considered as one of the most critical resource in the business which can be continuously smoothened to maximize the effectiveness of the organization. Human Resource builds the Enterprise and the sense of belonging would inculcate the spirit of dedication and loyalty amongst them towards strengthening the Company's Policies and Systems. All personnel continue to have healthy, cordial and harmonious approach thereby enhancing the contributory value of the Company. The Company has generally enjoyed cordial relations with its personnel. Further, the total number of permanent employees of the Company as on March 31, 2023 is 16.

### 15. PREVENTION OF SEXUAL HARASSMENT

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

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

An Internal Complaints Committee (ICC) has been set up to redress complaints received regarding sexual harassment at workplace. During the year under review, Company has not received any complaints on sexual harassment and hence there are no complaints pending as on the end of the Financial Year 2022-23 on sexual harassment.

### 16. PUBLIC DEPOSITS

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

### 17. ANNUAL RETURN

In compliance with the provisions of Section 92 of the Act, the Annual Return of the Company for the Financial Year ended March 31, 2023 has been uploaded on the website of the Company and the web link of the same is [http://www.primefocus.com/sites/default/files/pdf/MGT\\_7\\_PFL\\_23.PDF](http://www.primefocus.com/sites/default/files/pdf/MGT_7_PFL_23.PDF)

### 18. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Act, Regulation 33 of the Listing Regulations and applicable Indian Accounting Standards notified under the Companies (Indian Accounting Standard) Rules, 2015, the Audited Consolidated Financial Statements of the Company for the Financial Year 2022-23, together with the Auditors' Report forms part of this Annual Report.

### 19. SUBSIDIARY COMPANIES, JOINT VENTURE AND ASSOCIATE COMPANIES

#### Financial Performance:

A separate statement containing the salient features of financial statements of subsidiaries/joint venture/associate companies of the Company in the prescribed Form AOC - 1 in compliance with Section 129 (3) and other applicable provisions, if any, of the Act read with Rule 5 of the Companies (Accounts) Rules, 2014 forms part of this Annual Report.

The said Form also highlights the financial performance of each of the subsidiaries included in the Consolidated Financial Statements (CFS) of the Company pursuant to Rule 8(1) of the Companies (Accounts) Rules, 2014.

In accordance with Section 136 of the Act, the financial statements of the subsidiary and associate companies are available for inspection by the members at the Registered Office of the Company during business hours on all working days up to the date of the Annual General Meeting of the Company i.e., Friday, September 29, 2023. Any member desirous of obtaining a copy of the said financial statements may write to the Company Secretary at the Registered Office of the Company.

The financial statements including the CFS, and all other documents required to be attached to this report have been uploaded on the website of the Company at [www.primefocus.com](http://www.primefocus.com).

The Policy for determining Material Subsidiaries has been uploaded on the Company's website at [http://www.primefocus.com/sites/default/files/pdf/POLICY\\_ON\\_MATERIAL\\_SUBSIDIARIES.pdf](http://www.primefocus.com/sites/default/files/pdf/POLICY_ON_MATERIAL_SUBSIDIARIES.pdf)

The Company has 41 subsidiaries/joint venture and associate companies as on March 31, 2023.

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

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

1. DNEG Australia PTY Ltd became subsidiary of the Company w.e.f. May 04, 2022
2. Double Negative Hungary Limited became subsidiary of the Company w.e.f. May 28, 2022
3. DNEG Spain, S.L. became subsidiary of the Company w.e.f. September 02, 2022

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

Prime Focus China Limited was dissolved w.e.f. February 27, 2023 and ceased to be subsidiary of the Company.

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

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

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

**A. CONSERVATION OF ENERGY**

- i. **The steps taken to or impact on conservation of energy-** Although the Company is not engaged in manufacturing activities, as a responsible corporate citizen, we continue to pursue and adopt appropriate energy conservation measures. The Company makes every effort to conserve energy as far as possible in its postproduction facilities, Studios, Offices, etc. The Company also takes significant measures to reduce energy consumption by using energy efficient computers and by purchasing energy efficient equipment. The Company purchases PCs, laptops, air conditioners etc. that meet environment standards, wherever possible and replace old equipment with more energy-efficient equipment.
- ii. **The Steps taken by the Company for utilizing alternate sources of energy** – Not applicable.

**iii. The capital investment on energy conservation equipment's**

- The Company constantly evaluates new developments and invests into latest energy efficient technology.

**B. TECHNOLOGY ABSORPTION**

- i. **The efforts made towards technology absorption** – The Company adopts the latest trends in the technology development and introduces the same so as to ensure reduction in cost with best quality output.
- ii. **The benefits derived like product improvement, cost reduction, Product development or import substitution**
  - Not applicable.
- iii. **Imported Technology**
  - (a) The details of technology imported - Not Applicable
  - (b) The year of import - Not applicable
  - (c) Whether the technology has been fully absorbed
    - Not applicable
  - (d) If not fully absorbed - Not applicable
- iv. **Expenditure incurred on Research and Development (R&D)** - Your company is predominantly a service provider and therefore has not set up a formal R&D unit, however continuous research and development is carried out at various development centers as an integral part of the activities of the Company.

**C. PARTICULARS OF FOREIGN CURRENCY EARNINGS AND OUTGO:**

(₹ In Crores)

Particulars	March 31, 2023	March 31, 2022
Foreign exchange earned in terms of actual inflow	56.77	23.17
Foreign exchange outgo in terms of actual outflow	(399.89)	(1.13)

**21. MANAGEMENT DISCUSSION AND ANALYSIS**

Management Discussion and Analysis Report for the Financial Year ended March 31, 2023 as stipulated under Regulation 34(2)(e) read with Schedule V of the Listing Regulations, is included as a separate section forming part of this Annual Report.

**22. CORPORATE GOVERNANCE REPORT**

A separate section on Corporate Governance forming part of the Directors' Report and the certificate from the Practicing Company Secretary confirming compliance of Corporate Governance norms as stipulated in Regulation 34 read along with schedule V of Listing Regulations is included in this Annual Report for the Financial Year 2022-23.



## 23. DIRECTORS

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

### i) Retirement by Rotation:

In accordance with the provisions of Section 152 of the Act read with Companies (Management & Administration) Rules, 2014, Mr. Namit Naresh Malhotra (DIN: 00004049), Non -Executive Director of the Company retires by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

Item seeking your approval on the above is included in the Notice convening the Annual General Meeting. Brief resume and other requisite details as stipulated under Listing Regulations and Secretarial Standard – 2 on General Meetings of the Directors being appointed/re-appointed forms part of the Notice of the ensuing Annual General Meeting.

### ii) Appointment/Re-appointment of Director:

a) Upon the recommendation of Nomination and Remuneration Committee of the Board, the Board of Directors at their meeting held on June 30, 2022 approved appointment of Mr. Vibhav Parikh (DIN: 00848207), as an Additional Non-Executive Director of the Company (Nominee of Marina IV (Singapore) Pte. Ltd., Marina Horizon (Singapore) Pte Ltd., Augusta Investments Zero Pte. Ltd., Augusta Investments I Pte. Ltd. and Marina IV LP) w.e.f July 01, 2022 and his appointment was approved by members vide Ordinary resolution passed on August 07, 2022 through postal ballot.

b) The term of Mr. Naresh Mahendranath Malhotra (DIN: 00004597) as a Chairman and Whole-time Director expired on April 30, 2023. Upon the recommendation of the Nomination and Remuneration Committee and the Board of Directors at their meeting held on August 12, 2022 and the Members vide Special Resolution passed at the 25<sup>th</sup> Annual General Meeting of the Company held on September 30, 2022, approved the appointment of Mr. Naresh Mahendranath Malhotra as Chairman and Whole-time Director, for a period of 3 (three) years w.e.f May 01, 2023 on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee.

### iii) Resignation of Directors:

a) Mr. Udai Dhawan (DIN: 03048040), resigned as a Non-Executive Director of the Company w.e.f June 30, 2022 on account of other professional commitments.

b) Mr. Rivkaran Singh Chadha (DIN: 00308288), resigned as a Non-Executive Independent Director of the Company w.e.f November 14, 2022 due to other professional commitments.

c) Mr. Ramakrishnan Sankaranarayanan (DIN: 02696897), resigned as a Non-Executive Director of the Company w.e.f May 30, 2023 on account of other professional commitments.

d) Mr. Padmanabha Gopal Aiyar (DIN: 02722981), resigned as a Non-Executive Independent Director of the Company w.e.f May 30, 2023 due to other professional commitments.

The Board expressed its gratitude for the service provided by the aforementioned Directors and acknowledged that they took their Board duties with dedication, grace and seriousness.

## 24. DECLARATION BY INDEPENDENT DIRECTORS

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

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

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

## 25. KEY MANAGERIAL PERSONNEL (KMP)

The following Directors / Executives are KMPs as on March 31, 2023:

- Mr. Naresh Mahendranath Malhotra, Chairman and Whole-Time Director
- Mr. Nishant Fadia, Chief Financial Officer

→ Ms. Parina Shah, Company Secretary and Compliance Officer

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

## 26. BOARD EVALUATION

Pursuant to the provisions of the Act and the corporate governance requirements as prescribed by Listing Regulations, annual evaluation of the performance of the Board, its Committees and of individual Directors has been made.

The performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated. The performance evaluation of the Chairman and the Non Independent Directors were carried out by the Independent Directors who also reviewed the performance of the Board as a whole. The Nomination and Remuneration Committee also reviewed the performance of the Board, its Committees and of the Directors.

The criteria for performance evaluation of the Board included aspects like Board composition and structure, effectiveness of Board processes, information and functioning etc. The criteria for performance evaluation of Committees of the Board included aspects like composition of Committees, effectiveness of Committee meetings etc. The criteria for performance evaluation of the individual Directors included aspects on contribution to the Board and Committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings etc. In addition, the Chairperson was also evaluated on the key aspects of his role. The criteria for performance evaluation of Independent Directors included aspects like Invests time in understanding the company and its unique requirements; Brings in external knowledge and perspective to the table for discussions at the meetings; Expresses his / her views on the issues discussed at the Board; and keeps himself/herself current on areas and issues that are likely to be discussed at the Board level.

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

In terms of the provisions of Section 178(3) of the Act and Regulation 19 of the Listing Regulations, the Nomination and Remuneration Committee (NRC) has formulated the criteria for determining qualifications, positive attributes and independence of Directors, the key features of which are as follows:

- Qualifications – The Board nomination process encourages diversity of thought, experience, knowledge, age and gender. It also ensures that the Board has an appropriate blend of functional and industry expertise.
- Positive Attributes - Apart from the duties of Directors as prescribed in the Act, the Directors are expected to demonstrate high standards of ethical behavior, communication skills and independent judgment. The Directors are also expected to abide by the respective Code of Conduct as applicable to them.

- Independence - A Director will be considered independent if he/she meets the criteria laid down in Section 149(6) of the Act, the Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations.

### Familiarization Programme for Independent Directors

Pursuant to Regulation 25(7) of the Listing Regulations the Company has in place a programme for familiarisation of the Independent Directors, details of which are available on the website of the company: [http://www.primefocus.com/investor-center#Familiarisation\\_Prgm\\_for\\_ID](http://www.primefocus.com/investor-center#Familiarisation_Prgm_for_ID)

## 27. NOMINATION AND REMUNERATION POLICY

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

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

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

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

Further, the Nomination and Remuneration policy of the Company is available on the website of the Company at [http://www.primefocus.com/sites/default/files/pdf/Nomination\\_and\\_Remuneration\\_Policy2023.pdf](http://www.primefocus.com/sites/default/files/pdf/Nomination_and_Remuneration_Policy2023.pdf)

## 28. BOARD MEETINGS

During the Financial Year 2022-23, your Board met Six (6) times such that the intervening gap between the two Board Meetings was within the period prescribed under the Act and Regulation 17 of Listing Regulations.



Details of the composition of the Board and its Committees along with the Meetings held, attendance of the Directors at such Meetings and other relevant details are provided in the Corporate Governance Report, which forms part of this Annual Report.

## 29. AUDIT COMMITTEE

The Audit Committee as on March 31, 2023 comprises of following members:

Name of the Members	Positions
Mr. Samu Devarajan	Chairman
Mr. Kodi Raghavan Srinivasan	Member
*Mr. Padmanabha Gopal Aiyar	Member

Mr. Rivakaran Singh Chadha, ceased as Non-Executive Independent Director of the Company and Chairman of Audit Committee w.e.f November 14, 2022.

\*Mr. Padmanabha Gopal Aiyar, ceased to be member of Audit Committee w.e.f May 30, 2023. Mr. Naresh Mahendranath Malhotra and Mrs. (Dr.) Hemalatha Thiagarajan were appointed as members in the committee w.e.f. May 30, 2023.

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

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

## 30. VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has adopted a Whistle Blower Policy establishing vigil mechanism, to provide a formal mechanism to the Directors and employees to report their concerns about unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy. The Policy provides for adequate safeguards against victimization of employees who can avail the mechanism and also provides for direct access to the Chairman of the Audit Committee. It is affirmed that no personnel of the Company has been denied access to the Chairperson of the Audit Committee. The Audit Committee periodically reviews the functioning of this Mechanism. The policy of vigil mechanism is available on the Company's website at [http://www.primefocus.com/sites/default/files/pdf/Whistle\\_Blower\\_29.08.2022.pdf](http://www.primefocus.com/sites/default/files/pdf/Whistle_Blower_29.08.2022.pdf)

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

## 31. PARTICULARS OF EMPLOYEES

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

In terms of Section 136 of the Act, the Report and Accounts are being sent to the members, excluding the information on employees particulars which is available for inspection by the Members at the Registered Office of the Company during the business hours on all working days up to the date of Annual General Meeting of the Company i.e. Friday, September 29, 2023. Any member interested in obtaining such particulars may write to the Company Secretary at the Registered Office of the Company.

## 32. CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has constituted Corporate Social Responsibility Committee in compliance with the provisions of Section 135 of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Corporate Social Responsibility Committee as on March 31, 2023 comprises of following members:

Name of the Members	Positions
Mr. Naresh Mahendranath Malhotra	Chairman
*Mr. Ramakrishnan Sankaranarayanan	Member
Mr. Samu Devarajan	Member

Mr. Rivakaran Singh Chadha, ceased to be Non-Executive Independent Director of the Company and Chairman of CSR Committee w.e.f November 14, 2022.

\*Mr. Ramakrishnan Sankaranarayanan was appointed as a member in CSR committee w.e.f November 14, 2022. He then ceased to be member of the committee w.e.f. May 30, 2023 and Mr. Namit Malhotra was appointed as a member in the committee w.e.f. May 30, 2023.

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

## 33. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS

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

## 34. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

The Company has adopted a Policy on Related Party Transactions and the same is available on the Company's website at [http://www.primefocus.com/sites/default/files/pdf/Policy\\_on\\_Related\\_Parties\\_2023.pdf](http://www.primefocus.com/sites/default/files/pdf/Policy_on_Related_Parties_2023.pdf)

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

### 35. BUSINESS RESPONSIBILITY AND SUSTAINABILITY REPORT

In accordance with the Listing Regulations, the Business Responsibility & Sustainability Report, describing the initiatives taken by your Company from an environment, social and governance perspective for FY 2022-23 forms part of this Annual Report.

### 36. INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

Pursuant to the provisions of Section 124 and other applicable provisions, if any, of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, the Company transferred 9485 shares in respect of which dividend has not been paid or claimed for seven consecutive years or more to IEPF Authority including shares held in unclaimed suspense account on November 30, 2017. The balance number of shares lying with the IEPF Authority is 9285 shares as on March 31, 2023.

The members, whose unclaimed shares have been transferred to IEPF, may claim the same by making application to the IEPF authority in Form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in) for details of unclaimed shares transferred to IEPF please refer Company's website viz. [www.primefocus.com](http://www.primefocus.com).

### 37. AUDITORS

#### Statutory Auditors

M/s Deloitte Haskins & Sells Chartered Accountants LLP (Registration No. 117364W/W100739), were re-appointed as Statutory Auditors of the Company for second term of 4 (Four) consecutive years in the Annual General Meeting held on September 30, 2019 to hold office from the conclusion of 22<sup>nd</sup> Annual General Meeting held on September 30, 2019 till the conclusion of 26<sup>th</sup> Annual General Meeting of the Company to be held on Friday, September 29, 2023. The term of the existing Statutory Auditors is expiring in the ensuing Annual General Meeting and the said Auditors cannot be re-appointed as per the provisions of Section 139 of the Companies Act. The Board places on record its appreciation for the services rendered by Statutory Auditors of the Company during their tenure.

The Auditors Report for the Financial Year 2022-23 does not contain any qualification, reservation, disclaimer or adverse remark.

#### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Regulation 24A of Listing Regulations, M/s. D.M. Zaveri & Co. (CP No. 4363), Practicing Company Secretaries has been re-appointed as Secretarial Auditor, to undertake Secretarial Audit of the Company for the Financial Year 2022-23. The report of the Secretarial Auditor in the prescribed Form MR-3 is annexed to this report as **Annexure C1**.

The Secretarial Auditors' Report for the Financial Year 2022-23 does not contain any qualification, reservation or adverse remark except that the appointment of Independent directors in material foreign subsidiary companies is still pending as per Regulation 24(1) of Listing Regulations. The Board represents that they are in process of compliance of the same.

In accordance with the provisions of Regulation 24A of the Listing Regulations, Secretarial Audit Report of three material unlisted Indian subsidiaries of the Company namely, Prime Focus Technologies Limited, DNEG India Media Services Limited and GVS Software Private Limited are provided as **Annexure - C2, C3 and C4** respectively to this Report.

In accordance with the SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019, read with Exchange Circular no. 20230316-14 dated March 16, 2023, the Company has obtained the Annual Secretarial Compliance Report incorporating additional affirmations from the Secretarial Auditor for the Financial Year 2022-23. The same is also submitted to the Stock Exchanges.

### 38. COST RECORDS

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

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

During the Financial Year under review, there were no frauds reported by the auditors to the Audit Committee or the Board under section 143(12) of the Act.

### 40. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors acknowledge the responsibility for ensuring compliances with the provisions of section 134(3)(c) read with section 134(5) of the Act in the preparation of the annual accounts for the Financial Year ended on March 31, 2023 and to the best of their knowledge and ability, confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the March 31, 2023 and of the loss of the Company for that year on that date;



- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) the directors have laid down proper systems of internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively;
- f) the directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### 41. WHOLE-TIME DIRECTOR & CHIEF FINANCIAL OFFICER CERTIFICATION

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

**Date:** May 30, 2023

**Place:** Mumbai

#### 42. INSOLVENCY AND BANKRUPTCY

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

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

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

#### 44. ACKNOWLEDGEMENT

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

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

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

**Namit Naresh Malhotra**  
Director  
DIN: 00004049

## ANNEXURE A

### PARTICULARS OF EMPLOYEES

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

1. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer and Company Secretary during the Financial Year:

(₹ in crores)

Sr. No.	Names of Directors/Key Managerial Personnel	Designation	Remuneration (₹)	Ratio of Directors remuneration to Median remuneration	% increase in the remuneration
<b>DIRECTOR</b>					
1	Mr. Naresh Mahendranath Malhotra	Chairman & Whole - Time Director	1.67	21.95	41.66
<b>KEY MANAGERIAL PERSONNEL</b>					
1	Ms. Parina Nirav Shah	Company Secretary	0.34	N.A	26.88
2	Mr. Nishant Avinash Fadia	Chief Financial Officer	0.59	N.A	N.A

Note:

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

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

There is 81.12% increase in the median remuneration of employees in the Financial Year 2022-23\*.

\*Pursuant to transfer of Post Production Business to its subsidiary the total number of employees on the payroll of the Company for the financial year ended March 31, 2023 is reduced to 16 as compared to 249 number of employees for the financial year ended March 31, 2022.

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, 2023 was 16.

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

There have been 19.11% increase in the salaries of the employees other than the managerial personnel and 41.66% increase in the managerial remuneration and the remuneration payable to the managerial personnel has been benchmarked with the remuneration being drawn by similar positions in similar industry.

5. Affirmation

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

FOR AND ON BEHALF OF THE BOARD OF DIRECTORS

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

Namit Naresh Malhotra  
Director  
DIN: 00004049

Date: May 30, 2023

Place: Mumbai



## ANNEXURE B

## Annual Report on Corporate Social Responsibility (CSR) Activities

1. Brief outline of the Company's CSR policy	CSR is strongly connected with the principles of Sustainability; an organization should make decisions based not only on financial factors, but also on the social and environmental consequences. Therefore, it is the core corporate responsibility of Prime Focus Limited to practice its corporate values through its commitment to grow in a socially and environmentally responsible way, while meeting the interests of its stakeholders. The CSR policy of the Company can be viewed on website of the Company at <a href="http://www.primefocus.com/sites/default/files/pdf/2021_22/PFL_CSR_Policy.pdf">http://www.primefocus.com/sites/default/files/pdf/2021_22/PFL_CSR_Policy.pdf</a>																				
2. Composition of the CSR Committee	<table border="1" data-bbox="737 590 1619 974"> <thead> <tr> <th>Sl. No.</th> <th>Name of Director</th> <th>Designation / Nature of Directorship</th> <th>Number of meetings of CSR Committee held during the year</th> <th>Number of meetings of CSR Committee attended during the year</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>*Mr. Naresh Mahendranath Malhotra</td> <td>Chairman</td> <td>1</td> <td>1</td> </tr> <tr> <td>2</td> <td>**Mr. Ramakrishnan Sankaranarayanan</td> <td>Member</td> <td>1</td> <td>NA</td> </tr> <tr> <td>3</td> <td>Mr. Samu Devarajan</td> <td>Member</td> <td>1</td> <td>1</td> </tr> </tbody> </table> <p data-bbox="737 982 1619 1115">*Mr. Rivkaran Singh Chadha has resigned from Board and Committees of the Company w.e.f November 14, 2022. Mr Naresh Mahendranath Malhotra was appointed as Chairperson of Corporate Social Responsibility Committee with effect from November 14, 2022.</p> <p data-bbox="737 1123 1619 1220">**Mr. Ramakrishnan Sankaranarayanan has resigned from Board and Committees of the Company w.e.f May 30, 2023 and Mr. Namit Malhotra was appointed as member of Corporate Social Responsibility Committee with effect from May 30, 2023.</p>	Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year	1	*Mr. Naresh Mahendranath Malhotra	Chairman	1	1	2	**Mr. Ramakrishnan Sankaranarayanan	Member	1	NA	3	Mr. Samu Devarajan	Member	1	1
Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year																	
1	*Mr. Naresh Mahendranath Malhotra	Chairman	1	1																	
2	**Mr. Ramakrishnan Sankaranarayanan	Member	1	NA																	
3	Mr. Samu Devarajan	Member	1	1																	
3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the Board are disclosed on the website of the Company	Link for CSR Policy and composition of CSR Committee are as follows; <a href="http://www.primefocus.com/sites/default/files/pdf/2021_22/PFL_CSR_Policy.pdf">http://www.primefocus.com/sites/default/files/pdf/2021_22/PFL_CSR_Policy.pdf</a> <a href="http://www.primefocus.com/who-we-are#BoardCommittee">http://www.primefocus.com/who-we-are#BoardCommittee</a>																				
4. Provide the executive summary along with the web-link(s) of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8, if applicable	NOT APPLICABLE																				
5. (a) Average net profit of the Company as per section 135(5) (b) Two percent of average net profit of the Company as per sub-section 5 of section 135 (c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years. (d) Amount required to be set off for the financial year, if any (e) Total CSR obligation for the financial year [(b) +(c)+(d)]	₹(32,50,61,423) Not Applicable in view of Loss - - -																				

6. (a) Amount spent on CSR Projects (both ongoing Project and other than Ongoing Project	Not Applicable
(b) Amount spent in Administrative overheads	Not Applicable
(c) Amount spent on Impact Assessment, if applicable	Not Applicable
(d) Total amount spent for the Financial Year [(a)+(b)+(c)].	Not Applicable

(e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in ₹)	Amount Unspent (in ₹)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section 5 of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
NA	NA	NA	NA	NA	NA

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

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

7. Details of Unspent CSR amount for the preceding three financial years:

1	2	3	4	5	6		7	8
Sl. No.	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section 6 of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section 6 of section 135 (in ₹)	Amount spent in the Financial Year (in ₹)	Amount transferred to a fund as specified under Schedule VII as per second proviso to sub-section 5 of section 135, if any.		Amount remaining to be spent in succeeding Financial Years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
-	-	-	-	-	-	-	-	-



8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Yes  No

If yes, enter the number of Capital assets created/acquired

Furnish the details relating to such assets(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Sr. No.	Short particulars of the property or asset(s) [ including complete address and location of the property]	Pincode of the Property or asset(s)	Date of creation	Amount of CSR amount spent	Details of entity/Authority/beneficiary of the registered owner		
					(1)	(2)	(3)
(1)	(2)	(3)	(4)	(5)	(6)		
					CSR Registration Number, if applicable	Name	Registered Address
-	-	-	-	-	-	-	-

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

**FOR AND ON BEHALF OF THE BOARD OF DIRECTORS**

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

**Namit Naresh Malhotra**  
Director  
DIN: 00004049

**Date:** May 30, 2023

**Place:** Mumbai

## Annexure C-1

### SECRETARIAL AUDIT REPORT

#### Form No. MR-3

For the Financial year ended 31 March 2023

[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 31 March 2023, 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 31 March 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and the Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('The SEBI'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021;
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not relevant / applicable during the year under review)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not relevant / applicable during the year under review)**
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not relevant / applicable during the year under review)**
- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

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

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India;
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited in accordance with SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

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



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

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

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

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

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

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

**Place: Mumbai**

**Date: May 30, 2023**

**ICSI UDIN: F005418E000364469**

**Peer Review Certificate No.: 1187/2021**

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

## **Annexure A**

To,

The Members,

### **Prime Focus Limited**

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

1. Maintenance of Secretarial record is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I have obtained the Management representation about the Compliance of laws, rules and regulations and happening of events etc.
5. The Compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

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

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

**Place: Mumbai**

**Date: May 30, 2023**

## Annexure C-2

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH 2023

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

To,  
The Members,

**Prime Focus Technologies Limited**

Mumbai

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

Based on our verification of the company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder **(Not applicable to the Company during the audit period)**;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) The Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the audit period)**;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 **(Not applicable to the Company during the audit period)**;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable to the Company during the audit period)**;
  - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021 **(Not applicable to the Company during the audit period)**;
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the audit period)**; and
  - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(the company being unlisted and a material subsidiary of a listed company, only limited provisions are applicable)**.
- (vi) There are no laws that are specifically applicable to the company based on their sector/industry.

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

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Standards etc. mentioned above except that the composition of Audit Committee of the Board of Directors during the period from November 14, 2022 to March 30, 2023 was not in accordance with the requirement under Section 177(2) of the Act. However as at the end of the year under review the composition is in compliance with the requirement under the said section of the Act.



**We further report that**

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

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

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

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

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

**We further report** that during the audit period:

1. The Board of Directors of the Company through circular resolution passed on March 27, 2023 has allotted 16,005 Equity Shares of ₹ 10/- each upon exercise of the options by the holders of options granted under PFT - Employee Stock Option Scheme 2012 ("ESOP 2012"); and
2. The Board of Directors of the Company has approved grant of 7,500 and 5,000 ESOPs pursuant to ESOP 2012, to the eligible employees of the Company on February 13, 2023 at an exercise price of ₹ 1,650/- per share and ₹ 3,215/- per share respectively.

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

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

**Pankaj Kumar Nigam**

Place: Ghaziabad  
Date: May 29, 2023  
UDIN: F007343E000392343

Partner  
M. No. FCS 7343, C.P. No. 7979  
PR 822/2020

**'Annexure A'**

To,  
The Members,  
**Prime Focus Technologies Limited**  
Mumbai

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

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Book of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

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

**Pankaj Kumar Nigam**  
Partner

Place: Ghaziabad  
Date: May 29, 2023  
UDIN: F007343E000392343

M. No. FCS 7343, C.P. No. 7979  
PR 822/2020

Annexure C-3

**SECRETARIAL AUDIT REPORT**

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31 2023

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

To,  
The Members,

**DNEG INDIA MEDIA SERVICES LIMITED**

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

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the Company during the period under Audit)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the Company during the period under Audit)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the period under Audit)**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the period under Audit)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the period under Audit)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the period under Audit)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the period under Audit)**
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable to the Company during the period under Audit)**

and

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(The Company being unlisted and material subsidiary of Listed Company, only limited provisions are applicable.)**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges. **(Not applicable to the Company during the period under Audit)**



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

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

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

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

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

**I further report** that no specific event having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. has taken place during the year under review.

**Mehul Raval**  
Practicing Company Secretary  
ACS 18300  
CP.No: 24170  
UDIN: A018300E000345308

Place: Mumbai  
Dated: May 22, 2023

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

## Annexure A

To,  
The Members,  
**DNEG INDIA MEDIA SERVICES LIMITED**

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Mehul Raval**  
Practicing Company Secretary  
ACS 18300  
CP.No: 24170  
UDIN: A018300E000345308

Place: Mumbai  
Dated: May 22, 2023

## Annexure C4

### SECRETARIAL AUDIT REPORT

Form No. MR-3

FOR THE FINANCIAL YEAR ENDED MARCH 31 2023

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

To,  
The Members,  
**GVS SOFTWARE PRIVATE LIMITED**

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **GVS SOFTWARE PRIVATE LIMITED** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ("Audit Period") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder.
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder; **(Not applicable to the Company during the period under Audit)**
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder; **(Not applicable to the Company during the period under Audit)**
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; **(not applicable to the Company during the audit period));**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not applicable to the Company during the period under Audit)**
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **(Not applicable to the Company during the period under Audit)**
- (d) The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; **(Not applicable to the Company during the period under Audit)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; **(Not applicable to the Company during the period under Audit)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; **(Not applicable to the Company during the period under Audit)**
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; **(Not applicable to the Company during the period under Audit)**
- (h) The Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018; **(Not applicable to the Company during the period under Audit)**

and

- (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(The Company being unlisted and material subsidiary of Listed Company, only limited provisions are applicable)**

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with Stock Exchanges. **(Not applicable to the Company during the period under Audit)**



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

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

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

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

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

**I further report** that no specific event having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. has taken place during the year under review.

**Mehul Raval**  
Practicing Company Secretary  
ACS 18300  
CP.No: 24170  
UDIN: A018300E000334638

Place: Mumbai  
Dated: May 19, 2023

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

## Annexure A

To,  
The Members,  
**GVS SOFTWARE PRIVATE LIMITED**

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

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**Mehul Raval**  
Practicing Company Secretary  
ACS 18300  
CP.No: 24170  
UDIN: A018300E000334638

Place: Mumbai  
Dated: May 19, 2023

# Management Discussion & Analysis

## Section 1

### Company Profile

Prime Focus Limited (hereinafter referred to as 'PFL' / 'the Company') is one of the world's leading end-to-end post-production services providers. As the foremost independent media Company in the world, PFL provides integrated media services worldwide. Its end-to-end creative services (visual effects, stereo 3D conversion, and animation), technology products & services (CLEAR, Media ERP Suite, and Cloud-powered media services), production services (equipment rental), and post-production services (Digital Intermediate and picture post) are driving the media and entertainment industry ahead. PFL and its group employs over 12,600 professionals in 27 locations across the globe, including Bengaluru, Bhubaneswar, Chennai, Goa, Hyderabad, Kolkata, Mohali, Mumbai, Noida, Patna, Pune, Rajahmundry, Thiruvananthapuram, Visakhapatnam in India and Barcelona, Budapest, Burbank, Leeds, London, Los Angeles, Montréal, New York, Singapore, Sofia, Sydney, Toronto, Vancouver. The vast global network of PFL facilitates proactive marketing and the utilisation of region-specific advantages.

Since its inception in 1997, PFL has established a strong global presence and leadership position. With more than two decades of experience, PFL is the dominant player among the world's foremost studios, broadcasters, advertisers, and production houses. Strong in-house technologies and tools have enabled the Company to maintain a streamlined workflow across all of its global offices.

View-D™ (stereoscopic 2D to 3D conversion), CLEAR™ (Hybrid Cloud technology-enabled Media ERP Suite), and Primetime Emmy®-winning DAX Digital Dailies® are among the Company's pioneering technologies. PFL's highly innovative World Sourcing Delivery Model provides its privileged clients with a significant competitive advantage in the delivery of the world's premium services on an unrivalled scale and in unbeatable timeframes, while ensuring cost effectiveness.

PFL's clientele is comprised of all of the top Hollywood studios, OTT (Over the top) providers, broadcasters, advertisers, production houses, and media companies in the world. The Company has exerted significant effort to maintain exceptional quality, work system effectiveness, and price optimisation across all business segments. PFL has collaborated with professional content creators at every process level to ensure creative enablement. PFL Group derives majority of its revenue from Hollywood, with significant contributions from Disney, Warner Bros., Marvel, Paramount, 20th Century Fox, Universal, Netflix, Apple+, Disney+, and Sony, among others.

The Company's subsidiaries, Prime Focus Technologies (Global Cloud Technology Business) and Double Negative-DNEG (International Creative Services), provide end-to-end services, such as creative services, technology products and services, and high-end production services. Since its acquisition in July 2014 by PFL, Double Negative has become

a prominent visual effects (VFX) and animation Company facilitated by technology. The excellence of DNEG's VFX work earned the Company seven Academy Awards® for Best Visual Effects, as well as numerous BAFTA and Primetime EMMY® Awards. DNEG is positioned to be a true global media powerhouse, with its rapidly expanding visual effects and animation businesses and the potential for significant expansion into new geographies.

## Section 2

### Financial Year 2022-23 Highlights

The Company has been consistently working to meet benchmarks and enhance the quality of its financial performance amid the global filmmaking industry.

The India Film & Media Services business has maintained its status as the largest provider of production, post-production, and creative services to the film, television, advertising, and OTT industries in India after broadening its horizons by meeting the demands of the OTT sector.

In response to various macro-economic challenges, the Company has accelerated its business recovery plan and has been showing potential by generating positive EBITDA (adjusted for non-cash ESOP expenditures) despite a decline in revenue.

The year saw a 41.6% increase in consolidated income, while operational improvements led to a stable 26% Adjusted EBITDA. The Company continues to attract well-known clients and has worked on the year's greatest blockbusters, Hollywood film franchises, and top OTT shows.

### Creative Services

- Future DNEG projects for the Company include Citadel, Fast X, The Little Mermaid, The Flash, Oppenheimer, Coyote Vs Acme, Meg 2: The Trench, Haunted Mansion, Dune: Part Two, Aquaman and the Lost Kingdom, Nimona, Borderlands, etc.
- Future Redefine Projects include Borderlands, American Born Chinese, Knights of the Zodiac, Havoc, Waco: The Aftermath, The Silk Road Rally, Ripley etc.
- Maintained its profitable growth trajectory, with Adjusted EBITDA increasing by 46% YoY and Adjusted EBITDA margins exceeding 24%.

### Tech/Tech-Enabled Services

- Registered growth of 16% increase in revenue.
- PFT delivered a large amount of long-form and short-form legacy content to A+E Networks® (AETN) using its CLEAR® AI and CLEAR-enabled media services.

- PFT was the double winner of the prestigious 2023 Product of the Year Awards at NAB 2023.
- Tata Play's Supplier Information and Performance Management Program certified PFT as one of its Top 10 Partners.
- PFT launched four new products, CLEAR® AI Reframe, CLEAR® AI Discover enhanced by Chat GPT, CLEAR® Localize and CLEAR® Clip.

### Other Initiatives

- PFT participated in the Innovation Zone and showcased CLEAR® AI modules.
- PFT attended IBC 2022, meeting with customers in Amsterdam after an extended break. PFT exhibited dynamic priority-driven Multi-Vendor Supply Chain Automation on Cloud and Remote Postproduction with a next-generation collaboration platform to make editing simpler, quicker, and more effective.
- PFT achieved the Amazon Web Services (AWS) Media & Entertainment Competency, which highlights that PFT's products follow architectural and operational best practices, are actively used by customers, and advocate for the solution. PFT's CLEAR® and CLEAR® AI run on AWS and offer solutions to transform content management, audience engagement, and revenue generation.
- Ramki Sankaranarayanan, Founder, and Global CEO of PFT, was in conversation with Digital Studio Pre-NAB Show.
- Rohan Warey, Vice President, delivered a speech at the Innovation Theater at NAB 2023, where the 20-minute session was centered on how to unlock the full potential of AI to revolutionize content management, audience engagement, and revenue generation.
- Murali Sridhar, Senior VP and Head of Product Management spoke at the AWS Partner Village Webinar Series about CLEAR® AI.
- Rohan Warey, Vice President, Pre-sales, PFT, demonstrated how PFT is implementing the 2030 Vision for Channel 4 at the Movie Labs Showcase at the HPA Tech Retreat 2023.
- PFT appoints Shahram Mani as Chief Revenue Officer and Suresh Sugumaran as the new EMEA Business Head.
- Murali Sridhar, Senior VP and Head of Product Management spoke at DNEG Connect and also at the AWS Partner Village Webinar Series about CLEAR® AI.
- DNEG Enters into MOU to Acquire Prime Focus Technologies business.
- DNEG struck a deal to buy production and post-production services from PFL.
- DNEG was announced as an early adopter of the TPN+ Platform. The revised framework provides a standardised security framework for cloud, remote, & on-site workflows.

- DNEG Connect, an in-person technology event that took place in the vibrant city of Bengaluru, India on March 25, 2023. DNEG announced the release of the open-source beta version of xSTUDIO via the Academy Software Foundation (ASWF) GitHub repository.
- DNEG Opens New VFX and Animation Studio in Sydney. DNEG's tenth global studio will lead VFX work on 'Furiosa' for George Miller.
- DNEG Toronto officially opens its doors. The Canadian expansion ramps up with the opening of our fourth North American studio.

### Project Highlights (released projects)

Bollywood	Digital Releases
• Brahmāstra: Part One – Shiva	• Freddy
• Dobaara	• Escaype Liv
• Rocketry	• CAT
• Bhediya	• Criminal Justice 3
• Good Bye	• Ranveer vs. Wild with Bear Grylls
• Double XL	• Plan A Plan B
• Milli	• Aadha Ishq
• Phone Bhoot	• Rudra
• Uunchai	• Human
• Kisi Ka Bhai Kisi Ki Jaan	• Kathmandu Connection
• RRR	

### Section 3

#### Economy Overview

##### Global Economy

In 2022, the global economy gradually recovered from geopolitical tensions and the COVID-19 pandemic. Following Russia's invasion of Ukraine, commodity prices rose sharply, but the conflict continues to exist and geopolitical tensions remain elevated. In 2021, COVID-19 severely affected economies, notably China, which appeared to be recovering, thereby easing out supply-chain disruptions. China's reopening in 2022, intervention by policymakers to strengthen global financial conditions, and fewer cycles of interest-rate increases have all contributed to a positive start for emerging markets and developing economies in 2023. Along with the decrease in inflation caused by reduced food and energy prices and enhanced supply-chain functionality, the volatility of the financial sector is posing an increasing risk to economic development. Indicators suggest that the tightening of monetary policy is beginning to suppress inflation and demand, but its full effect will not be realised until 2024. The International Monetary Fund (IMF) projects that the global economy, which increased by 3.4% in 2022, will grow by 2.8% in 2023 and by 3.0% in 2024.



## World Economic Output (%)

	2022	2023P	2024P
<b>World Output</b>	<b>3.4</b>	<b>2.8</b>	<b>3.0</b>
<b>Advanced Economies</b>	<b>2.7</b>	<b>1.3</b>	<b>1.4</b>
United States	2.1	1.6	1.1
Euro Area	3.5	0.8	1.4
Japan	1.1	1.3	1.0
United Kingdom	4.0	(0.3)	1.0
Canada	3.4	1.5	1.5
Other Advanced Economies	2.6	1.8	2.2
<b>Emerging Market and Developing Economies</b>	<b>4.0</b>	<b>3.9</b>	<b>4.2</b>
<b>Emerging and Developing Asia</b>	<b>4.4</b>	<b>5.3</b>	<b>5.1</b>
China	3.0	5.2	4.5
<b>India</b>	<b>6.8</b>	<b>5.9</b>	<b>4.5</b>
<b>ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand, Vietnam)</b>	<b>5.5</b>	<b>4.5</b>	<b>4.6</b>

Source: IMF World Economic Outlook April 2023

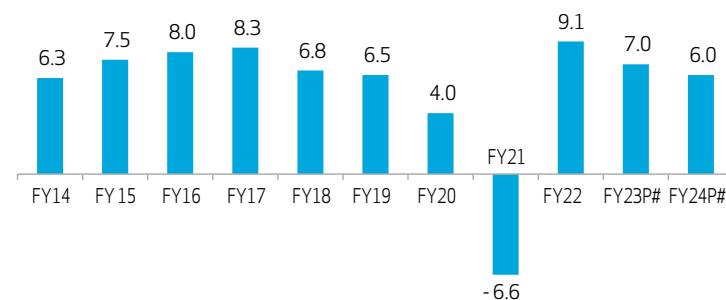
P - Projected

The labour markets of developed economies, most notably the United States, have remained robust towards the end of 2022, with historically low unemployment rates. The United Kingdom had a strong year end, despite being severely impacted by energy-price inflation. In Europe, a moderate winter and a sharp decrease in natural gas prices have helped reduce a significant portion of the economic risk. After experiencing growth of 2.7% in 2022, it is anticipated that the advanced economies will experience growth of 1.3% in 2023 and 1.4% in 2024. The combination of strong regional growth forecasts and efficient government policies would result in outperformance for emerging markets relative to global markets. It is anticipated that the emerging markets and developing economies will increase by 3.9% in 2023 and 4.2% in 2024, compared to their 4.0% growth in 2022.

## Indian Economy

India registered strong and resilient economic growth during the tightening of the global and domestic financial environments. India has recovered well from the COVID-19 pandemic, but it still faces the same challenges as the rest of the global economy. The Union Budget 2023-24's emphasis on capital expenditure is anticipated to stimulate private investment, enhance job creation, demand, and boost India's potential growth. The FY 2023-24 capital expenditure budget was announced to be ₹ 10 lakh crore, or 3.3% of GDP (Gross Domestic Product). According to NSO's Second Advanced Estimates Report, India's real GDP growth in FY 2022-23 might reach 7%, as compared to 9.1% witnessed in FY 2021-22, if the planned capital expenditures are effectively implemented. India's rising global profile is supported by a number of achievements, such as the world-class digital public infrastructure of Aadhaar, Co-Win, and UPI; the unprecedented scale and a proactive role in frontier areas, such as achieving climate-related objectives and the National Hydrogen Mission.

## Indian Economic Outlook (%)



Source: NSO's Second Advanced Estimates dated February 28, 2023

P - Projected

#RBI SPF report as on April 06, 2023

In FY 2022-23, rising commodity prices, constrained people's purchasing power and contributed to constant, widespread inflation, which affected consumer budgets and oil demand. In order to control inflation, the RBI's (Reserve Bank of India) Monetary Policy Committee (MPC) halted the rate increase cycle in April 2023 and maintained the repo rate at 6.5%. Taking into consideration global and domestic factors, RBI expects consumer inflation to decrease to 5.2% in FY 2023-24, and its SPF (Survey of Professional Forecasters) report projects India's real GDP growth to be 6% in FY 2023-24. India's development is anticipated to be supported by a robust policy framework and digitalization. The country's substantial rise in per-capita income is predicted to encourage consumption growth, even in the media and entertainment industry.

## Section 4

### Global Media & Entertainment (M&E) Industry Landscape

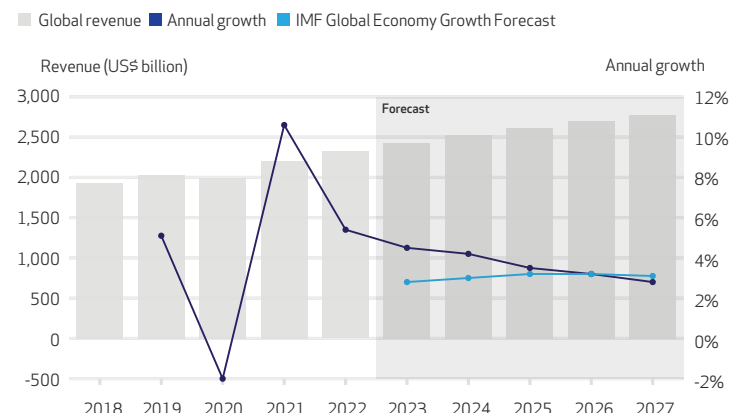
The year 2022 was a pivotal turning point for the global entertainment and media (M&E) industry. Total M&E industry revenue increased by 5.4% to US\$ 2.32 trillion in 2022, according to PricewaterhouseCoopers' Perspectives from Global Entertainment & Media Outlook 2023-2027 (PwC). Despite challenges, the global market for media and entertainment registered strong growth in 2022, although at a slower rate than in 2021. The media companies are capitalising on the multiple geographical and sectoral hotspots that provide opportunities and by using emerging technologies as a productivity engine for the creative process.

The United States will remain the greatest market throughout the forecast period, with revenue increasing from US\$ 609 billion in 2022 to US\$ 692 billion in 2027, representing a CAGR of 2.6%. In China, the second-largest M&E market, total revenue is anticipated to grow from US\$ 226 billion to US\$ 305 billion over the forecast period of 2022 till 2027, at a CAGR of 6.1%. China's growth will be fuelled by a substantial 9.1% CAGR in internet advertising income.

The advertising industry is anticipated to close to US\$ 1 trillion in 2027, making it one of the most important growing sectors. In 2027, it will be the largest of the three main sectors: consumer, advertising, and internet

access. Consumers are pulling back due to inflation, the long-lasting impacts of the pandemic, war and geopolitical instability. Between 2022 and 2027, consumer spending on M&E is expected to grow at a CAGR of 2.4%, reaching US\$ 903.2 billion. As more market players, such as e-commerce sites, video games, and streaming platforms, gain market share from large social media and search platform incumbents, advertising revenues are becoming more dispersed despite their growth.

### Global M&E Industry Revenue (US\$ trillion)

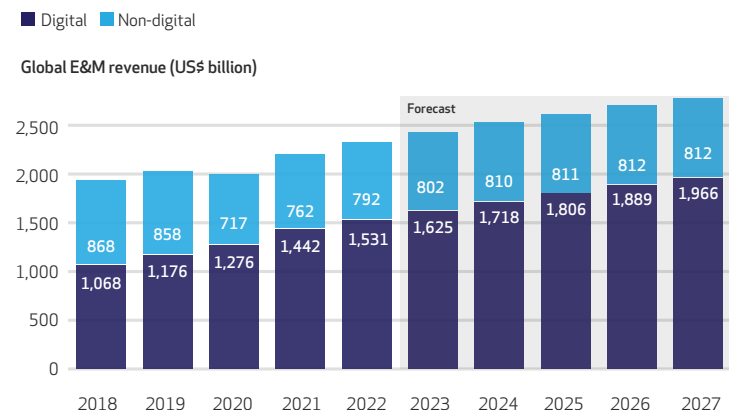


Source: PwC Global Entertainment & Media Outlook 2022-2026

Live sectors have resumed growth after an extended span of time in which opportunities for in-person M&E experiences were severely limited. They are now well-positioned to outperform the M&E industry as a whole. Taking into account all live event sub-sectors in the consumer sector, live event revenues are expected to reach US\$ 68.7 billion, up from US\$ 66 billion in 2019. With annual increases in global attendance, the box office will surpass pre-pandemic levels by 2025, when it will reach US\$ 43.0 billion, up from US\$ 39.4 billion in 2019. OTT (over-the-top) streaming has been a key driver of growth in emerging markets, where the combination of vast, historically underprivileged rural populations, the spread of mobile broadband, and strong demand for local and sports content creates huge opportunities for the M&E industry. As e-commerce and time spent on digital platforms increase, businesses across the globe will spend significantly to reach consumers. Besides, internet ad spending, which increased by 8.1% in 2022, would be a strong growth driver in the future as well.

The M&E industry is becoming increasingly digital and advertising-dominated in recent period. In 2027, the share of M&E revenue attributable to digital is expected to increase from 55.2% in 2018 to 70.8%. The global streaming market is anticipated to grow to nearly US\$ 175 billion over the next five years. Going forward, the digital segment is expected to reach US\$ 1,966 billion in revenues in 2027 from US\$ 1,531 billion in 2022. While the non-digital segment is expected to witness stagnant growth reaching US\$ 812 billion in 2027 from US\$ 792 billion in 2022.

### Global Digital and Non-digital M&E revenue (US\$ billion)

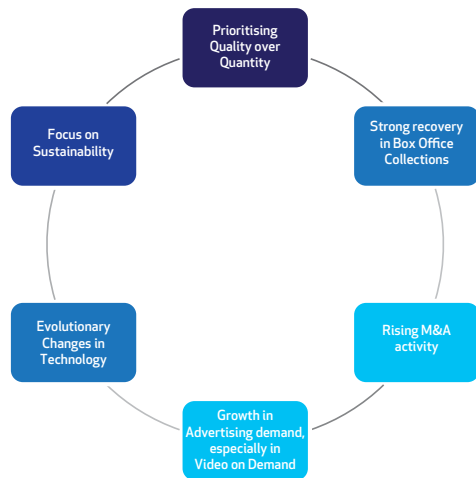


Source: PwC Global Entertainment & Media Outlook 2023-2027

Between 2022 and 2027, global advertising revenue will increase by 4.5% annually, from US\$ 763.7 billion to US\$ 952.6 billion. As M&E products are becoming increasingly digital and less analogue, production and distribution expenses are also expected to decrease. The competition among digital content and service providers is intensifying across the world leading to the increased content availability. People may spend more time in digital media and entertainment environments, but it won't cost them more. As a result, consumer spending per capita on M&E will decline from 0.53% of average personal income in 2023 to 0.45% of average personal income in 2027.

Convergence of existing and emerging technologies, most notably AI and particularly generative AI, holds the key to the current growth trajectory and future growth potential. Generative AI uses neural networks, advanced deep-learning models, and other AI technologies to generate innovative synthetic outputs like limericks, screenplays, and memos. It can enhance productivity by automating processes and workflows, especially for mundane or laborious jobs like editing, freeing up time for higher-value operations. Generative AI is helping organisations and individuals rethink content creation. Generative AI can simultaneously develop scripts, narration, translations, and visuals to make videos or game environments at a fraction of the cost and time. Going forward, there will be more inflection points beyond the continued rise of advertising and the growth in the digital segment. One of the transition point is expected to reach in 2025, when global 5G penetration is expected to surpass that of 4G.

## Key Trends in Global M&E Industry to be observed in the coming few years



## Indian Media and Entertainment (M&E) Sector

The Indian M&E industry has been a growth engine for the economy and is experiencing swift growth across its all segments. Higher consumer demand, the healthy expansion of the digital sector, and rising advertising revenues are supporting the Indian M&E industry as it enters a robust development phase. According to the FICCI EY report – “Windows of opportunity - India’s media & entertainment sector maximizing across segments”, the Indian Media and Entertainment (M&E) sector grew by 20% YoY (year over year) reaching revenues worth ₹ 2.1 trillion (US\$ 26.2 billion) in 2022 as compared to ₹ 1.8 trillion recorded in 2021. The growth level in 2022 remained about 10% above its pre-pandemic 2019 levels. In the M&E industry, television remained the largest segment in 2022. Digital media, being the second largest segment, has grown significantly, reaching ₹ 571 billion and increasing its contribution to the M&E industry from 16% in 2019 to 27% in 2022. The digital segment’s share of the entire M&E industry would increase to 50% if data costs were also considered in factoring its total contribution. All M&E segments reported strong growth, except for Television in 2022, over the previous year.

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

	2019	2020	2021	2022	2023E	2025E	CAGR 2022-2025
Television	787	685	720	709	727	796	3.9%
Digital media	308	326	439	571	671	862	14.7%
Print	296	190	227	250	262	279	3.7%
Filmed entertainment	191	72	93	172	194	228	9.8%
Online gaming	65	79	101	135	167	231	19.5%
Animation and VFX	95	53	83	107	133	190	21.1%
Live events	83	27	32	73	95	134	22.2%
Out of Home media	39	16	20	37	41	53	12.8%
Music	15	15	19	22	25	33	14.7%
Radio	31	14	16	21	22	26	7.5%
<b>Total</b>	<b>1,910</b>	<b>1,476</b>	<b>1,750</b>	<b>2,098</b>	<b>2,339</b>	<b>2,832</b>	<b>10.5%</b>
<b>Growth</b>		<b>-23.2%</b>	<b>19.3%</b>	<b>19.9%</b>	<b>11.5%</b>		

Source: EY E - Estimated

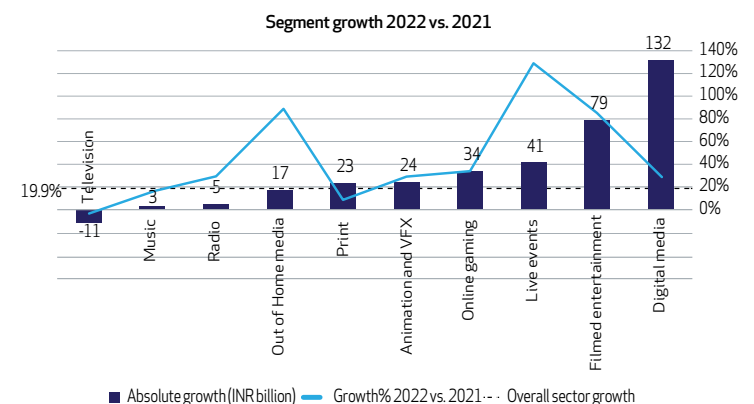
Overall subscriptions, including the Television, Digital, Print and Film subscriptions, grew by ₹ 79 billion from ₹ 632 billion in 2021 to ₹ 711 billion in 2022 thereby recording a growth rate of 12.5% YoY. The number of television subscriptions declined from ₹ 407 billion in 2021 to ₹ 392 billion in 2022. The Digital, Print and Film subscriptions increased from ₹ 56, ₹ 76 and ₹ 92 billion in 2021 to ₹ 72, ₹ 80 and ₹ 168 billion, respectively in 2022. While the share of total subscription revenue decreased from 40% of total revenues, in 2019 to 34% in 2022. Overall subscription revenues were 8% below 2019 levels due to sluggish theatrical revenues as a result of Bollywood’s poor performance, ticket pricing regulations in certain states, a decline in absolute print circulation in metro areas and English dailies, and a decline in pay TV households. Revenues from subscriptions have been concentrated at the top of the consumer pyramid across all segments, resulting in a highly concentrated consumer base in the industry and slowing revenue growth compared to 2019 levels.

The M&E sector is projected to increase by 11.5% annually in 2023 to reach ₹ 2.3 trillion and regain its 2019 levels, and then increase by 21% annually to reach ₹ 2.8 trillion in 2024. In three years, between 2022 and 2025, the Indian M&E industry is projected to increase at a CAGR of 10.5% and contribute about ₹ 734 billion. The growth will be primarily driven by digital, online gaming and television (together contributing to 65% of the growth), followed by animation and VFX (11%), live events (8%) and films (8%). Video remained the highest-earning segment in 2022, and despite the resumption of normal life after the pandemic, it has held onto a 11% gain in revenue share since 2019. The share of experiential revenues is also expected to recover as the country’s per capita income grows in the future.

Digital media registered growth of about ₹ 132 billion in 2022 and consequently raised its share across the M&E sector from 16% in 2019 to 27% in 2022. The percentage contribution of traditional media (television, print, film entertainment, OOH, music and radio) stood at 58% of M&E sector sales in 2022, declining from 71% in 2019. The online gaming market grew by 34% in 2022 to reach ₹ 135 billion. The number of online gamers increased by 8% from 390 million in 2021 to 400 million in 2022. Real-money gaming comprised almost 77% of the total online gaming segment revenues.

### Segment growth 2022 Vs 2021

#### All segments recovered and recorded growth in 2022



Source: EY



Moreover, digital subscriptions increased by 27% to reach ₹ 72 billion in 2022, as compared to ₹ 56 billion recorded in 2021. About 99 million paid video subscriptions were recorded in 2022 across 45 million Indian households, as compared to 80 million paid subscriptions recorded in 2021. The total digital subscription revenue reached ₹ 68 billion in 2022 as compared to ₹ 54 billion recorded in 2021. Audio subscriptions grew by 37.5% by generating revenue worth ₹ 2.2 billion as compared to ₹ 1.6 billion recorded during the previous year, owing to a huge paying customer base of 4.6 million as well as due to free audio alternatives easy accessibility.

In 2022, approximately 200 films were released on digital platforms, with prices ranging from over ₹ 1 billion for blockbuster films to as low as ₹ 10 million for small regional films. This includes 75 films that were distributed directly on the platform without a theatrical release, a trend accelerated by the pandemic. About 33% of digitally released films were in Hindi, whereas 67% were in other languages, with south Indian languages accounting for approximately 50% of all films released in 2022.

In 2022, the animation, VFX, and post-production services segment grew at a rapid rate, attaining an annual growth rate of 25%. Indian content is swiftly spreading across all mediums, dialects, and categories. The Indian M&E consumer base is large yet diverse, eager for content but only willing to pay for value, and more than willing to experiment with technology, whether it be streaming, digital payments, online education, virtual experiences, e-commerce, social media, or gaming. Diverse consumers, along with favourable macroeconomic and demographic factors, have created a very appealing growth driver for the industry. As the sector evolves into a new reality, it also benefits from a digitally prepared nation where data access has been relatively affordable and continues to be infrastructure-ready by investing in high-quality content delivery with the rollout of 5G services. As people spend more time online, the Connected TV craze, which has 25 million+ monthly users in 2022, is expected to grow further in the future. Similarly, as affordability improves, the drive for subscription-based revenues is likely to undergo a structural change, and the data throughputs on which these are built will expand to benefit M&E as well as the broader ecosystem. As India strengthens its place by hosting the G20 summit, the M&E industry has an exceptional opportunity to contribute to India's growing global soft power. A new perspective on the transformation of old, established business models will position the M&E sector to take the next leap.

### Indian Film Industry

The film entertainment industry has recorded robust growth in 2022, as over 1,623 movies were released, which is a significant increase from the 757 films that were released in 2021. The film entertainment segment grew by 85% in 2022, reaching ₹ 172 billion from ₹ 93 billion recorded in 2021. It recovered about 90% of its 2019 levels. Digital rights rationalised to ₹ 36 billion in 2022, compared to ₹ 40 billion recorded in 2021. Gross box office revenue collection crossed the ₹100 billion mark, only the second time in the history of film entertainment. Gross box office revenues reached to ₹ 105 billion in 2022, almost three times the ₹ 39 billion recorded in 2021. The total number of cinema goers increased to 994 million in 2022, which was still less than the 1,460 million recorded in 2019 due to a decreased desire to view a film as a result of shorter

release windows. The number of heavy cinemagoers decreased from 2-4 times a month to just once a month, and the number of light visitors also decreased in 2022. The average ticket price increased from ₹ 106 in 2019 to ₹ 119 in 2022. Satellite rates remained low due to a decline in movie channel viewership, particularly for large film premieres. In some instances, films were broadcast on television after their theatrical and digital debuts, frequently a month or more later, which may have affected their performance on television.

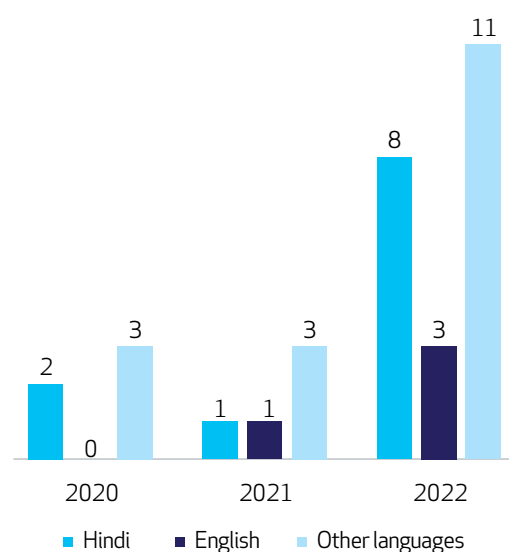
### Film entertainment segment revenue - gross of taxes (in ₹ billion)

	2022	2023E	CY25E
Domestic theatricals	105	118	136
Overseas theatricals	16	20	26
Broadcast rights	10	11	12
Digital / OTT rights	36	39	45
In-cinema advertising	5	7	9
<b>Total</b>	<b>172</b>	<b>194</b>	<b>228</b>

Source: EY E - Estimated

Audiences binged on content not only from the south and other regions of the country, also from abroad, resulting in a significant shift in their content preferences and a refinement of their tastes. Digitalization has accelerated the diversification of content, talent, and stories, investments in the development of original regional content, and the expansion of regional offerings to a larger audience. The film industry has established new business structures and direct-to-digital distribution in response to challenges. In 2022, about 22 films grossed more than ₹ 1 billion, compared to 5 films in 2021 and 32 films in 2019. The top two Hindi films that surpassed the ₹ 1 billion mark were dubbed versions of South Indian blockbusters. The 11 other language films were all from South Indian cinema.

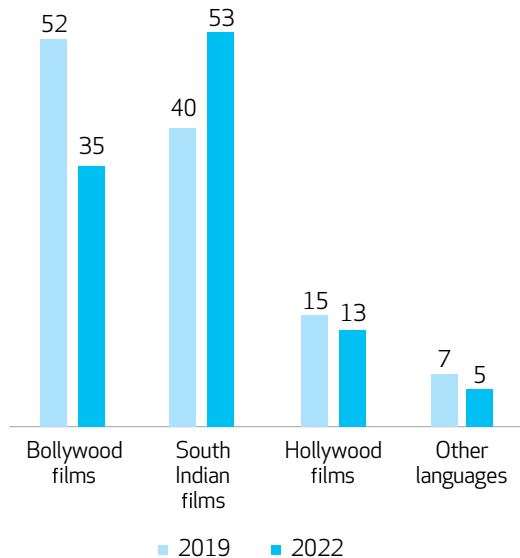
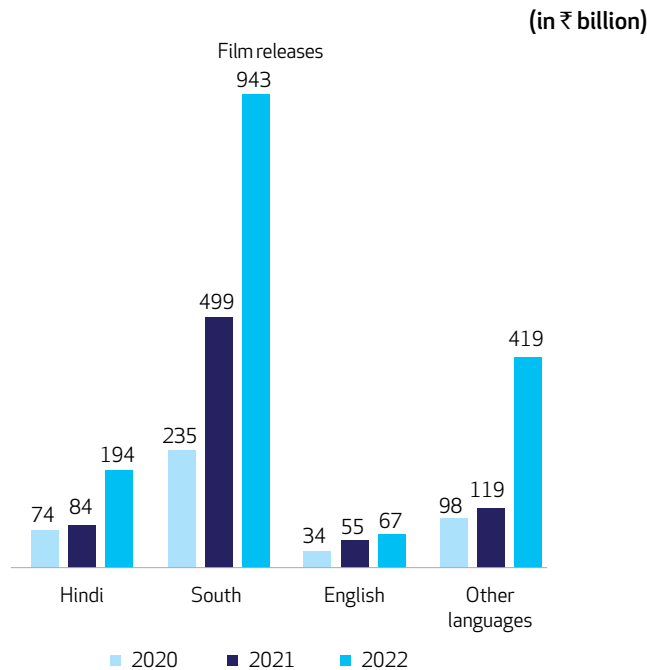
### Number of films which grossed more than ₹ 1 billion



Source: EY

In 2022, about 1,623 films were released in theatres across all languages. The most films released in 2022 were in Telugu (278), followed by Kannada (233), Tamil (288), and Malayalam (199). Only 194 Hindi films were released in 2022. In 2022, Bollywood revenues recovered and grew by 49% over 2019 levels, reaching ₹ 52 billion, while South Indian film market revenues grew by 33% over 2019 levels, reaching ₹ 53 billion in 2022. The number of screens was estimated to be 9,382 in 2022, approximately 2% less than before the pandemic. After three decades, INOX designed Srinagar's first multiplex cinema in an effort to introduce entertainment to Jammu and Kashmir's youth.

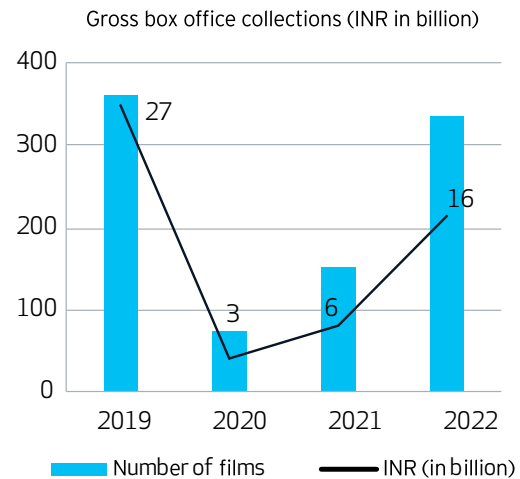
**Film releases by language Gross Box office collections - By different language films**



Source: EY

About 335 films were released abroad in 2022, generating about ₹ 16 billion in revenues, thereby recording a robust growth rate of 170% over 2021. Due to geopolitical tensions with China, international monetisation was impacted, as the Chinese market has historically shown a strong preference for Indian content.

**International Theatricals - Films released and Revenue Generated**



Source: EY

In 2022, audiences returned in large numbers, demonstrating that the "cinema experience" is valued. The film entertainment industry is expected to reach ₹ 194 billion in 2023 and to ₹ 228 billion in 2024, driven by theatrical revenues as Hindi films embrace mass storytelling, integrate more visual effects to enhance the moviegoing experience, and expand into tier-II and tier-III cities. The Government of India's Common Service Centre (CSC) has partnered with October Cinemas to bring cinema back to India's rural areas. The long-term objective of October Cinemas and CSC is to establish 100,000 cinemas with seating capacities ranging from 100 to 200 seats each. Going forward, broadcast rights will remain subdued because they have become a distant third window following theatrical and digital releases. Further, movie attendance will be determined by the type of content and will not increase until mass-audience-oriented film content is produced. In practise, content for multiplex and OTT audiences will differ from that for single-screen and television viewers. The growth of digital rights will be volume-driven, with a similar number of blockbuster films and more mid-budget films.

**Animation, VFX and Post-Production**

As more films with substantial budgets were released in 2022, animation, visual effects, and post-production services reached a significant milestone in their ascent up the value chain. Not only the need for and possibility of animation's global expansion has increased, but it has also created new career advancement opportunities, a larger platform for qualified talent to pursue this, and a great deal of serious work for meritorious businesses of all sizes. By adopting world-class techniques and cutting-edge technology, the Animation, VFX (Visual Effects), and Post-production industry in India have consistently climbed the growth ladder.

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

	2019	2020	2021	2022
Animation	22	25	31	38
VFX	50	9	38	50
Post-production	23	10	14	19
<b>Total</b>	<b>95</b>	<b>43</b>	<b>83</b>	<b>107</b>

Source: EY

In 2022, the animation and VFX segment surpassed its pre-COVID-19 levels and reached ₹ 107 billion, registering a growth of 29% over 2021 and 13% above its 2019 levels. During the pandemic, kids' viewership increased significantly. The demand for animated content has returned to pre-pandemic levels, as indicated by a 13% decline in kids' viewership by 2021. In contrast, dedicated kids' OTT platforms have grown, and more options are becoming available, particularly in regional languages. The animation segment grew 71% from pre-pandemic levels to reach ₹ 38 billion in 2022, and registered a 25% increase over its 2021 levels. The adoption of gaming engines such as Unity and Unreal has been a game-changer for predicting the expansion of this market segment. These engines increase productivity and reduce rendering time by up to 70%, paving the way for more streamlined workflows across the segment.

The VFX segment increased by 30% to reach ₹ 50 billion in 2022. Top global VFX companies are turning to India to take advantage of the cost arbitrage that India continues to provide. This will increase service export revenue even further. In 2022, service exports accounted for 35% to 40% of the segment's total revenue. Moreover, in the VFX segment, episodic content across multiple platforms is the primary attraction in OTT currently. This content relies significantly on VFX and is currently one of the greatest market that can be addressed. In addition, the number of high-budget films (those with a budget of ₹ 100 crore or more) in India increased by 100% between 2021 and 2022, which in turn increased the demand for domestic VFX services. Large-budget films typically spend 25% to 30% of their budget on visual effects, while low- to medium-budget films spend 10% to 15%. India's studios are adopting technologies such as virtual production, machine learning, and artificial intelligence. This aids in streamlining the workflow with speedier iterations, thereby enhancing efficiency. The availability of capital for infrastructure and technology, as well as qualified labour, are the two most significant challenges that the VFX segment faces currently.

There is an increase in the number of dubbed and subtitled theatrical releases as India becomes one market with content that appeals to audiences across state and language lines. In 2022, post-production services segment grew by 35% to reach ₹ 19 billion. The proportion of dubbed films has increased from 15% of all releases prior to the pandemic to 30% of all films in 2022. Also, the average cost of dubbing a film has increased from ₹ 0.5 million to ₹ 2 million to ₹ 3 million over the past decade. As content is monetized across an increasing number of windows, such as SVOD (Subscription Video On Demand), AVOD (advertising-based video on demand), theatrical, television, FTA (free-to-air), international, brief video, etc., the demand for post-production services will increase going forward.

The segment of animation, VFX, and post-production services is projected to grow at a CAGR of 20% to 25%, reaching ₹ 190 billion by 2025. In 2023 and early 2024, it is anticipated that over 50 VFX-heavy films will be released in theatres. Over the next few years, the top 10 OTT platforms are expected to commission over 1,000 original titles. The demand for domestic animated content is expected to increase in the future as the increased popularity of anime among millennials presents an opportunity for the future release of adult-oriented content of the highest quality. The growth of high-end gaming is anticipated to be advantageous for studios, and the growth of the metaverse and web 3.0 would provide an opportunity for the segment to attain future growth.

**Section 5****Company Overview**

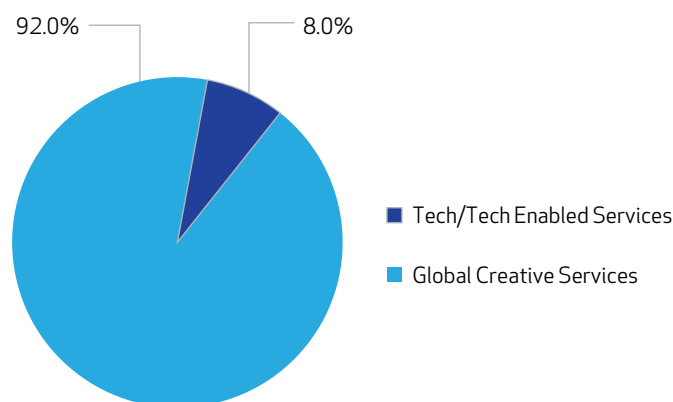
PFL has emerged as an internationally recognised, independent, and diversely integrated media service provider under the leadership of Mr. Namit Naresh Malhotra since its microscale start in Mumbai in 1997. The Company and its group operate in cities such as Bengaluru, Chennai, Hyderabad, Kolkata, Mohali, Mumbai, Pune, and Noida in India. Internationally, the Company has a strong presence in London, Los Angeles, Montreal, New York, Sofia, Toronto and Vancouver.

**Products and Services**

The following are the Company's three key business segments:

1. Creative services such as visual effects, stereo 3D conversion, animation, Production and Postproduction services consisting of equipment rental, digital intermediate, picture post, shooting floors and sound stages.
2. Tech/Tech-Enabled Services including Media ERP Suite and Cloud enabled media services
3. Leasing or Renting of properties and/or assets and allied services.

PFL has been a market leader in all of its business areas and activities, owing to its robust business model, skilled employees, and healthy balance sheet.

**Divisional Revenue Share FY 2022-23**



The Company delivers significant product and service solutions to major studios, broadcasters, and advertising sectors throughout the world. PFL has also collaborated with prominent studios and has frequently produced high-end franchise films successfully.

### End to End Service Provider



### International Presence:

PFL's strong technological proficiency and expertise empower its global clientele with optimised integrated services. About 92% of PFL's total revenue is generated by its international business, enabling the Company to strengthen its sales team and acquire more international clients. The Company's one-of-a-kind 'World Sourcing' delivery model and its global Digital Pipeline have enabled PFL to communicate with content creators across all phases of creative enablement, improve cost management, and increase efficiencies. PFL has a presence across 4 continents, 7 time zones, and 27 locations, and projects are executed 24\*7, 365 days a year.

### Marquee Clientele

PFL has a large clientele that spans the entire media industry value chain and product lifecycle for media content. Globally renowned Hollywood and Indian studios and media corporations are among PFL's most prominent clients.

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

### Creative Services

PFL is a leading provider of VFX services to major Hollywood studios, assisting in the production of high-end VFX, 3D, and animation-based films. In July 2014, the Company approved a merger with DNEG, one of the world's foremost visual effects and animation companies for feature films and television. The Creative Services division also provides animation services and facilitates the creation of beautifully animated content by partnering with content creators throughout the production lifecycle. The Company caters to high-end projects by leveraging its experience, scope of operations, and World Sourcing delivery model while simultaneously ensuring high proficiency, quality, and cost optimisation. The International Creative Service contributed of about 89% of total PFL's revenue in FY 2022-23.

DNEG, a business arm of PFL's Creative Services segment, is capable of providing visual effects, stereo 3D conversion, and animation services. A leader in visual effects with experience working with leading Hollywood studios (Marvel, Universal, Warner Bros, Paramount, Twentieth Century Fox, Sony, Disney, and Lionsgate) and directors (Christopher Nolan, David Yates, Ron Howard, Zack Snyder, and Steven Spielberg, among others). DNEG's critically acclaimed work has earned the Company seven Academy Awards® for Best Visual Effects and numerous BAFTA and Primetime EMMY® Awards for its high-quality VFX work.

During the year under review, PFL delivered many Bollywood blockbusters, including the following:

### Production & Post-Production: Selected Projects FY2022-23

1. Brahmāstra: Part One – Shiva
2. Dobaaraa
3. Rocketry: The Nambi Effect
4. Bhediya
5. Goodbye
6. Double XL
7. Mili
8. Phone Bhoot
9. Uunchai
10. RRR
11. Rudra
12. Human
13. Kathmandu Connection
14. Freddy
15. Ranveer vs. Wild with Bear Grylls
16. CAT

DNEG has a leading position across the globe in stereo 3D conversion, commanding a significant portion of the global content market. DNEG has offices and studios in North America (Los Angeles, Montréal, Toronto, and Vancouver), Europe (London), and Asia (Bangalore, Chandigarh, Chennai, and Mumbai) with nearly 11,000+ employees. It has a competitive edge because of its industry-leading positions in stereo 3D conversion and visual effects, which are supported by a number of strategic partnerships.

#### Internal restructurings to increase efficiencies and optimize performance:

- In March 2022, DNEG acquired the production and post-production assets of Prime Focus Limited, including eight Hollywood-designed soundstages in a studio complex in Film City, and a full suite of production and post-production services including digital intermediate (DI), camera equipment rental (EQR), sound and picture editing, IMAX and 3D mastering, and associated support and technology services, in order to create further value for its clients.
- DNEG has secured an additional avenue for future growth and the capacity to innovate more rapidly and provide clients with greater value by acquiring PFT. The Companies have entered into Memorandum of Understanding in April 2023 and transaction is subject to structuring, regulatory and other necessary approvals. DNEG and PFT would capitalise on adjacent growth prospects and better align the Company with its customers for long-term collaboration. The PFT acquisition will provide a range of benefits to DNEG's clients:
  - o Operationally – will unlock the efficiencies of managing all content through one platform with one trusted partner.
  - o Financially – will enable the cost advantages of bundling creative, technology, and fulfilment services with one partner across the lifecycle of the content.
  - o Strategically – will enable content creators to unlock extra value in their content through localization and new monetization opportunities.

#### **Creative Services: Selected FY2022-23 Hollywood Projects**

##### **Hollywood (DNEG)**

1. Extrapolations
2. Shazam! Fury of the Gods
3. The Last of Us
4. The Witcher: Blood Origin
5. Glass Onion: A Knives Out Mystery
6. Devotion
7. Slumberland
8. 1899
9. Black Adam

10. The School for Good and Evil
11. Entergalactic
12. Super/Natural
13. The Lord of the Rings: The Rings of Power
14. Pinocchio
15. Locke & Key – Season 3
16. Bullet Train
17. Jurassic World: Dominion
18. Secrets of the Sea
19. Stranger Things – Season 4
20. Sonic the Hedgehog 2
21. All the Old Knives
22. Ambulance
23. Obi-Wan Kenobi
24. The Essex Serpent
25. Hustle
26. Me Time
27. Significant Other
28. Whitney Houston: I Wanna Dance With Somebody
29. Circuit Breakers
30. Landscape With Invisible Hand
31. Scream VI
32. We Have a Ghost

##### **Tech/Tech-Enabled Services**

PFT (Prime Focus Technologies), a subsidiary of PFL, offers a distinct combination of media and IT skills, supported by a comprehensive knowledge of the global M&E industry. Prime Focus Technologies (PFT) is the creator of CLEAR® and CLEAR® AI. It offers streaming platforms, studios, and broadcasters transformational AI-led technology and media services powered by the cloud that help them lower their Total Cost of Operations (TCOP) by automating their content supply chain. PFT's award-winning Hybrid Cloud-enabled Media ERP Suite, CLEAR®, combined with its superior Cloud Media Services, enables broadcasters, studios, brands, and service providers to drive creative enablement, increase efficiencies, reduce Total Cost of Operations (TCOP), and gain new monetization opportunities. The World Sourcing® model and extensive network of PFT facilities are aided by a global digital pipeline. The global Technology business accounted for about 8% of PFL's total revenue.

PFT works with major companies like Walt Disney-owned Star TV, Channel 4, ITV, Sinclair Broadcast Group, A&E Networks, Warner Media, PBS, CBS Television Studios, 20th Century Fox Television Studios, Lionsgate, Showtime, HBO, NBCU, TERN International, Disney+ Hotstar, BCCI, Indian Premier League and more. PFT recently won the “2023 Product of the Year Awards by NAB” for CLEAR® and CLEAR®AI. Both CLEAR® and CLEAR® AI are now available in AWS Marketplace.

PFT has provided high-quality, cost-effective Localization services in over 60 languages for the past 15 years. This enables the Company to better serve consumers across the globe by automating content-related business processes and enhancing content-related business control. The following are PFT’s major accomplishments:

1. 20,000 unique monthly video assets.
2. Subtitling capabilities in over 60 languages, with a team of 200 subtitling experts and native translators across the globe.
3. Delivered over 40,000 hours of Subtitling & Closed Captioning annually.
4. Dubbing capabilities extend to over 60 languages, and we dub over 7,000 hours of content annually.
5. Over 30 hours of premium original content annually.
6. About 19 films were translated in 2022.
7. Won 90 excellence awards till date.
8. Delivering 1,700 promos monthly in more than 15,000 versions.
9. Delivered over 1,40,000 assets annually for 37 channels under our OAP engagement with STAR India.

PFT’s Media Services include, the following:

1. Localization (Subtitling, Dubbing, Access Services, and Text-to-Text Localization),
2. Techno Creative Solutions (Marcomm Services & Postproduction),
3. Fulfillment (QC, Mastering, Re-Mastering, Digital Packaging Delivery, Compliance)

#### Highlights: FY 2022-23

- PFT was invited to participate at the AWS Partner Village, Intelligent Content Zone at NAB (National Association of Broadcasters) 2023.
- Microsoft also invited PFT to participate in their stand at the NAB Show.
- PFT won the Product of the Year Award for CLEAR® Localize under the Asset Management, Automation, and Payout categories at NAB 2023.
- PFT also won the Product of the Year Award for CLEAR® Reframe under the AI/Machine Learning category for its AI-led Video Reframing & transformation at NAB 2023.

- PFT launched CLEAR® AI to simplify the Foreign Language Mastering process.
- PFT launched CLEAR® Clip at NAB 2023, an easy-to-use platform that automates editing and accelerates the content creation process for social media monetization.
- PFT launched CLEAR® AI Reframe and enhanced CLEAR® AI Discover with Chat GPT.
- PFT launched CLEAR® Localize at NAB 2023, a cloud-based process automation platform that simplifies the Localization process.
- PFT has joined the Amazon Web Services (AWS) Independent Software Vendor (ISV) Accelerate Program, which would help PFT drive new business and accelerate sales cycles by connecting the participating ISVs with the AWS Sales organization.
- PFT CLEAR® now available in the AWS Marketplace.
- PFT was highlighted in the MESA (Media & Entertainment Services Alliance) Round – Up and CLEAR® AI got featured in the editorial section of the Reteller magazine.
- PFT made it to the top 50 in the 2022 Nimdzi Insights 100 Ranking of the world’s largest Language Service Providers (LSPs).
- PFT’s CLEAR® for Channel 4 was selected as part of the Movie Labs Showcase Program.

#### Highlights: FY2022-23

##### Awards & Accolades

DNEG received the following awards:

- Visual Effects Society Award for ‘Outstanding Visual Effects in a Photoreal Episode’ for ‘The Lord of the Rings: The Rings of Power’
- Best Animation Award at the 26th LA Shorts Festival for ‘Mr. Spam Gets A New Hat’
- Best Animated Short Award at the Cordillera International Film Festival for ‘Mr. Spam Gets A New Hat’
- Gold Award in the ‘Feature Film VFX’ category at the 2022 Australian Effects & Animation Festival (AEAF) for ‘Dune’
- Special Merit in the ‘TV Series’ category at the 2022 Australian Effects & Animation Festival (AEAF) for ‘Foundation’
- Namit Malhotra honoured at the 2022 Asian Achievers Award
- DNEG and ReDefine win ‘Best VFX Award’ for ‘Brahmāstra: Part One – Shiva’ at the IIFA Awards, Filmfare Awards and Zee Cine Awards 2023



Current and upcoming DNEG projects on behalf of its Hollywood and global studio and production Company partners include the following:

1. Citadel
2. Fast X
3. The Little Mermaid
4. The Flash
5. Oppenheimer
6. Coyote Vs Acme
7. Meg 2: The Trench
8. Haunted Mansion
9. Dune: Part Two
10. Aquaman and the Lost Kingdom
11. Nimona
12. Borderlands
13. American Born Chinese
14. Garfield
15. Mickey 17
16. Furiosa
17. Avatar: The Last Airbender
18. Peter Pan & Wendy
19. No Way Up
20. That Christmas
21. Lift
22. The Gilded Age – Season 2
23. Estonia
24. The Shepherd
25. No One Will Save You
26. Under the Boardwalk

#### ReDefine Projects

1. Borderlands
2. American Born Chinese
3. Knights of the Zodiac
4. Waco: The Aftermath

5. Rally Road Racers
6. Saving Bikini Bottom
7. Landscape with invisible hand
8. Silo
9. The Killer

DNEG signed a multiyear services agreement with Netflix during FY 2021-22. The DNEG-Netflix partnership connects DNEG's breadth and global footprint as one of the world's top content services firms with Netflix's broad programming portfolio.

#### Financial Highlights of Financial Year 2022-23 (Consolidated Audited Financials):

In the FY 2022-23, the Company's Income from Operations stood at ₹ 4,644 crores, with 92% and 8% contributions from Creative (Including India FMS) and Tech/ Tech- Enabled Services, respectively. As revenue synergies in cross-selling and execution from lesser cost-centres, such as India and Vancouver, increased, the adjusted EBITDA margin remained robust at 26%.

#### Financial Highlights of Financial Year 2022-23 (Consolidated Audited Financials):

- The Company's total income is ₹ 4,924 crores, compared to ₹ 3,478 crores for the fiscal year ending March 31, 2022.
- The adjusted EBITDA margin stood at 26%
- The Cash Profit (PAT + Depreciation + non-cash employee stock option expense) stood at ₹ 688 crore, and the Cash Profit Margin is 14%.
- Creative Services' (Including India FMS) total revenue increased to ₹ 4,243 crore in fiscal year 2022-23. This division now accounts for 92% of Group revenues and has an Adjusted EBITDA margin exceeding 24% (according to Ind AS accounting standards).
- Total revenue for Tech/Tech-Enabled Services is ₹ 401 crores in FY 2022-23, up from ₹ 356 crores in the year ended March 2022; Adjusted EBITDA Margin is at 22%.
- Net Debt (Debt - Cash) as of March 2023 is ₹ 3,989 crores (after adjusting for operating lease liabilities recognised due to a change in accounting standards and Convertible Preference shares issued by subsidiaries).
- Consistent efforts are being made to reduce high-cost India debt through refinancing with affordable and longer-term debt.

## Key Change in Financial Ratios

Ratios	Units	Consolidated			
		March 31, 2023	March 31, 2022	Change	Remarks
Debtors Turnover	Times	8.61	10.01	14%	Decrease in debtors turnover due to higher billings in Q4 which were collected subsequently.
Inventory Turnover	Times	NA	NA	NA	Not Applicable
Interest Coverage Ratio	Times	1.87	1.26	48%	Improved coverage ratio on the back of higher operating profit
Current Ratio	Times	1.41	0.54	161%	Improved levels of current assets as compared to current liabilities led to significant increase in current ratio.
Debt Equity Ratio	Times	221.20	37.10	496%	Increase is due to increase in debt compared to previous year and accumulation of negative translation reserve arising from exchange fluctuations
Operating Profit Margin	Percentage	17.00	14.00	21%	Higher operating profit during the year contributed by higher total income
Net Profit Margin	Percentage	4.20	-5.16	181%	Increase in net profit margin contributed by higher total income. Further negative net profit margin in previous year was driven by exceptional cost of ₹ 180 crore during the year
Return on Net worth – RoNW	Percentage	771.75	-152.40	606%	Increase in return on net worth is contributed by higher total income and lower net worth due to accumulation of negative translation reserve arising from exchange fluctuations. Further negative return on net worth in previous year was driven by exceptional cost of ₹ 180 crore

## Section 6

### Business Strategy

PFL is one of the leading one-stop post-production service providers in the world. The Company provides world-class and innovative post-production, creative, and technical services. The Company has effectively strengthened its market position and expanded globally to become a significant independent services powerhouse over the years through an acquisition-driven expansion strategy. PFL intends and expects to maintain this consistent, profitable growth in the future due to the following factors:

PFL holds a dominant position in Creative Services and is the preferred provider of graphically enhanced services. PFL will continue to strengthen its global presence by diversifying its content and geographical reach. The Company will continue to improve cross-selling by integrating VFX, 3D, and high-end CG animation services in order to increase revenue while minimising costs. PFL's expanding global clientele, robust network, and higher levels of engagement with leading studios will help generate cross-selling opportunities and sustain growth through economies of scale.

In the Tech/Tech-Enabled Services segment, the Company will continue to grow its client base by signing contracts to cross-sell tech-enabled services and improve revenue from existing clients. In addition, the Company focuses on incorporating new modules and analytics into its product line.

PFL and its subsidiaries will continue to evaluate equity (including private placements and public offering) and debt financing options for unlocking value across the group. In order to increase shareholder wealth, the Company places a premium on growth and business efficiency.

## Section 7

### Outlook

As the sector undergoes ongoing change, firms are taking decisive action for ambitious expansion goals and future success. The information creation, distribution, advertising, and monetization industries are becoming more fluid and uncertain than ever, and media companies have been quick to adapt.

Going forward, media companies will entirely integrate diverse streaming services into a single application, thereby establishing a "hard" content bundle. Media companies seek to imitate large, digital native platforms that have linked video subscriptions with e-commerce, music, fitness, and other lifestyle offerings to strengthen their direct-to-consumer (DTC) customer relationships and increase switching costs. In the coming year, asset sales and spin-off mergers may be more prevalent than whole-Company transactions. Partnerships and collaborative ventures with industry partners can expedite market entry, facilitate share investment, and yield synergistic benefits.

M&E companies are employing aggressive cost reduction strategies and accelerating monetisation opportunities by integrating digital media and technological advances into their traditional businesses. Given a robust content pipeline, the overall cinema market will be large and diverse, which will have a positive influence on the business over the long term. Theatre owners are implementing loyalty programmes and other measures to maintain consumer engagement. High-end cinemas will transform into 'experience zones' to cater to high-end multiplex audiences and is anticipated to have over 100 million customers / 40 million households by 2025. The near-term allocation of capital to metaverse-related initiatives will remain modest but not insignificant; the industry

is committed to remaining proactive and engaged with this emerging opportunity. All indicators point to another year of optimism and change in the M&E industry in 2023.

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

## Section 8

### Opportunities & Threats

The global M&E industry, with an infinite number of storytellers finding an infinite number of platforms to share their stories and engaging with audiences of all languages, is expected to record huge growth in the coming period. At present, content is transmitted to four displays: TV, mobile, laptop, and audio devices. A higher bandwidth quality will not only increase content consumption on these four screens, but also on watches, spectacles, durables, walls, vehicles, outdoor displays, etc.

Global Live experience revenue will grow at a CAGR of 9.6% through 2027, which is four times the predicted CAGR of 2.4% for consumer revenue as a whole. This is expected to boost the box office revenues of the in-Cinema segment during the forecasted period.

As governments around the world deal with the implications of new and potent technologies whose effects are uncertain and in flux, there have been efforts to limit, restrict, and even prohibit new products and services. As the M&E industry becomes more reliant on digital products and services, the efforts to regulate and self-regulate digital businesses and algorithms assume greater significance. In the coming period, M&E industry will be at the forefront of the use and sophistication of generative AI. Due to the rapidity with which it iterates and evolves, generative AI poses fundamental challenges to business models and raises concerns regarding privacy, intellectual property, security and data privacy, environmental damage, and ethics.

Regulatory infrastructure is also evolving with the accelerated development of technology. Ensuring the seamless adoption of new technologies and the preservation of all stakeholders' interests, including those of consumers, is an ongoing activity. The convergence of content is the most important aspect of the regulatory regime that requires attention. Currently, the same content is accessible on smart-connected displays, smartphones, and televisions. Due to the different distribution mechanisms on these platforms, they present a regulatory challenge. Therefore, in the new technological world of convergence, the potential alignment of regulatory regimes with "Multiple Screens, Same Content" is to be considered. Moreover, AI has rapidly emerged as the next frontier for digital regulation.

Global M&E has reached a turning point due to increasing investments in content and technology, resulting in segment-wide consolidation to

attain scale. This, coupled with the increasing propensity of consumers to pay, will result in improved entertainment formats and mediums that will reshape how content is consumed and delivered. Enabling a flexible and diversified business model will enable companies to keep up to-date with industry-wide change and capitalise on the resulting growth opportunities.

## Section 9

### Risks and Concerns

PFL has a strong belief in the potential of effective risk management, which enables it to minimise the risk impact on its business processes and also prepare the Company for different challenges in advance. The Company has adopted a Risk Management Policy as part of its Risk Management Framework in order to more effectively manage its inherent business risks. The framework ensures timely risk identification, evaluation, and mitigation. In addition, prompt risk mitigation measures are implemented to control adverse situations resulting from foreseen risks. Following are some of the inherent risks associated with the Company:

**Industry risk:** PFL is highly exposed to a variety of external risks that have a direct impact on its profitability and sustainability. The Company's operating and financial performance may be hampered by changes in the business environment, consumer preferences, and regulatory policies.

**Mitigation Strategy:** With the adoption of digital technology and the increase in demand for digital content, the global M&E industry is anticipated to experience an increasingly robust growth trajectory. It is anticipated that the global industry's demand will continue to increase, with greater penetration in non-urban and regional consumer bases, especially in rural areas. With a diverse portfolio, robust order book, and global network, PFL is well-positioned to mitigate any risks associated with the M&E industry.

**Rivalry risk:** The M&E market has evolved into an extremely competitive sector. Both domestic and international players pose a significant risk to the Company's success.

**Mitigation Strategy:** PFL uses a world-source delivery model to deliver high-quality work on time, which helps the company gain a competitive advantage. The Company has earned a worldwide reputation in the industry for providing high-quality services to major Hollywood and Bollywood production houses. The Company maintains a competitive advantage, through the production of dynamic proprietary inventions to initiate effective market initiatives and technological progress. Diversification, originality, and a long-standing relationship with studios and international media service providers have elevated PFL to the forefront of the industry.

**Attrition Risk:** The retention and maintenance of the Company's talent pool are of the utmost importance. It is difficult to find talented and skilled individuals, particularly in India, due to the limited number of schools that teach the craft of visual effects. The inability of a Company to recruit and retain qualified employees could harm its competitive advantage and pose an attrition risk.

**Mitigation Strategy:** The Company's HR policy seeks to maximise its retention rate by instituting best practises for its employees, offering a competitive pay scale, and providing intensive leadership training at



all levels to ensure organisational success. The Company's proactive HR policy ensures its ability to attract, retain, and cultivate a wide variety of competent individuals. This HR policy also ensured that the personal ambitions of employees were well aligned with the organization's goals.

**Profitability risk:** The entire M&E industry confronts a substantial risk to its profitability due to its relatively low operating margins. In addition, delays in new content releases, and higher costs for procuring professional talent place the business in an unsustainable financial situation.

**Mitigation Strategy:** The Company has consistently invested in researching and implementing new technology at the right moment in order to improve efficiencies and improve margins. The Company's global presence on five continents enables it to manage a variety of diverse projects. PFL is favoured by major production studios due to its track record of producing award winning critically acclaimed films with high public recognition and lucrative returns for filmmakers. PFL implements efficient cost control measures and workforce rationalisation to increase margins and sustain profitability. In an extremely competitive and low-margin industry, this also enables the Company to secure greater margins.

**Cyber Security Risk:** Companies in the media and entertainment industries are especially vulnerable to cyberattacks and fraud because of the sensitive nature of their content. COVID-19 has allowed cybercriminals to implement new malware techniques, remote working, and new technologies that are becoming increasingly popular. Any security intrusion or disruption to IT infrastructure can result in the loss of sensitive data or information, noncompliance with applicable laws and regulations, reputational harm, and revenue loss.

**Mitigation Strategy:** PFL has a proactive risk-mitigation programme in place, as well as a response plan for quicker adaptation in the event of an incident. It ensures that the network is regularly upgraded and backed up, and that the incident response plan is regularly developed and updated. Through phishing campaigns, employees are also made aware of cyber risks and common cyber security risks to reduce the risks associated with employee breaches. In addition, a fixed policy for the use of personal devices at work, etc. has been established. The Company is continually engaged in protecting sensitive data and strengthening controls.

## Section 10

### Internal Control Systems and their Adequacy

The Company has established an adequate internal control system to ensure the efficient and effective functioning of operations, compliance with laws and regulations, protection of assets, and accuracy of financial and management reporting. PFL's internal control systems are maintained in a manner commensurate with its business's nature, size, and complexity. Due to the Company's strong corporate governance practises and clearly articulated policies, guidelines, and frameworks, all business units and functions are continuously and meticulously analysed. Periodically, internal audits are conducted to provide assurance over the effectiveness of internal controls and to provide guidelines based on industry-wide best practises. Periodically, appropriate risk mitigation as well as timely and sufficient measures are taken to implement the required rectification measures.

## Section 11

### Human Resources

Human resources are essential for Company's healthy development and expansion. All of PFL's business operations are committed to providing a safe, conducive, and productive work environment to its employees. To ensure the well-being and development of employees, various initiatives such as performance and appraisal, learning management, talent management, internal and external training programmes, etc. are implemented. The primary organisational objective and leadership mandate are to care for individuals. The Company's primary objective is to provide opportunities for the growth and improvement of its employees' skill sets at all business levels. The Company believes that superior talent is the key to achieving outstanding business results. In addition, the HR policies foster a work environment that increases employee satisfaction, motivation, and retention. The Open door policy creates a work environment that is flexible, straightforward, and conducive to the free exchange of ideas. Potential leaders are identified, a consistent talent pool is maintained within the organisation, and the workforce's capabilities and capacities are proactively strengthened. Such policies also enable the workforce to adapt to technological and environmental changes. As of March 31, 2023, the Company and its group employed more than 12,600 individuals.

## Section 12

### Cautionary Statements

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

# Report on Corporate Governance

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

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

## 2. BOARD OF DIRECTORS

The Board of Directors of the Company has an appropriate mix of Executive Directors, Non-Executive Directors and Independent Directors to maintain the Board's independence and separate its functions of governance and management. As on March 31, 2023, the Board comprises of eight (8) Directors, out of which one (1) is Executive Director, three (3) are Non-Executive Non-Independent Directors and four (4) are Independent Directors including one (1) Woman Independent Director. The composition of the Board is in conformity with Regulation 17 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "**Listing Regulations**") read with sections 149 and 152 of the Companies Act, 2013 (the "**Act**"). In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and are independent of the management. During the Financial Year 2022-23, Mr. Rivkaran Singh Chadha, Independent Director of the Company resigned from the directorship due to other professional commitments and has confirmed that there are no other material reason for his resignation. Except Mr. Naresh Mahendranath Malhotra and Mr. Namit Naresh Malhotra who are related to each other by way of father and son relationship, none of the other Directors are related to each other. The profile of the Directors can be accessed on the Company's website at <http://www.primefocus.com/who-we-are#Board>

None of the Directors on the Company's Board is a Member of more than ten (10) Committees or Chairman of more than five (5) Committees [Committees being Audit Committee and Stakeholder Relationship Committee] across all the public limited companies in which he/she is a Director, pursuant to the Regulation 26 of the Listing Regulations. Furthermore, Mr. Naresh Mahendranath

Malhotra, Whole-time Director of the Company does not serve as an Independent Director in any Companies. All the Directors have made necessary disclosures regarding Committee positions held by them in other listed companies and do not hold the office of Director in more than twenty (20) companies, including ten (10) public companies pursuant to the provisions of the Act. The terms & conditions of the appointment of the Independent Directors are hosted on the Company's website. None of the Independent Directors of the Company serve as an Independent Director in more than seven (7) Listed Companies. The maximum tenure of the Independent Directors is in compliance with the provisions of the Act. All Directors except Nominee Director and Independent Directors are liable to retire by rotation.

The required information, including information as enumerated in Part A of Schedule II of the Listing Regulations is made available to the Board of Directors for discussions and consideration at Board Meetings. The Whole-Time Director ("**WTD**") and the Chief Financial Officer ("**CFO**") have certified to the Board upon inter alia, the accuracy of the Financial Statements and adequacy of internal controls for the financial reporting, in accordance with Regulation 17(8) of the Listing Regulations, pertaining to WTD and CFO certification for the Financial Year ended March 31, 2023.

During the Financial Year under review, Six (6) Board meetings were held on May 27, 2022; June 30, 2022; August 12, 2022; November 14, 2022; February 14, 2023 and February 22, 2023. The requisite quorum was present at all the meetings. The Company has complied with the terms of Section 173(1) of the Act and Regulation 17(2) of Listing Regulations for conducting minimum four (4) meetings of Board of Directors during the Financial Year.

In case of business exigencies, the approval of the Board is taken through circular resolutions. During the Financial Year under review, no circular resolution was passed by the Board of Directors.

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

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

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

Sr. No.	Name of Director and DIN	Category of Director	Skills sets/ expertise/ competencies/ Practical Knowledge	No. of Directorship held in other Companies*	Name of other Listed entities where the Director of the Company is a Director including the category of Directorship	Membership held in Committees of other Companies **	Chairmanship held in Committees of other Companies **	No. of Board meetings attended during the year #	Attendance at last Annual General Meeting	Shareholding in the Company as on March 31, 2023
1.	Mr. Namit Naresh Malhotra DIN: 00004049	Non-Executive Director (Promoter)	Media Business, Strategy and Planning	2	Nil	Nil	Nil	2	Absent	14,900,000 equity shares
2.	Mr. Naresh Mahendranath Malhotra <sup>1</sup> DIN: 00004597	Chairman and Whole-Time Director (Promoter)	Media Business, Strategy, Planning and Governance	3	Nil	Nil	Nil	6	Present	62,201,646 equity shares
3.	Mr. Ramakrishnan Sankaranarayanan <sup>5</sup> DIN: 02696897	Non-Executive Director	Media Business, Strategy, Planning and Governance	5	Nil	Nil	Nil	3	Present	50 equity shares
4.	Mr. Kodi Raghavan Srinivasan DIN: 00012449	Non-Executive Independent Director	Strategy Planning and Governance	Nil	Nil	Nil	Nil	3	Absent	Nil
5.	Mr. Padmanabha Gopal Aiyar <sup>6</sup> DIN: 02722981	Non-Executive Independent Director	Strategy Planning and Governance	1	Nil	1	Nil	3	Absent	Nil
6.	Mrs. (Dr.) Hemalatha Thiagarajan DIN: 07144803	Non-Executive Independent Director	Strategy Planning and Governance	Nil	Nil	Nil	Nil	2	Absent	Nil
7.	Mr. Samu Devarajan DIN: 00878956	Non-Executive Independent Director	Strategy Planning and Governance	5	ADC India Communications Limited- Independent Director	5	2	4	Present	Nil
8.	Mr. Udai Dhawan <sup>2</sup> DIN: 03048040	Non-Executive Director	Strategy Planning and Governance	-	-	-	-	0	Not Applicable	Nil
9.	Mr. Vibhav Parikh <sup>3</sup> DIN: 00848207	Non-Executive Director	Strategy Planning and Governance	1	Nil	1	Nil	4	Present	Nil
10.	Mr. Rivkaran Singh Chadha <sup>4</sup> DIN: 00308288	Non-Executive Independent Director	Strategy Planning and Governance	-	-	-	-	3	Present	Nil

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

\*\* Chairmanship/Membership of the Audit Committee and the Stakeholders' Relationship Committee are considered for the purpose of committee positions in all public companies, whether listed or not as per Regulation 26 (1)(b) of the Listing Regulations.

# Meetings attended via video conference facility.



1. Mr. Naresh Mahendranath Malhotra was re-appointed as the Chairman and Whole-time Director of the Company w.e.f. May 01, 2023.
2. Mr. Udai Dhawan resigned as a Non-Executive Director (Nominee of Augusta Investments I Pte. Ltd, Augusta Investments Zero Pte. Ltd., Marina IV LP, Marina IV (Singapore) Pte. Ltd. and Marina Horizon (Singapore) Pte. Ltd.) w.e.f. June 30, 2022.
3. Mr. Vibhav Parikh was appointed as a Non- Executive Director (Nominee of Augusta Investments I Pte. Ltd, Augusta Investments Zero Pte. Ltd., Marina IV LP, Marina IV (Singapore) Pte. Ltd. and Marina Horizon (Singapore) Pte. Ltd.) w.e.f. July 01, 2022 in place of Mr. Udai Dhawan.
4. Mr. Rivkaran Singh Chadha resigned as a Non-Executive Independent Director from the Board and Committees of the Company w.e.f. November 14, 2022 on account of other professional commitments and confirmed that there were no other material reasons for his resignation.
5. Mr. Ramakrishnan Sankaranarayana resigned as a Non-Executive Director from the Board and Committees of the Company w.e.f. May 30, 2023 on account of other professional commitments.
6. Mr. Padmanabha Gopal Aiyar resigned as a Non-Executive Independent Director from the Board and Committees of the Company w.e.f. May 30, 2023 on account of other professional commitments and confirmed that there were no other material reasons for his resignation.

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

Further, none of the Directors holds any Convertible instruments.

**Annual Independent Directors Meeting:** In accordance with the provisions of Section 149(8) read with Schedule IV of the Act and Regulation 25(3) and (4) of Listing Regulations and Secretarial Standards, a separate meeting of the Independent Directors was held during the Financial Year on February 14, 2023, to review the performance of the Non-Independent Directors including the Chairman of the Company and performance of the Board as a whole and to assess the quality, quantity and timeliness of flow of information between the management of the Company and Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties. Moreover, the Non-Independent Directors and Management Personnel did not take part in the meeting.

**Board Effectiveness Evaluation:** Pursuant to the provisions of Sections 134 and 178 of the Act read with Regulations 17 and 34 of Listing Regulations, a formal Board evaluation involving evaluation of the Board of Directors, its Committees and individual Directors, including the role of the Board Chairman, was conducted during the Financial Year. For details, kindly refer the Directors' Report.

**Familiarization Programme for Independent Directors:** The details of Familiarization Programme for all the Independent Directors are available on the website of the Company at [http://www.primefocus.com/investor-center#Familiarisation\\_Prgm\\_for\\_ID](http://www.primefocus.com/investor-center#Familiarisation_Prgm_for_ID)

**Terms of appointment of Independent Directors:** Terms and conditions of appointment/re-appointment of Independent

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

### 3. COMMITTEES OF THE BOARD

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

As on March 31, 2023, the Board has six (6) Committees, namely Audit Committee, Nomination and Remuneration Committee, Corporate Social Responsibility Committee, Stakeholders' Relationship Committee, ESOP Compensation Committee and Risk Management Committee.

#### The brief description of Committees are as follows:

##### A. Audit Committee:

The Audit Committee of the Company functions in accordance with the requirement of Section 177 of the Act and Regulation 18 of the Listing Regulations. The composition of the Audit Committee is in compliance with Regulation 18(1) read with Schedule II of the Listing Regulations. As on March 31, 2023, the Audit Committee comprises of Three (3) Directors, consisting of all Independent Directors. The Members of the Audit Committee possess financial/accounting expertise/exposure.

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

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

During the Financial Year under review, five (5) Audit Committee meetings were held on May 27, 2022; June 30, 2022; August 12, 2022; November 14, 2022 and February 14, 2023 and the gap between two meetings did not exceed one hundred and twenty days. The necessary quorum was present at all the Meetings. The Chairman of the Audit Committee is an Independent Director and he had attended last year's Annual General Meeting to address the queries of the shareholders.

As on March 31, 2023, the composition of the Audit Committee and the attendance of its members at its meeting held during the Financial Year is as follows.

Name of the Member	Category	Position	Meeting attended #
Mr. Rivkaran Singh Chadha*	Independent & Non-Executive Director	Chairman (upto November 14, 2022)	3
Mr. Samu Devarajan^	Independent & Non-Executive Director	Chairman (w.e.f November 14, 2022)	3
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	3
Mr. Padmanabha Gopal Aiyar@	Independent & Non-Executive Director	Member	3

# Meetings attended via video conference facility.

\* Mr. Rivkaran Singh Chadha ceased as Non-Executive Independent Director of the Company w.e.f November 14, 2022 and therefore, ceased to be Chairman of Audit Committee.

^Mr. Samu Devarajan, was appointed as Chairman of the Audit Committee w.e.f November 14, 2022.

@Mr. Padmanabha Gopal Aiyar ceased to be the member of the Audit Committee on account of his resignation from the Board and Committees of the Company w.e.f. May 30, 2023. Mr. Naresh Mahendranath Malhotra and Mrs. (Dr.) Hemalatha Thiagarajan were appointed as the members of Audit Committee w.e.f. May 30, 2023.

#### Terms of Reference:

The broad terms of reference includes the following as is mandated in Part C of Schedule II of Listing Regulations and Section 177 of the Act:

- 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.
- Recommend to the Board, the appointment, re- appointment, terms of appointment, remuneration and, if required, replacement or removal of Statutory Auditors and fixation of Audit fees.
- Approval of payment to Statutory Auditors for any other services rendered by them.
- Reviewing, with the management the Annual Financial Statements and Auditor's Report thereon before submission to

the Board, for approval with particular reference to the matters stated under sub clause (a) to (g) of Part C of Schedule II of Listing Regulations.

- Reviewing, with the management, the Quarterly Financial Results before submission to the Board for approval.
- 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 or preferential issue or qualified institutions placement, and making appropriate recommendations to the Board to take up steps in this matter.
- Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process.
- Approval or any subsequent modification of transactions of the Company with related parties.
- Scrutiny of inter-corporate loans and investments.
- Valuation of undertakings or assets of the Company, wherever it is necessary.
- Evaluation of internal financial controls and risk management systems.
- Reviewing, with the management, performance of statutory and internal auditors and adequacy of the internal control systems.
- 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.
- Discussion with internal auditors of any significant findings and follow up there on.
- 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.
- 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.
- 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.
- To review the functioning of the Whistle Blower mechanism.

- s. Approval of appointment of Chief Financial Officer after assessing the qualifications, experience & background, etc. of the candidate.
- t. Examination of the Financial Statement and the auditors' report thereon.
- u. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
- v. Reviewing the utilization of loans and/ or advances from/ investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
- w. Review of Compliances of SEBI (Prohibition of Insider Trading) Regulations, 2015 once in a Financial Year and verification of internal control systems.
- x. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the Company and its shareholders.
- y. Mandatory review of information with particular reference to the matters stated under point (1) & (3) to (6) of sub clause (B) of Part C of Schedule II of Listing Regulations.

M/s Deloitte Haskins & Sells Chartered Accountants LLP (ICAI Firm Registration No. 117364W/W100739), the Company's Statutory Auditor, are responsible for performing an independent audit of the Financial Statements and expressing an opinion on the conformity of those Financial Statements with accounting principles generally accepted in India.

#### B. Nomination and Remuneration Committee:

The Nomination and Remuneration Committee ("NRC") of the Company functions in accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations, which are reviewed from time to time.

During the Financial Year under review, three (3) NRC meetings were held on May 27, 2022; June 30, 2022 and August 12, 2022;

As on March 31, 2023, the NRC comprises of Three (3) Directors, all of them being Non-Executive Independent Directors.

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

Name of the Member	Category	Position	Meeting attended #
Mr. Rivkaran Singh Chadha*	Independent & Non-Executive Director	Chairman (upto November 14, 2022)	3
Mr. Samu Devarajan^	Independent & Non-Executive Director	Chairman (w.e.f November 14, 2022)	3
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	1
Mr. Padmanabha Gopal Aiyar®	Independent & Non-Executive Director	Member	1

# Meetings attended via video conference facility.

\*Mr. Rivkaran Singh Chadha ceased as Non-Executive Independent Director of the Company w.e.f November 14, 2022 and therefore, ceased to be Chairman of NRC.

^Mr. Samu Devarajan, was appointed as Chairman of the NRC w.e.f November 14, 2022.

®Mr. Padmanabha Gopal Aiyar ceased to be the member of the NRC on account of his resignation from the Board and Committees of the Company w.e.f. May 30, 2023 and Mr. Namit Naresh Malhotra was appointed as the member of NRC w.e.f. May 30, 2023.

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

#### Terms of Reference:

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

- a. Formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees.
- b. For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description.



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

- use the services of an external agencies, if required.
  - consider candidates from a wide range of backgrounds, having due regard to diversity.
  - consider the time commitments of the candidates.
- c. Formulation of criteria for evaluation of performance of independent directors and the board of directors.
- d. Devising a policy on Board's diversity.
- e. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.
- f. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- g. Recommend to the board, all remuneration, in whatever form, payable to senior management.

#### Nomination and Remuneration Policy

The Company adopted a Nomination and Remuneration Policy for Directors, Key Managerial Personnel and other employees in accordance with the provisions of the Act and the Listing Regulations and the same is available on the Company's website at [http://www.primefocus.com/sites/default/files/pdf/Nomination\\_Remuneration\\_Policy.pdf](http://www.primefocus.com/sites/default/files/pdf/Nomination_Remuneration_Policy.pdf).

#### Remuneration to Directors:

##### Non-Executive Director:

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

Details of the Remuneration paid to the Non-Executive Directors for the Financial Year ended March 31, 2023 are as follows:

(Amount in ₹)

Name of Director	Remuneration Paid	Sitting Fees	Total
Non-Executive Directors			
Mr. Padmanabha Gopal Aiyar	-	60,000	60,000
Mr. Rivkaran Singh Chadha*	-	60,000	60,000

Name of Director	Remuneration Paid	Sitting Fees	Total
Mr. Kodi Raghavan Srinivasan	-	60,000	60,000
Dr. (Mrs.) Hemalatha Thiagarajan	-	40,000	40,000
Mr. Samu Devarajan	-	80,000	80,000
Mr. Udai Dhawan**	-	-	-
Mr. Namit Naresh Malhotra®	-	-	-
Mr. Ramakrishnan Sankaranarayanan®	-	-	-
Mr. Vibhav Parikh***	-	80,000	80,000

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

\*Mr. Rivkaran Singh Chadha resigned w.e.f. November 14, 2022.

\*\*Mr. Udai Dhawan resigned w.e.f. June 30, 2022.

\*\*\* Mr. Vibhav Parikh was appointed w.e.f. July 01, 2022

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

#### Executive Director:

The remuneration paid to the Executive Directors is commensurate with industry standards and Board level positions held in similar sized companies, taking into consideration the individual responsibilities shouldered by them and is in consonance with the terms of appointment approved by the Members, at the time of their appointment.

Details of Remuneration paid to the Chairman and Whole-time Director for the Financial Year ended March 31, 2023 are as follows:

(₹ in crores)

Name of Director	Naresh Mahendranath Malhotra (Whole-time Director and Chairman)
Remuneration	1.67 p.a.
Service Contracts	3 years
Performance linked Incentives	Nil
Stock options	Nil

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

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

### C. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee's ("SRC") composition and the terms of reference meet with the requirements of Regulations 20 read with Part D of Schedule II of the Listing Regulations and provisions of Section 178 of the Act. During the Financial Year under review, four (4) meetings were held on May 27, 2022; August 12, 2022; November 14, 2022 and February 14, 2023. The requisite quorum was present at all the meetings of SRC.

As on March 31, 2023, the SRC comprises of three (3) Directors of which two (2) are Non-Executive Independent Directors and one (1) is Executive Director.

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

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

Name of the Member	Category	Position	Meeting attended #
*Mr. Rivkaran Singh Chadha	Independent & Non-Executive Director	Chairman (upto November 14, 2022)	2
^Mr. Samu Devarajan	Independent & Non-Executive Director	Chairman (w.e.f November 14, 2022)	2
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	3
Mr. Naresh Mahendranath Malhotra	Chairman & Whole-time Director	Member	4

#Meetings attended via video conference facility.

\*Mr. Rivkaran Singh Chadha ceased as Non-Executive Independent Director of the Company w.e.f November 14, 2022 and therefore, ceased to be Chairman of SRC.

^Mr. Samu Devarajan, was appointed as Chairman of the SRC w.e.f November 14, 2022.

Ms. Parina Shah, Compliance officer and the Company Secretary of the Company acts as a Secretary to the Committee and the designated e-mail address for investor complaints is [ir.india@primefocus.com](mailto:ir.india@primefocus.com).

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

The SRC is primarily responsible for:

- Resolving the grievances of the security holders of the Company including complaints related to transfer/ transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings, etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

### Complaints from Investors

The number of complaints received and resolved to the satisfaction of investors during the Financial Year ended March 31, 2023 and their break-up is as under:

Particulars	Received	Resolved	Pending
No. of Complaints	0	0	0

Complaints or queries relating to the shares can be forwarded to the Company's Registrar and Transfer Agent- Link Intime India Private Limited at 'C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai-400 083. Tel: +91 810 811 6767 Fax: +91 22 49186060.

### D. Risk Management Committee:

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

During the Financial Year under review, three (3) meeting of the RMC were held on June 30, 2022, November 14, 2022 and February 14, 2023.

The Composition of RMC and attendance of its members at the meetings during the Financial Year is as follows:

Name of the Member	Category	Position	Meeting attended
Mr. Rivkaran Singh Chadha*	Independent & Non-Executive Director	Chairman (upto November 14, 2022)	1

Name of the Member	Category	Position	Meeting attended
Mr. Naresh Mahendranath Malhotra**	Chairman and Whole-time Director	Chairman (w.e.f November 14, 2022)	3
Mr. Ramakrishnan Sankaranarayanan <sup>®</sup>	Non-Executive Non Independent Director	Member	2
Mr. Samu Devarajan <sup>^</sup>	Independent & Non-Executive Director	Member	0

\*Mr. Rivkaran Singh Chadha ceased as Non-Executive Independent Director of the Company w.e.f November 14, 2022 and therefore, ceased to be Chairman of RMC.

\*\*Mr. Naresh Mahendranath Malhotra, was appointed as Chairman of the RMC w.e.f November 14, 2022.

<sup>^</sup>Mr. Samu Devarajan was appointed as member in RMC w.e.f November 14, 2022.

<sup>®</sup>Mr. Ramakrishnan Sankaranarayanan ceased to be the member of the RMC on account of his resignation from the Board and Committees of the Company w.e.f. May 30, 2023 and Mr. Namit Naresh Malhotra was appointed as the member of RMC w.e.f. May 30, 2023

#### Terms of Reference:

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

- (1) To formulate a detailed risk management policy which shall include:
  - (a) A framework for identification of internal and external risks specifically faced by the Company, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - (b) Measures for risk mitigation including systems and processes for internal control of identified risks.
  - (c) Business continuity plan.
- (2) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company.
- (3) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems.

- (4) To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity.
- (5) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken.
- (6) The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the RMC.

#### E. Corporate Social Responsibility (CSR) Committee:

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

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

During the Financial Year under review, one (1) meeting of the CSR Committee was held on May 27, 2022. The composition of the CSR Committee and attendance of its members at its meeting held during the financial year is given hereunder:

Name of the Member	Category	Position	Meeting attended#
Mr. Rivkaran Singh Chadha*	Independent & Non-Executive Director	Chairman (upto November 14, 2022)	1
Mr. Naresh Mahendranath Malhotra**	Chairman and Whole-time Director	Chairman (w.e.f November 14, 2022)	1
Mr. Samu Devarajan	Independent & Non-Executive Director	Member	1
Mr. Ramakrishnan Sankaranarayanan <sup>®</sup>	Non-Executive Non Independent Director	Member (w.e.f November 14, 2022)	NA

# Meetings attended via video conference facility.

\*Mr. Rivkaran Singh Chadha ceased as Non-Executive Independent Director of the Company w.e.f November 14, 2022 and therefore, ceased to be Chairman of CSR Committee.

\*\*Mr. Naresh Mahendranath Malhotra was appointed as Chairman of the CSR Committee w.e.f November 14, 2022.



^Mr. Ramakrishnan Sankaranarayanan was appointed as the member in CSR Committee w.e.f November 14, 2022.

@Mr. Ramakrishnan Sankaranarayanan ceased to be the member of the CSR Committee on account of his resignation from the Board and Committees of the Company w.e.f. May 30, 2023 and Mr. Namit Naresh Malhotra was appointed as the member of CSR Committee w.e.f. May 30, 2023.

## F. ESOP Compensation Committee

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

During the Financial Year under review, one (1) meeting of ESOP Compensation Committee was held on June 30, 2022. The composition of the ESOP Compensation Committee and attendance of its members at its meeting during the financial year is given hereunder:

Name of the Member	Category	Position	Meeting Attended#
Mr. Rivkaran Singh Chadha*	Independent & Non-Executive Director	Chairman (upto November 14, 2022)	1
Mr. Samu Devarajan**	Independent & Non-Executive Director	Chairman (w.e.f November 14, 2022)	1
Mr. Kodi Raghavan Srinivasan	Independent & Non-Executive Director	Member	0
Mr. Ramakrishnan Sankaranarayanan^@	Non-Executive Non Independent Director	Member (w.e.f November 14, 2022)	NA

# Meetings attended via video conference facility.

\*Mr. Rivkaran Singh Chadha ceased as Non-Executive Independent Director of the Company w.e.f November 14, 2022 and therefore, ceased to be Chairman of ESOP Compensation Committee.

\*\*Mr. Samu Devarajan was appointed as Chairman of the ESOP Compensation Committee w.e.f November 14, 2022.

^Mr. Ramakrishnan Sankaranarayanan was appointed as member of the ESOP Compensation Committee w.e.f November 14, 2022.

@Mr. Ramakrishnan Sankaranarayanan ceased to be the member of the ESOP Compensation Committee on account of his resignation from the Board and Committees of the Company w.e.f. May 30, 2023 and Mr. Namit Naresh Malhotra was appointed as the members of ESOP Compensation Committee w.e.f. May 30, 2023.

The terms of reference of ESOP Compensation Committee include, inter-alia, granting of Stock Options to the eligible employees,

ascertaining the detailed terms and conditions for such grants, administering the Employee Stock Option Schemes of the Company and exercising the powers and performing the duties as prescribed under the applicable provisions of Law.

## 4. SUCCESSION PLANNING

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

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

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

## 6. RECOMMENDATIONS OF COMMITTEES OF THE BOARD

There were no instances during the Financial Year 2022-23, wherein the Board had not accepted recommendations made by any committee of the Board.

## 7. GENERAL BODY MEETINGS:

### i. Annual General Meeting:

Location and time, where last three Annual General Meetings were held is given below:

Financial Year	Date	Location	Time
2019-20	September 30, 2020	Through Video Conferencing (deemed venue: Prime Focus House, Opp Citi Bank, Linking Road, Khar (West), Mumbai- 400052)	03:00 p.m.
2020-21	September 30, 2021	Through Video Conferencing (deemed venue: Prime Focus House, Opp Citi Bank, Linking Road, Khar (West), Mumbai- 400052)	03:00 p.m.
2021-22	September 30, 2022	Through Video Conferencing (deemed venue: Prime Focus House, Opp Citi Bank, Linking Road, Khar (West), Mumbai- 400052)	12:30 p.m.

## ii. Special Resolutions:

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

Date of General Meeting	Number of Special resolutions passed	Details of Special Resolutions
September 30, 2020	Nil	No Special Resolution was passed in the meeting.
September 30, 2021	1	1. To re-appoint Mr. Samu Devarajan (DIN:00878956) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.
September 30, 2022	1	1. To consider re-appointment of and remuneration payable to Mr. Naresh Mahendranath Malhotra (DIN: 00004597) as a Chairman and Whole-time Director of the Company.

- b. No Extra-ordinary General Meetings were held during the last three Financial Years.
- c. Details of Special Resolutions passed through postal ballot, the persons who conducted the postal ballot exercise and details of the voting pattern

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

Date of Postal Ballot Notice	Date of Declaration of Postal Ballot Result	Special Resolutions passed through Postal Ballot	Name of the Scrutinizer to Postal Ballot	Status of Resolution	Votes cast in favor (in %)	Votes cast against (in %)
June 30, 2022	August 07, 2022	1. Approval for extension of exercise period under Prime Focus Limited ('PFL') – Employees Stock Option Scheme 2014	Mr. Mehul Raval	Resolution was passed with requisite Majority	99.97	0.03

### Person who conducted the Postal Ballot Process

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

### Procedure for Postal Ballot

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

For conducting a Postal Ballot, Notice specifying the resolutions proposed to be passed through Postal Ballot along with Explanatory Statement, Instructions for e-voting, User IDs and Passwords for the purpose of e-voting were e-mailed to all the shareholders whose names appeared in register of members/record of depositories as on the cut-off date i.e. Thursday, June 30, 2022.

The Shareholders were requested to cast their votes by e-voting using their User Ids and Passwords and as per the instructions mentioned in the Notice of Postal Ballot.

The last date specified by the Company for remote e-voting i.e. Sunday, August 07, 2022 was deemed to be the date of passing of the resolutions.

The Scrutinizer submitted his report after the completion of scrutiny, and the consolidated results of the voting by remote e-voting were then announced by the Company Secretary. The results were also displayed on the website of the Company besides being communicated to the Stock Exchanges.

## 8. DISCLOSURES:

### a. Related Party Transactions

Details of the relevant related party transactions entered into by the Company are set out in the Notes to Accounts. During the Financial Year under review, materially significant transactions with related parties were on an arm's length basis and did not have potential conflicts with the interests of the Company at large. Suitable disclosures as required by IND AS24 have been made in the Annual Report. All transactions with related parties entered into by

the Company were on an arm's length basis and were approved by the Audit Committee. Pursuant to the Regulation 23 of the Listing Regulations, the Board of Directors has adopted the 'Related Party Transaction Policy' and the same is available on the Company's website at [http://www.primefocus.com/sites/default/files/pdf/PRIME\\_FOCUS\\_LIMITED-Related\\_Party\\_Policy.pdf](http://www.primefocus.com/sites/default/files/pdf/PRIME_FOCUS_LIMITED-Related_Party_Policy.pdf)

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

The Company has complied with various rules and regulations prescribed by the Stock Exchanges, Securities Exchange Board of India or any other statutory authorities relating to the capital markets during the last three years and has also complied with requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation 2 of Regulation 46 of the Listing Regulations, as applicable, with regards to Corporate Governance, except the following:

As per Regulation 24 (1) of the Listing Regulations, the Company is required to appoint one Independent Director of Listed Entity on the board of Unlisted Material Subsidiary Companies w.e.f April 1, 2019. The Company has already appointed Independent Director of the Company on the Board of Unlisted Material Subsidiaries, incorporated in India. However, the Company is in the process of appointment of Independent Director of the Company on the Board of Unlisted Material Subsidiaries, incorporated outside India.

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

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

The said policy is available on the website of the Company at [http://www.primefocus.com/sites/default/files/pdf/Whistle\\_Blower\\_29.08.2022.pdf](http://www.primefocus.com/sites/default/files/pdf/Whistle_Blower_29.08.2022.pdf).

The Company affirms that no director or employee of the Company has been denied access to the Audit Committee.

No complaint has been received as at the Financial Year ended March 31, 2023 and no employee of the Company was denied access to meet the Chairman of the Audit Committee in this regard.

#### d. Whole-Time Director /Chief Financial Officer Certification

In terms of requirements of Regulation 17(8) and 33(2) of Listing Regulations, the Whole-Time Director and Chief Financial Officer of the Company have certified to the Board in the prescribed format for the Financial Year under review that the Financial Statements represents true and fair view of the Company's affairs and do not

contain any untrue/misleading statement and the same has been reviewed by the Audit Committee and taken on record by the Board.

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

The Company has complied with all the mandatory requirements of Listing Regulations. The details of these compliances have been given in the relevant sections of this report. The Company also incorporates certain non-mandatory recommendations as mentioned below:

##### 1. The Board:

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

##### 2. Shareholder Rights:

Audited and Un-audited quarterly financial results are sent to the stock exchanges and published in the newspapers as per the Listing Regulations. The same are also posted on the Company's website [www.primefocus.com](http://www.primefocus.com).

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

Company's financial statements are unqualified.

##### 4. Reporting of internal auditor:

The Internal Auditor reports directly to the Audit Committee.

#### f. Reconciliation of Share Capital Audit

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

The said report, duly signed by practicing company secretary is submitted to stock exchanges where the securities of the company are listed within 30 days of the end of each quarter and this Report is also placed before the Board of Directors of the company.



## 9. CODE OF CONDUCT

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

The Code of Conduct is in consonance with the requirements of Listing Regulations. The Code of Conduct is available on the Company's website at [http://www.primefocus.com/sites/default/files/pdf/pfl\\_code\\_of\\_conduct.pdf](http://www.primefocus.com/sites/default/files/pdf/pfl_code_of_conduct.pdf).

The Code has been circulated to all the members of the Board and the Senior Management. The Directors and the Senior Management have affirmed compliance of the Code. The Annual Report of the Company contains a declaration to this effect duly signed by the Whole-Time Director of the Company.

## 10. MEANS OF COMMUNICATION

- a. The Board of Directors of the Company approves and takes on record the quarterly, half yearly and yearly financial results in the format prescribed by Regulation 33 of the Listing Regulations within prescribed time limits. Quarterly results are regularly submitted to the Stock Exchanges in terms of the requirements of Regulation 33 of the Listing Regulations.
- b. The quarterly/half yearly and annual financial results are published in one English national daily newspaper circulating in the whole or substantially the whole of India i.e. either Business Standard / Financial Express and one Marathi daily newspapers i.e. either Pudhari or Navshakti.
- c. The Company also informs the Stock Exchanges in a prompt manner about all price sensitive information or such other matters which in its opinion, are material and relevant to the shareholders and subsequently are displayed on the Company's website [www.primefocus.com](http://www.primefocus.com).

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

The Company posts its Quarterly / Half Yearly/Annual Results, Annual Report, official news releases, press releases, presentations made to investors and transcripts of the meetings with institutional investors/ analysts on its website i.e. [www.primefocus.com](http://www.primefocus.com).

In compliance with Regulation 46 of the Listing Regulations, a separate dedicated section under 'Investors' i.e. 'Disclosure under Regulation 46 of the Listing Regulations' on the Company's website contains the basic information about the Company, e.g., details of its business, financial information, shareholding pattern, compliance

with corporate governance, contact information of the designated officials of the Company who is responsible for assisting and handling investor grievances and such other details as may be required under Regulation 46 of the Listing Regulations. The Company ensures that the contents of this website are updated at all times.

## 11. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

Pursuant to the provisions of Section 124 and other applicable provisions, if any, of the Act and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, the Company transferred 9485 shares in respect of which dividend has not been paid or claimed for seven consecutive year or more to IEPF Authority including shares held in unclaimed suspense account on November 30, 2017. The balance number of shares lying with the IEPF Authority is 9285 shares as on March 31, 2023.

The members, whose unclaimed shares have been transferred to IEPF, may claim the same by making application to the IEPF authority in form No. IEPF-5 available on [www.iepf.gov.in](http://www.iepf.gov.in) for details of unclaimed shares transferred to IEPF please refer Company's website viz. [www.primefocus.com](http://www.primefocus.com).

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

As on March 31, 2023, there are no unclaimed shares / amount lying in the suspense account.

## 13. SUBSIDIARY COMPANIES

The Company has adopted a Policy for determining Material Subsidiaries of the Company, pursuant to the provisions of Regulation 16 of the Listing Regulations, which states the following:

- i. Meaning of 'Material Subsidiary'
- ii. Requirement of Independent Director in certain Material Non Listed Subsidiaries
- iii. Restriction on disposal of a Material Subsidiary by the Company and
- iv. Disclosure requirements, based on Regulation 23 of the Listing Regulations and any other laws and regulations as may be applicable to the Company.

This policy is available on the website of the Company at [http://www.primefocus.com/sites/default/files/pdf/POLICY\\_ON\\_MATERIAL\\_SUBSIDIARIES.pdf](http://www.primefocus.com/sites/default/files/pdf/POLICY_ON_MATERIAL_SUBSIDIARIES.pdf).

In terms of the provisions of Regulation 24 of the Listing Regulations, the minutes of the board meetings of subsidiary companies are placed before the Board of Directors of the Company and the attention of the Directors is drawn to significant transactions and arrangements entered into by the subsidiary companies. The performance and summary of key decisions of the subsidiaries is also reviewed by the Audit Committee/ Board periodically.

#### 14. PREVENTION OF INSIDER TRADING

The Company has instituted a mechanism to avoid Insider Trading. In accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended, the Company has established systems and procedures to restrict insider trading activity and has framed an Internal Code of Conduct to Regulate, Monitor and Report Trading by Designated Persons & Code of Practices and Procedures for Fair Disclosures of Unpublished Price Sensitive Information in order to protect the interest of the shareholders at large. The said Code is available on the Company's weblink at [http://www.primefocus.com/sites/default/files/pdf/PFL\\_Insider\\_Trading\\_Code\\_2021.pdf](http://www.primefocus.com/sites/default/files/pdf/PFL_Insider_Trading_Code_2021.pdf)

The trading window is closed during the time of declaration of results and occurrence of any material events as per the Code.

#### 15. CERTIFICATION FROM PRACTICING COMPANY SECRETARY

A Certification from Practicing Company Secretary certifying that none of the Directors of the Company are disqualified or debarred from being appointed or continuing as Directors of companies by Board/ Ministry of Corporate Affairs or such statutory Authority forms part of this Report.

#### 18 a. GENERAL SHAREHOLDER INFORMATION

1	Annual General Meeting Date, Time and Mode	Date: Friday, September 29, 2023 Time: 12.30 p.m. Mode: Video conferencing and other audio-visual means as set out in the Notice of Annual General Meeting.
2	Financial Year	2022-23
3	Dividend	In view of the losses during the Financial Year 2022-23, the Directors do not recommend any dividend for its equity shares
4	Listing on Stock Exchanges and confirmation on payment of Annual Listing Fees to Stock Exchanges.	The equity shares of your Company are listed on: <b>BSE Limited (BSE)</b> Add:- P.J. Towers, Dalal Street, Fort, Mumbai - 400 001; & <b>National Stock Exchange of India Limited (NSE)</b> Add:- Exchange Plaza, Bandra-Kurla Complex, Bandra, Mumbai - 400 051. Annual Listing fees as applicable have been paid to the above Stock Exchanges within prescribed timelines. The equity shares of the Company have not been suspended from trading on the said Stock Exchanges or by any Regulatory /Statutory Authority.
5	Stock Code	For Equity Shares BSE Limited (BSE):- "532748" National Stock Exchange of India Limited (NSE):- "PFOCUS" ISIN Code : INE367G01038
6	Date of Book Closure	Not Applicable
7	Registrar to issue & Share Transfer Agents	Link Intime India Private Limited Unit: Prime Focus Limited Add: C-101, 247 Park, L B S Marg, Vikhroli West, Mumbai -400 083 Tel: +91 810 811 6767 Fax: +91 22 49186060 Website: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a> ; email: <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a>

#### 16. FEES PAYABLE TO STATUTORY AUDITORS

Total fees of ₹ 11.45 crores (previous year: ₹16.17 crores) for Financial Year 2022-23, for all services, was paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part.

#### 17. SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

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

1. Number of complaints filed during the Financial Year- Nil
2. Number of complaints disposed of during the Financial Year- Nil
3. Number of complaints pending as on the end of Financial Year- Nil

8	A) Share Transfer System	<p>In accordance with the provisions of Regulation 40(1) of the Listing Regulations, effective from April 01, 2019, transfer of shares of the Company shall not be processed unless the shares are held in dematerialised form with a depository. Accordingly, shareholders holding equity shares in physical form are urged to have their shares dematerialised so as to be able to freely transfer them and participate in various corporate actions.</p> <p>As per the recent amendments to the Listing Regulations, effective from January 24, 2022 and SEBI's Circular dated January 25, 2022, it has been mandated that listed companies shall henceforth issue the securities in dematerialized form only while processing the service requests for (a) issue of duplicate securities certificate; (b) claim from Unclaimed Suspense Account; (c) Renewal / Exchange of securities certificate; (d) Endorsement; (e) Sub-division / Splitting of securities certificate; (f) Consolidation of securities certificates/folios; (h) Transmission, and g) Transposition</p>
	B) Transmission System	<p>In accordance with the said Circular, Company's RTA shall verify and process the service requests and thereafter issue a 'Letter of confirmation' in lieu of physical securities certificate(s), to the securities holder/claimant. Such 'Letter of Confirmation' shall be valid for a period of 120 days from the date of its issuance, within which the securities holder/claimant shall make a request to the Depository Participant for dematerializing the said securities. In case of any query(ies) or issue(s) regarding process of the service request(s), shareholders / claimants can contact RTA (Cont. No.: +91 810 811 6767) or by can write an e-mail at <a href="mailto:rnt.helpdesk@linkintime.co.in">rnt.helpdesk@linkintime.co.in</a></p> <p>Pursuant to SEBI circular No. SEBI/HO/MIRSD/ MIRSD_RTAMB/P/CIR/2022/8 dated January 25, 2022, SEBI has directed that listed companies shall henceforth issue securities in dematerialized form only while processing the Transmission request as may be received from the securities holder/claimant. Accordingly, RTA to verify and process the service request and thereafter issue a "Letter of Confirmation" in lieu of physical securities certificate(s), to the securities holder /claimant within 30 days of its receipt of such request after removing objections, if any.</p> <p>The RTA / Issuer Companies shall issue a reminder after the end of 45 days and 90 days from the date of issuance of Letter of Confirmation, informing the securities holder and /claimant to submit the demat request as above in case no such request has been received by the RTA till the time.</p>
9	Commodity price risk or foreign exchange risk and hedging activities;	<p>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.</p>
10	Plant Location	<p>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:</p> <p><b>A. Goregaon-Film City Office</b></p> <ol style="list-style-type: none"> <li>i. FC Main Building, Film City Complex, Dadasaheb Phalke Film City, Goregaon (East), Mumbai-400065.</li> <li>ii. 2nd, 3rd, 4th, 5th, Floor, Mainframe, B Wing, Royal Palms, Aarey Colony, Goregaon (East), Mumbai - 400 065.</li> <li>iii. Groud Floor, Royal Palms, Master Mind - I, Aarey Colony, Goregaon (East), Mumbai – 400 065.</li> <li>iv. Recording &amp; Dubbing Studio, Dadasaheb Phalke Film City Complex, Goregaon (East), Mumbai - 400065.</li> <li>v. Prime Focus Studios, Film City Complex, Dadasaheb Phalke Chitranagri, Goregaon (East), Mumbai - 400 065.</li> </ol> <p><b>B. Santacruz office</b></p> <ol style="list-style-type: none"> <li>i. Ground Floor (Garage), 2nd and 3rd Floor, Anandkunj, North Avenue, Linking Road, Santacruz (West), Mumbai – 400 054.</li> </ol> <p><b>C. Khar Office</b></p> <ol style="list-style-type: none"> <li>i. Prime Focus House, Linking Road, Opposite Citibank, Khar (West), Mumbai-400052.</li> </ol> <p><b>D. Lower Parel Office</b></p> <ol style="list-style-type: none"> <li>i. 2nd Floor, Raghuvanshi Mills Compound, SB Marg, Lower Parel (West), Mumbai - 400013.</li> </ol> <p><b>E. Andheri West Office</b></p> <ol style="list-style-type: none"> <li>i. 4th Floor, Blue Wave, Off Link Road, Veera Desai Road, Andheri (West), Mumbai – 400 053.</li> </ol>

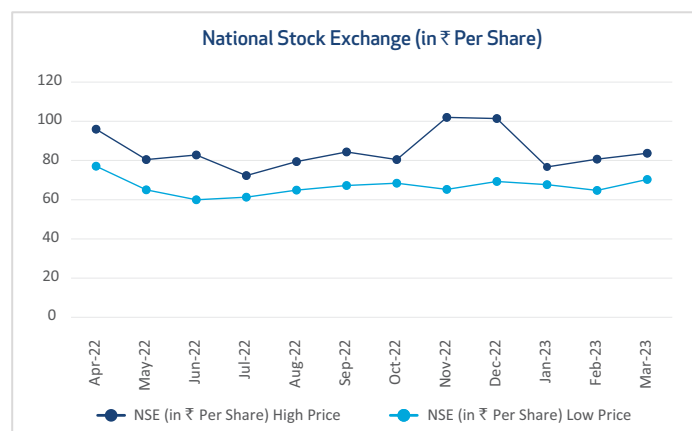
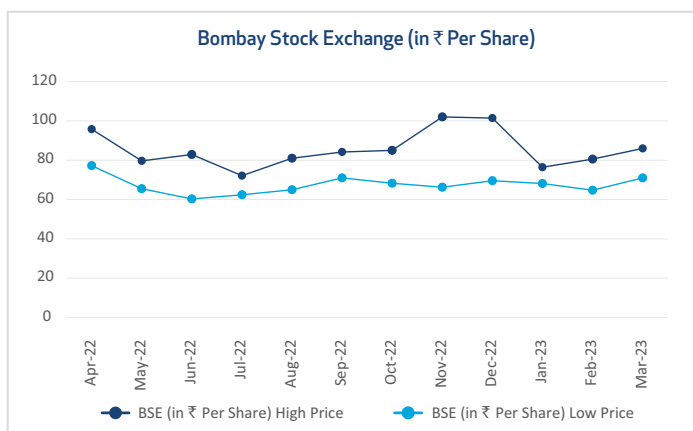


11	Address for Correspondence	Ms. Parina Nirav Shah, Company Secretary and Compliance Officer Prime Focus Limited Registered Office: Prime Focus House, Linking Road, Opposite Citibank, Khar (West), Mumbai-400052, Maharashtra, India. Phone: +91-22-67155000; Fax: +91-22-67155001 Website: <a href="http://www.primefocus.com">www.primefocus.com</a> ; email: <a href="mailto:ir.india@primefocus.com">ir.india@primefocus.com</a>										
12	Dematerialization of Shares and liquidity	As on March 31, 2023, 29,95,36,624 equity shares of the Company constituting 99.99% of the equity share capital are held in Dematerialized form. The equity shares of the Company are traded only in dematerialized form in the stock exchanges.										
13	Electronic Clearing Services (ECS)	Members are requested to update their bank account details with their respective Depository Participants for shares held in the electronic form or write to the Company's Registrar and Share Transfer Agent M/s Link Intime India Private Limited for the shares held in physical form.										
14	Investor Complaints to be addressed to	Registrar and Share Transfer Agent - M/s Link Intime India Private Limited at <a href="mailto:helpdesk@linkintime.co.in">helpdesk@linkintime.co.in</a> or to Ms. Parina Nirav Shah, Company Secretary and Compliance Officer at <a href="mailto:ir.india@primefocus.com">ir.india@primefocus.com</a> .										
15	SCORES	A centralised web-based complaints redressal system which serves as a centralised database of all complaints receive, enables uploading of Action Taken Reports by the concerned company and online viewing by the investors of actions taken on the complaints and its current status										
16	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity.	Not Applicable										
17	List of all credit ratings obtained by the entity along with any revisions thereto during the relevant Financial Year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad.	The details of Credit Ratings of your Company are as follows: <table border="1" data-bbox="603 961 1615 1144"> <thead> <tr> <th>Name of the agency</th> <th>Type of instruments</th> <th>Size of Issue (million)</th> <th>Rating / Rating Watch</th> <th>Rating Action</th> </tr> </thead> <tbody> <tr> <td>Indian Ratings and Research (Ind-Ra)</td> <td>Fund-based-working capital limits</td> <td>INR 320</td> <td>WD</td> <td>Withdrawn (paid in full)</td> </tr> </tbody> </table>	Name of the agency	Type of instruments	Size of Issue (million)	Rating / Rating Watch	Rating Action	Indian Ratings and Research (Ind-Ra)	Fund-based-working capital limits	INR 320	WD	Withdrawn (paid in full)
Name of the agency	Type of instruments	Size of Issue (million)	Rating / Rating Watch	Rating Action								
Indian Ratings and Research (Ind-Ra)	Fund-based-working capital limits	INR 320	WD	Withdrawn (paid in full)								

#### 18 b. Market Price Data

The price of the Company's Share-High, Low during each month in the Financial Year 2022-23 on the Stock Exchanges is given below in a tabular form:

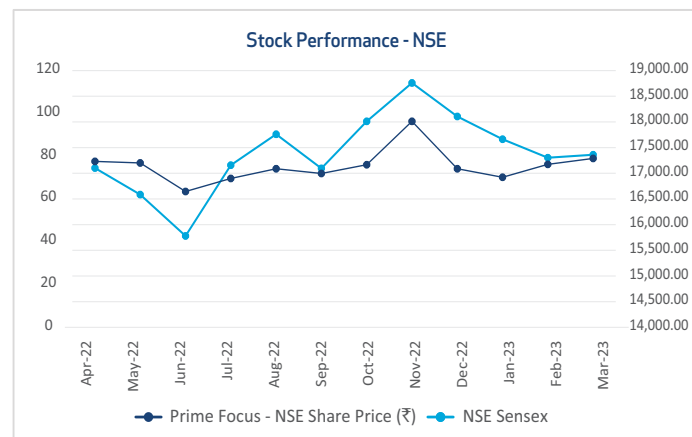
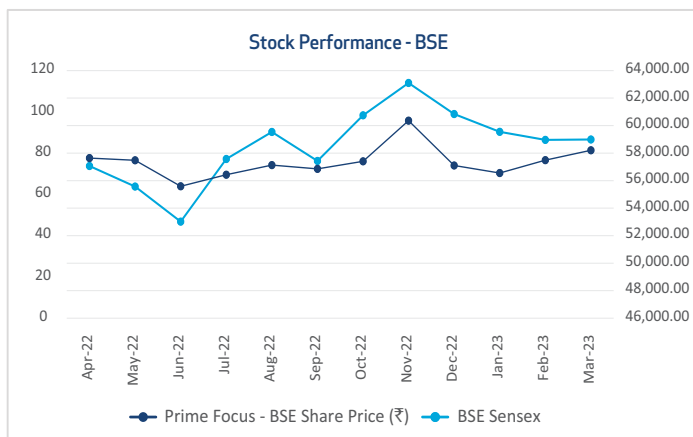
Month	BSE Limited			National Stock Exchange of India Limited		
	High Price (₹)	Low Price (₹)	Volume (No. of Shares)	High Price (₹)	Low Price (₹)	Volume (No. of Shares)
April, 2022	95.80	77.25	2,10,533	95.95	77.05	8,96,833
May, 2022	79.70	65.50	1,02,757	80.50	65.05	6,49,977
June, 2022	82.90	60.35	1,00,092	82.80	60.00	8,90,335
July, 2022	72.15	62.45	53,607	72.30	61.30	3,77,259
August, 2022	81.00	65.00	1,03,402	79.40	64.90	7,95,726
September, 2022	84.15	71.00	3,77,406	84.35	67.25	19,32,132
October, 2022	85.00	68.30	66,000	80.50	68.40	5,34,360
November, 2022	102.00	66.25	6,11,247	102.00	65.25	38,24,028
December, 2022	101.40	69.60	2,05,861	101.40	69.30	33,60,353
January, 2023	76.45	68.15	37,317	76.70	67.70	5,16,352
February, 2023	80.55	64.75	1,17,980	80.65	64.75	9,64,635
March, 2023	86.00	71.00	3,94,888	83.70	70.35	16,21,809



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

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

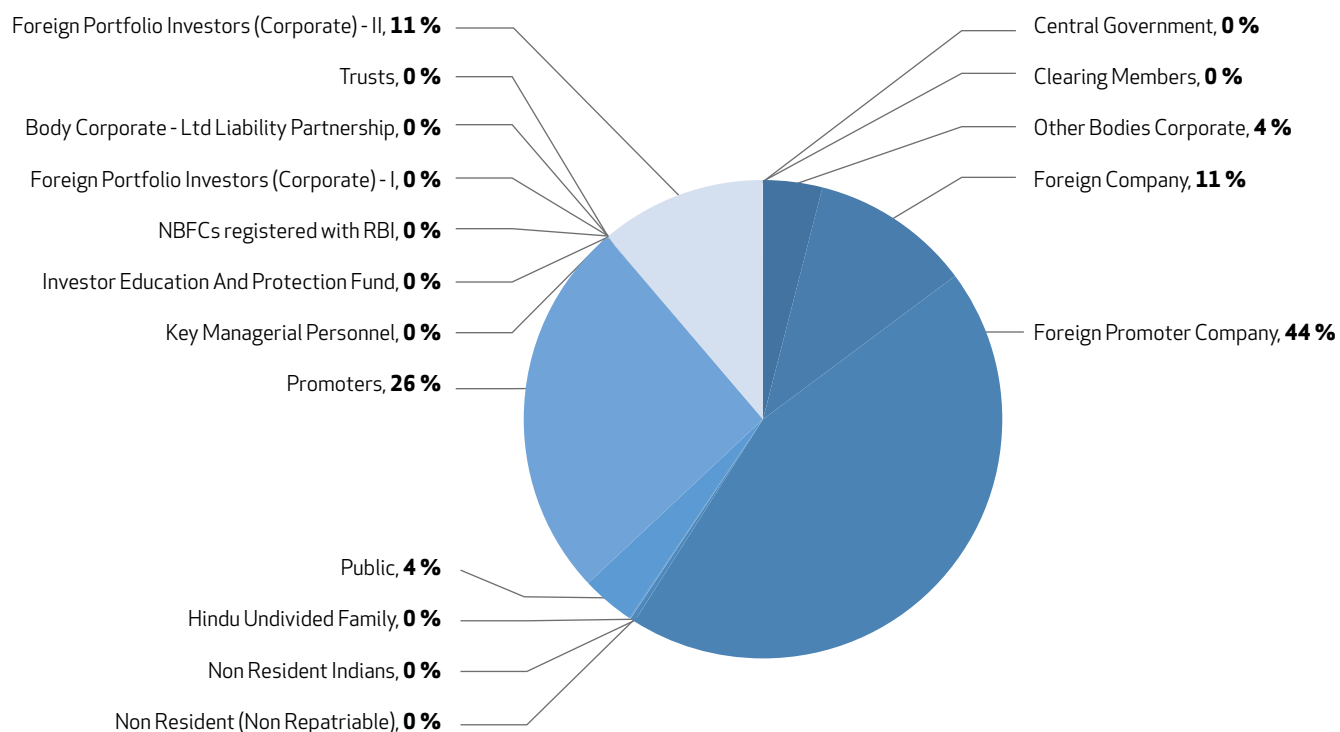
Month	BSE Share Price (₹)	Sensex (₹)	NSE Share Price (₹)	NSE Nifty (₹)
April, 2022	77.60	57,060.87	77.55	17,102.55
May, 2022	76.55	55,566.41	76.85	16,584.55
June, 2022	63.90	53,018.94	63.50	15,780.25
July, 2022	69.55	57,570.25	69.60	17,158.25
August, 2022	74.20	59,537.07	74.15	17,759.30
September, 2022	72.35	57,426.92	71.90	17,094.35
October, 2022	76.00	60,746.59	76.00	18,012.20
November, 2022	95.75	63,099.65	96.25	18,758.35
December, 2022	74.00	60,840.74	74.10	18,105.30
January, 2023	70.35	59,549.90	70.15	17,662.15
February, 2023	76.60	58,962.12	76.15	17,303.95
March, 2023	81.35	58,991.52	78.95	17,359.75



18 d. **Distribution of Shareholding as on March 31, 2023.**

The broad shareholding distribution of the Company as on March 31, 2023 with respect to categories of investors was as follows:

Sr. No.	Category	No. of Equity Shares	Percentage %
1	Central Government	1,000	0.0003
2	Clearing Members	3,180	0.0011
3	Other Bodies Corporate	1,19,43,479	3.9873
4	Foreign Company	3,23,70,029	10.8067
5	Foreign Promoter Company	13,24,45,882	44.2169
6	Hindu Undivided Family	9,45,629	0.3157
7	Non Resident Indians	81,045	0.0271
8	Non Resident (Non Repatriable)	2,14,753	0.0717
9	Public	1,07,43,740	3.5868
10	Promoters	7,71,01,646	25.7403
11	Trusts	100	0
12	Body Corporate - Ltd Liability Partnership	2,002	0.0007
13	Foreign Portfolio Investors (Corporate) - I	1,50,715	0.0503
14	NBFCs registered with RBI	2,381	0.0008
15	Investor Education And Protection Fund	9,285	0.0031
16	Key Managerial Person	1,00,000	0.0334
17	Foreign Portfolio Investors (Corporate) - II	3,34,21,778	11.1578
	<b>TOTAL :</b>	<b>29,95,36,644</b>	<b>100</b>





18 e. The broad shareholding distribution of the Company as on March 31, 2023 with respect to/ holdings was as follows:

Range	No. of Holders	Percentage %	Total Shares	Percentage %
1-500	8417	81.7502	10,28,380	0.3433
501-1000	814	7.906	6,70,114	0.2237
1001-2000	405	3.9336	6,30,301	0.2104
2001-3000	156	1.5152	4,03,068	0.1346
3001-4000	72	0.6993	2,63,104	0.0878
4001-5000	87	0.845	4,12,954	0.1379
5001-10000	121	1.1752	9,41,251	0.3142
10001 and above	224	2.1756	29,51,87,472	98.5480
<b>Total</b>	<b>10296</b>	<b>100.00</b>	<b>29,95,36,644.00</b>	<b>100.00</b>

18 f. Dematerialization of shares as on March 31, 2023:

As per the directions of SEBI, the Company's shares are compulsorily traded in dematerialized form and are available for trading on both the depositories in India viz. National Securities Depository Limited and Central Depository Services (India) Limited. As on March 31, 2023, 29,95,36,624 equity shares constituting nearly 100% of the total share capital of the Company were held in dematerialized form.

Status of Dematerialisation as on March 31, 2023

Particulars	Number of Shares of the face value of Re. 1/- each	% of Total
National Securities Depository Limited	8,81,42,247	29.43
Central Depository Services (India) Limited	21,13,94,377	70.57
Total Dematerialized	29,95,36,624	100.00
Physical form	20	0.00
<b>Grand Total</b>	<b>29,95,36,644</b>	<b>100.00</b>

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

The disclosure of loans and advances in the nature of loans to firms/companies in which directors are interested are stated in the Note no. 36 in the Notes to Accounts which forms part of this Annual Report.

20. DETAILS OF MATERIAL SUBSIDIARIES OF THE LISTED ENTITY; INCLUDING THE DATE AND PLACE OF INCORPORATION AND THE NAME AND DATE OF APPOINTMENT OF THE STATUTORY AUDITORS OF SUCH SUBSIDIARIES.

Sr. No.	Name of the Material Subsidiaries	Place of Incorporation	Date of Incorporation	Name of Statutory Auditors.	Date of appointment of Statutory Auditors
1	Prime Focus World N.V.	Amsterdam	August 16, 2011	Refer note below	Refer note below
2	Prime Focus International Services UK Limited	United Kingdom	March 23, 2011	PBG Associates Ltd	July 05, 2016
3	DNEG PLC	United Kingdom	December 03, 2018	Evelyn Partners Limited	September 07, 2021
4	DNEG North America Inc.	California, USA	March 25, 1992	Refer note below	Refer note below
5	Vegas II VFX Limited	British Columbia	May 30, 2013	Refer note below	Refer note below
6	DNEG India Media Services Limited	Mumbai, India	March 27, 2006	Deloitte Haskins & Sells, Chartered Accountants LLP	December 31, 2020
7	Double Negative Limited	United Kingdom	February 24, 1997	Evelyn Partners Limited	September 07, 2021
8	Double Negative Canada Productions Ltd.	British Columbia	June 30, 2014	Refer note below	Refer note below
9	Double Negative Films Limited	United Kingdom	October 23, 2012	Evelyn Partners Limited	September 07, 2021
10	Incamera Limited	United Kingdom	February 10, 2021	Refer note below	Refer note below
11	Double Negative Montreal Productions Ltd.	Quebec	June 22, 2017	Refer note below	Refer note below

Sr. No.	Name of the Material Subsidiaries	Place of Incorporation	Date of Incorporation	Name of Statutory Auditors.	Date of appointment of Statutory Auditors
12	Prime Focus Technologies Limited	Mumbai, India	March 08, 2008	Deloitte Haskins & Sells Chartered Accountants LLP	September 30, 2022
13	Prime Focus Technologies UK Limited	United Kingdom	September 05, 2008	PBG Associates Ltd	December 13, 2016
14	Prime Focus Technologies, Inc.	Delaware, USA	February 22, 2013	Refer note below	Refer note below
15	Prime Focus MEAD FZ LLC	Abu Dhabi	April 11, 2012	Refer note below	Refer note below
16	GVS Software Private Limited	Mumbai, India	October 08, 2007	M/s. V. Shivkumar & Associates, Chartered Accountants	September 30, 2019
17	PF World Limited	Mauritius	November 30, 2010	Mr Gaetan Wong To Wing	March 01, 2013
18	DNEG S.a.r.l (formerly known as "Prime Focus Luxembourg S.a.r.l")	Luxembourg	September 21, 2011	Refer note below	Refer note below
19	Prime Focus 3D Cooperatief U.A.	Amsterdam	July 29, 2011	Refer note below	Refer note below
20	Lowry Digital Imaging Services, Inc.	California, USA	September 06, 2001	Refer note below	Refer note below
21	PF Media Limited	Mauritius	March 20, 2008	Refer note below	Refer note below

Note: As Local Audit is not applicable, no statutory auditors are appointed. V. Shivkumar and Associates, Chartered Accountants (Registration No. 112781W) conducts audit under the Indian Accounting Standard (Ind AS).

## 21. DISCLOSURES REGARDING COMMODITY RISKS

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

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

As per the requirements of Regulation 26(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I, Naresh Mahendranath Malhotra, Chairman and Whole-Time Director, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for the Financial Year ended March 31, 2023.

For and on behalf of the Board

Place : Mumbai  
Date : May 30, 2023

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

## CERTIFICATE ON CORPORATE GOVERNANCE

To,  
The Members of  
**PRIME FOCUS LIMITED**

I have examined the compliance of conditions of Corporate Governance by Prime Focus Limited ('the Company'), for the Financial Year ended 31 March 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the SEBI Listing Regulations).

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

I have examined the books of account and other relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

In my opinion and to the best of my information and according to my examination of the relevant records and the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of the Schedule V of the Listing Regulations during the period ended 31 March 2023, except appointment of Independent Director in material foreign Subsidiary Companies is still pending as per Regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as informed by the management, the board is still in process of compliance of the same.

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

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

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

Place: Mumbai  
Date: May 30, 2023  
ICSI UDIN: F005418E000364491  
Peer Review Certificate No.: 1187/2021

## CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

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

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

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

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me by the Company and its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on 31 March 2023 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Directors	DIN	Date of appointment in the Company
1.	Mr. Namit Naresh Malhotra	00004049	24/06/1997
2.	Mr. Naresh Mahendranath Malhotra	00004597	24/06/1997
3.	Mr. Ramakrishnan Sankaranarayanan	02696897	11/10/2011
4.	Mr. Srinivasan Kodi Raghavan	00012449	19/02/2004
5.	Mr. Padmanabha Gopal Aiyar	02722981	03/07/2009
6.	Dr. Hemalatha Thiagarajan	07144803	31/03/2015
7.	Mr. Devarajan Samu	00878956	14/12/2016
8.	Mr. Vibhav Niren Parikh	00848207	01/07/2022

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

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

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

Place: Mumbai  
Date: May 30, 2023  
ICSI UDIN: F005418E000364480



# Business Responsibility & Sustainability Report

## SECTION A: GENERAL DISCLOSURES

### I. Details

1.	Corporate Identity Number (CIN) of the Company	L92100MH1997PLC108981
2.	Name of the Company	Prime Focus Limited (PFL)
3.	Year of Incorporation	1997
4.	Registered office address	Prime Focus House, Opp. Citi Bank, Linking Road, Khar (West), Mumbai - 400052
5.	Corporate office address	True North, Plot no. 63, Road no. 13, Opp. Hotel Tunga Paradise, MIDC, Andheri (East) Mumbai- 400093
6.	E-mail id	<a href="mailto:brr.india@primefocus.com">brr.india@primefocus.com</a>
7.	Telephone	+91-22-67155000
8.	Website	<a href="http://www.primefocus.com">www.primefocus.com</a>
9.	Financial year for which reporting is being done	April 1, 2022 to March 31, 2023 (FY 2022-23)
10.	Name of the Stock Exchange(s) where shares are listed	<ul style="list-style-type: none"> <li>National Stock Exchange of India Limited (NSE) - PFOCUS (Stock Code)</li> <li>BSE Limited (BSE) - 532748 (Stock Code)</li> </ul>
11.	Paid-up capital	₹ 29,95,36,644
12.	Name and contact details of the person who may be contacted in case of any queries on the BRSR report	Parina Shah Company Secretary <a href="mailto:brr.india@primefocus.com">brr.india@primefocus.com</a> +91-22-6715 5000
13.	Reporting boundary	Disclosures made in this report are on a standalone basis and pertain only to PFL.

### II. Products/services

#### 14. Details of business activities

S. No.	Description of main activity	Description of business activity	% of turnover
1.	Information and communication	<ul style="list-style-type: none"> <li>Creative services like visual effects, stereo 3D conversion, animation, Production and Postproduction services like equipment rental, digital intermediate, picture post, shooting floors and sound stages.</li> <li>Tech/Tech-Enabled Services like Media ERP Suite and Cloud enabled media services</li> <li>Leasing or Renting of properties and/or assets and allied services.</li> </ul>	100%

#### 15. Products/services sold by the entity

S. No.	Product/Service	NIC Code	% of total turnover contributed
1.	Real estate activities with own or leased property	6810	50.15%
2.	Motion picture, video and television programme production activities	5911	26.02%
3.	Other business support service activities n.e.c.	8299	23.03%
4.	Motion picture, video and television program post-production activities	5912	0.80%

### III. Operations

#### 16. Number of locations where plants and/or operations/offices of the entity are situated

Location	Number of Plants	Number of offices	Total
National	-	9	9
International*	-	-	-

\*The international operations are carried out by the Company through its subsidiary companies and are outside the reporting boundary of this report.

#### 17. Markets served by the entity

##### a. Number of locations

Locations	Number
National (No. of states)	1
International (No. of countries)	0

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

26.02%

##### c. A brief on types of customers

Media and entertainment production & postproduction related customers

### IV. Employees

#### 18. Details as on March 31, 2023

##### a. Employees and workers (including differently abled)

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	16	15	93.75%	1	6.25%
2.	Other than permanent (E)	-	-	-	-	-
3.	<b>Total employees (D + E)</b>	<b>16</b>	<b>15</b>	<b>93.75%</b>	<b>1</b>	<b>6.25%</b>
<b>WORKERS</b>						
4.	Permanent (F)	-	-	-	-	-
5.	Other than permanent (G)	-	-	-	-	-
6.	<b>Total Workers (F + G)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

##### b. Differently abled workers

Currently company does not have differently abled employees.

#### 19. Participation/inclusion/representation of women

	Total (A)	No. and percentage of females	
		No. (B)	% (B/A)
Board of Directors	8	1	12.50
Key Management Personnel	3	1	33.33

**20. Turnover rate for permanent employees and workers**

	FY 2022-23 (Turnover rate in current FY)			FY 2021-22 (Turnover rate in previous FY)			FY 2020-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	17.14%	0.00%	17.14%	14.50%	3.44%	17.94%	11.35%	0.39%	11.74%
Permanent Workers	-	-	-	-	-	-	-	-	-

**V. Holding, subsidiary and associate companies (including joint ventures)****21 (a) Names of holding / subsidiary / associate companies / joint ventures :**

Sl. No.	Name of Holding/Subsidiary/Associate/Joint Venture (A)	Indicate whether Holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of listed entity? (Yes/No)
1.	Prime Focus Technologies Limited	Subsidiary	73.21%	No
2.	Prime Focus Production Services Private Limited	Subsidiary	100%	No
3.	GVS Software Private Limited	Subsidiary	100%	No
4.	Prime Focus Motion Pictures Limited	Subsidiary	100%	No
5.	Apptarix Mobility Solutions Private Limited®	Subsidiary	100%	No
6.	DNEG India Media Services Limited#	Subsidiary	100%	No
7.	Prime Focus Academy of Media and Entertainment Studies Private Limited#	Subsidiary	100%	No
8.	JAM8 Prime Focus LLP	Subsidiary	51%	No
9.	PF World Limited	Subsidiary	100%	No
10.	PF Investments Limited	Subsidiary	100%	No
11.	Prime Focus Technologies UK Limited®	Subsidiary	100%	No
12.	Prime Focus Technologies Pte. Ltd®	Subsidiary	100%	No
13.	Prime Focus Technologies, Inc®	Subsidiary	100%	No
14.	Prime Post (Europe) Limited®	Subsidiary	100%	No
15.	Prime Focus MEAD FZ LLC®	Subsidiary	100%	No
16.	DAX Cloud ULC®	Subsidiary	100%	No
17.	PF Media Limited	Subsidiary	100%	No
18.	Prime Focus Media UK Limited	Subsidiary	100%	No
19.	PF Overseas Ltd	Subsidiary	100%	No
20.	DNEG S.a.r.l (Previously known as Prime Focus Luxembourg S.a.r.l)	Subsidiary	100%	No
21.	Prime Focus 3D Cooperatief U.A.	Subsidiary	100%	No
22.	Lowry Digital Imaging Services, Inc.	Subsidiary	100%	No
23.	Prime Focus World N.V.	Subsidiary	93.54%	No
24.	DNEG North America, Inc.#	Subsidiary	100%	No
25.	Prime Focus International Services UK Limited#	Subsidiary	100%	No
26.	Double Negative Montréal Productions Ltd#	Subsidiary	100%	No
27.	DNEG PLC#	Subsidiary	100%	No
28.	DNEG Bulgaria EOOD#	Subsidiary	100%	No
29.	Double Negative Holdings Limited#	Subsidiary	100%	No
30.	Double Negative Toronto Productions Ltd#	Subsidiary	100%	No



Sl. No.	Name of Holding/Subsidiary/Associate/Joint Venture (A)	Indicate whether Holding/ Subsidiary/ Associate/Joint Venture	% of shares held by listed entity	Does the entity indicated in column A, participate in the Business Responsibility initiatives of listed entity? (Yes/No)
31.	INCAMERA LIMITED <sup>#</sup>	Associate	50%	No
32.	Double Negative Singapore Pte. Ltd <sup>#</sup>	Subsidiary	100%	No
33.	Double Negative Films Limited <sup>#</sup>	Subsidiary	100%	No
34.	Double Negative LA LLC <sup>#</sup>	Subsidiary	100%	No
35.	Double Negative Limited <sup>#</sup>	Subsidiary	100%	No
36.	Double Negative Canada Productions Ltd <sup>#</sup>	Subsidiary	100%	No
37.	Double Negative Hungary Limited <sup>#</sup>	Subsidiary	100%	No
38.	DNEG Australia PTY Ltd <sup>#</sup>	Subsidiary	100%	No
39.	DNEG Spain, S.L. <sup>#</sup>	Subsidiary	100%	No
40.	Double Negative Huntsman VFX Limited <sup>#</sup>	Subsidiary	100%	No
41.	Vegas II VFX Ltd <sup>#</sup>	Subsidiary	100%	No

<sup>@</sup>Direct/Indirect Subsidiaries of Prime Focus Technologies Limited

<sup>#</sup>Direct/Indirect Subsidiaries of Prime Focus World N.V

## VI. CSR Details

22. (i) Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

(ii) Turnover: ₹ 407,421,249

(iii) Net worth: ₹ 15,675,690,803

## VII. Transparency and Disclosures Compliances

23. Complaints/grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct (NGRBC)

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)	FY 2022-23 Current Financial Year			FY 2021-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Communities	YES	NIL	NIL	-	NIL	NIL	-
Investors (other than shareholders)	YES	NIL	NIL	-	NIL	NIL	-
Shareholders	YES	NIL	NIL	-	NIL	NIL	-
Employees and workers	YES	NIL	NIL	-	NIL	NIL	-
Customers	YES	NIL	NIL	-	NIL	NIL	-
Value Chain Partners	YES	NIL	NIL	-	NIL	NIL	-
Other (please specify)	-	-	-	-	-	-	-

If Yes, then provide web-link for grievance redress policy

[http://www.primefocus.com/sites/default/files/pdf/PFL\\_grievance\\_handling\\_policy\\_fy23.pdf](http://www.primefocus.com/sites/default/files/pdf/PFL_grievance_handling_policy_fy23.pdf)

## 24. Overview of the entity's material responsible business conduct issues

Please indicate material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to your business, rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications, as per the following format:

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (positive/negative implications)
1.	<b>Employee Engagement</b>	Risk	Retaining and maintaining the talent pool of the Company is of foremost importance. The inability to identify, attract and retain qualified personnel or the loss of key personnel could hinder effective business management as well as could affect the entire operational and financial performance of the Company.	The Company's HR policy aims at maximising retention rate by implementing best practices for its staff, providing competitive pay scale and delivering vigorous training across leadership levels to ensure organizational success. The ability to attract, retain and develop a diverse range of skilled people is ensured by the Company's proactive HR policy. Such HR policy also assured that employees' personal ambitions are well integrated with organization's objectives	<b>Negative:</b> if employee engagement is compromised, it could lead to decreased productivity, missed deadlines, and a decline in the quality of content creation.  <b>Positive:</b> Engaged employees are more likely to be motivated, creative, and innovative in their roles. This can lead to the development of high-quality and captivating content that resonates with audiences, potentially boosting viewership and advertising revenues.
2.	<b>Occupational Health &amp; Safety</b>	Risk	If safety and health concerns are not appropriately and promptly addressed, it may put off potential employees from joining. Any workplace health and safety issues might be damaging to one's image. Similar to this, the performance of the firm as a whole may suffer from a lack of necessary ability.	PFL works to safeguard the health and safety of all its stakeholders and makes sure that all workers, contractors, supply chain partners, customers, spectators, and visitors are given access to a safe and healthy workplace. It strives to offer the necessary safety precautions in order to handle any unforeseen circumstances and is instructed to lessen the negative effects of its company operations as much as feasible.	Legal and insurance expenses are substantial in the event of any health or safety risk. If the right health and safety measures are in place, they may be avoided.
3.	<b>Diversity &amp; Inclusion</b>	Opportunity	One of the company's top strategic priorities is diversity and inclusion, by expanding the organization's talent pool will boost production and enhance the caliber of the end service supplied by bringing in as many individuals from varied groups as is practical. PFL motivates their employees to stay with the company by consistently investing in their employees' growth and development, as well as their alignment with the company's growth strategy.	We have an egalitarianism, inclusiveness, and equal opportunity culture. We provide growth and development opportunities for employees.	<b>Positive:-</b> Productivity is increased by the retention of key talent through various human resources strategies. The diverse experiences of the personnel generally empower them to capitalize on a specialized skill set that can better serve audiences and consumers, generating higher and more long-lasting revenues. In contrast, failure to comply with anti-discrimination legislation obligations may result in expensive fines and diminished investor trust, both of which might lead to monetary losses.

S. No.	Material issue identified	Indicate whether risk or opportunity	Rationale for identifying the risk/ opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (positive/negative implications)
4.	<b>Cybersecurity</b>	Risk	Creative media and broadcasting companies are the main targets of cyber breaches and fraud as they are content sensitive. Remote working and new technologies are being adopted due to resurgence of Covid-19 that has opened up avenues for newer hacking strategies to be adapted by the cyber criminals. Loss of sensitive data or information, legal and regulatory noncompliance, reputational damage as well as revenue loss may be caused by any security breach or disruption to IT infrastructure.	PFL has a proactive risk-mitigation program in place along with a response plan for faster adaptation in case of any incident. It assures that the network is routinely patched and backed up and the incident response plan is developed and updated at regular intervals. Employees are also made aware of cyber risks and common cyber security threats through phishing campaigns to reduce the risks associated with employee breaches. A fixed policy for using personal devices at work etc. has also been developed. The Company consistently engages in protecting its sensitive data and improving controls on a consistent basis.	<ul style="list-style-type: none"> <li>• Reputational risks</li> <li>• Violations of privacy and data security may result in litigation, financial risks, and losses in the form of compensation for aggrieved parties.</li> <li>• Regulatory risk in the form of fines, penalties, and so on.</li> </ul>
5.	<b>Climate Change</b>	Risk	Climate change has created new material risks for businesses as well as increased reputational risks. Extreme weather events due to climate change pose a physical risk of disruption to the operation and the safety and wellbeing of its employees and other stakeholders.	The company continues to identify and act on opportunities to lessen the environmental effect.	<p>While assessing our climate-related risks, we also consider significant opportunities that can have substantive financial or strategic impact because of the nature of our business operations.</p> <p><b>Negative:</b> Physical and Transition risks.</p> <p><b>Positive:</b> Drives better risk management and value creation</p>

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

The National Guidelines for Responsible Business Conduct (NGRBC) as prescribed by the Ministry of Corporate Affairs advocates nine principles referred as P1-P9 as given below:

P1	Businesses should conduct and govern themselves with integrity in a manner that is ethical, transparent and accountable
P2	Businesses should provide goods and services in a manner that is sustainable and safe
P3	Businesses should respect and promote the well-being of all employees, including those in their value chains
P4	Businesses should respect the interests of and be responsive towards all its stakeholders
P5	Businesses should respect and promote human rights
P6	Businesses should respect, protect and make efforts to restore the environment
P7	Businesses when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent
P8	Businesses should promote inclusive growth and equitable development
P9	Businesses should engage with and provide value to their consumers in a responsible manner

	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Policy and management processes									
1. a. Whether your entity's policy/ policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web link of the policies, if available	<a href="http://www.primefocus.com/investor-center#Corporate_Governance">http://www.primefocus.com/investor-center#Corporate_Governance</a>								



	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
2. Whether the entity has translated the policy into procedures. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
4. Name of the national and international codes/certifications/ labels/ standards adopted by your entity and mapped to each principle	<p>The organization is dedicated to giving all of its workers a secure, healthy, and harassment-free working environment. The business has implemented employee-focused policies in areas like Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition &amp; Redressal) Act, 2013 and the human rights policy in an effort to create a supportive atmosphere where employees may pursue their professional goals. The company's other rules, including the Code of Fair Disclosure and Conduct, the Code of Conduct and Business Ethics ("the code"), and general laws and regulations, good ethical practices, and generally accepted professional standards are all in accordance with national regulatory standards. A related party transaction policy, a risk management policy, and a whistleblower policy are all in place at the business. The whistleblower policy affirms to the standards set out in the Companies Act of 2013 and its rules, as well as the relevant securities laws and regulations. The business complies with laws that apply to its goods and services. The Customer Relations Policy declares that the fundamental rights of the consumers are fairness, transparency, appropriateness of goods and services, privacy, and methods for grievance resolution.</p>								
5. Specific commitments, goals, targets set by the entity with defined timelines	<p>PFL is committed to managing the business of content in ways that allow the people and planet to flourish. Profits with Purpose is how PFL defines its sustainability vision. 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. We undertake several energy conservation initiatives by implementing energy efficient measures and replacing old equipment with new energy efficient equipment wherever feasible. Continuous efforts are also exerted to conserve energy in our postproduction facilities and studio offices.</p> <p>Sustainability Goals 2020-24</p> <ul style="list-style-type: none"> <li>Working towards the reduction of carbon footprints.</li> <li>Reduction and management of waste and helping towards reduction of pollution and global warming by various methods stated in the policies.</li> <li>Increase productivity and profit through water, energy and resources conservation</li> <li>Developing culture with PFL employees to get actively involved in sustainability initiatives.</li> <li>Enabling customers to contribute to sustainability by using our products i.e., AI, digitization services, data centers.</li> <li>Create a healthy, collaborative, and uplifting environment.</li> <li>Diversity, inclusion and equality.</li> <li>Ensuring the health and safety of our people Overall Governance.</li> </ul>								
6. Performance of the entity against specific commitments, goals and targets along-with reasons in case same are not met									

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

## GOVERNANCE, LEADERSHIP AND OVERSIGHT

### 7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure)

PFL is committed to managing the business of content in ways that allow the people and planet to flourish. PFL drives sustainability in everything we do Environmental (issues around climate change & pollution), social & Economical (issues around workplace practices and human capital), and Governances (issues such as executive pay, accounting & ethics). Sustainability is not an afterthought at PFL- it is deeply embedded in our thinking the way we work and the products and services we deliver.

Our founder felt that no sustainability initiative could self- sustain if it's not linked to the organization's business projects. Our leadership, employees, and services provide are committed to rethinking traditional system and shifting towards more sustainable models. PFL has the talent and resources to navigate a fresh set of opportunities, challenges, and risks that define organizations of the future.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility Policy (ies)	Name: Mr. Naresh Mahendranath Malhotra Designation: Whole-time Director DIN: 00004597
9. Does the entity have a specified committee of the board/ director responsible for decision making on sustainability related issues? (Yes/No). If yes, provide details.	The CSR Committee monitors community- and social-related projects as well as sustainability-related actions of the Company.

### 10. Details of Review of the National Guidelines on Responsible Business Conduct (NGRBC)

Subject for Review	Indicate whether review was undertaken by Director / Committee of the Board/ Any other Committee									Frequency: Annually (A) / Half yearly (H) / Quarterly (Q) / Any other – please specify								
	P1	P2	P3	P4	P5	P6	P7	P8	P9	P1	P2	P3	P4	P5	P6	P7	P8	P9
Performance against above policies & follow up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Policies are periodically reviewed in accordance with the regularity specified in the relevant policies or on a need-to-know basis, whichever comes first, and any necessary revisions are made.								
Compliance with statutory requirements of relevance to the principles, and rectification of any non-compliances	Policies wherever stated have been approved by Board/ Committees of Board/Senior Management of the Company. The Company has necessary procedures in place to ensure the compliance with all relevant regulations.									Yes, the policies are reviewed on an annual basis by the respective Board/Committees of the Board/Senior Management of the Company.								

### 11.

Has the entity carried out independent assessment/ evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency.	P1	P2	P3	P4	P5	P6	P7	P8	P9
	No, however internal audits and evaluations of the company's rules and procedures are occasionally conducted. Internal auditors and regulatory compliances, when necessary, may examine the procedures and compliances. Policies are routinely reviewed and updated by different department heads and business leaders, and then approved by the management and/or board from both a best practices and a risk viewpoint. The department in charge of Process Management and Policy Implementation has examined the report.								

### 12. If answer to question (1) above is "No" i.e., not all principles are covered by a policy, reason to be stated:

Currently we are evaluating all polices internally by different department heads and business leaders, and then any opportunities for improvement will be addressed and approved by the management.

## SECTION C: PRINCIPLE-WISE PERFORMANCE DISCLOSURE

This section is aimed at helping entities demonstrate their performance in integrating the Principles and Core Elements with key processes and decisions. The information sought is categorized as “Essential” and “Leadership”. While the essential indicators are expected to be disclosed by every entity that is mandated to file this report, the leadership indicators may be voluntarily disclosed by entities which aspire to progress to a higher level in their quest to be socially, environmentally and ethically responsible.

### Principle 1

#### BUSINESSES SHOULD CONDUCT AND GOVERN THEMSELVES WITH INTEGRITY AND IN A MANNER THAT IS ETHICAL, TRANSPARENT AND ACCOUNTABLE

##### 1. Percentage coverage by training and awareness programmes on any of the principles during the financial year

Segment	Total number of training and awareness programs held	Topics/ principles covered under the training and its impact	% of persons in respective category covered by the awareness Programmes
Board of Directors (BoD)	3*	We invest in many programs to establish a climate that is favorable to their growth since we recognize that our employees are the most important factor in our sustained progress. By giving rigorous training across leadership levels to promote organizational performance and a secure working environment through seminars, we give them numerous learning chances to improve their skill sets. We put this into practice for all of our employees and train all newly employed staff members on our code of conduct and business ethics during induction.	100%
Key Managerial Personnel (KMP)	1		
Employees other than BoDs/ KMP	1		
Workers	-	-	-

\* Refer to Familiarization Programmes imparted to Independent Directors available on our website [http://www.primefocus.com/investor-center#Familiarisation\\_Prgm\\_for\\_ID](http://www.primefocus.com/investor-center#Familiarisation_Prgm_for_ID)

##### 2. Details of fines / penalties /punishment/ award/ compounding fees/ settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/ law enforcement agencies/ judicial institutions in FY 2022-23 (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

Monetary					
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions	Amount (in INR)	Case brief	Has an appeal been preferred? (Yes/No)
Penalty/Fine			NIL		
Settlement					
Compounding fee					
Non-Monetary					
	NGRBC Principle	Name of regulatory/ enforcement agencies/ judicial institutions		Case brief	Has an appeal been preferred? (Yes/No)
Imprisonment			NIL		
Punishment					

##### 3. Of the instances disclosed in Question 2 above, details of the appeal/revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of regulatory/ enforcement agencies/ judicial institutions
NIL	



4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes		
Name of Policy	Policy Description	Web-link/URL
Anti-bribery & Anti-Corruption Policy	The policy comprises a set of rules and principles implemented by the Company to prevent bribery and corrupt practices. It prohibits offering, soliciting, or accepting bribes and establishes guidelines for gifts & hospitality and amongst others. This policy applies to all individuals worldwide working for all affiliates and subsidiaries of the Company at all levels and grades, including directors, senior executives, officers, employees (whether permanent, fixed term or temporary), consultants, contractors, trainees, seconded staff, casual workers, volunteers, interns, agents, or any other person associated with the Company.	<a href="http://www.primefocus.com/sites/default/files/pdf/Anti-bribery_and_Anti-corruption_Policy.pdf">http://www.primefocus.com/sites/default/files/pdf/Anti-bribery_and_Anti-corruption_Policy.pdf</a>
Vigil Mechanism/ Whistle Blower Policy	The Policy covers malpractices and events which have taken place / suspected to have taken place, is being taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company's rules and policies, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and to report the same in accordance with the Policy.	<a href="http://www.primefocus.com/sites/default/files/pdf/Whistle_Blower_29.08.2022.pdf">http://www.primefocus.com/sites/default/files/pdf/Whistle_Blower_29.08.2022.pdf</a>
Code of Conduct policy	The purpose of this Code of Conduct (the "Code") is to conduct the business of the Company in accordance with the applicable laws, regulations, rules and with the highest standard of ethics and values. The matters covered in this Code are of utmost importance to the Company, shareholders, business partners and customers.	<a href="http://www.primefocus.com/sites/default/files/pdf/pfl_code_of_conduct.pdf">http://www.primefocus.com/sites/default/files/pdf/pfl_code_of_conduct.pdf</a>
Ethics Management Policy	The "Ethics Management Policy" outlines a protocol for factual and righteous display of information and truthful disclosure on our services to clients.	<a href="http://www.primefocus.com/sites/default/files/pdf/Prime_Focus_Annual_Report_2022.pdf">http://www.primefocus.com/sites/default/files/pdf/Prime_Focus_Annual_Report_2022.pdf</a>
Code of Fair Disclosure and Conduct	The purpose of the Code of Conduct, is to ensure that the Company operates in compliance with all relevant laws, regulations, and rules, while adhering to the highest ethical and moral standards. The topics discussed in the Code are crucial to the Company's success and are valued by shareholders, business partners, and customers alike.	<a href="http://www.primefocus.com/sites/default/files/pdf/Code_of_Fair_Disclosure_and_Conduct.pdf">http://www.primefocus.com/sites/default/files/pdf/Code_of_Fair_Disclosure_and_Conduct.pdf</a>

5. Number of Directors/KMPs/employees/workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/ corruption

Segment	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Directors	-	-
KMPs	-	-
Employees	-	-
Workers	-	-

6. Details of complaints with regard conflict of interest

	FY 2022-23 (Current Financial Year)		FY 2021-22 (Previous Financial Year)	
	Number	Remarks	Number	Remarks
Number of complaints received in relation to issues of Conflict of Interest of the Directors	-	-	-	-
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	-	-	-	-

7. Provide details of any corrective action taken or underway on issues related to fines/penalties/action taken by regulators/law enforcement agencies/judicial institutions, on cases of corruption and conflicts of interest.

Fine/Penalty/Action taken on Conflicts of Interest and Corruption	Corrective Action Taken
NIL	

### Leadership Indicators

2. Does the entity have processes in place to avoid / manage conflicts of interest involving members of the Board? (Yes / No) If yes, provide details of the same.

Yes

Every year, the Directors certify that they adhered with the Framework for the financial year and that there were no instances of conflict of interest. In accordance with the Companies Act, 2013, the Directors are also prohibited from speaking during debates of agenda items in which they have a personal stake.

Process/Policy Name	Process/Policy Description	Web-link/URL
Code of Conduct	The purpose of this Code of Conduct (the "Code") is to conduct the business of the Company in accordance with the applicable laws, regulations, rules and with the highest standard of ethics and values. The matters covered in this Code are of utmost importance to the Company, shareholders, business partners and customers.	<a href="http://www.primefocus.com/sites/default/files/pdf/pfl_code_of_conduct.pdf">http://www.primefocus.com/sites/default/files/pdf/pfl_code_of_conduct.pdf</a>

### Principle 2

#### BUSINESSES SHOULD PROVIDE GOODS AND SERVICES IN A MANNER THAT IS SUSTAINABLE AND SAFE

#### Essential Indicators

1. Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Considering the type of business conducted by the Company, the majority of its capital expenditures were allocated toward information technology. Consequently, investments were added to capital assets through the procurement of IT infrastructure, such as equipment and software, to accelerate the Company's digital efforts.

2. Does the entity have procedures in place for sustainable sourcing? (Yes/No)

Our primary focus is on operational activities, and therefore, we only utilize resources for those purposes. The sourcing of inputs is not considered a significant aspect of our core activities.

3. Details of processes in place to safely reclaim products for reusing, recycling and disposing at the end of life

Due to the nature of our business, the potential for reusing or recycling products is limited. However, we have established specific practices to manage different waste categories

- For plastics (including packaging), we use 100% biodegradable plastic garbage bags across our facilities to collect and dispose of dry and wet waste. At our corporate office, we partner with a vendor who disposes of our waste in an eco-friendly manner by composting or recycling.
  - Our e-waste encompasses computers, servers, scanners, Personal Computers, batteries, air conditioners, and other electronic equipment, which we dispose of through registered e-waste vendors.
  - We do not generate or dispose of hazardous waste in the course of our operations.
  - Aside from the waste categories listed above, we do not generate any other types of waste in our office.
4. Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No

EPR Applicable/Not Applicable	EPR & Waste Collection Plan Description & Alignment (if applicable)	Addressal of EPR & Waste Collection Plan Alignment (if not achieved)
Not Applicable	Not Applicable	Not Applicable

Principle 3

BUSINESSES SHOULD RESPECT AND PROMOTE THE WELL-BEING OF ALL EMPLOYEES, INCLUDING THOSE IN THEIR VALUE CHAINS

Essential Indicators

1. a. Details of measures for the well-being of employees

Category	% of employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity Benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>PERMANENT EMPLOYEES</b>											
Male	15	15	100%	15	100%	-	-	15	100%	-	-
Female	1	1	100%	1	100%	1	100%	-	-	-	-
<b>Total</b>	<b>16</b>	<b>16</b>	<b>100%</b>	<b>16</b>	<b>100%</b>	<b>1</b>	<b>100%</b>	<b>15</b>	<b>100%</b>	<b>-</b>	<b>-</b>
<b>OTHER THAN PERMANENT EMPLOYEES</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

b. Details of measures for the well-being of workers:

Category	% of workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity Benefits		Paternity benefits		Day care facilities	
		No. (B)	% (B/A)	No. (C)	% (C/A)	No. (D)	% (D/A)	No. (E)	% (E/A)	No. (F)	% (F/A)
<b>PERMANENT WORKERS</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER THAN PERMANENT WORKERS</b>											
Male	-	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

2. Details of retirement benefits for the current and previous financial year

	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	No. of employees covered (as a % of total employees)	No. of workers covered (as a % of total workers)	Deducted & deposited with the authority (Yes/No/N.A.)	No. of employees covered (as a % of total employees)	No. of workers covered (as a % of total workers)	Deducted and deposited with the authority (Yes/No/N.A.)
PF	75%	-	Yes	83.53%	-	Yes
Gratuity	100%	-	Yes	100%	-	Yes
ESI	6.25%	-	Yes	12.05%	-	Yes
Others	-	-	-	-	-	-



### 3. Accessibility of workplaces

Are the premises/offices accessible to differently able employees and workers as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any steps are being taken by the entity in this regard.

The Company is committed to provide equal opportunities without regard to their race, caste, sex, religion, color, nationality, disability, etc. All of our corporate offices feature such as wheelchair ramps, braille signage and wheelchair inclusive elevators that are accessible from the parking lot, facilitating access friendly to our differently abled employees and visitors. Also, our registered and corporate offices have restrooms that are designated for that purpose.

### 4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

PFL strives to provide and enhance possibilities for many socio-cultural groups and is an equal opportunity employer. The Code of Conduct approved by the group explicitly indicates that "harassment, of any sort, and discrimination based on age, physical appearance or handicap, marital status, religion, caste, sex, sexual orientation, or gender identity are banned". The organization seeks to develop and foster an accepting workplace atmosphere through its inclusive business practices.

### 5. Return to work and Retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	-	-	-	-
Female	-	-	-	-
<b>Total</b>	-	-	-	-

### 6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)	Brief Description of Mechanisms (if yes)
Permanent Employees	Yes	Description mentioned in Whistle Blower Policy and Sexual harassment Policy
Other than Permanent Employees	Yes	Description mentioned in Whistle Blower Policy and Sexual harassment Policy
Permanent Workers	-	-
Other than Permanent Workers	-	-

### 7. Membership of employees and workers in association(s) or unions recognised by the Company

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total employees/ workers (A)	No. of employees/ workers who are part of Association(s) or Union (B)	% employees/ workers (B / A)	Total employees/ workers (C)	No. of employees/ workers who are part of Association(s) or Union (D)	% employees/ workers (D/C)
<b>EMPLOYEES</b>						
Male	15	-	-	228	-	-
Female	1	-	-	21	-	-
<b>Total</b>	<b>16</b>	-	-	<b>249</b>	-	-
<b>WORKERS</b>						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

**8. Details of training given to employees and workers**

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	On health & safety/ measures		On skill upgradation		Total (A)	On health and safety measures		On skill upgradation	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (B)	% (B/A)	No. C	% (C/A)
<b>EMPLOYEES</b>										
Male	15	15	100%	15	100%	228	228	100%	228	100%
Female	1	1	100%	1	100%	21	21	100%	21	100%
<b>Total</b>	<b>16</b>	<b>16</b>	<b>100%</b>	<b>16</b>	<b>100%</b>	<b>249</b>	<b>249</b>	<b>100%</b>	<b>249</b>	<b>100%</b>
<b>WORKERS</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**9. Details of performance and career development reviews of employees and workers**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. (B)	% (B/A)	Total (C)	No. (D)	% (D/C)
<b>EMPLOYEES</b>						
Male	15	15	100%	228	228	100%
Female	1	1	100%	21	21	100%
<b>Total</b>	<b>16</b>	<b>16</b>	<b>100%</b>	<b>249</b>	<b>249</b>	<b>100%</b>
<b>WORKERS</b>						
Male	-	-	-	-	-	-
Female	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**10. a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/ No). If yes, the coverage such system?**

Owing to the nature of the business, as per there are no occupational health and safety risks due to the nature of the work. The Corporation's facilities are all protected by the OHS system. Training programs on the safety of employees at the workplace is mandatory for all employees. During the year, there were no accidents of any employee of the Corporation whilst on duty.

**b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?**

Since the business entity operates in the media-based services, and also as per the company's business operations there is minimal work-related hazards. However, the Company has taken a lot of medical safety for running their operations smoothly and efficiently. The Company also followed all guidelines issued by the government pertaining to work related hazards and safety.

**c. Whether you have processes for workers to report the work-related hazards and to remove themselves from such risks. (Y/N)**

Given the nature of business, this is not directly applicable.

**d. Do the employees/workers have access to non-occupational medical and healthcare services? (Yes/ No)**

Yes. All employees of the Corporation are covered under the company's health insurance and personal accident insurance.

**11. Details of safety related incidents**

Safety Incident/Number	Category	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	-	-
	Workers	-	-
Total recordable work-related injuries	Employees	-	-
	Workers	-	-
No. of fatalities (safety incident)	Employees	-	-
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	-	-
	Workers	-	-

**12. Describe the measures taken by the entity to ensure a safe and healthy workplace.**

PFL places a strong emphasis on maintaining a safe, healthy, and environmentally conscious workplace throughout all of its business operations. To achieve this, we regularly evaluate our health, safety, and environmental performance. We are committed to providing our employees with a productive work environment that is conducive to their well-being and development. To support this, we offer a range of initiatives, including performance and appraisal evaluations, learning and talent management programs, and both internal and external training opportunities. Our workshops provide employees with valuable learning experiences that enhance their skill sets while also promoting safety in the workplace. We believe that it is our responsibility to educate and train our employees on matters that improve safety and well-being in the workplace.

The Company is committed to maintaining a workplace free of sexual harassment and has established a comprehensive mechanism to prevent, prohibit, and address such behavior. This includes an Anti-Sexual Harassment Policy that complies with the Sexual Harassment of Women at the Workplace (Prevention, Prohibition & Redressal) Act, 2013 and its associated rules. Additionally, the Company has established an Internal Complaints Committee (ICC) specifically tasked with addressing any complaints received regarding sexual harassment in the workplace.

**13. Number of complaints on working conditions and health and safety made by employees and workers**

NIL

**14. Assessments for the year**

	% of your plants and offices that were assessed (by entity or statutory authorities or 3 <sup>rd</sup> parties)
Health and safety practices	100%
Working Conditions	100%

**15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health and safety practices and working conditions.**

None

**Principle 4****BUSINESSES SHOULD RESPECT THE INTERESTS OF AND BE RESPONSIVE TO ALL ITS STAKEHOLDERS****Essential Indicators****1. Describe the processes for identifying key stakeholder groups of the entity.**

The Company thinks that building strong stakeholder relationships is essential to generate long-term worth for which we have established stakeholder relationship committee that operates with the aim of addressing and resolving any grievances raised by our shareholders and investors. The Company's philosophy includes building partnerships with all stakeholders, employees, customers, vendors, service providers, local communities and government.



2. List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group in the following format:

Key Stakeholders	Whether identified as Vulnerable & Marginalized Group (Yes/No)	Channels of communication (Email, SMS, Newspaper, Pamphlets, Advertisement, Community Meetings, Notice Board, Website), Others	Frequency of engagement (Annually/ Half yearly/ Quarterly/ Others- please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Investors & Shareholders	No	Email, Meetings, Calls, Partner events	Annually	Understanding clients, Decision on investments, Ethical behavior, Strong partnership, to enhance business practices.
Employee				
Suppliers and Vendors				
Govt authorities				
Customers/ Business Partners				
Media				
Academic and Research Institutions				
Communities	Yes			

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency

**Leadership Indicators**

2. Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes/ No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.

No, the organization recognized that it is presently experiencing growth in many areas that are changing, making stakeholder interactions essential. The business tries to collaborate with staff members and industry experts to better understand stakeholder expectations.

3. Provide details of instances of engagement with, and actions taken, to address the concerns of vulnerable/marginalized stakeholder groups

Yes. following our CSR policy, we have designated women, children, elderly people, war widows, and people with disabilities as the group of disadvantaged, vulnerable, and marginalized stakeholders. Our CSR policy offers a broad framework for initiatives to interact with marginalized, vulnerable, and underprivileged stakeholders. These programs include establishing old age homes, daycare centers, hostels, and other facilities; promoting the education and work of women and people with disabilities; improving livelihood.

**Principle 5**

**BUSINESSES SHOULD RESPECT AND PROMOTE HUMAN RIGHTS**

**Essential Indicators**

1. Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Total (A)	No. of employees/ workers covered (B)	% (B/A)	Total (C)	No. of employees/ workers covered (D)	% (D/C)
<b>EMPLOYEES</b>						
Permanent	16	16	100	249	249	100
Other than permanent	0	0	0	0	0	0
<b>Total Employees</b>	<b>16</b>	<b>16</b>	<b>100</b>	<b>249</b>	<b>249</b>	<b>100</b>
<b>WORKERS</b>						
Permanent	-	-	-	-	-	-
Other than permanent	-	-	-	-	-	-
<b>Total Workers</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## 2. Details of minimum wages paid to employees and workers in the following format:

Category	FY 2022-23 (Current Financial Year)					FY 2021-22 (Previous Financial Year)				
	Total (A)	Equal to minimum wage (B)	% (B/A)	More than minimum wage (C)	% (C/A)	Total (D)	Equal to minimum wage (E)	% (E/D)	More than minimum wage (F)	% (F/D)
<b>EMPLOYEES</b>										
<b>Permanent</b>										
Male	15	0	0	15	100	228	0	0	228	100
Female	1	0	0	1	100	21	0	0	21	100
<b>Non-permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>WORKERS</b>										
<b>Permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Non-permanent</b>										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-

## 3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration/ salary/ wages of respective category	Number	Median remuneration/ salary/ wages of respective category (₹)
Board of Directors (BoD)	1	14,71,685	-	-
KMP (other than BoD)	1	4,90,562	1	283,222
Employees other than BOD & KMP	13	46,618	-	-
Workers	-	-	-	-

## 4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

## 5. Describe the internal mechanisms in place to redress grievances related to human rights issues

Our company places a high priority on safeguarding human rights, and we've put in place a strong governance structure to make sure that all of our activities adhere to the necessary procedures, guidelines, and monitoring systems. We also don't discriminate against anyone based on their race, caste, gender, religion, color, nationality, disability, or any other characteristic. Instead, we employ a merit-based strategy to hiring and give everyone the same opportunities based on their skills and abilities.

**6. Number of complaints on the following made by employees**

Category	FY 2022-23 (Current Financial Year)			FY 2021-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual Harassment	-	-	-	-	-	-
Discrimination at workplace	-	-	-	-	-	-
Child Labour	-	-	-	-	-	-
Forced/Involuntary Labour	-	-	-	-	-	-
Wages	-	-	-	-	-	-
Other issues	-	-	-	-	-	-

**7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases**

Our company places a strong emphasis on human rights protection and operates under strict governance policies and monitoring systems to ensure compliance. We adhere to a merit-based system and provide equal opportunities to all, regardless of factors such as race, caste, gender, religion, color, nationality, disability, etc.

Our Code of Conduct establishes procedures to guarantee adherence to human rights, and our Whistle Blower Policy/Vigil Mechanism creates an avenue for reporting human rights violations within our organization. Additionally, we have developed and put into effect an anti-sexual harassment policy and have a strict stance against any form of sexual harassment in the workplace.

**8. Do human rights requirements form part of your business agreements and contracts?**

Yes

**9. Assessments for the year:**

	% of offices that were assessed (by entity or statutory authorities or third parties)
Child labour	-
Forced/ involuntary labour	-
Sexual harassment	-
Discrimination at workplace	-
Wages	-
Others – please specify	-

**10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.**

NA

**Leadership Indicators**

**3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?**

The Company is committed to provide equal opportunities without regard to their race, caste, sex, religion, color, nationality, disability, etc. All of our corporate offices feature such as wheelchair ramps, braille signage and wheelchair inclusive elevators that are accessible from the parking lot, facilitating access friendly to our differently abled employees and visitors. Also, our registered and corporate offices have restrooms that are designated for that purpose.



## Principle 6

## BUSINESS SHOULD RESPECT AND MAKE EFFORTS TO PROTECT AND RESTORE THE ENVIRONMENT

## Essential Indicators

## 1. Details of total energy consumption (in Terajoules) and energy intensity in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
	KWH	KWH
Total electricity consumption (A)	32,68,584	54,80,644
Total Fuel Consumption (B)	-	24,734
Energy consumption through other sources (C)	-	-
<b>Total energy consumption ( A+B+C)</b>	<b>32,68,584</b>	<b>55,05,378</b>
Energy intensity per rupee of turnover (Total energy consumption/turnover in rupees)	0.00840235	0.00455275
Energy intensity (optional) – the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

NA

3. Provide details of the following disclosures related to water, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Water withdrawal by source (in kiloliters)</b>		
(i) Surface water	7,664	11,593
(ii) Ground Water	-	-
(iii) Third Party Water	45	9409
(iv) Seawater/Desalinated Water	-	-
(v) Others	-	-
<b>Total volume of water withdrawal (in kiloliters)</b>	<b>7,709</b>	<b>21,002</b>
<b>Total volume of water consumption (in kiloliters)</b>	<b>-</b>	<b>-</b>
<b>Water intensity per rupee of turnover (Water consumed/turnover)</b>	<b>-</b>	<b>-</b>
<b>Water intensity ratio (optional)</b>	<b>-</b>	<b>-</b>

Note: Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

NA

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
NOx	-	-*	-*
SOx	-	-*	-*
Particulate matter (PM)/Persistent Organic Pollutants (POP)	-	-*	-*
Volatile organic compounds (VOC)	-	-*	-*
Hazardous air pollutants (HAP)	-	-*	-*
Others – please specify	-	-*	-*

\*The company does not emit any of the above-mentioned gases during the operations

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) & its intensity, in the following format:

Parameter	Unit	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total Scope 1 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	-*	-*
<b>Total Scope 2 emissions</b> (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	Metric tonnes of CO <sub>2</sub> equivalent	20,26,535	38,91,257
<b>Total Scope 1 and Scope 2 emissions per rupee of turnover</b>		0.006476	0.003218
<b>Total Scope 1 and Scope 2 emission intensity (optional)</b>		-	-

\*The company does not have any data related to Scope 1, as spending is done from DNEG India Media Services Limited (subsidiary of Prime Focus)

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency

7. Does the entity have any project related to reducing Green House Gas emission? If yes, then provide details.

No

8. Provide details related to waste management by the entity, in the following format:

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>Total waste generated (in metric tonnes) *</b>		
Plastic waste (A)	-	-
E-Waste (B)	-	-
Bio-Medical Waste (C)	-	-
Construction and demolition waste (D)	-	-
Battery Waste	-	-
Radioactive waste (F)	-	-
Other Hazardous waste. Please specify, if any. (G)	-	-
Other Non-hazardous waste generated (H). Please specify, if any.	-	-
<b>Total (A+B+C+D+E+F+G+H)</b>	-	-

Parameter	FY 2022-23 (Current Financial Year)	FY 2021-22 (Previous Financial Year)
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	-	-
(ii) Re-used	-	-
(iii) Other recovery operations	-	-
<b>Total</b>	-	-
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	-	-
(ii) Landfilling	-	-
(iii) Other disposal operations	-	-
<b>Total</b>	-	-

**Note:** Indicate if any independent assessment/ evaluation/assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment/evaluation/assurance has been carried out by an external agency

\* We employ efficient waste management techniques to handle the waste produced at our facilities. Our waste disposal system is comprehensive and involves partnering with authorized e-waste dealers to recycle all electronic waste. Our commitment to responsible waste disposal has earned us recognition from E-waste Recyclers India. We also ensure that paper waste generated in our offices is sent to approved recycling organizations. Moreover, we actively participate in initiatives aimed at managing biodegradable waste effectively.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

NA

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details.

NA

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year

NA

12. Is the entity compliant with the applicable environmental law/ regulations/ guidelines in India, such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and Rules thereunder (Y/N). If not, provide details of all such non-compliances.

NA

## Principle 7

**BUSINESS, WHEN ENGAGING IN INFLUENCING PUBLIC AND REGULATORY POLICY, SHOULD DO SO IN A MANNER THAT IS RESPONSIBLE AND TRANSPARENT**

### Essential Indicators

1. a. Number of affiliations with trade and industry chambers/ associations.

Yes, PFL is a gold member of 5 associations as mentioned under Principle 7 essential indicator 1(b).



- b. List the top 10 trade and industry chambers/ associations (determined based on the total members of such body) the entity is a member of/ affiliated to:

S. No.	Name of the trade and industry chambers / associations	Reach of trade and industry chambers/ associations (State/National)
1	Service Export Promotion Council for Software	National
2	Electronic and Computer Software Council	National
3	Indian Motion Picture Producers Association	National
4	Association of Motion Picture Studios	State
5	Industrial Entrepreneurs Memorandum (IEM)	National

2. Provide details of corrective action taken or underway on any issues related to anti- competitive conduct by the entity, based on adverse orders from regulatory authorities.

None

#### Leadership Indicators

1. Details of public policy positions advocated by the Company

Being a part of these associations, we actively participate in advancing and expanding the broadcasting industry worldwide by generating, coordinating, and distributing knowledge and information. This encompasses activities such as technology briefings, networking events, frequent news bulletins, and provision of market intelligence.

#### Principle 8

##### BUSINESSES SHOULD PROMOTE INCLUSIVE GROWTH AND EQUITABLE DEVELOPMENT

#### Essential Indicators

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

NA

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity.

NA

3. Describe the mechanisms to receive and redress grievances of the community.

To receive and redress grievances of the community, we have a designated person, "Parina Shah" who is the Company Secretary and Compliance Officer, and all complaints are received over the email id [ir.india@primefocus.com](mailto:ir.india@primefocus.com) and all the received grievances are resolved anonymously and internally.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers.

Not applicable. Input material is not relevant as the Company is into media-based sector.

#### Principle 9

##### BUSINESSES SHOULD ENGAGE WITH AND PROVIDE VALUE TO THEIR CONSUMERS IN A RESPONSIBLE MANNER

#### Essential Indicators

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

Although we do not have a formal system in place for conducting consumer surveys, we do make a concerted effort to solicit feedback from our clients after each engagement. Our endeavors have resulted in several instances of informal but positive feedback.

**2. Turnover of products and/services as a percentage of turnover from all products/service that carry information about:**

	As a percentage to total turnover
Environmental and social parameters relevant to the product	Not applicable to our products and services
Safe and responsible usage	
Recycling and/or safe disposal	

**3. Number of consumer complaints:**

No cases were pending against Prime Focus Limited.

**4. Details of instances of product recalls on accounts of safety issues**

NA

**5. Does the entity have a framework/ policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.**

PFL has implemented a proactive risk-mitigation program as well as a response plan to ensure quick adaptation in case of any incidents. This program guarantees that the network undergoes regular patching and backup procedures, and the incident response plan is developed and updated at frequent intervals. In addition, the company conducts phishing campaigns to educate employees on cyber risks and common security threats, in order to decrease the likelihood of employee breaches. A comprehensive policy for the use of personal devices at work has also been established. The Company remains committed to safeguarding its sensitive data and enhancing controls on a continual basis [http://www.primefocus.com/sites/default/files/pdf/2021\\_22/PFL\\_Risk\\_Management\\_Policy.pdf](http://www.primefocus.com/sites/default/files/pdf/2021_22/PFL_Risk_Management_Policy.pdf)

**6. Provide details of any corrective actions taken or underway on issues relating to advertising and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.**

We are aware that ethical business practices assure responsible advertising and marketing. We make sure that our advertisements are not misleading. No penalties or regulatory actions have been taken with regard to the parameters mentioned above.

**Leadership Indicators****1. Channels / platforms where information on products and services of the Company can be accessed**

<http://www.primefocus.com/>

**4. Does the entity display product information on the product over and above what is mandated as per local laws? If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of the entity or the entity as a whole? (Yes / No)**

Yes, the "Ethics Management Policy" sets forth a procedure for presenting information factually and honestly disclosing our services to clients. The "Fair Business Practices" section of this policy provides a clear framework for our ethical approach to advertising, promotions, fair competition, and earning customers through the quality of our services.

While we do not possess a formal consumer survey system, we do gather feedback from our clients upon completion of engagements. Our services have resulted in several instances of informal, favorable feedback from clients. We have been recommended and reappointed for multiple assignments by our existing clients, which we consider to be a testament to their satisfaction with our work.

# INDEPENDENT AUDITOR'S REPORT

## To The Members of Prime Focus Limited

### Report on the Audit of the Standalone Financial Statements

#### Opinion

We have audited the accompanying standalone financial statements of PrimeFocus Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, and its loss, total comprehensive loss, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

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

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included

in the Management Discussion and Analysis and Board's Report including Annexures to Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.

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

#### Responsibilities to the Management and Those Charged with Governance for the Standalone Financial Statements

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

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

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



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

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

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

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

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

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

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

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

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit we report that:
  - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c. The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account.
  - d. In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
  - e. On the basis of the written representations received from the directors as on March 31, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023 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 with reference to the standalone financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the standalone financial statements.
- g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The Management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - (v) The Company has not declared or paid any dividend during the year and has not proposed final dividend for the year.
  - (vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company w.e.f. April 1, 2013, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rule, 2014 is not applicable for the financial year ended March 31, 2023.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the Order.

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

**Varsha A. Fadte**  
Partner  
(Membership No. 103999)  
UDIN: 23103999BGXJER6763

Panaji, Goa, May 30, 2023

# Annexure “A” to the Independent Auditor’s Report

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

## Report on the Internal Financial Controls with reference to standalone financial statements under Clause (i) of Sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls with reference to standalone financial statements of Prime Focus Limited (“the Company”) as of March 31, 2023 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 with reference to standalone financial statements based on the internal control with reference to standalone financial statements 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 with reference to standalone financial statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to standalone financial statements. 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 with reference to standalone financial statements 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 with reference to standalone financial statements and their operating effectiveness. Our audit of internal financial controls with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to standalone financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

## Meaning of Internal Financial Controls with reference to standalone financial statements

A company’s internal financial control with reference to standalone financial statements 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 with reference to standalone financial statements 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 with reference to standalone financial statements

Because of the inherent limitations of internal financial controls with reference to standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to standalone financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

In our opinion, to the best of our information and according to the explanations given to us the Company has, in all material respects, an adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to standalone financial statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Varsha A. Fadte**  
Partner  
(Membership No. 103999)  
UDIN: 23103999BGXJER6763

Panaji, Goa, May 30, 2023



## Annexure “B” to the Independent Auditor’s Report

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

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

- (i)(a)(A) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment (plant and equipment, capital work in progress and relevant details of right to use assets).
- (i)(a)(B) The Company has maintained proper records showing full particulars of intangible assets.
- (i)(b) Some of the Property, Plant and Equipment, (plant and equipment, capital work in progress and right to use assets) were physically verified during the year by the Management in accordance with a programme of verification, which in our opinion provides for physical verification of all the Property, Plant and Equipment, (plant and equipment, capital work in progress and right to use assets) at reasonable intervals having regard to the size of the Company and the nature of its activities.  
According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (i)(c) Based on our examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds of all the immovable properties, (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favour of the Company) disclosed in the financial statements included in (property, plant and equipment and capital work-in progress) are held in the name of the Company as at the balance sheet date.
- (i)(d) The Company has not revalued any of its property, plant and equipment (including Right of Use assets) and intangible assets during the year.
- (i)(e) No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
- (ii)(a) The Company does not have any inventory and hence reporting under clause (ii)(a) of the Order is not applicable.
- (ii)(b) According to the information and explanations given to us, the Company has been sanctioned working capital limits in excess of Rs. 5 crores, in aggregate, at points of time during the year, from banks on the basis of security of current assets. As informed to us by the management, the quarterly returns or statements are not required to be submitted to the banks for the aforesaid facilities availed.
- (iii)(a) The Company has made investment in, provided guarantee or security and granted unsecured loans to companies during the year, in respect of which:

Particulars	₹ in crore		
	Loans	Guarantees	Security*
A. Aggregate amount granted/ provided during the year:			
- Subsidiaries	122.67	-	-
B. Balance outstanding (including interest accrued thereon) as at balance sheet date in respect of above cases:			
- Subsidiaries	355.65	99.00	106.74

\* Restricted to borrowings of subsidiaries remained outstanding as at March 31, 2023.

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

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

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

₹ in crore

Particulars	Related parties
Aggregate of loans	
- Repayable on demand (A)	122.67
- Agreement does not specify any terms or period of repayments (B)	-
Total (A+B)	122.67
Percentage of loans to total loans	34.49

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

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

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

(vii)(a) In respect of statutory dues:  
Undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, duty of Custom, duty of Excise, Value Added Tax, cess and other material statutory dues applicable to the Company have generally been regularly deposited by it with the appropriate authorities though the delays in deposit have not been serious.

There were no undisputed amounts payable in respect of Goods and Service tax, Provident Fund, Income-tax, Sales Tax, Service Tax, duty of Custom, Duty of Excise, Value Added Tax, cess and other material statutory dues applicable to Company in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

(vii)(b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

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

\*excluding interest and penalty.

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

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

Nature of borrowing	Name of lenders	Amount not paid on due date (₹ in crore)	Whether principle or interest	No. of days delay or unpaid	Remarks, if any
Term loans	Others- (one party)	20.00	Interest	669	Remained unpaid till audit report date
		20.00	Interest	304	

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

(ix)(c) The Company has not taken any term loan during the year and there are no unutilised term loans at the beginning of the year and hence, reporting under clause (ix)(c) of the Order is not applicable.

(ix)(d) The Company did not raise any funds during the year hence, the requirement to report on clause (ix)(d) of the Order is not applicable to the Company.

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

(ix)(f) The Company has not raised any loans during the year and hence reporting on clause (ix)(f) of the Order is not applicable.

(x)(a)	The Company has not raised money by way of initial public offer or further public offer (including debt instruments) during the year and hence reporting under clause (x)(a) of the Order is not applicable.
(x)(b)	During the year the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully or partly or optionally) and hence reporting under clause (x)(b) of the Order is not applicable to the Company.
(xi)(a)	To the best of our knowledge, no fraud by the Company and no material fraud on the Company has been noticed or reported during the year.
(xi)(b)	To the best of our knowledge, no report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
(xi)(c)	As represented to us by the Management, there were no whistle blower complaints received by the Company during the year.
(xii)	The Company is not a Nidhi Company and hence reporting under clause (xii) of the Order is not applicable.
(xiii)	In our opinion, the Company is in compliance with section 177 and 188 of the Companies Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
(xiv)(a)	In our opinion the Company has an adequate internal audit system commensurate with the size and the nature of its business.
(xiv)(b)	We have considered, the internal audit reports issued to the Company during the year and till the date of the audit report covering period upto March 31, 2023.
(xv)	In our opinion during the year the Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence provisions of section 192 of the Companies Act, 2013 are not applicable to the Company.
(xvi)(a)	The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Hence, reporting under clause (xvi) (a), (b) and (c) of the Order is not applicable.
(xvi)(b)	The Company does not have any core investment company as part of the group and accordingly reporting under clause (xvi)(d) of the Order is not applicable.
(xvii)	The Company has not incurred cash losses during the financial year covered by our audit and the immediately preceding financial year.
(xviii)	There has been no resignation of the statutory auditors of the Company during the year.
(xix)	On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
(xx)	The Company was not having net worth of rupees five hundred crore or more, or turnover of rupees one thousand crore or more or a net profit of rupees five crore or more during the immediately preceding financial year and hence, provisions of Section 135 of the Act are not applicable to the Company during the year. Accordingly, reporting under clause 3(xx) of the Order is not applicable for the year.

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

**Varsha A. Fadte**  
Partner  
(Membership No. 103999)  
UDIN: 23103999BGXJER6763

Panaji, Goa, May 30, 2023



# Balance Sheet

as at March 31, 2023

	Notes	₹ Crores	
		As at March 31, 2023	As at March 31, 2022
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4 (a)	118.16	120.37
Capital work in progress	4 (b)	10.56	10.56
Intangible assets	5	0.11	0.08
Right to use assets	6	181.67	211.59
Financial assets			
Investments	7	1,035.92	681.81
Other financial assets	8	1.86	1.84
Income tax assets (net)		37.67	45.51
Other non-current assets	9	0.01	0.02
<b>Total non-current assets</b>		<b>1,385.96</b>	<b>1,071.78</b>
<b>Current assets</b>			
Financial assets			
Investments	10	130.73	-
Trade receivables	11	1.07	2.72
Cash and cash equivalents	12 (a)	1.19	6.70
Bank balances other than above	12 (b)	0.06	0.06
Loans	13	355.65	356.22
Other financial assets	14	4.30	479.38
Other current assets	15	2.00	95.46
<b>Total current assets</b>		<b>495.00</b>	<b>940.54</b>
<b>Total assets</b>		<b>1,880.96</b>	<b>2,012.32</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	16	29.95	29.95
Other equity	17	1,537.61	1,552.56
<b>Total equity</b>		<b>1,567.56</b>	<b>1,582.51</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	18	200.00	230.95
Lease liabilities		0.44	0.69
Other financial liabilities	19	30.51	24.58
Deferred tax liabilities (net)	31 (e)	10.55	-
Provisions	20	1.06	1.09
<b>Total non-current liabilities</b>		<b>242.56</b>	<b>257.31</b>

		₹ Crores	
	Notes	As at March 31, 2023	As at March 31, 2022
<b>Current liabilities</b>			
Financial liabilities			
Borrowings		-	-
Lease liabilities		0.66	4.13
Trade payables			
- total outstanding dues of micro enterprises and small enterprises	21	-	-
- total outstanding dues of creditors other than micro enterprises and small enterprises	21	8.83	8.07
Other financial liabilities	22	59.92	46.47
Provisions	23	0.31	0.37
Current tax liabilities (net)		-	15.95
Other current liabilities	24	1.12	97.51
<b>Total current liabilities</b>		<b>70.84</b>	<b>172.50</b>
<b>Total liabilities</b>		<b>313.40</b>	<b>429.81</b>
<b>Total equity and liabilities</b>		<b>1,880.96</b>	<b>2,012.32</b>
See accompanying notes to the financial statements	1 to 46		

In terms of our report attached.

**For Deloitte Haskins & Sells Chartered Accountants LLP**

Chartered Accountants

(Firm's Registration No. 117364W/W100739)

**For and on behalf of the Board of Directors**

**Varsha A. Fadte**

Partner

**Naresh Mahendranath Malhotra**

Chairman and Whole-time Director

DIN: 00004597

**Namit Naresh Malhotra**

Director

DIN: 00004049

**Nishant Avinash Fadia**

Chief Financial Officer

**Parina Nirav Shah**

Company Secretary

Place : Panaji, Goa

Date : May 30, 2023

Place : Mumbai

Date : May 30, 2023

# Statement of Profit and Loss

for the year ended March 31, 2023

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
₹ Crores			
<b>Income</b>			
Revenue from operations	25	40.74	120.92
Other income	26	40.63	72.64
<b>Total income</b>		<b>81.37</b>	<b>193.56</b>
<b>Expenses</b>			
Employee benefits expense	27	4.20	16.53
Employee stock option expense	35	9.38	-
Technician fees		-	8.69
Technical service cost		6.44	3.80
Finance costs	28	23.95	32.28
Depreciation and amortisation expense	4 to 6	32.64	62.87
Other expenses	29	18.57	28.79
Exchange loss (net)		0.11	0.10
<b>Total expenses</b>		<b>95.29</b>	<b>153.06</b>
<b>(Loss) / Profit before exceptional item and tax</b>		<b>(13.92)</b>	<b>40.50</b>
Exceptional items (gain) (Refer note 27)	30	-	(250.20)
<b>(Loss) / Profit before tax</b>		<b>(13.92)</b>	<b>290.70</b>
<b>Tax expense</b>	31		
Current tax		-	-
Deferred tax		10.55	-
<b>Total tax expense</b>		<b>10.55</b>	<b>-</b>
<b>(Loss) / Profit for the year</b>		<b>(24.47)</b>	<b>290.70</b>
<b>Other comprehensive income:</b>			
Items that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans		0.14	(0.52)
Income tax relating to the above		-	-
<b>Total Other Comprehensive (Loss) / Income</b>		<b>0.14</b>	<b>(0.52)</b>
<b>Total Comprehensive (Loss) / Income for the year</b>		<b>(24.33)</b>	<b>290.18</b>



		₹ Crores	
	Notes	Year ended March 31, 2023	Year ended March 31, 2022
Earnings per equity share	32		
[Nominal value per share: ₹1]			
Before exceptional items (net of tax)			
Basic (₹)		(0.82)	1.35
Diluted (₹)		(0.82)	1.33
After exceptional items (net of tax)			
Basic (₹)		(0.82)	9.71
Diluted (₹)		(0.82)	9.56
See accompanying notes to the financial statements	1 to 46		

In terms of our report attached.

**For Deloitte Haskins & Sells Chartered Accountants LLP**

Chartered Accountants

(Firm's Registration No. 117364W/W100739)

**Varsha A. Fadte**

Partner

**For and on behalf of the Board of Directors**

**Naresh Mahendranath Malhotra**

Chairman and Whole-time Director

DIN: 00004597

**Namit Naresh Malhotra**

Director

DIN: 00004049

**Nishant Avinash Fadia**

Chief Financial Officer

**Parina Nirav Shah**

Company Secretary

Place : Panaji, Goa

Date : May 30, 2023

Place : Mumbai

Date : May 30, 2023

# Statement of Changes in Equity

for the year ended March 31, 2023

## A. Equity Share Capital

	₹ Crores
	Total
<b>As at March 31, 2021</b>	<b>29.92</b>
Issue of equity shares under employee stock option plan (Refer note 32)*	0.03
<b>As at March 31, 2022</b>	<b>29.95</b>
Changes in Equity Share Capital during the year	-
<b>As at March 31, 2023</b>	<b>29.95</b>

\* Issued, Subscribed and Paid up as at March 31, 2023 is amounting to ₹ 299,536,644 (March 31, 2022 ₹ 299,536,644) after addition of ₹ 287,666, during the previous year.

## B. Other Equity

	Reserves and Surplus					₹ Crores
	Capital Reserve	General Reserve	Securities Premium	Share Options outstanding account	Retained Earnings	Total
<b>Balance as at March 31, 2021</b>	<b>134.27</b>	<b>61.09</b>	<b>766.57</b>	<b>72.24</b>	<b>226.74</b>	<b>1,260.91</b>
Profit for the year (net of tax)	-	-	-	-	290.70	<b>290.70</b>
Exercise of stock options	-	-	1.47	(1.18)	1.18	<b>1.47</b>
Other comprehensive income for the year (net of tax)	-	-	-	-	(0.52)	<b>(0.52)</b>
<b>Balance as at March 31, 2022</b>	<b>134.27</b>	<b>61.09</b>	<b>768.04</b>	<b>71.06</b>	<b>518.10</b>	<b>1,552.56</b>
Loss for the year (net of tax)	-	-	-	-	(24.47)	<b>(24.47)</b>
Movement during the year	-	-	-	9.38	-	<b>9.38</b>
Other comprehensive income for the year (net of tax)	-	-	-	-	0.14	<b>0.14</b>
<b>Balance as at March 31, 2023</b>	<b>134.27</b>	<b>61.09</b>	<b>768.04</b>	<b>80.44</b>	<b>493.77</b>	<b>1,537.61</b>

See accompanying notes to the financial statements 1 to 46

In terms of our report attached.

**For Deloitte Haskins & Sells Chartered Accountants LLP**

Chartered Accountants

(Firm's Registration No. 117364W/W100739)

**Varsha A. Fadte**

Partner

**For and on behalf of the Board of Directors**

**Naresh Mahendranath Malhotra**

Chairman and Whole-time Director  
DIN: 00004597

**Namit Naresh Malhotra**

Director  
DIN: 00004049

**Nishant Avinash Fadia**

Chief Financial Officer

**Parina Nirav Shah**

Company Secretary

Place : Panaji, Goa

Date : May 30, 2023

Place : Mumbai

Date : May 30, 2023

# Cash Flow Statement for the year ended March 31, 2023

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Profit before tax	(13.92)	290.70
Adjustments for:		
Depreciation and amortisation expense	32.64	62.87
Employee stock option expense	9.38	-
Net gain on sale of property, plant and equipment (net)	-	(0.46)
Realised & unrealised gain on investments	(1.85)	(2.72)
Gain on sale of assets on slump sale (Refer note 34)	-	(250.20)
Bad debts and advances written off	-	6.76
Provision for doubtful debts/ advances (net)	0.27	(2.74)
Liabilities/provisions no longer required written back	(0.33)	(26.26)
Interest income	(38.44)	(43.03)
Dividend income *	0.00	-
Finance costs	23.95	32.28
<b>Operating profit before working capital changes</b>	<b>11.70</b>	<b>67.20</b>
<b>Changes in working capital:</b>		
Increase in provisions	0.05	0.31
Increase / (Decrease) in trade payables	0.76	(10.10)
(Decrease) / Increase in other current liabilities	(105.50)	11.30
Increase / (Decrease) in other long-term liabilities	8.27	(44.44)
Increase / (Decrease) in trade receivables	1.98	(8.17)
(Decrease) / Increase in non-current financial assets and non-current assets	(0.03)	3.75
Increase / (Decrease) in current financial assets and other current assets	92.80	(11.88)
<b>Cash Generated from Operations</b>	<b>10.03</b>	<b>7.97</b>
Direct taxes (Paid) / Refund received (net)	(8.12)	34.04
<b>Net cash flow generated from operating activities (A)</b>	<b>1.91</b>	<b>42.01</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of property, plant and equipment and other intangible assets (including CWIP)	(0.55)	(19.24)
Proceeds from sale of property, plant and equipment	-	1.27
Consideration received towards sale of business	474.40	44.50
Investment in subsidiaries	(399.88)	(60.96)
Short-term Investments	(129.75)	-
Redemption of investment in subsidiaries	45.77	-
Loans given to subsidiaries	(122.67)	(158.33)
Loans repaid by subsidiaries	156.42	126.17
Margin money and fixed deposits under lien*	-	(0.00)

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Dividends received*	0.00	-
Premium received on redemption of investment in subsidiaries	0.33	-
Realised gain on sale of short-term investments	0.54	-
Interest received	6.35	34.56
<b>Net cash flow generated / (used in) from investing activities (B)</b>	<b>30.96</b>	<b>(32.03)</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from long term borrowings	-	30.95
(Repayment) of long term borrowings	(30.95)	(30.58)
Proceeds from issuance of shares	-	1.50
Payment of lease liability	(4.25)	(16.25)
Interest costs paid on lease liability	(0.36)	(5.28)
Finance costs paid	(2.82)	(7.55)
<b>Net cash (used in) financing activities (C)</b>	<b>(38.38)</b>	<b>(27.21)</b>
<b>Net (decrease) in Cash And Cash Equivalents (A+B+C)</b>	<b>(5.51)</b>	<b>(17.23)</b>
Cash and cash equivalents at the beginning of the year	6.70	23.93
<b>Cash and cash equivalent at end of year (Refer note 12 (a))</b>	<b>1.19</b>	<b>6.70</b>

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

Note:

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

	₹ Crores			
	Year ended March 31, 2022	Cash flow	Non Cash movement	Year ended March 31, 2023
Borrowing (Refer note 18)	230.95	(30.95)	-	200.00

See accompanying notes to the financial statements 1 to 46

In terms of our report attached.

**For Deloitte Haskins & Sells Chartered Accountants LLP**

Chartered Accountants

(Firm's Registration No. 117364W/W100739)

**For and on behalf of the Board of Directors**

**Varsha A. Fadte**

Partner

**Naresh Mahendranath Malhotra**

Chairman and Whole-time Director

DIN: 00004597

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**Nishant Avinash Fadia**

Chief Financial Officer

**Parina Nirav Shah**

Company Secretary

Place : Panaji, Goa

Date : May 30, 2023

Place : Mumbai

Date : May 30, 2023



# Notes to the Financial Statements for the year ended March 31, 2023

## 1. General information

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

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

## 2. Significant accounting policies

### 2.1 Statement of compliance

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

### 2.2 Basis of preparation and presentation

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

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

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

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the

significance of the inputs to the fair value measurements in its entirety, which are described as follows:

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

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

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

### 2.3 Use of Estimates:

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

### 2.4 Revenue recognition

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

#### 2.4.1 Rendering of services

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

# Notes to the Financial Statements for the year ended March 31, 2023

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

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

## 2.4.2 Dividend and interest income

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

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

## 2.4.3 Rental income

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

## 2.5 Leasing

### 2.5.1 The Company as lessor

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

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

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

### 2.5.2 The Company as lessee

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

- a) Control the use of an identified asset,
- b) Obtain substantially all the economic benefits from use of the identified asset, and
- c) Direct the use of the identified asset

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

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

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

# Notes to the Financial Statements for the year ended March 31, 2023

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

The Company applies Ind AS 36 to determine whether a right-to-use asset is impaired and accounts for any identified impairment loss. Refer 2.15 below.

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

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

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

## 2.6 Foreign currencies

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

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

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

## 2.7 Borrowing costs

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

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

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

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

## 2.8 Government grants

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

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

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

# Notes to the Financial Statements for the year ended March 31, 2023

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

## 2.9 Employee benefits

### 2.9.1 Retirement benefit costs and termination benefits

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

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

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

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

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

### 2.9.2 Short-term and other long-term employee benefits

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

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

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

## 2.10 Share-based payment arrangements

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. Details regarding the determination of the fair value of equity-settled share-based transactions are set out in refer note 35.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Company's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Company revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

## 2.11 Taxation

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

### 2.11.1 Current tax

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

### 2.11.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary differences arise from the initial recognition (other than



# Notes to the Financial Statements for the year ended March 31, 2023

in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary differences arises from the initial recognition of goodwill.

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

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

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

## 2.11.3 Current and deferred tax for the year

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

## 2.12 Non-current assets held for sale

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

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

## 2.13 Property, plant and equipment (PPE)

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

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

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

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

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

## 2.14 Intangible assets

### 2.14.1 Intangible assets acquired separately

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

## Notes to the Financial Statements for the year ended March 31, 2023

### 2.14.2 Internally-generated intangible assets – research and development expenditure

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

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

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

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

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

### 2.14.3 Useful lives of intangible assets

Software is amortised on straight line basis over the estimated useful life of up to six years.

### 2.14.4 De-recognition of intangible assets

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is de-recognised.

### 2.15 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest of the cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

### 2.16 Provisions and Contingencies

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

# Notes to the Financial Statements for the year ended March 31, 2023

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

## 2.16.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

## 2.16.2 Restructurings

A restructuring provision is recognised when the Company has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected, that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring, which are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

## 2.17 Financial instruments

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the

acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## 2.18 Financial assets

All regular way purchases or sales of financial assets are recognised or de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### 2.18.1 Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost, refer note 2.18.5

Debt instruments that meet the following conditions are measured at fair value through other comprehensive income (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of,

## Notes to the Financial Statements for the year ended March 31, 2023

the cumulative gain or loss previously accumulated is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI, (refer note 2.18.5).

All other financial assets are subsequently measured at fair value.

### 2.18.2 Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

### 2.18.3 Investments in equity instruments at fair value through other comprehensive income (FVTOCI)

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

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

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the

dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

### 2.18.4 Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading (refer note 2.18.3).

Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial measurement if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different basis. The Company has not designated any debt instruments at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### 2.18.5 Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.



## Notes to the Financial Statements for the year ended March 31, 2023

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses that represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12 month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within

the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

### 2.18.6 De-recognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of financial asset other than its entirety (e.g. when the Company retains an option to repurchase part of the transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised

# Notes to the Financial Statements for the year ended March 31, 2023

and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or losses if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised in other comprehensive income and the part that is no longer recognised on the basis of the relative fair value of those parts.

## 2.18.7 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

## 2.18.8 Investments in subsidiaries

The Company has elected to recognise its investments in subsidiaries at cost in accordance with the option available in Ind AS 27, 'Separate Financial Statement'.

## 2.19 Financial liabilities and equity instruments

### 2.19.1 Classification as debt or equity

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

### 2.19.2 Equity instruments

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

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit

or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### 2.19.3 Compound financial instruments

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

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

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

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

### 2.19.4 Financial liabilities

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

However, financial liabilities that arise when a transfer of a financial asset does not qualify for de-recognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company

# Notes to the Financial Statements for the year ended March 31, 2023

to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

## 2.19.4.1 Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed, and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

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

However, for not-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in fair value of the financial liability that is attributable to changes in the credit risk of

the liability is recognised in other comprehensive income, unless the recognition of the effects of changes create mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified in profit or loss.

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

## 2.19.4.2 Financial liabilities subsequently measured at amortised cost

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

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

## 2.19.4.3 Financial guarantee contracts

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

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

- The amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

## Notes to the Financial Statements for the year ended March 31, 2023

### 2.19.4.4 Commitments to provide a loan at below-market interest rate

Commitments to provide a loan at below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.

### 2.19.4.5 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

### 2.19.4.6 De-recognition of financial liabilities

The Company de-recognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of a debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## 2.20 Derivative financial instruments

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

### 2.20.1 Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of Ind AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

### 2.21 Offsetting

Financial assets and financial liabilities are off set and the net amount is presented when and only when, the Company has legally enforceable right to set off the amount it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### 2.22 Cash and Cash equivalents

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

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

### 2.23 Segment reporting

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

### 2.24 Earnings per share

The Company presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Company by weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effect of all dilutive potential ordinary shares, which includes all stock options granted to employees.



# Notes to the Financial Statements for the year ended March 31, 2023

## 2.25 Exceptional items

Exceptional items refer to items of income or expenses within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their disclosure is considered necessary to explain the performance of the Company.

## 2.26 Events after reporting date

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

## 2.27 Amendments to the existing accounting standards:

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to Company from April 01, 2023.

- i. IND AS 101 – First-time Adoption of Indian Accounting Standards
- ii. IND AS 102 – Share-based Payments
- iii. IND AS 103 – Business Combinations
- iv. IND AS 107 – Financial Instruments Disclosures
- v. IND AS 109 – Financial Instruments
- vi. IND AS 115 – Revenue from Contracts with Customers
- vii. IND AS 1 – Presentation of Financial Statements
- viii. IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors
- ix. IND AS 12 – Income Taxes
- x. IND AS 34 – Interim Financial Reporting

Application of above amendments are not expected to have any significant impact on the Company's financial statements.

## 3. Critical accounting judgements and key sources of estimation uncertainty

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

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

## 3.1 Revenue recognition

The Company derives revenues from fixed price contracts, property rental income and management service. The revenue recognised on these contracts is recognised on completion of delivery of the services.

## 3.2 Taxation

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

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

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

## Notes to the Financial Statements for the year ended March 31, 2023

### 3.3 Depreciation and useful lives of property, plant and equipment and intangible assets

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

### 3.4 Expected credit losses on financial assets

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

### 3.5 Provisions

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

### 3.6 Fair value measurements and valuation process

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

### 3.7 Defined benefit obligations

The costs of providing other post-employment benefits are charged to the Statement of Profit and Loss in accordance with Ind AS 19 "Employee benefits" over the period during which benefits is derived from the employees' services and is determined based on valuation carried out by independent actuary. The costs are determined based on assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to change in these assumptions.

### 3.8 Leases:

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

# Notes to the Financial Statements for the year ended March 31, 2023

## 4 (a) . Property, plant and equipment

Description of assets							₹ Crores
	Buildings	Plant and equipments	Furniture and fixtures	Lease hold improvements	Office equipments	Vehicles	Total
<b>Gross block</b>							
Balance as at March 31, 2021	131.64	314.94	11.16	2.58	18.49	1.43	480.24
Additions	-	7.13	0.12	-	0.16	0.06	7.47
Deduction*	-	(333.91)	(6.94)	(1.58)	(16.88)	(0.54)	(359.85)
Adjustment #	-	14.28	-	-	-	-	14.28
<b>As at March 31, 2022</b>	<b>131.64</b>	<b>2.44</b>	<b>4.34</b>	<b>1.00</b>	<b>1.77</b>	<b>0.95</b>	<b>142.14</b>
<b>Accumulated depreciation</b>							
Balance as at March 31, 2021	13.30	217.25	4.49	1.37	9.44	0.98	246.83
Depreciation for the year	2.34	18.48	2.02	0.38	2.44	0.11	25.77
Deduction*	-	(240.93)	(3.98)	(1.06)	(11.11)	(0.51)	(257.59)
Adjustment #	-	6.76	-	-	-	-	6.76
<b>As at March 31, 2022</b>	<b>15.64</b>	<b>1.56</b>	<b>2.53</b>	<b>0.69</b>	<b>0.77</b>	<b>0.58</b>	<b>21.77</b>
<b>Net block (I-II)</b>							
<b>As at March 31, 2022</b>	<b>116.00</b>	<b>0.88</b>	<b>1.81</b>	<b>0.31</b>	<b>1.00</b>	<b>0.37</b>	<b>120.37</b>

Description of assets							Total
	Buildings	Plant and equipments	Furniture and fixtures	Lease hold improvements	Office equipments	Vehicles	Total
<b>Gross block</b>							
Balance as at March 31, 2022	131.64	2.44	4.34	1.00	1.77	0.95	142.14
Additions	-	-	-	-	0.01	-	0.01
Deduction	-	-	-	-	-	-	-
Adjustment #	-	5.57	-	-	-	1.96	7.53
<b>As at March 31, 2023</b>	<b>131.64</b>	<b>8.01</b>	<b>4.34</b>	<b>1.00</b>	<b>1.78</b>	<b>2.91</b>	<b>149.68</b>
<b>Accumulated depreciation</b>							
Balance as at March 31, 2022	15.64	1.56	2.53	0.69	0.77	0.58	21.77
Depreciation for the year	2.34	0.53	0.90	0.24	0.25	0.11	4.37
Deduction	-	-	-	-	-	-	-
Adjustment #	-	4.06	-	-	-	1.32	5.38
<b>As at March 31, 2023</b>	<b>17.98</b>	<b>6.15</b>	<b>3.43</b>	<b>0.93</b>	<b>1.02</b>	<b>2.01</b>	<b>31.52</b>
<b>Net block (I-II)</b>							
<b>As at March 31, 2023</b>	<b>113.66</b>	<b>1.86</b>	<b>0.91</b>	<b>0.07</b>	<b>0.76</b>	<b>0.90</b>	<b>118.16</b>

\* Deduction includes assets transferred on account of sale of post-production business during the previous year (Refer note 37).

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

## 4 (b). Capital work in progress (CWIP) ageing schedule:

As at March 31, 2023	Amount for a period of				Total
	Less than 1 year	1-2 year	2-3 year	more than 3 years	
Project 1	-	0.12	-	10.44	10.56

## Notes to the Financial Statements for the year ended March 31, 2023

As at March 31, 2022	Amount for a period of				Total
	Less than 1 year	1-2 year	2-3 year	more than 3 years	
Project 1	0.12	-	4.59	5.85	10.56

Note: The above project in progress is delayed and expected to be completed within next one year, however there are no cost overruns.

### 5. Intangible assets

Description of assets				₹ Crores	
	Goodwill	Film rights	Computer software	Total	
<b>Gross block</b>					
Balance as at March 31, 2021	0.53	3.00	2.94	6.47	
Additions	-	-	-	-	
Deduction	-	-	-	-	
Adjustment #	-	-	0.07	0.07	
<b>As at March 31, 2022</b>	<b>0.53</b>	<b>3.00</b>	<b>3.01</b>	<b>6.54</b>	
<b>Accumulated amortisation</b>					
Balance as at March 31, 2021	0.53	3.00	2.47	6.00	
Amortisation for the year	-	-	0.39	0.39	
Deduction	-	-	-	-	
Adjustment #	-	-	0.07	0.07	
<b>As at March 31, 2022</b>	<b>0.53</b>	<b>3.00</b>	<b>2.93</b>	<b>6.46</b>	
<b>Net block (I-II)</b>					
<b>As at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>0.08</b>	<b>0.08</b>	
<b>As at March 31, 2023</b>					
Description of assets	Goodwill	Film rights	Computer software	Total	
<b>Gross block</b>					
Balance as at March 31, 2022	0.53	3.00	3.01	6.54	
Additions	-	-	-	-	
Deduction	-	-	-	-	
Adjustment #	-	-	0.60	0.60	
<b>As at March 31, 2023</b>	<b>0.53</b>	<b>3.00</b>	<b>3.61</b>	<b>7.14</b>	
<b>Accumulated amortisation</b>					
Balance as at March 31, 2022	0.53	3.00	2.93	6.46	
Amortisation for the year	-	-	0.04	0.04	
Deduction	-	-	-	-	
Adjustment #	-	-	0.53	0.53	
<b>As at March 31, 2023</b>	<b>0.53</b>	<b>3.00</b>	<b>3.50</b>	<b>7.03</b>	
<b>Net block (I-II)</b>					
<b>As at March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>0.11</b>	<b>0.11</b>	

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



# Notes to the Financial Statements for the year ended March 31, 2023

## 6. Right to use assets

								₹ Crores
Description of assets	Studio	Premises	Building	Plant and equipment	Office equipments	Vehicles	Software	Total
<b>Gross block</b>								
Balance as at March 31, 2021	185.45	34.75	112.20	43.26	0.02	1.96	0.67	378.31
Additions	-	-	-	0.20	-	-	-	0.20
Deduction*	-	(26.97)	-	(21.86)	(0.02)	-	-	(48.85)
Adjustment #	-	-	-	(14.28)	-	-	(0.07)	(14.35)
<b>As at March 31, 2022</b>	<b>185.45</b>	<b>7.78</b>	<b>112.20</b>	<b>7.32</b>	<b>-</b>	<b>1.96</b>	<b>0.60</b>	<b>315.31</b>
<b>Accumulated depreciation</b>								
Balance as at March 31, 2021	46.32	11.92	20.63	16.46	0.02	0.85	0.39	96.59
Depreciation for the year	21.60	6.51	3.44	4.83	-	0.23	0.10	36.71
Deduction*	-	(12.13)	-	(10.62)	(0.02)	-	-	(22.77)
Adjustment #	-	-	-	(6.75)	-	-	(0.06)	(6.81)
<b>As at March 31, 2022</b>	<b>67.92</b>	<b>6.30</b>	<b>24.07</b>	<b>3.92</b>	<b>-</b>	<b>1.08</b>	<b>0.43</b>	<b>103.72</b>
<b>Net block (I-II)</b>								
<b>As at March 31, 2022</b>	<b>117.53</b>	<b>1.48</b>	<b>88.13</b>	<b>3.40</b>	<b>-</b>	<b>0.88</b>	<b>0.17</b>	<b>211.59</b>
Description of assets	Studio	Premises	Building	Plant and equipment	Office equipments	Vehicles	Software	Total
<b>Gross block</b>								
Balance as at March 31, 2022	185.45	7.78	112.20	7.32	-	1.96	0.60	315.31
Additions	-	0.46	-	-	-	0.07	-	0.53
Deduction	-	-	-	-	-	-	-	-
Adjustment #	-	-	-	(5.57)	-	(1.96)	(0.60)	(8.13)
<b>As at March 31, 2023</b>	<b>185.45</b>	<b>8.24</b>	<b>112.20</b>	<b>1.75</b>	<b>-</b>	<b>0.07</b>	<b>-</b>	<b>307.71</b>
<b>Accumulated depreciation</b>								
Balance as at March 31, 2022	67.92	6.30	24.07	3.92	-	1.08	0.43	103.72
Depreciation for the year	21.60	1.46	3.44	1.38	-	0.25	0.10	28.23
Deduction	-	-	-	-	-	-	-	-
Adjustment #	-	-	-	(4.06)	-	(1.32)	(0.53)	(5.91)
<b>As at March 31, 2023</b>	<b>89.52</b>	<b>7.76</b>	<b>27.51</b>	<b>1.24</b>	<b>-</b>	<b>0.01</b>	<b>-</b>	<b>126.04</b>
<b>Net block (I-II)</b>								
<b>As at March 31, 2023</b>	<b>95.93</b>	<b>0.48</b>	<b>84.69</b>	<b>0.51</b>	<b>-</b>	<b>0.06</b>	<b>-</b>	<b>181.67</b>

\* Deduction includes assets transferred on account of sale of post-production business during the previous year (Refer note 37).

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

## Notes to the Financial Statements for the year ended March 31, 2023

### 7. Investments

	As at March 31, 2023		As at March 31, 2022	
	Units	Amount	Units	Amount
<b>₹ Crores</b>				
<b>Non Current</b>				
<b>In Equity Shares of Subsidiary Companies</b>				
<b>Unquoted, fully paid up (at cost)</b>				
Prime Focus Technologies Limited of ₹ 10/- each (Refer note (c) below)	16,01,466	33.46	16,01,466	33.46
Prime Focus Production Services Private Limited of ₹ 10/- each	9,999	0.01	9,999	0.01
Prime Focus Motion Pictures Limited of ₹ 10/- each	50,000	0.05	50,000	0.05
GVS Software Private Limited of ₹ 10/- each	10,000	0.01	10,000	0.01
PF Investments Limited of \$ 1/- each	43,000	0.22	43,000	0.22
PF World Limited of \$ 1/- each (Refer note (c) below)	1,06,000	209.00	1,06,000	209.00
PF Overseas Limited of \$ 1/- each	13	8.26	-	-
Lowry Digital Imaging Services Inc. of \$ 1/- each (Refer note (a) below)	100	-	100	-
<b>In Preference Shares of Subsidiary Companies</b>				
<b>Unquoted, fully paid up (at cost)</b>				
GVS Software Private Limited	2,65,000	26.50	2,65,000	26.50
Redeemable Convertible Preference Shares of ₹ 10/- each				
PF World Limited	6,15,51,973	412.54	6,15,51,973	412.54
12% Optionally Convertible Preference Shares of \$ 1/- each				
PF Overseas Limited	4,19,39,384	345.85	-	-
12% Optionally Convertible Preference Shares of \$ 1/- each				
<b>In Membership Share in LLP, Unquoted (at cost)</b>				
Jam8 Prime Focus LLP	-	0.01	-	0.01
		<b>1,035.91</b>		<b>681.80</b>
<b>Unquoted equity instruments - fully paid up (at FVTPL)</b>				
<b>Other Investment:</b>				
The Shamrao Vithal Co-operative Bank of ₹ 25/- each	4,000	0.01	4,000	0.01
Mainframe Premises Co-Operative Society of ₹ 10/- each*	350	0.00	350	0.00
		<b>0.01</b>		<b>0.01</b>
<b>TOTAL</b>		<b>1,035.92</b>		<b>681.81</b>
Aggregate amount of unquoted Investments		1,035.92		681.81

#### Notes:

- These investments form part of net assets acquired on slump sale basis vide business transfer agreement dated November 19, 2014, recorded at fair value ₹ Nil based on the valuation report obtained then.
- The list of investment in subsidiaries, along with proportion of ownership held and country of incorporation are disclosed in note 1.1 of Consolidated Financial Statements.
- Refer note 18 (a) for pledge of shares in subsidiaries.

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

# Notes to the Financial Statements for the year ended March 31, 2023

## 8. Other non-current financial assets

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>(Unsecured, considered good)</b>		
Security deposits	0.90	0.92
Bank deposits (Refer note (a) below)	0.96	0.92
<b>Total</b>	<b>1.86</b>	<b>1.84</b>

- a) Fixed deposits are provided as security against fund -based and non -fund based credit facilities and have maturity period of more than 12 months from balance sheet date.

## 9. Other non-current assets

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>(unsecured, considered good)</b>		
Capital advances *	0.00	0.00
Other loans and advances (refer note (a) below)	0.01	0.02
<b>Total</b>	<b>0.01</b>	<b>0.02</b>

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

- a. Other loans and advances includes prepaid expenses and others.

## 10. Investments (current)

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>At Fair Value through Profit or Loss</b>		
<b>Investments in Mutual Funds (unquoted)</b>		
ICICI Prudential Liquid Mutual Fund - Growth	65.37	-
<i>Balance units - 1,977,009.64 (Previous year balance units - Nil)</i>		
HDFC Liquid Mutual Fund - Regular Plan - Growth	65.36	-
<i>Balance units - 149,097.95 (Previous year balance units - Nil)</i>		
<b>Total</b>	<b>130.73</b>	<b>-</b>

## Notes to the Financial Statements for the year ended March 31, 2023

### 11. Trade receivables (Unsecured)

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
Trade receivables	1.76	3.74
Less: loss allowances	(0.69)	(1.02)
<b>Total</b>	<b>1.07</b>	<b>2.72</b>
<b>The movement in allowance for bad and doubtful debts is as follows:</b>		
<b>Balance as at the beginning of the year</b>	1.02	10.23
Liabilities / provisions no longer required written back	(0.33)	-
Loss allowances written back during the previous year	-	(3.01)
Allowances transferred as part of Business Transfer Agreement (Refer note 37)	-	(6.20)
<b>Balance as at the end of the year</b>	<b>0.69</b>	<b>1.02</b>

#### Trade receivables - ageing and other details

March 31, 2023	₹ Crores						Total
	Undisputed trade receivables			Disputed trade receivables-			
	Considered good	Which have significant increase in credit risk	Credit impaired	Considered good	Which have significant increase in credit risk	Credit impaired	
Less than 6 months	0.73	-	-	-	-	-	0.73
6 months - 1 year	-	-	-	-	-	-	-
1 - 2 year	-	-	-	-	-	-	-
2 - 3 year	-	-	-	-	-	-	-
More than 3 years	0.32	0.01	0.70	-	-	-	1.03
<b>Total</b>	<b>1.05</b>	<b>0.01</b>	<b>0.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.76</b>

March 31, 2022	₹ Crores						Total
	Undisputed trade receivables			Disputed trade receivables-			
	Considered good	Which have significant increase in credit risk	Credit impaired	Considered good	Which have significant increase in credit risk	Credit impaired	
Less than 6 months	2.69	-	-	-	-	-	2.69
6 months - 1 year	0.02	-	-	-	-	-	0.02
1 - 2 year	-	-	-	-	-	-	-
2 - 3 year	0.32	0.01	-	-	-	-	0.33
More than 3 years	-	-	0.70	-	-	-	0.70
<b>Total</b>	<b>3.03</b>	<b>0.01</b>	<b>0.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.74</b>

Note:-

The Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivable are due and the rates as given in the provision matrix.



# Notes to the Financial Statements for the year ended March 31, 2023

## 12. Cash and bank balances

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>a. Cash and cash equivalents</b>		
Cash on hand*	-	0.00
Bank balances		
In current accounts	1.19	6.70
<b>Total</b>	<b>1.19</b>	<b>6.70</b>
<b>b. Bank balances other than (a) above</b>		
Other Bank balances		
In deposits (Refer note (a) below)	0.06	0.06
<b>Total</b>	<b>0.06</b>	<b>0.06</b>

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

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

## 13. Loans (unsecured, considered good)

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>Current</b>		
Loan to subsidiaries (Refer note 13 (a) & 36)	355.65	356.22
<b>Total</b>	<b>355.65</b>	<b>356.22</b>

### a. Amount of loan or advance in the nature of loan to subsidiary

Name of the company	₹ Crores		
	As at March 31, 2023	Maximum outstanding balance during the year	% to the total
Prime Focus Technologies Limited	341.00	374.52	95.88%
Jam8 Prime Focus LLP	8.00	8.99	2.25%
Prime Focus Motion Pictures Limited	6.65	15.35	1.87%
	<b>355.65</b>		

Name of the company	₹ Crores		
	As at March 31, 2022	Maximum outstanding balance during the year	% to the total
Prime Focus Technologies Limited	335.65	335.65	94.23%
Jam8 Prime Focus LLP	8.58	8.58	2.41%
Prime Focus Motion Pictures Limited	11.99	11.99	3.37%
	<b>356.22</b>		

- i. Loans given to subsidiaries are considered under "Current Loans", are repayable on demand and management intends to receive the loan within the operating cycle.
- ii. All the above loans carry interest in the range of @10% to 11.65% per annum (previous year @12% per annum)

## Notes to the Financial Statements for the year ended March 31, 2023

- iii. All loans are given for general corporate purpose.
- iv. During the previous year PF Digital Media Services Private Limited assigned it's net receivables of ₹ 10.99 cores to Prime Focus Motion Picture Limited.

### 14. Other financial assets (current)

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
Advances to subsidiaries (Refer note 36)	0.86	1.18
Interest accrued on bank deposits *	0.00	0.00
Unbilled revenue	0.80	0.93
Receivable towards sale of business (Refer note 36)	-	474.41
Security deposits		
Considered good	1.11	1.12
Doubtful	0.15	0.10
	<b>1.26</b>	<b>1.22</b>
Less: loss allowances	(0.15)	(0.10)
	<b>1.11</b>	<b>1.12</b>
Inter corporate deposits		
Considered good	1.53	1.74
Doubtful	0.65	0.44
	<b>2.18</b>	<b>2.18</b>
Less: loss allowances	(0.65)	(0.44)
	<b>1.53</b>	<b>1.74</b>
<b>Total</b>	<b>4.30</b>	<b>479.38</b>

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

### 15. Other current assets (unsecured)

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
Other loans and advances	2.00	95.46
<i>Considered good (Refer note (a) below)</i>		
<b>Total</b>	<b>2.00</b>	<b>95.46</b>

- a. Other loans and advances includes prepaid expenses, loans and advances to employees and others, advances to suppliers, service tax, VAT receivables and Goods and Services Tax (GST).

# Notes to the Financial Statements for the year ended March 31, 2023

## 16. Equity share capital

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>Authorised:</b>		
450,500,000 Shares (Previous year 450,500,000 Shares) of ₹ 1/- each	45.05	45.05
<b>Issued, Subscribed and Paid up:</b>		
299,536,644 Shares (Previous year 299,536,644 Shares) of ₹ 1/- each	29.95	29.95
<b>Total</b>	<b>29.95</b>	<b>29.95</b>

### 16.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year:

#### Fully paid equity shares:

	As at March 31, 2023		As at March 31, 2022	
	Number of Shares	Amount	Number of Shares	Amount
Issued as at the beginning of the year	299,536,644	29.95	299,248,978	29.92
Additions during the year (Refer note 35)	-	-	287,666	0.03
<b>Issued as at the end of the year</b>	<b>299,536,644</b>	<b>29.95</b>	<b>299,536,644</b>	<b>29.95</b>

### 16.2 Shares reserved for issue under options

	As at March 31, 2023	As at March 31, 2022
Shares reserved for issue under options (Refer note 35) (nos)	17,275,068	17,275,068

### 16.3 Rights, preferences and restrictions attached to shares:

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

### 16.4 (a) Shares held by promoters as defined in the Company's Act, 2013 at the end March 31, 2023

Promoter name	No of shares	% of total shares	% change during the year
A2R Holdings	132,445,882	44.22%	-
Naresh Malhotra	62,201,646	20.77%	-
Namit Malhotra	14,900,000	4.97%	-

### 16.4 (b) Shares held by promoters as defined in the Company's Act, 2013 at the end March 31, 2022

Promoter name	No of shares	% of total shares	% change during the year
A2R Holdings	132,445,882	44.22%	-
Naresh Malhotra	62,201,646	20.77%	-
Namit Malhotra	14,900,000	4.97%	-

## Notes to the Financial Statements for the year ended March 31, 2023

### 16.4 (c) Details of shares held by each shareholder holding more than 5%

	As at March 31, 2023		As at March 31, 2022	
	Numbers	% of holding	Numbers	% of holding
A2R Holdings	132,445,882	44.22%	132,445,882	44.22%
Naresh Malhotra	62,201,646	20.77%	62,201,646	20.77%
Marina IV (Singapore) Pte. Limited	23,390,875	7.81%	23,390,875	7.81%
Augusta Investments I Pte. Limited	29,241,817	9.76%	29,241,817	9.76%

### 17. Other equity

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>Securities premium reserve</b>		
As per last balance sheet	768.04	766.57
Add: Movement during the year	-	1.47
	<b>768.04</b>	<b>768.04</b>
<b>Capital reserve</b>		
As per last balance sheet	134.27	134.27
	<b>134.27</b>	<b>134.27</b>
<b>General reserve</b>		
As per last balance sheet	61.09	61.09
	<b>61.09</b>	<b>61.09</b>
<b>Retained earnings</b>		
As per last balance sheet	518.10	226.74
Add: (Loss) / Profit during the year	(24.33)	290.18
Add: Transfer from share option outstanding account	-	1.18
	<b>493.77</b>	<b>518.10</b>
<b>Share options outstanding account</b>		
As per last balance sheet	71.06	72.24
Add: Charge during the year (Refer note 35)	9.38	-
Less: Transfer to retained earnings on exercise of shares	-	(1.18)
	<b>80.44</b>	<b>71.06</b>
<b>Total</b>	<b>1,537.61</b>	<b>1,552.56</b>

- 17.1 Security premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the provisions of the Companies Act, 2013 for specified purposes.
- 17.2 Capital reserve represents reserve created on acquisition of business and warrants application money forfeited.
- 17.3 General reserve is created from time to time by transferring profits from retained earnings and can be utilised for the purposes such as dividend pay-out, bonus issue etc.
- 17.4 Retained earnings represents profit that the Company earned till date, less any transfers to general reserve and other distributions paid to the shareholders.
- 17.5 Share options outstanding account relates to the stock option granted by the Company to employees under the Employee Stock Option Plan (Refer note 35)



## Notes to the Financial Statements for the year ended March 31, 2023

### 18. Borrowings (non-current)

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>Term loans (secured)</b>		
From banks (Refer note (a) below)	-	30.95
<b>Term loans (unsecured)</b>		
From others (Refer note (b) below)	200.00	200.00
<b>Total</b>	<b>200.00</b>	<b>230.95</b>

- a. During the previous year, the Company obtained a working capital term loan from a bank for ₹ 30.95 crores. This facility was 100% credit guaranteed by National Credit Guarantee Trust Company Limited under the Emergency Credit Line Guarantee Scheme. It carried second charge over present and future current assets, movable fixed assets and assets of the Company's India business (excluding specific assets charged against finance lease), second charge by way of pledge over 30% shares of Prime Focus Technologies Limited, Personal Guarantee of Namit Malhotra and pledge of Company shares held by Company's promoters. Tenor of the loan was 6 years from September 2021, repayable in 48 equal instalments after moratorium of 2 years. Interest rate applicable is 1% over 1 year MCLR subject to cap of 9.25%. The Company fully repaid this loan during the year.
- b. On February 25, 2019, the Company had entered into a long-term loan agreement with the lender for an amount of ₹ 200 crores at an annual interest rate of 10% per annum. This term loan interest is payable over the period of 48 months (post 27 months moratorium). The loan principal has to be repaid at the end of the tenure and the interest component has to be paid annually post 27 months of moratorium. At the year end March 31, 2023 and March 31, 2022, ₹ 200 crores is disclosed as non-current.
- c. The promoters of the Company had pledged 2.00 % of shares of the Company and given personal guarantee as at March 31, 2022 towards various borrowings / commitments, including borrowings by the Company. During the year the pledge and personal guarantee was released on settlement of the borrowings.

### 19. Other non current financial liabilities

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
Interest accrued and not due on borrowings	22.25	24.58
Deposit received (Refer note 36)	8.26	-
<b>Total</b>	<b>30.51</b>	<b>24.58</b>

### 20. Provisions (non-current)

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>Provision for employee benefits: (Refer note 33)</b>		
Provision for gratuity	0.57	0.58
Provision for compensated absences	0.49	0.51
<b>Total</b>	<b>1.06</b>	<b>1.09</b>

## Notes to the Financial Statements for the year ended March 31, 2023

### 21. Trade payables

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues to creditors other than micro and small enterprises	7.71	7.54
Dues to group companies (Refer note 36)	1.12	0.53
<b>Total</b>	<b>8.83</b>	<b>8.07</b>

21.1 According to the records available with the Company, there were no transactions and dues payable to entities that are classified as Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 for the above years.

#### Trade payables - ageing and other details

As at March 31, 2023	MSME	Others	Disputed dues- MSME	Disputed dues- others	Total
Provisions	-	1.76	-	0.20	1.96
Not due	-	-	-	-	-
less than 1 years	-	3.51	-	-	3.51
1 to 2 years	-	1.09	-	-	1.09
2 to 3 years	-	0.96	-	-	0.96
more than 3 years	-	1.31	-	-	1.31
<b>Total</b>	<b>-</b>	<b>8.63</b>	<b>-</b>	<b>0.20</b>	<b>8.83</b>

As at March 31, 2022	MSME	Others	Disputed dues- MSME	Disputed dues- others	Total
Provisions	-	1.87	-	0.16	2.03
Not due	-	-	-	-	-
less than 1 years	-	2.83	-	-	2.83
1 to 2 years	-	0.96	-	-	0.96
2 to 3 years	-	-	-	-	-
more than 3 years	-	2.25	-	-	2.25
<b>Total</b>	<b>-</b>	<b>7.91</b>	<b>-</b>	<b>0.16</b>	<b>8.07</b>

### 22. Other current financial liabilities

	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on borrowings	59.44	36.35
Accrued salaries and benefits	0.37	1.61
Capital creditors	0.11	0.64
Deposit received (Refer note 36)	-	7.87
<b>Total</b>	<b>59.92</b>	<b>46.47</b>

Note:- There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2023 (March 31, 2022: Nil).

# Notes to the Financial Statements for the year ended March 31, 2023

## 23. Provisions (current)

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>Provision for employee benefits: (Refer note 33)</b>		
Provision for gratuity	0.31	0.37
<b>Total</b>	<b>0.31</b>	<b>0.37</b>

## 24. Other current liabilities

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
Deferred revenue	-	94.81
Other payables #	1.12	2.70
<b>Total</b>	<b>1.12</b>	<b>97.51</b>

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

## 25. Revenue from operations

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Sale of services (Refer note 36)	10.92	102.51
Property rentals (Refer note 36)	20.43	15.40
Management fee income (Refer note 36)	9.39	-
Export incentives	-	3.01
<b>Total</b>	<b>40.74</b>	<b>120.92</b>
Note:-		
Revenue from top 5 customers	40.71	32.46

## 26. Other income

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest income:		
Bank deposits	0.37	0.24
Others (includes loan to subsidiaries)	38.07	39.02
Income tax refund	-	3.77
Dividend income on equity securities *	0.00	-
Gain on redemption of investment	1.85	2.72
Gain on disposal of property plant and equipments (net)	-	0.46
Liabilities / provisions no longer required written back	0.33	26.26
Miscellaneous income	0.01	0.17
<b>Total</b>	<b>40.63</b>	<b>72.64</b>

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

## Notes to the Financial Statements for the year ended March 31, 2023

### 27. Employee benefits expense

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	4.00	15.24
Contribution to provident and other funds (Refer note 33)	0.07	0.57
Gratuity (Refer note 33)	0.12	0.49
Staff welfare expenses	0.01	0.23
<b>Total</b>	<b>4.20</b>	<b>16.53</b>

### 28. Finance costs

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Interest on working capital finance*	-	1.20
Interest on term loan **	23.34	25.84
Interest on lease liability	0.37	4.83
Interest on others	0.24	0.41
<b>Total</b>	<b>23.95</b>	<b>32.28</b>

\* net of recovery of ₹ 0.69 Crore (previous year - ₹ Nil)

\*\* net of recovery of ₹ 0.44 Crore (previous year - ₹ Nil)

### 29. Other expenses

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Rent	5.96	4.70
Rates and taxes	2.20	1.33
Rebates and discounts	-	0.11
Communication cost	0.12	1.51
Power and fuel	4.83	5.67
Insurance	0.27	0.49
Repairs to buildings	1.03	3.03
Repairs to plant and machinery	0.17	1.65
Legal and professional fees	2.21	1.81
Travelling and conveyance	0.30	0.91
Allowance / (Reversal) for bad and doubtful debts / advances (net)	0.27	(2.74)
Bad debts and advances written off	-	6.76
Directors sitting fees and commission	0.04	0.04
Payment to auditors:		
Audit fees	0.28	0.28
In other matters (certification, limited review, etc.)	0.16	0.10
Miscellaneous expenses	0.73	3.14
<b>Total</b>	<b>18.57</b>	<b>28.79</b>



# Notes to the Financial Statements for the year ended March 31, 2023

## 30. Exceptional items

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Gain on sale of business (Refer note 37)	-	(250.20)
<b>Total</b>	<b>-</b>	<b>(250.20)</b>

## 31. Income tax expense

### A. Income tax recognised in Profit and Loss

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Current Tax	-	-
Deferred Tax	10.55	-
<b>Total Income tax expenses</b>	<b>10.55</b>	<b>-</b>

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

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
- Re-measurement of defined benefit obligation	-	-
<b>Tax charge / (credit)</b>	<b>-</b>	<b>-</b>

### C. Income tax recognised on exceptional item

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
- Gain on sale of business	-	-
<b>Tax charge recognised on exceptional item</b>	<b>-</b>	<b>-</b>

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

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Profit before tax (before exceptional item)	(13.92)	40.50
Applicable tax rate	25.17%	25.17%
Computed tax expense	-	10.19
<i>Tax effect of:</i>		
Deferred tax asset on unutilised losses reversed	10.55	-
Utilisation of previously unrecognised losses	-	(10.19)
<b>Income tax expense recognised in profit or loss</b>	<b>10.55</b>	<b>-</b>

The tax rate used for reconciliation above is the corporate tax rate payable by corporate entities in India on taxable profit under the Income tax laws.

## Notes to the Financial Statements for the year ended March 31, 2023

### E. Movement in temporary differences

	₹ Crores						
	Balance as at March 31, 2023	Recognised in Profit / Loss during 2022-23	Recognised in OCI during 2022-23	Balance as at March 31, 2022	Recognised in Profit / Loss during 2021-22	Recognised in OCI during 2021-22	Balance as at March 31, 2021
<b>Deferred tax liability</b>							
Difference between tax books and written down value of PPE and other intangible assets	50.54	(0.77)	-	51.31	(9.06)	-	60.37
Others	0.08	-	-	0.08	(0.58)	-	0.66
	50.62	(0.77)	-	51.39	(9.64)	-	61.03
<b>Deferred tax assets</b>							
Unabsorbed loss / depreciation carried forward	39.38	(6.55)	-	45.93	(5.48)	-	51.41
Provision for doubtful debts / advances	0.34	(0.05)	-	0.39	(2.24)	-	2.63
Lease Liability	0.12	(4.70)	-	4.82	(1.48)	-	6.30
Others	0.23	(0.02)	-	0.25	(0.44)	-	0.69
	40.07	(11.32)	-	51.39	(9.64)	-	61.03
<b>Net deferred tax liability</b>	10.55	10.55	-	-	-	-	-

### F. Unrecognised deferred tax assets

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
Unabsorbed business loss, depreciation and capital losses	53.99	45.57
	53.99	45.57

### G. Tax losses carried forward

	As at March 31, 2023 (₹ Crores)	Will expire in FY	As at March 31, 2022 (₹ Crores)	Will expire in FY
Unabsorbed business loss FY 2017-18 (AY 2018-19)	39.70	2026-27	39.70	2026-27
Unabsorbed business loss FY 2018-19 (AY 2019-20)	87.37	2027-28	87.37	2027-28
Unabsorbed capital loss FY 2021-22 (AY 2022-23)	235.98	2030-31	235.98	2030-31
Unabsorbed depreciation FY 2020-21 (AY 2021-22)	21.98	Indefinite life	21.98	Indefinite life
Unabsorbed depreciation FY 2022-23 (AY 2023-24)	7.41	Indefinite life	-	-

# Notes to the Financial Statements for the year ended March 31, 2023

## 32. Earnings per equity share (EPS)

Basic EPS amounts are calculated by dividing the net (loss) / profit for the year attributable to equity holders of the Company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the net (loss) / profit attributable to equity shareholders of the Company by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Net Profit after tax as per Statement of Profit and Loss attributable to equity shareholders (after exceptional items)	(24.47)	290.70
Less: Exceptional items (net of tax)	-	(250.20)
Profit / (Loss) after tax (before exceptional items)	(24.47)	40.50
Opening number of Equity shares	299,536,644	299,248,978
Shares issued during the year	-	36,254
<b>Weighted average number of Equity shares for basic EPS</b>	<b>299,536,644</b>	<b>299,285,232</b>
<i>Effects of dilution:</i>		
Weighted average potential Equity shares	5,242,930	4,688,131
<b>Weighted average number of Equity shares adjusted for the effect of dilution</b>	<b>304,779,574</b>	<b>303,973,363</b>
<b>Earnings per share (before exceptional items)</b>		
Basic earnings per share (₹)	(0.82)	1.35
Diluted earnings per share (₹) (Refer note below)	(0.82)	1.33
<b>Earnings per share (after exceptional items)</b>		
Basic earnings per share (₹)	(0.82)	9.71
Diluted earnings per share (₹) (Refer note below)	(0.82)	9.56
Nominal value of shares (₹)	1.00	1.00

Note: Potential equity shares are anti-dilutive in nature and hence diluted earnings per share is same as basic earnings per share.

## 33. Employee benefit plans

### 33.1 Defined contribution plans

The Company makes provident fund, Employee State Insurance and employees' pension scheme contribution to the relevant authorities, which are defined contribution plans for the qualifying employees.

Contribution to defined contribution plans, recognised as expense for the year is as under :

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Employer's contribution to provident fund and other funds	0.07	0.57

## Notes to the Financial Statements for the year ended March 31, 2023

### 33.2 Defined benefit plans

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

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

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

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

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

#### (i) Expense recognised in Statement of Profit and Loss:

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
<b><u>In income statement</u></b>		
Current service cost	0.05	0.30
Interest cost	0.07	0.19
<b>Net cost</b>	<b>0.12</b>	<b>0.49</b>
<b><u>In other comprehensive income (OCI)</u></b>		
Actuarial loss / (gain)	(0.14)	0.52
<b>Net (expenses) / income for the year recognised in OCI</b>	<b>(0.14)</b>	<b>0.52</b>

#### (ii) Reconciliation of opening and closing balances of defined benefit obligation :

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Defined benefit obligation at beginning of the year	0.95	2.81
Current service cost	0.05	0.30
Interest cost	0.07	0.19
Liability transferred out / disinvestments	-	(2.69)
Actuarial (gain) / loss on obligation - due to change in financial assumptions	(0.01)	(0.02)
Actuarial (gain) / loss on obligation - due to experience	(0.13)	0.54
Benefits paid	(0.05)	(0.18)
<b>Defined benefit obligation at year end</b>	<b>0.88</b>	<b>0.95</b>



# Notes to the Financial Statements for the year ended March 31, 2023

## (iii) Actuarial assumptions

	Year ended March 31, 2023	Year ended March 31, 2022
Discount rate (p.a.)	7.44%	7.15%
Rate of escalation in salary (p.a.)	5.00%	5.00%
Attrition rate	For service period 4 years and below 10% p.a. and for service period of above 4 years 2.00% p.a.	For service period 4 years and below 10% p.a. and for service period of above 4 years 2.00% p.a.
Mortality table*	IALM 2012-14 (Urban)	IALM 2012-14 (Urban)

\* IALM - Indian Assured Lives Mortality

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

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

## (iv) Sensitivity analysis:

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

	2022-23		2021-22	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (1% movement)	(0.04)	0.05	(0.05)	0.06
Future salary appreciation (1% movement)	0.04	(0.04)	0.05	(0.05)
Attrition rate (1% movement)	0.01	(0.01)	0.01	(0.01)

## 34. Financial instruments

### 34.1 Capital risk management

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

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

The capital structure consists of borrowings, offset by cash and bank balances, equity (comprising issued capital, reserves and retained earnings as detailed in statement of changes in shareholders' equity), and share warrants. The debt equity ratio for current year is 0.18 as on March 31, 2023 (March 31, 2022: 0.18)

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

## Notes to the Financial Statements for the year ended March 31, 2023

### 34.2 Financial risk management objectives

A wide range of risks may affect the Company's business and financial results. Amongst other risks that could have significant influence on the Company are market risk, credit risk and liquidity risk.

The Board of Directors of the Company manage and review the affairs of the Company by setting up short term and long-term budgets by monitoring the same and taking suitable actions to minimise potential adverse effects on its operational and financial performance.

### 34.3 Market risk

The Company is primarily exposed to the following market risks.

#### 34.3.1 Foreign currency risk management

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

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

Particulars	Foreign Currency Denomination	As at March 31, 2023		As at March 31, 2022	
		Foreign Currency	₹ Crores	Foreign Currency	₹ Crores
Financial assets	GBP	23,074	0.23	-	-
	USD	2,682	0.02	2,682	0.02
<b>Total</b>			<b>0.25</b>		<b>0.02</b>
Financial liabilities	EURO	-	-	800	0.01
<b>Total</b>			<b>-</b>		<b>0.01</b>
<b>Net exposure</b>			<b>0.25</b>		<b>0.01</b>

The Company's sensitivity to a 5% appreciation/depreciation of above mentioned foreign currencies with respect to Rupee would result in decrease/increase in the Company's net (loss)/profit before tax by approximately ₹ 0.01 crore for the year ended March 31, 2023 (March 31, 2022: ₹ Nil). This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

#### 34.3.2 Interest rate risk management

The Company is exposed to interest rate risk because it borrows funds at floating interest rates also. During the year, the Company has repaid in full its long-term borrowings carrying floating interest rate.

The sensitivity analysis for exposure to interest rates on borrowings as at the end of the reporting period indicates that a 50 basis point increase in floating interest rates on such borrowings would have decreased equity and profit for the year by ₹ Nil crores in March 31, 2023 and ₹ 0.15 in March 31, 2022 and a 50 basis point decrease in floating interest rates on such borrowings would have increased equity and profit by the same amount respectively.

#### 34.3.3 Credit risk management

Credit risk is the risk of financial loss to the Company if a client or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from clients and cash. Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis.

The Company has a low credit risk in respect of its trade receivables as its principal customers are subsidiaries of the Company. The Company is also exposed to credit risk in respect of its cash and seeks to minimise this risk by holding funds on deposit with banks, mutual funds and others.

## Notes to the Financial Statements for the year ended March 31, 2023

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 137.57 crores and ₹ 11.47 crores as at March 31, 2023 and March 31, 2022 respectively, being the total of the carrying amount of the balances with banks, bank deposits, investments (excluding equity and preference investments), trade receivables, unbilled revenue and other financial assets (excluding group company receivables).

As on March 31, 2023, three customers contributes to more than 10% of outstanding trade receivables and unbilled revenue. As at March 31, 2022, no customer contributes to more than 10% of outstanding trade receivables and unbilled revenue.

The Company's historical experience of collecting receivables and the level of default indicates that the credit risk is low and generally uniform across markets. Loss allowance is recognised where considered appropriate by the management.

### 34.4 Liquidity risk management

Liquidity risk refers to the risk that the Company may not be able to meet its financial obligations timely.

Management monitors rolling forecasts of the Company's liquidity position (comprising of undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents. The Company manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Company also has adequate credit facilities agreed with banks and others to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below analyses the maturity profile of the Company's financial liabilities. The following break up is based on the remaining period at the balance sheet date to the contractual maturity date.

	₹ Crores		
As at March 31, 2023	Due within one year	Due after one year	Total
Long term and short term borrowings	-	200.00	200.00
Lease liabilities	0.66	0.44	1.10
Interest accrued but not due	59.44	22.25	81.69
Trade payables	8.83	-	8.83
Deposit received	-	8.26	8.26
Others	0.48	-	0.48
	<b>69.41</b>	<b>230.95</b>	<b>300.36</b>

	₹ Crores		
As at March 31, 2022	Due within one year	Due after one year	Total
Long term and short term borrowings	-	230.95	230.95
Lease liabilities	4.13	0.69	4.82
Interest accrued but not due	36.35	24.58	60.93
Trade payables	8.07	-	8.07
Deposit received	7.87	-	7.87
Others	2.25	-	2.25
	<b>58.67</b>	<b>256.22</b>	<b>314.89</b>

# Notes to the Financial Statements for the year ended March 31, 2023

## 34.5 Fair value instruments

₹ Crores

Financial Assets	Carrying Value		Fair Value		Fair Value hierarchy
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
<b>FVTPL</b>					
Investments (Refer note 34.5.a)	0.01	0.01	0.01	0.01	Level 3
Investments	130.73	-	130.73	-	Level 1
<b>Amortised cost</b>					
Investments	1,035.91	681.80	-	-	
Loans	355.65	356.22	-	-	
Trade receivables	1.07	2.72	-	-	
Cash and cash equivalents	1.19	6.70	-	-	
Other bank balances	0.06	0.06	-	-	
Other financial assets	6.16	481.22	-	-	
<b>Total</b>	<b>1,530.78</b>	<b>1,528.73</b>	<b>130.74</b>	<b>0.01</b>	
<b>Financial Liabilities</b>					
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	Fair Value hierarchy
<b>Amortised cost</b>					
Borrowings (including interest payable)	281.69	291.88	-	-	
Lease liabilities	1.10	4.82	-	-	
Trade payables	8.83	8.07	-	-	
Deposits received	8.26	7.87	-	-	
Other financial liabilities	0.48	2.25	-	-	
<b>Total</b>	<b>300.36</b>	<b>314.89</b>	<b>-</b>	<b>-</b>	

a. Accounting classification and fair value

The following table disclose the fair values of financial assets and financial liabilities, including their levels in fair value hierarchy.

₹ Crores

Financial Assets / Liabilities	As at March 31, 2023	As at March 31, 2022	Fair Value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
<b>Financial Assets</b>						
Investment	0.01	0.01	Level 3	Discounted cash flows	Discount rate and probable cash flows	Higher the discount rate, lower the fair value



# Notes to the Financial Statements for the year ended March 31, 2023

## 35. Share based payments

- A. During the financial year 2014-15, the Board of Directors of the Company and its Shareholders' approved a share option plan and reserved 17,932,738 common shares for issuance thereunder. During the financial year 2016-17, options totalling to 17,932,738 ordinary shares were granted to certain identified eligible employees. Detailed description of share based payment arrangements is as below:

(a) Date of shareholders' approval	August 01, 2014
(b) Total number of options approved under ESOP	17,932,738
(c) Vesting requirements	Out of the total options granted, 45.88% options vest after 1st year, 45.88% options vest after 2nd year and 8.24% options vest after 3rd year from the date of respective grant.
(d) Exercise price or pricing formula	₹ 52
(e) Maximum term of options granted	10 years from each vesting date
(f) Source of shares (primary, secondary or combination)	Primary
(g) Variation in terms of options	Modified exercise period from 2 to 10 years (Refer note (C) and (D) below)

- B. The weighted average fair value of the share option granted during the financial year 2016-17 is ₹32.26/-. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 2 – 4 years.

### Inputs into the model were as follows:

(a) Grant date share price	₹ 68.35
(b) Exercise price	₹ 52.00
(c) Expected volatility	49.67% – 46.62%
(d) Expected life	2 – 4 years
(e) Dividend yield	-
(f) Risk free interest rate	6.85% to 6.97%

- C. The Company had extended the exercise period of all outstanding options from 2 years to 5 years in financial year 2018-19. The weighted average incremental fair value of the share options modified was ₹ 8.72/-. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 1.90 – 3.40 years.

### Inputs into the model were as follows:

(a) Weighted average share price	₹ 70.80
(b) Exercise price	₹ 52.00
(c) Expected volatility	49.10% – 46.60%
(d) Expected life	1.90 – 3.40 years
(e) Dividend yield	-
(f) Risk free interest rate	7.90 % to 8.00 %

- D. The Company extended the exercise period of all outstanding options from 5 years to 10 years in financial year 2022-23. The weighted average incremental fair value of the share options modified was ₹ 5.43/-. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 6 – 8 years.

## Notes to the Financial Statements for the year ended March 31, 2023

### Inputs into the model were as follows:

(a) Weighted average share price	₹ 63.50
(b) Exercise price	₹ 52.00
(c) Expected volatility	58.40 % – 61.60 %
(d) Expected life	6 – 8 years
(e) Dividend yield	-
(f) Risk free interest rate	7.29 % to 7.39 %

### E. Reconciliation of outstanding share options:

	March 31, 2023		March 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Outstanding at 01, April	17,275,068	52.00	17,562,734	52.00
Granted during the year	-	-	-	-
Forfeited / lapsed during the year	-	-	-	-
Exercised during the year	-	-	287,666	52.00
Outstanding at 31, March	17,275,068	52.00	17,275,068	52.00
Exercisable at 31, March	17,275,068	52.00	17,275,068	52.00

Fair value of Nil option vested during the year is ₹ Nil (March 31, 2022: Nil options vested)

Money realised by exercise of option during the year is ₹ Nil (March 31, 2022: ₹ 1.50 crores).

The options outstanding at March 31, 2023 have an exercise price of ₹ 52/- (March 31, 2022: ₹ 52/-) and a weighted average remaining contractual life of 52 months (March 31, 2022: 4 months)

Weighted average share price at the date of the exercise of share options exercised in 2022-23 is ₹ Nil (March 31, 2022: ₹ 65.55).

### F. Expense recognised in Statement of Profit and Loss

The Company has followed the fair value method to account for the modification of stock options exercise period and accordingly recorded a charge for the year ended March 31, 2023 of ₹ 9.38 crore (March 31, 2022: ₹ Nil).

## 36. Related party transactions

### A. List of parties where control exists, irrespective of transactions:

#### i) Subsidiary companies

Prime Focus Technologies Limited

Prime Focus Production Services Private Limited

GVS Software Private Limited

Prime Focus Motion Pictures Limited

PF World Limited, (Mauritius)

PF Investments Limited (Mauritius)

Jam8 Prime Focus LLP

# Notes to the Financial Statements for the year ended March 31, 2023

## ii) Step-down subsidiary companies

### **Subsidiary companies of PF World Limited (Mauritius)**

PF Media Limited

PF Overseas Limited (Mauritius)

Prime Focus Media UK Limited

Prime Focus Luxembourg S.a.r.l.\*

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

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

### **Subsidiary companies of Prime Focus World N.V.**

DNEG Plc

Prime Focus International Services UK Limited

DNEG North America Inc.

DNEG Bulgaria EOOD

Double Negative Montreal Productions Limited

DNEG India Media Services Limited

Prime Focus China Limited (Dissolved on February 27, 2023)

Double Negative Holdings Limited

### **Subsidiary company of Double Negative Montreal Productions Limited**

Double Negative Toronto Productions Limited

### **Subsidiary companies of Double Negative Holdings Limited**

Double Negative Limited

Double Negative Singapore Pte Limited

Double Negative Film Limited

Double Negative LA LLC

Incamera Limited (Joint venture)

### **Subsidiary companies of Double Negative Limited**

Double Negative Canada Productions Limited

Double Negative Hungary Limited

DNEG Australia PTY Limited

DNEG Spain S.L.

### **Subsidiary companies of Double Negative Canada Productions Limited**

Double Negative Huntsman VFX Limited

Vegas II VFX Limited

### **Subsidiary company of DNEG India Media Services Limited**

Prime Focus Academy of Media & Entertainment Studies Private Limited

## Notes to the Financial Statements for the year ended March 31, 2023

### Subsidiary companies of Prime Focus Technologies Limited

Prime Focus Technologies UK Limited

Prime Focus Technologies, Inc.

Apptarix Mobility Solutions Private Limited

Prime Focus Technologies PTE Limited

### Subsidiary companies of Prime Focus Technologies UK Limited

Prime Post Europe Limited

Prime Focus MEAD FZ LLC

### Subsidiary company of Prime Focus Technologies, Inc.

DAX Cloud ULC

### Subsidiary companies of PF Media Limited

Lowry Digital Imaging Service Inc

*\* Renamed as DNEG S.a.r.l on May 30, 2023*

### B. Key management personnel (KMP)

Mr. Namit Malhotra – Non Executive Director

Mr. Naresh Malhotra – Chairman and Whole-time Director

Mr. Nishant Fadia – Chief Financial Officer

Ms. Parina Shah – Company Secretary

### C. Enterprises owned or significantly influenced by Key Management Personnel or their relatives and where Company had transactions during the reporting period.

Blooming Buds Coaching Private Limited

A2R Holdings

### D. List of related parties with whom transactions have taken place during the year

#### (i) Subsidiary companies

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>Revenue from operations - Sale of service</b>		
Prime Focus Technologies Limited	-	0.40
<b>Revenue from operations - Rent income</b>		
Jam8 Prime Focus LLP	0.86	1.63
<b>Technical service cost</b>		
Jam8 Prime Focus LLP	0.15	0.04
<b>Reimbursement of expenses incurred by</b>		
Prime Focus Technologies Limited	0.06	0.18
<b>Reimbursement of expenses incurred on behalf of</b>		
Prime Focus Technologies Limited	1.27	1.81
GVS Software Private Limited*	0.00	-



# Notes to the Financial Statements for the year ended March 31, 2023

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Prime Focus Production Services Private Limited *	0.00	-
Jam8 Prime Focus LLP*	0.00	-
<b>Investments (Equity Shares)</b>		
PF Overseas Limited (Mauritius)	8.26	-
<b>Investments (Optionally Convertible Preference Shares)</b>		
PF World Limited, (Mauritius)	-	67.53
PF Overseas Limited (Mauritius)	391.62	-
<b>Redemption of Investments (including premium on redemption)</b>		
PF World Limited, (Mauritius)	-	5.58
PF Overseas Limited (Mauritius)	46.10	-
<b>Loans given to</b>		
Prime Focus Technologies Limited	115.00	159.61
Prime Focus Motion Pictures Limited	6.08	1.00
Jam8 Prime Focus LLP	1.59	1.72
<b>Loans repaid by (including interest, where applicable)</b>		
Prime Focus Technologies Limited	142.85	164.38
Prime Focus Motion Pictures Limited	11.47	-
Jam8 Prime Focus LLP	2.10	0.09
<b>Receivables &amp; payables assigned to (net)</b>		
Prime Focus Motion Pictures Limited	-	10.99
<b>Payables assigned to</b>		
Prime Focus Motion Pictures Limited	-	6.01
<b>Interest on loans given</b>		
Prime Focus Technologies Limited	36.19	37.89
Prime Focus Motion Pictures Limited	1.20	-
Jam8 Prime Focus LLP	0.68	0.71
<b>Balance outstanding</b>		
<b>Trade receivables</b>		
Prime Focus Motion Pictures Limited	0.32	0.32
PF Overseas Limited (Mauritius)	0.02	0.02
<b>Trade payables</b>		
Prime Focus Motion Pictures Limited	0.17	0.46
Prime Focus Technologies Limited	-	0.07
<b>Other receivable</b>		
Prime Focus Production Services Private Limited	0.01	0.01
GVS Software Private Limited	0.02	0.02
Prime Focus Motion Pictures Limited	0.06	0.06
Prime Focus Technologies Limited	0.77	0.16
Jam8 Prime Focus LLP*	0.00	-
<b>Unbilled revenue</b>		
Prime Focus Technologies Limited	-	0.28
<b>Loans receivable (including interest, where applicable)</b>		
Prime Focus Technologies Limited	341.00	335.65

## Notes to the Financial Statements for the year ended March 31, 2023

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Prime Focus Motion Pictures Limited	6.65	11.99
Jam8 Prime Focus LLP	8.00	8.58
<b>Advance receivable</b>		
Prime Focus Motion Pictures Limited	-	13.10

### (ii) Step-down Subsidiaries

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>Revenue from operations - Rent income</b>		
DNEG India Media Services Limited	19.57	13.77
<b>Revenue from operations - Management fee income</b>		
DNEG India Media Services Limited	9.05	-
<b>Interest expense recharged</b>		
DNEG India Media Services Limited	1.12	-
<b>Technical service cost</b>		
DNEG India Media Services Limited	1.83	-
<b>Reimbursement of expenses incurred by</b>		
DNEG India Media Services Limited	-	0.04
<b>Reimbursement of expenses incurred on behalf of</b>		
DNEG India Media Services Limited	1.19	4.52
<b>Post-production business slump sale consideration (Including adjustment for working capital)</b>		
DNEG India Media Services Limited	-	379.49
<b>Receipt towards business slump sale consideration</b>		
DNEG India Media Services Limited	473.41	44.50
<b>Amount received from customers on behalf of</b>		
DNEG India Media Services Limited	25.92	-
<b>Security deposit repaid</b>		
DNEG India Media Services Limited	-	44.43
<b>Balance outstanding</b>		
<b>Trade receivables</b>		
DNEG India Media Services Limited	0.44	2.69
<b>Advances to subsidiaries</b>		
DNEG India Media Services Limited *	0.00	-
<b>Trade Payables</b>		
DNEG India Media Services Limited	0.95	-
<b>Other receivable (including receivable towards sale of business / investment)</b>		
DNEG India Media Services Limited	-	474.34
<b>Unbilled revenue</b>		
DNEG India Media Services Limited	0.80	0.65
<b>Security deposit payable</b>		
DNEG India Media Services Limited	7.87	7.87

# Notes to the Financial Statements for the year ended March 31, 2023

## (iii) Key Management Personnel #

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>Remuneration</b>		
Mr. Naresh Malhotra**	1.80	1.18
Mr. Nishant Fadia	0.60	0.59
Ms. Parina Shah	0.36	0.28
<b>Balance Outstanding – Remuneration Payable</b>		
Mr. Naresh Malhotra**	0.09	0.07
Mr. Nishant Fadia	0.04	0.04
Ms. Parina Shah	0.02	0.03

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

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>Interest expense on lease liability</b>		
Blooming Bud Coaching Private Limited	-	1.94
<b>Deposit assigned to DNEG India Media Services Limited</b>		
Blooming Bud Coaching Private Limited	-	5.30
<b>Lease liability assigned to DNEG India Media Services Limited</b>		
Blooming Bud Coaching Private Limited	-	15.42

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

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
Prime Focus Technologies Limited	39.00	39.00
DNEG India Media Services Limited	60.00	134.00
	<b>99.00</b>	<b>173.00</b>

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

The promoters of the Company had pledged 2.00 % of shares of the Company and given personal guarantee as at March 31, 2022 towards various borrowings / commitments, including borrowings by the Company. During the year the pledge and personal guarantee was released on settlement of the borrowings. (Refer note 18 (c))

# The figures of Key management personnel do not include provisions for gratuity / other employee benefit as separate actuarial valuation not available.

Under ESOP Scheme 2014, 27,80,000 options were granted to Key management personnel. The stock options outstanding for KMP's as at March 31, 2023 is 27,70,000 (March 31, 2022: 27,70,000) and employee stock option expense for the year March 31, 2023 is ₹ 1.50 crores (March 31, 2022: ₹ Nil crores).

## Notes to the Financial Statements for the year ended March 31, 2023

37. During the previous year, effective March 31, 2022, pursuant to shareholders approval, the Company sold the business of all post-production related services that was undertaken by the Company through its divisions which carried out this business, but excluding the business of services/ rental of shooting floors as referred in the Business Transfer Agreement executed by the Company, as a going concern, by way of a slump sale to DNEG India Media Services Limited, an indirect subsidiary of the Company, for a lump sum consideration of ₹ 365.00 crore, adjusted for working capital adjustments and indebtedness, resulting into gain of ₹ 250.20 crore, recorded as an exceptional item.
38. During the previous year, the Company received an approval for the Scheme of Amalgamation of PF Digital Media Services Limited (PF Digital) with Prime Focus Limited (PFL) from National Company Law Tribunal, Mumbai pursuant to Sections 230-232 and other relevant provisions of the Companies Act, 2013. Consequently, PF Digital merged with PFL from the Appointed date i.e. April 01, 2021. As per Ind AS 103 (Appendix C), "Business Combinations of entities under common control", the financial information in the financial statements in respect of prior periods were restated as if the business combination had occurred from the beginning of the first year presented i.e. April 1, 2020, accordingly prior periods presented were restated to give this effect.

### 39. Leases

#### a. Maturity profile of lease liabilities

	₹ Crores		
	As at March 31, 2023		
	Carrying Amount	Interest	Undiscounted Cash flow
within one year	0.66	0.09	0.75
later than one year and not later than five years	0.44	0.08	0.52
later than five years	-	-	-
	<b>1.10</b>	<b>0.17</b>	<b>1.27</b>

	₹ Crores		
	As at March 31, 2022		
	Carrying Amount	Interest	Undiscounted Cash flow
within one year	4.13	0.37	4.50
later than one year and not later than five years	0.69	0.04	0.73
later than five years	-	-	-
	<b>4.82</b>	<b>0.41</b>	<b>5.23</b>

### 40. Capital and other commitments

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances), and not provided for:	-	-



# Notes to the Financial Statements for the year ended March 31, 2023

## 41. Contingent liabilities

	As at March 31, 2023	As at March 31, 2022
I. <b>Octroi duty:</b> Raised by The Municipal Corporation of Greater Mumbai for non-payment of octroi on certain equipments during 2017-18 and the matter is pending with Metropolitan Magistrate 42nd Court.	1.74	1.74
II. Guarantees given on behalf of subsidiaries and step-down subsidiaries	99.00	173.00

Note : In respect of above matter, the Company is hopeful of succeeding and as such does not expect any significant liability to crystallise.

## 42. Additional regulatory informations:

### i. Key financial ratios

Ratios	As at March 31, 2023	As at March 31, 2022	Variation %	Reason for variation
Current ratio	6.99	5.45	28.16	Note-1
Debt-Equity ratio	0.13	0.15	(12.58)	
Debt service coverage ratio	0.72	1.71	(57.93)	Note-2
Return on equity ratio	(0.02)	0.20	(107.68)	Note-2
Debtors (trade receivable) turnover ratio	21.50	6.58	226.52	Note-3
Trade payables turnover ratio	2.97	2.61	13.92	
Net capital turnover ratio	0.07	0.21	(67.50)	Note-2
Net profit ratio	(0.60)	2.40	(124.98)	Note-2
Return on capital employed	0.01	0.04	(85.86)	Note-2
Return on investment	(0.02)	0.18	(108.50)	Note-2

### Reasons for variation:

- 1) Current ratio: improved on account of decrease in current assets and liabilities on reduction in operations.
- 2) Return on equity/ investments/capital employed/net profit ratio/debt service coverage/net capital turn over ratio:- Decrease due to reduction in revenue / earnings on business transfer. (Refer note 37).
- 3) Debtors turnover ratio improved on account of decrease in year end receivables.

### Formula for computation of aforesaid ratios

- 1) Current ratio: Current asset / Current liability
- 2) Debt equity ratio: Total debt / Total equity
- 3) Debt service coverage ratio: Earning before interest, depreciation and tax / Interest + principal repayment of long term borrowings and Leases
- 4) Return on equity/ investments: Profit after Tax/ Average equity
- 5) Debtors (trade receivable) turnover ratio: Revenue from operations / Average account receivable

## Notes to the Financial Statements for the year ended March 31, 2023

- 6) Trade payables turnover ratio: Total expenses excluding employee cost, interest and depreciation / Average trade payables
- 7) Net capital turnover ratio: Revenue from operations / Average working capital
- 8) Net profit ratio: Profit after tax/ Revenue from operations
- 9) Return on capital employed: Net profit before interest and tax / Capital Employed (Shareholders Fund + long term borrowings)
- 10) Return on investment: Profit after tax / Total equity

### ii. Other informations:-

- a. The Company does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- b. The Company has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- c. The Company has transactions with other companies that are struck off under Section 248 of the Company's Act, 2013 or Section 560 of the Company's Act, 1956.

		₹ Crores	
Name of the Company	Nature of transactions with struck-off company	As at March 31, 2023	As at March 31, 2022
Razorblade Pictures Private Limited	Revenue	-	0.04

- d. The Company has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- e. There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- f. The Company has not traded or invested in crypto currency or virtual currency during the year.
- g. Utilisation of borrowed funds and share premium :
  - (i). The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries) or
    - Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
  - (ii). The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- h. The Company does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

# Notes to the Financial Statements for the year ended March 31, 2023

## 43. Corporate social responsibility

In view of the average net loss in past three immediately preceding financial years, the Company was not required to and did not incur any expenditure towards the Corporate Social Responsibility activities during FY 2022-23 (previous year ₹ Nil).

## 44. Segment reporting

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

## 45. Event after reporting period

There were no events after the reporting period requiring adjustments or disclosures in these standalone financial statements.

## 46. Approval of Financial Statements

The standalone financial statements were approved for issue by the Board of Directors on May 30, 2023.

See accompanying notes to the financial statements 1 to 46

For and on behalf of the Board of Directors

**Naresh Mahendranath Malhotra**  
Chairman and Whole-time Director  
DIN: 00004597

**Namit Naresh Malhotra**  
Director  
DIN: 00004049

**Nishant Avinash Fadia**  
Chief Financial Officer

**Parina Nirav Shah**  
Company Secretary

Place : Mumbai  
Date : May 30, 2023

# Independent Auditor's Report

## To The Members of Prime Focus Limited

### Report on the Audit of the Consolidated Financial Statements

#### Opinion

We have audited the accompanying consolidated financial statements of Prime Focus Limited ("the Parent") and its subsidiaries, (the Parent and its subsidiaries together referred to as "the Group"), which comprise the Consolidated Balance Sheet as at March 31, 2023, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of the other auditors on separate financial statements of the subsidiaries referred to in the Other Matters section below, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2023, and their consolidated net profit, their consolidated total comprehensive loss, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matter described below to be the key audit matter to be communicated in our report.

Sr. No	Key Audit Matter	Auditor's Response
1	<p><b>Revenue recognition in respect of fixed price contracts (including variable considerations)</b> (Note 3.1 to the Financial Statements).</p> <p>Estimated effort is a critical estimate to determine revenues and liability for onerous obligations. This estimate has an inherent uncertainty as it requires consideration of progress of the contract, efforts incurred till date and efforts required to complete the remaining performance obligations.</p>	<p><b>Principal audit procedure performed:</b></p> <p>This matter relates to a significant component which has been audited by another auditor. As Parent auditor, procedures performed included reviewing the deliverables provided by the component auditor and engaging in discussions with them to understand the procedures performed by that auditor.</p> <p>We have reviewed the working papers of the component auditors and sought information and explanations from the component auditors, as considered, necessary. Emanating therefrom, their audit approach was a combination of test of internal controls and substantive procedures which included the following:</p> <ul style="list-style-type: none"> <li>• Evaluation of the design of controls relating to recording of efforts incurred and estimation of efforts required to complete the (balance) performance obligations.</li> <li>• Performing test of details for reasonableness of incurred and estimated efforts.</li> <li>• Selecting a sample of contracts and performing a retrospective review of efforts incurred with estimated efforts to identify significant variations and verify whether those variations have been considered in estimating the remaining efforts to complete the contract.</li> </ul>



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

- The Parent's Board of Directors is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis and Board's Report including Annexures to Board's report, but does not include the consolidated financial statements, standalone financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information, compare with the financial statements of the subsidiaries audited by the other auditors, to the extent it relates to these entities and, in doing so, place reliance on the work of the other auditors and consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. Other information so far as it relates to the subsidiaries is traced from their financial statements audited by the other auditors.
- If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

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

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the respective entities to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate their respective entities or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

### Auditor's Responsibility for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue

as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities or business activities included in the consolidated financial statements of which we are the independent auditors. For the other entities or business activities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Parent and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or

when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matter

We did not audit the financial statements of 41 subsidiaries, whose financial statements reflect total assets of Rs.7,877.47 crore as at March 31, 2023, total revenues of Rs.4,272.28 crore and net cash outflows amounting to Rs.61.09 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements/ financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of subsection (3) of section 143 of the Act, in so far as it relates to the aforesaid subsidiaries is based solely on the reports of the other auditors.

Our opinion on the consolidated financial statements above and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on the separate financial statements of the subsidiaries referred to in the Other Matter section above we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent as on March 31, 2023 taken on record

- by the Board of Directors of the Parent and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on March 31, 2023 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 and the operating effectiveness of such controls, refer to our separate Report in "Annexure A" which is based on the auditors' reports of the Parent and subsidiary companies incorporated in India. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls with reference to financial statements of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
- i) The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group.
  - ii) The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
  - iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Parent, and its subsidiary companies incorporated in India.
  - iv) (a) The respective management of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Parent or any such subsidiaries or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent or any of such subsidiaries ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (b) The respective management of the Parent and its subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, have represented to us and to the other auditors of such subsidiaries that, to the best of their knowledge and belief, no funds have been received by the Parent or any such subsidiaries from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Parent or any of such subsidiaries shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - (c) Based on the audit procedures performed that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India, whose financial statements have been audited under the Act, nothing has come to our or other auditors notice that has caused us or the other auditors to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
  - v) The Parent and its subsidiaries, which are companies incorporated in India, whose financial statements have been audited under the Act, has not declared or paid any dividend during the year and has not proposed final dividend for the year.
  - vi) Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable w.e.f. April 1, 2023 to the Parent and its subsidiaries which are companies incorporated in India, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.
2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by the auditors of the subsidiaries included in the consolidated financial statements of the Parent, to which reporting under CARO is applicable, provided to us by the Management of the Parent and based on the identification of matters of qualifications or adverse remarks in their CARO reports by the respective component auditors and provided to us, we report that the auditors of such companies have not reported any qualifications or adverse remarks in their CARO report except for the following:

- a) In respect of one of its subsidiary:

Name of the company	CIN	Nature of relationship	Clause number of CARO report with qualification/ adverse remark
Prime Focus Technologies Limited	U72200MH2008PLC179850	Subsidiary	(ix)(d)- On an overall examination of the financial statements of the Company, the funds raised on short term basis aggregating Rs.326.29 crore have been used for long-term purposes.

- b) In respect of the following companies included in the consolidated financial statements of the Group, whose audits under section 143 of the Act has not yet been completed, the CARO report as applicable in respect of those entities are not available and consequently have not been provided to us as on the date of this audit report:

Name of the company	CIN	Nature of relationship
DNEG India Media Services Limited	U70100MH2006PLC160748	Subsidiary company

For **Deloitte Haskins & Sells Chartered Accountants LLP**

Chartered Accountants

(Firm's Registration No. 117364W/W100739)

**Varsha A. Fadte**

Partner

(Membership No. 103999)

UDIN: 23103999BGXJES8903

Panaji, Goa, May 30, 2023



# Annexure “A” to the Independent Auditor’s Report

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

## Report on the Internal Financial Controls with reference to consolidated financial statements 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 year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of Prime Focus Limited (hereinafter referred to as “the “Parent”) and its subsidiary companies, which are companies incorporated in India, as of that date.

### Management’s Responsibility for Internal Financial Controls

The respective Board of Directors of the Parent, its subsidiary companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the internal control with reference to consolidated financial statements criteria established by the respective Companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI)”. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditor’s Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India, based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to consolidated financial statements 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 with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors of the subsidiary companies, which are companies incorporated in India, in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to consolidated financial statements of the Parent, its subsidiary companies, which are companies incorporated in India.

### Meaning of Internal Financial Controls with reference to consolidated financial statements

A company’s internal financial control with reference to consolidated financial statements 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 with reference to consolidated financial statements 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 with reference to consolidated financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with

reference to consolidated financial statements to future periods are subject to the risk that the internal financial control with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors referred to in the Other Matter paragraph below, the Parent, its subsidiary companies, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the criteria for internal financial control with reference to consolidated financial statements established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

### Other Matter

Our aforesaid report under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to consolidated financial statements insofar as it relates to 6 subsidiary companies, which are companies incorporated in India, is based solely on the corresponding reports of the auditors of such companies incorporated in India.

Our opinion is not modified in respect of the above matter.

For **Deloitte Haskins & Sells Chartered Accountants LLP**

Chartered Accountants

(Firm's Registration No.117364W/W100739)

**Varsha A. Fadte**

Partner

(Membership No. 103999)

UDIN: 23103999BGXJES8903

Panaji, Goa, May 30, 2023

# Consolidated Balance Sheet

as at March 31, 2023

	Notes	As at March 31, 2023	As at March 31, 2022
₹ Crores			
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	483.98	372.78
Capital work-in-progress	7 a	63.27	10.80
Goodwill	8	1,172.65	1,101.63
Other intangible assets	5	434.64	481.27
Right to use assets	6	975.94	939.65
Intangible assets under development	7 b	88.60	17.13
<b>Financial assets</b>			
Investments	9	0.26	0.26
Other financial assets	10	1,075.25	744.80
Deferred tax assets (net)	35 d	57.13	79.07
Income tax asset (net)		65.22	73.13
Other non-current assets	11	35.46	45.72
<b>Total non-current assets</b>		<b>4,452.40</b>	<b>3,866.24</b>
<b>Current assets</b>			
<b>Financial assets</b>			
Investments	12	130.74	-
Trade receivables	13	624.51	450.74
Cash and cash equivalents	14 a	153.22	237.46
Bank balance other than above	14 b	3.65	1.84
Other financial assets	15	1,278.39	875.41
Income tax asset (net)		-	0.12
Other current assets	16	141.56	246.14
<b>Total current assets</b>		<b>2,332.07</b>	<b>1,811.71</b>
<b>Total assets</b>		<b>6,784.47</b>	<b>5,677.95</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	17	29.95	29.95
Other equity	18	(4.77)	84.35
<b>Equity attributable to owners of the Company</b>		<b>25.18</b>	<b>114.30</b>
Non-controlling interests		131.88	77.43
<b>Total equity</b>		<b>157.06</b>	<b>191.73</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			

₹ Crores

	Notes	As at March 31, 2023	As at March 31, 2022
Borrowings	19	3,472.00	1,034.83
Lease liabilities	42	817.73	803.90
Other financial liabilities	20	599.96	194.99
Provisions	21	42.04	31.61
Deferred tax liabilities (net)	35 d	41.85	39.72
Other non-current liabilities	22	0.37	0.45
<b>Total non-current liabilities</b>		<b>4,973.95</b>	<b>2,105.50</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	23	413.73	2,026.55
Lease liabilities	42	188.05	237.01
Trade payables			
total outstanding dues of micro enterprises and small enterprises	24	0.12	0.10
total outstanding dues of creditors other than micro enterprises and small enterprises	24	225.04	226.60
Other financial liabilities	25	365.16	413.90
Provisions	26	89.74	68.51
Current tax liabilities (net)		25.32	49.56
Other current liabilities	27	346.30	358.49
<b>Total current liabilities</b>		<b>1,653.46</b>	<b>3,380.72</b>
<b>Total liabilities</b>		<b>6,627.41</b>	<b>5,486.22</b>
<b>Total equity and liabilities</b>		<b>6,784.47</b>	<b>5,677.95</b>

See accompanying notes to the consolidated financial statements 1-48

In terms of our report attached.

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

**For and on behalf of the Board of Directors**

**Varsha A. Fadte**  
Partner

**Naresh Malhotra**  
Chairman and Whole-time Director  
DIN: 00004597

**Namit Malhotra**  
Director  
DIN: 00004049

**Nishant Fadia**  
Chief Financial Officer

**Parina Shah**  
Company Secretary

Place : Panaji, Goa  
Date : May 30, 2023

Place : Mumbai  
Date : May 30, 2023



# Consolidated Statement of Profit and Loss

for the year ended March 31, 2023

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
₹ Crores			
<b>Income</b>			
Revenue from operations	28	4,644.26	3,385.91
Other income	29	20.54	44.74
Exchange gain (net)		258.95	47.11
<b>Total Income</b>		<b>4,923.75</b>	<b>3,477.76</b>
<b>Expenses</b>			
Employee benefits expense	30	2,870.39	2,029.78
Employee stock option expense		27.36	17.60
Technician fees		102.17	65.67
Technical service cost		227.60	141.65
Finance costs	31	420.72	373.34
Depreciation and amortisation expense	4, 5 & 6	466.66	416.83
Other expense	32	442.67	334.64
<b>Total expenses</b>		<b>4,557.57</b>	<b>3,379.51</b>
<b>Profit before exceptional item and tax</b>		<b>366.18</b>	<b>98.25</b>
Exceptional items - loss (net of tax)	33	60.04	180.52
<b>Profit / (Loss) before tax</b>		<b>306.14</b>	<b>(82.27)</b>
<b>Tax expense</b>	34		
Current tax		49.97	52.52
Deferred tax expense / (credit)		61.68	39.10
		<b>111.65</b>	<b>91.62</b>
<b>Profit / (Loss) for the year</b>		<b>194.49</b>	<b>(173.89)</b>
<b>Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
Re-measurements of defined benefit obligation		(3.40)	(1.16)
Fair value of film investments through other comprehensive income		(18.20)	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.89	(0.08)
B (i) Items that will be reclassified to the profit or loss			
Exchange difference in translating the financial statements of foreign operations		(265.17)	3.68
(ii) Income tax relating to items that will be reclassified to profit or loss		6.07	-
<b>Total other comprehensive income / (loss)</b>		<b>(279.81)</b>	<b>2.44</b>
<b>Total comprehensive (loss) for the year</b>		<b>(85.32)</b>	<b>(171.45)</b>

₹ Crores

	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>Loss attributable to</b>			
Owners of the Company		147.29	(171.57)
Non-controlling interests / (recoveries)		47.20	(2.32)
<b>Other comprehensive income attributable to</b>			
Owners of the Company		(258.94)	2.64
Non-controlling interests / (recoveries)		(20.87)	(0.20)
<b>Total comprehensive income attributable to</b>			
Owners of the Company		(111.65)	(168.93)
Non-controlling interests / (recoveries)		26.33	(2.52)
<b>Earnings per equity share of face value of ₹ 1 each</b>			
	36		
<b>Before exceptional items (net of tax)</b>			
Basic earnings per share (₹)		8.50	0.22
Diluted earnings per share (₹)		8.35	0.22
<b>After exceptional items (net of tax)</b>			
Basic earnings per share (₹)		6.49	(5.81)
Diluted earnings per share (₹)		6.38	(5.81)

See accompanying notes to the consolidated financial statements 1-48

In terms of our report attached.

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

**For and on behalf of the Board of Directors**

**Varsha A. Fadte**  
Partner

**Naresh Malhotra**  
Chairman and Whole-time Director  
DIN: 00004597

**Namit Malhotra**  
Director  
DIN: 00004049

**Nishant Fadia**  
Chief Financial Officer

**Parina Shah**  
Company Secretary

Place : Panaji, Goa  
Date : May 30, 2023

Place : Mumbai  
Date : May 30, 2023

# Consolidated Statement of Changes in Equity for the year ended March 31, 2023

## A. Equity share

	₹ Crores
	Amount
<b>Balance as at April 01, 2021</b>	29.92
Issue of equity shares under employee stock option plan (refer note 40)*	0.03
<b>Balance as at March 31, 2022</b>	<b>29.95</b>
Change in equity share capital during the year	-
<b>Balance as at March 31, 2023</b>	<b>29.95</b>

\* Issued, Subscribed and Paid up as at March 31, 2023 is amounting to ₹ 29,95,36,644 (March 31, 2022 ₹ 29,95,36,644) after addition of ₹ 2,87,666, during the previous year.

## B. Other equity

	Reserves and Surplus							Total attributable to owners of the company	Attributable to non-controlling interests	Total
	Reserves and Surplus					Other Comprehensive Income				
	Capital reserve	General reserve	Securities premium	Share options outstanding account	Retained earnings	Foreign currency translation reserve	Fair value of film investments			
<b>Balance as at April 01, 2021</b>	134.27	79.80	916.94	251.74	(868.54)	(277.60)	-	236.61	79.95	316.56
Exercise of stock options	-	-	1.47	-	-	-	-	1.47	-	1.47
Transferred to/from	-	-	-	(1.18)	1.18	-	-	-	-	-
Loss for the year	-	-	-	-	(171.57)	-	-	(171.57)	(2.32)	(173.89)
Other comprehensive income for the year (net of tax)	-	-	-	-	(1.22)	3.86	-	2.64	(0.20)	2.44
Stock compensation expense (Refer note 40)	-	-	-	15.20	-	-	-	15.20	-	15.20
<b>Balance as at March 31, 2022</b>	<b>134.27</b>	<b>79.80</b>	<b>918.41</b>	<b>265.76</b>	<b>(1,040.15)</b>	<b>(273.74)</b>	<b>-</b>	<b>84.35</b>	<b>77.43</b>	<b>161.78</b>
Contribution from / distribution to minority interest (net)	-	-	-	-	(2.06)	-	-	(2.06)	28.12	26.06
Loss for the year	-	-	-	-	147.29	-	-	147.29	47.20	194.49
Other comprehensive income for the year (net of tax)	-	-	-	-	(2.91)	(246.22)	(9.81)	(258.94)	(20.87)	(279.81)
Stock compensation expense (Refer note 40)	-	-	-	24.59	-	-	-	24.59	-	24.59
<b>Balance as at March 31, 2023</b>	<b>134.27</b>	<b>79.80</b>	<b>918.41</b>	<b>290.35</b>	<b>(897.83)</b>	<b>(519.96)</b>	<b>(9.81)</b>	<b>(4.77)</b>	<b>131.88</b>	<b>127.11</b>

In terms of our report attached.

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

**Varsha A. Fadte**  
Partner

Place : Panaji, Goa  
Date : May 30, 2023

**For and on behalf of the Board of Directors**

**Naresh Malhotra**  
Chairman and Whole-time Director  
DIN: 00004597

**Nishant Fadia**  
Chief Financial Officer

Place : Mumbai  
Date : May 30, 2023

**Namit Malhotra**  
Director  
DIN: 00004049

**Parina Shah**  
Company Secretary

# Consolidated Cash Flow Statement

for the year ended March 31, 2023

₹ Crores

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Cash flow from operating activities</b>		
Profit / (Loss) before tax	306.14	(82.27)
Adjusted for:		
Depreciation and amortisation expense	466.66	416.83
Net loss / (profit) on sale or discard of property, plant and equipment	0.57	(0.80)
Realised & unrealised (gain) on current investments	(1.53)	-
Unrealised foreign exchange (gain) (net)	(113.35)	(13.21)
Bad debts / advances written off	5.40	10.32
Provision for doubtful debts/ advances (net)	9.26	36.60
Government incentives not recoverable (Refer note 33)	-	26.92
Loss on sale of investment in subsidiary (Refer note 33)	-	153.60
Employee stock option expense	27.36	17.60
Sundry balances write off / (written back)	5.89	(26.07)
Government reliefs received	(6.16)	-
Interest income	(4.37)	(7.38)
Dividend income *	(0.00)	-
Finance costs	420.72	373.34
<b>Operating profit before working capital changes</b>	<b>1,116.59</b>	<b>905.48</b>
Changes in working capital :		
Decrease in inventories	-	0.74
(Increase) in trade and other receivables	(188.44)	(246.70)
(Increase) in other non-current assets & non-current financial assets	(336.15)	(530.87)
(Increase) in other current assets & current financial assets	(309.79)	(34.04)
(Decrease) / Increase in trade payables	(1.10)	29.11
Increase in provisions	35.22	11.97
Increase in other current liabilities & current financial liabilities	8.34	42.29
Increase / (decrease) in other non-current liabilities & non-current financial liabilities	0.36	(3.95)
<b>Cash generated from operations</b>	<b>325.03</b>	<b>174.03</b>
Direct taxes (paid) / refund (net)	(70.99)	9.24
<b>Net cash generated from operating activities (A)</b>	<b>254.04</b>	<b>183.27</b>
<b>Cash flow from investing activities</b>		
Purchase / development of Property, Plant and Equipment and other intangible assets (including capital work in progress)	(360.34)	(85.10)
Proceeds from sale of Property, Plant and Equipment and other intangible assets	2.88	1.28
Current investments made	(129.75)	-
Payment of deferred consideration	(2.86)	(5.84)
(Increase) / decrease in margin money and fixed deposits under lien	(1.81)	9.65
Profit on sale of current investments	0.54	-
Interest received	0.89	0.29
Dividends received *	0.00	-
<b>Net cash (used in) investing activities (B)</b>	<b>(490.45)</b>	<b>(79.72)</b>



₹ Crores

	Year ended March 31, 2023	Year ended March 31, 2022
<b>Cash flow from financing activities</b>		
Proceeds from long term borrowings	260.24	631.23
Repayment of long term borrowings	(111.24)	(149.68)
Payment of lease liabilities	(255.52)	(283.12)
Proceeds / (repayment) from short term borrowings (net)	452.26	(236.34)
Contribution from / to minority interest (net)	25.92	-
Proceeds from issuance of shares	-	1.50
Interest payment on lease liabilities	(61.84)	(60.06)
Finance costs paid	(157.65)	(135.94)
<b>Net Cash generated from / (used in) financing activities (C)</b>	<b>152.17</b>	<b>(232.41)</b>
<b>Net (decrease) in cash and cash equivalents (A+B+C)</b>	<b>(84.24)</b>	<b>(128.86)</b>
Cash and cash equivalents at the beginning of the year (refer note 14. a)	237.46	366.70
Effect of sale of subsidiary	-	(0.38)
<b>Cash and cash equivalents at the end of the year (refer note 14. a)</b>	<b>153.22</b>	<b>237.46</b>

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

₹ Crores

	Year ended March 31, 2022	Cash flow	Non cash movement	Year ended March 31, 2023
Borrowing (Refer note 19)	1,034.83	149.00	2,288.17	3,472.00
Borrowing - current (Refer note 23)	2,026.55	452.26	(2,065.08)	413.73

See accompanying notes to the consolidated financial statements 1-48

In terms of our report attached.

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

**For and on behalf of the Board of Directors**

**Varsha A. Fadte**  
Partner

**Naresh Malhotra**  
Chairman and Whole-time Director  
DIN: 00004597

**Namit Malhotra**  
Director  
DIN: 00004049

**Nishant Fadia**  
Chief Financial Officer

**Parina Shah**  
Company Secretary

Place : Panaji, Goa  
Date : May 30, 2023

Place : Mumbai  
Date : May 30, 2023

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

## 1. Corporate information

Prime Focus Limited (the 'Company / Parent') is a public limited company domiciled in India. The Company is listed on the Bombay Stock Exchange (BSE) and the National Stock Exchange (NSE). The Company and its subsidiaries (collectively referred as "Group") are engaged in the business of post-production activities including digital intermediate, visual effects, 2D to 3D conversion and providing complete solutions in terms of other technical and creative services to the Media and Entertainment industry. The address of the Company's registered office is Prime Focus House, Linking Road Khar (West), Mumbai- 400052, India.

### 1.1 Subsidiaries of the Group

The consolidated financial statements relate to Prime Focus Limited ("the Company / Parent") and its subsidiaries as listed below:

Name of subsidiaries	Principal activity	Country of incorporation	As at March 31, 2023	As at March 31, 2022
<b>Subsidiary companies of Prime Focus Limited</b>				
Prime Focus Technologies Limited (PFT) *	Digital Asset Management	India	73.21%	73.75%
Prime Focus Production Services Private Limited	Dormant	India	100%	100%
GVS Software Private Limited	Dormant	India	100%	100%
Prime Focus Motion Pictures Limited	Post Production Services	India	100%	100%
PF World Limited, (Mauritius)	Investments	Mauritius	100%	100%
PF Investments Limited (Mauritius)	Investments	Mauritius	100%	100%
De-Fi Media Limited (Sold on March 31, 2022)	Media and other Investments	England & Wales	-	-
Jam8 Prime Focus LLP	Music production services	India	51%	51%
* 0.18% (Previous year – Nil) held by Prime Focus Motion Pictures Limited				
<b>Subsidiary companies of PF World Limited</b>				
PF Media Limited	Investments	Mauritius	100%	100%
Prime Focus Media UK Limited	Investments	England & Wales	100%	100%
PF Overseas Limited (Mauritius) *	Investments	Mauritius	88.50%	100%
Prime Focus Luxembourg S.a.r.l #	Investments	Luxembourg	100%	100%
* 11.50% (Previous year – Nil) is held by Prime Focus Limited.				
# Renamed as DNEG S.a.r.l on May 30, 2023				
<b>Subsidiary company of PF Media Limited</b>				
Lowry Digital Imaging Services Inc *	Restoration of content	USA	90%	90%
* 10.00% is held by Prime Focus Limited.				
<b>Subsidiary company of Prime Focus Luxembourg S.a.r.l</b>				
Prime Focus 3D Cooperatief U.A.#	Investments	Netherlands	99.99%#	99.99%#
# 0.01% is held by PF Investments Limited				
<b>Subsidiary companies of Prime Focus 3D Cooperatief U.A.</b>				
Prime Focus World N.V. (PFWNV)#	Investments	Netherlands	83.40%	87.15%
# 6.90% (Previous year – 6.34%) is held by PF Overseas Limited (Mauritius)				
<b>Subsidiary companies of Prime Focus World N.V.</b>				
DNEG North America Inc.	Post Production and VFX Services	USA	100%	100%

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

Name of subsidiaries	Principal activity	Country of incorporation	As at March 31, 2023	As at March 31, 2022
Prime Focus International Services UK Limited	Post Production and VFX Services	England & Wales	100%	100%
DNEG India Media Services Limited	Post Production and VFX Services	India	100%	100%
Double Negative Holdings Limited	Investments	England & Wales	100%	100%
DNEG Bulgaria EOOD (w.e.f. October 14, 2021)	Post Production and VFX Services	Bulgaria	100%	100%
DNEG Plc	Investments	England & Wales	100%	100%
Prime Focus China Limited (Dissolved on February 27, 2023)	Post Production and VFX Services	British Virgin Island	-	70%
Double Negative Montreal Production Limited	Post Production and VFX Services	Montreal	100%	100%
<b>Subsidiary companies of Double Negative Montreal Productions Limited</b>				
Double Negative Toronto Productions Limited (w.e.f. August 06, 2021)	Post Production and VFX Services	Canada	100%	100%
<b>Subsidiary companies of Double Negative Holdings Limited</b>				
Double Negative Singapore Pte Limited	Post Production and VFX Services	Singapore	100%	100%
Double Negative Films Limited	Dormant	England & Wales	100%	100%
Double Negative LA LLC	Post Production and VFX Services	USA	100%	100%
Incamera Limited	Post Production and VFX Services	England & Wales	50%	50%
Double Negative Limited*	Post Production and VFX Services	England & Wales	74.30 %	74.30 %
* 25.70 % is held by Double Negative Films Limited				
<b>Subsidiary companies of Double Negative Limited</b>				
Double Negative Canada Productions Limited*	Post Production and VFX Services	Canada	100%	100%
Double Negative Hungary Limited (w.e.f. May 11, 2022)	Post Production and VFX Services	Hungary	100%	-
DNEG Australia PTY Limited (w.e.f. May 04, 2022)	Post Production and VFX Services	Australia	100%	-
DNEG Spain SL (w.e.f. September 02, 2022)	Post Production and VFX Services	Spain	100%	-
* Previous year, subsidiary of Prime Focus World N.V.				
<b>Subsidiary companies of Double Negative Canada Productions Limited</b>				
Double Negative Huntsman VFX Limited	Post Production and VFX Services	Canada	100%	100%
Vegas II VFX Limited	Post Production and VFX Services	Canada	100%	100%
<b>Subsidiary companies of DNEG India Media Services Limited</b>				
Prime Focus Academy of Media and Entertainment Studies Private Limited	Training Institute	India	100%	100%

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

Name of subsidiaries	Principal activity	Country of incorporation	As at March 31, 2023	As at March 31, 2022
<b>Subsidiary companies of Prime Focus Technologies Limited</b>				
Prime Focus Technologies PTE Limited	Technology and Software Services	England & Wales	100%	100%
Prime Focus Technologies UK Limited	Digital Asset Management	England & Wales	100%	100%
Prime Focus Technologies Inc.	Post Production Services	USA	100%	100%
Apptarix Mobility Solutions Private Limited	Technology and Software Services	India	100%	100%
<b>Subsidiary company of Prime Focus Technologies Inc.</b>				
DAX Cloud ULC	Digital Asset Management	Canada	100%	100%
<b>Subsidiary companies of Prime Focus Technologies UK Limited</b>				
Prime Post (Europe) Limited	Post Production Services	England & Wales	100%	100%
Prime Focus MEAD FZ LLC	Post Production Services	Abu Dhabi	100%	100%

## 2. Significant accounting policies

### 2.1 Basis of preparation and presentation

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

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

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IND AS 102, leasing transactions that are within the scope of IND AS 116, and measurements that have some similarities to

fair value but are not fair value, such as net realizable value in IND AS 2 or value in use in IND AS 36.

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

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

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

Group's financial statements are presented in Indian Rupees (₹) which is functional currency of the Company.



# Consolidated Notes to the financial statements for the year ended March 31, 2023

## 2.2 Use of Estimates

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

## 2.3 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its investment with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls, an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company considers all relevant facts and circumstances in assessing whether or not the Company's voting rights in an investee are sufficient to give its power, including:

- the size of the Company's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year/ period are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if the results in the non-controlling interests have a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

### Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair-value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified / permitted by applicable IND AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for

# Consolidated Notes

## to the financial statements for the year ended March 31, 2023

subsequent accounting under IND AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

### 2.4 Business combinations

Acquisitions of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange of control of the acquiree. Acquisition-related costs are generally recognised in profit or loss as incurred.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities, and assets or liabilities related to employee benefit arrangements are recognised and measured in accordance with IND AS 12 Income Taxes and IND AS 19 Employee Benefits respectively;
- liabilities or equity instruments related to share-based payment arrangements of the acquiree or share-based payment arrangements of the Group entered into to replace share-based payment arrangements of the acquiree are measured in accordance with IND AS 102 Share-based Payment at the acquisition date (Refer Note 2.1.2); and
- assets (or disposal groups) that are classified as held for sale in accordance with IND AS 105 Non-current Assets Held for Sale and Discontinued Operations are measured in accordance with that Standard.

Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the acquirer's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

In case of a bargain purchase, before recognising a gain in respect thereof, the Group determines whether there exists clear evidence of the underlying reasons for classifying the business combination as a bargain purchase. Thereafter, the Group reassesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and recognises any additional assets or liabilities that are identified in that reassessment. The Group then reviews the procedures used to measure the amounts that IND AS requires for

the purpose of calculating the bargain purchase. If the gain remains after this reassessment and review, the Group recognises it in other comprehensive income and accumulates the same in equity as capital reserve. This gain is attributed to the acquirer. If there does not exist clear evidence of the underlying reasons for classifying the business combination as a bargain purchase, the Group recognises the gain, after reassessing and reviewing (as described above), directly in equity as capital reserve.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at the fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IND AS.

When the consideration transferred by the Group in a business combination includes assets or liabilities resulting from a contingent consideration arrangement, the contingent consideration is measured at its acquisition-date fair value and included as part of the consideration transferred in a business combination. Changes in the fair value of the contingent consideration that qualify as measurement period adjustments are adjusted retrospectively, with corresponding adjustments against goodwill or capital reserve, as the case may be. Measurement period adjustments are adjustments that arise from additional information obtained during the 'measurement period' (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date.

The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustment depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at fair value at subsequent reporting dates with the corresponding gain or loss being recognised in profit or loss.

When a business combination is achieved in stages, the Group's previously held equity interest in the acquiree is remeasured to its acquisition-date fair value and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been

# Consolidated Notes to the financial statements for the year ended March 31, 2023

recognised in other comprehensive income and reclassified to profit or loss where such treatment would be appropriate if that interest were disposed of.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see above), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

## 2.5 Goodwill

Goodwill arising on an acquisition of a business is carried at cost as established at the date of acquisition of the business (Refer Note 2.4) less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash generating units (or groups of cash generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit prorata based on the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

## 2.6 Revenue recognition

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

### 2.6.1 Rendering of services

The Group provides a variety of post-production services including digital intermediate, visual special effects (VFX), two dimensions to three-dimension (2D to 3D) conversion and other technical services to its clients in the film, broadcast and commercial sectors.

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

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

### 2.6.2 Contracts with contingent revenue terms

Some customer contracts for the provision of services are structured so that the economic benefits that flow to the Group are contingent on a future event, such as the performance of the film at the box office. In such cases, the Group estimates the transaction price at contract inception, including any variable consideration, and updates the estimate each reporting date for any changes in circumstances. The Group estimates the amount of variable consideration using the expected value method and determines the portion, if any, of that amount for which it is highly probable that a significant reversal will not subsequently occur. When the determination to recognise revenue is reached, the Group calculates revenue in accordance with the fixed price contract policy.

### 2.6.3 Dividend and interest income

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

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

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## 2.6.4 Tax credits

The Group's operations based in British Columbia (BC), United Kingdom and Canada are eligible to earn tax credits on labour and related costs for the work performed. The Group's operations based in India are eligible to earn custom duty credits on realisation of export proceeds. These credits are not recognised until there is reasonable assurance that the Group will comply with the local compliance regulations attaching to them and that the credits will be received.

Tax credits are recognised in Statement of Profit or Loss on a systematic basis over the periods in which the Group recognises as expenses the related costs which the credits are intended to compensate.

## 2.7 Leasing

### The Group as a lessee

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

- control the use of an identified asset,
- obtain substantially all the economic benefits from use of the identified asset, and
- direct the use of the identified asset

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

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

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

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

The Group applies IND AS 36 to determine whether an RTU asset is impaired and accounts for any identified impairment loss (Refer Note 2.17).

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

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made.

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

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

## 2.8 Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the



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date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

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

- exchange differences on foreign currency borrowings relating to assets under construction for further productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss on repayment of the monetary items.

For the purposes of presenting these consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into Indian Rupees using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates for the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity (and attributed to non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, a disposal involving loss of control over a subsidiary that includes a foreign operation, or a partial disposal of an interest in a joint arrangement or an associate that includes a foreign operation of which the retained interest becomes a financial asset), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

In addition, in relation to a partial disposal of a subsidiary that includes a foreign operation that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. partial disposals of associates or joint arrangements that do not

result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Goodwill and fair value adjustments to identifiable assets acquired and liabilities assumed through acquisitions of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

## 2.9 Borrowing costs

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

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

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

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

## 2.10 Government grants

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

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

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

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

## 2.11 Employee benefits

### a. Retirement benefit costs and termination benefits

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

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

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

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

The retirement benefit obligation recognised in the consolidated balance sheet represents the actual deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reduction in future contributions to the plans.

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

### b. Short-term and other long-term employee benefits

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

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

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

## 2.12 Share-based payment arrangements

### a. Share-based payment transactions of the Group

Equity-settled share-based payments to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date.

The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of equity instruments that will eventually vest, with a corresponding increase in equity. At the end of each reporting period, the Group revises its estimate of the number of equity instruments expected to vest. The impact of the revision of the original estimates, if any, is recognised in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to the equity-settled employee benefits reserve.

For cash-settled share-based payments, a liability is recognised for the goods or services acquired, measured initially at the fair value of the liability. At the end of each reporting period until the liability is settled, and at the date of settlement, the fair value of the liability is remeasured, with any changes in fair value recognised in profit or loss for the year. Details regarding the determination of the fair value of share-based transactions are set out in note 40.

## 2.13 Taxation

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

### • Current tax

The tax currently payable is based on taxable profit for the year/ period. Taxable profit differs from 'profit before tax'

# Consolidated Notes to the financial statements for the year ended March 31, 2023

as reported in the consolidated statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Groups current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

- **Deferred tax**

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

During the previous year, some of the subsidiaries incorporated in India have moved to the lower tax regime under section 115BAA of the Income Tax Act, 1961. Hence, MAT asset is no longer recognised.

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

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

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

- **Current and deferred tax for the year**

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

## 2.14 Non-current assets held for sale

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

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

## 2.15 Property, plant and equipment (PPE) and depreciation

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

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

Depreciation on tangible assets of the Company and its subsidiaries is provided using the straight line method (SLM) as per useful lives which are similar to the useful life prescribed under Schedule II of the Companies Act, 2013.

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

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

## 2.16 Intangible assets and amortisation

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

The Group amortised intangible assets pertaining to the 2D to 3D conversion business over 20 years as the Group believes the benefits from the intangible asset will accrue over 20 years.

- **Film rights**

The Group amortises film costs using the individual film forecast method. Under the individual film forecast method, such costs are amortized for each film in the ratio that current year revenue for such films bears to management's estimate of remaining unrecognised ultimate revenue as at the beginning of the financial year. Management regularly reviews and revises, where necessary, its total estimates on a film by film basis, which may result in a change in the rate of amortization and/or a write down of the intangible asset to fair value. The period of amortization only starts at the point at which the asset starts to produce economic returns.

- **First look rights**

Upon commencement of work on each movie over the period of performance of the contract with respect to each movie

- **Software**

Software is amortised on straight line basis over the estimated useful life of upto 8 years.

- **Intangible assets acquired separately**

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives based on license period. The estimated useful

lives and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounting for on a prospective basis. Intangible assets with indefinite useful lives are acquired separately are carried at cost less accumulated impairment losses.

- **Internally-generated intangible assets – research and development expenditure**

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

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

- the technical feasibility of completing the intangible asset so that it will be available for use or sale;

- the intention to complete the intangible asset and use it or sell it;

- the ability to use or sell the intangible asset;

- how the intangible asset will generate probable future economic benefits;

- the availability of adequate technical, financial and other resources to complete the development and to use or sell the intangible asset; and

- the ability to measure reliably the expenditure attributable to the intangible asset during its development.

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

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

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



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- **Intangible assets acquired in a business combination**

Intangible assets acquired in a business combination and recognised separately from goodwill are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

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

Finite-lived intangible assets that were acquired in a business combination, such as trade names, customer relationships and developed technology are amortised on a straight-line basis over their estimated useful life as follows:

Trade names 8 years	-	Upto
Non-compete the contractual period (5 years)	-	Over
Customer relationships and contracts 8 years	-	Upto
Software	-	Upto 8 years

The period of amortisation only starts at the point at which the asset becomes available to produce economic returns.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Brands- Indefinite life

- **De recognition of intangible assets**

An intangible asset is de-recognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from de-recognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is de-recognised.

## 2.17 Impairment of tangible and intangible assets other than goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable

amount of asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are allocated to individual cash-generating units, or otherwise they are allocated to the smallest of the cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## 2.18 Advances towards film projects

The Group recognizes its advances towards film projects as financial assets held at amortized cost except for investment in equity shares of entity which is recorded at fair value through OCI. The Group applies the expected credit loss model for recognizing impairment losses on the financial assets. In its assessment, the Group considers the entire production cycle of content development from initial concept to ultimate monetization, and the expected cash flows from green lit, or those advancing to production, projects. The Group estimates the cash inflows expected in excess of the investment amount using the expected value method, and records as variable consideration the portion, if any, of that amount for which

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it is probable that a significant reversal will not subsequently occur. This consideration is recognized as revenue from advances towards film projects. In certain cases, the Company has made advances to customers as an incentive to enter into production services contracts. These advances will be recognized as a reduction of contract consideration over the duration of the contract.

## 2.19 Provisions and Contingencies

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

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

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements.

### i. Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

### ii. Restructurings

A restructuring provision is recognised when the Group has developed a detailed formal plan for the restructuring and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement the plan or announcing its main features to those affected by it. The measurement of a restructuring, are those amounts that are both necessarily entailed by the restructuring and not associated with the ongoing activities of the entity.

### iii. Contingent liabilities acquired in a business combination

Contingent liabilities acquired in a business combination are initially measured at fair value at the acquisition date. At the end of subsequent reporting periods, such contingent liabilities are measured at the higher of the amount that would be recognised in accordance with IND AS 37 and the amount initially recognised less cumulative amortisation recognised in accordance with IND AS 115 Revenue.

## 2.20 Financial instruments

Financial assets and financial liabilities are recognised when a Group entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

## 2.21 Financial assets

All regular way purchases or sales of financial assets are recognised or de-recognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

### i. Classification of financial assets

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and

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- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

For the impairment policy on financial assets measured at amortised cost (Refer Note 2.21.v)

Debt instruments that meets the following conditions are measured at fair value through other comprehensive income (except for debt instruments that are designed as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in Profit or Loss for Fair Value Through Other Comprehensive Income (FVTOCI) debt instruments. For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.

For the impairment policy on debt instruments at FVTOCI (Refer Note 2.21.v).

All other financial assets are subsequently measured at fair value.

## ii. Effective interest method

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

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at Fair Value Through Profit or Loss (FVTPL). Interest income is recognised in profit or loss and is included in the "Other income" line item.

## iii. Investments in equity instruments at FVTOCI

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

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

Dividends on these investments in equity instruments are recognised in profit or loss when the Group has right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

## iv. Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as FVTPL, unless the Group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading.

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Debt instruments that do not meet the amortised cost criteria or FVTOCI criteria (see above) are measured at FVTPL. In addition, debt instruments that meet the amortised cost criteria or the FVTOCI criteria but are designated as at FVTPL are measured at FVTPL.

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial measurement if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different basis. The Group has not designated any debt instruments at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Group's right to receive dividend is established, it is probable that the economic benefits associated with the dividend will flow to the entity the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

v. Impairment of financial assets

The Group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Group estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Group measures the loss allowance for a financial instrument at an amount equal to lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses that represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Group measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Group again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Group uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information that is available without undue cost or effort, that is indicative of significant increase in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of IND AS 11 and IND AS 115, the Group always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Group has used a practical expedient as permitted under IND AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.



# Consolidated Notes to the financial statements for the year ended March 31, 2023

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

## vi. De-recognition of financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for the amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also a collateralised borrowing for the proceeds received.

On de-recognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On de-recognition of financial asset other than its entirety (e.g. when the Group retains an option to repurchase part of the transferred asset), the Group allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or losses if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative

gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised in other comprehensive income and the part that is no longer recognised on the basis of the relative fair value of those parts.

## vii. Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency, denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

## 2.22 Financial liabilities and equity instruments

### 2.22.1 Classification as debt or equity

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

### 2.22.2 Equity instruments

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

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

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

## 2.22.3 Compound financial instruments

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

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

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

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

## 2.22.4 Financial liabilities

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

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

### 2.22.4.1 Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a Group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and the IND AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with IND AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on re-measurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates

# Consolidated Notes to the financial statements for the year ended March 31, 2023

any interest paid on the financial liability and is included in the 'Other income' line item.

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

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

## 2.22.4.2 Financial liabilities subsequently measured at amortised cost

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

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

## 2.22.4.3 Financial guarantee contracts

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

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at

FVTPL, are subsequently measured at the higher of:

- The amount of loss allowance determined in accordance with impairment requirements of IND AS 109; and
- The amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IND AS 115.

## 2.22.4.4 Commitments to provide a loan at below-market interest rate

Commitments to provide a loan at below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of IND AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of IND AS 115.

## 2.22.4.5 Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

## 2.22.4.6 De-recognition of financial liabilities

The Group de-recognises financial liabilities when, and only when, the Groups obligations are discharged, cancelled or have expired. An exchange with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of a debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

# Consolidated Notes

## to the financial statements for the year ended March 31, 2023

### 2.23 Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts, interest rate swaps and cross currency swaps.

Derivatives are initially recognised at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately.

#### 2.23.1 Embedded derivatives

Derivatives embedded in non-derivative host contracts that are not financial assets within the scope of IND AS 109 are treated as separate derivatives when their risks and characteristics are not closely related to those of the host contracts and the host contracts are not measured at FVTPL.

### 2.24 Offsetting

Financial assets and financial liabilities are off set and the net amount is presented when and only when, the Group has legally enforceable right to set off the amount it intends, either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### 2.25 Cash and Cash equivalents

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

For the purposes of cash flow Statement, cash and cash equivalents comprise cash and cheques in hand, bank balances, demand deposits with banks, net of outstanding bank overdrafts that are repayable on demand and considered part of the Group's cash management system. In the balance sheet, bank overdraft is presented under borrowings within "short-term borrowings".

### 2.26 Segment reporting

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

### 2.27 Earnings per share

The Parent presents basic and diluted earnings per share ("EPS") data for its equity shares. Basic EPS is calculated by dividing the profit or loss attributable to equity shareholders of the Parent by weighted average number of equity shares outstanding during the period. Diluted EPS is determined by adjusting the profit or loss attributable to equity shareholders and the weighted average number of equity shares outstanding for the effect of all dilutive potential ordinary shares, which includes all stock options granted to employees.

### 2.28 Exceptional items

Exceptional items refer to items of income or expenses within the statement of profit and loss from ordinary activities which are non-recurring and are of such size, nature or incidence that their disclosure is considered necessary to explain the performance of the Group.

### 2.29 Events after reporting date

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

### 2.30 Amendments to the existing accounting standards:

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into amendments in the following existing accounting standards which are applicable to Group from April 01, 2023.

- i. IND AS 101 – First-time Adoption of Indian Accounting Standards
- ii. IND AS 102 – Share-based Payments
- iii. IND AS 103 – Business Combinations
- iv. IND AS 107 – Financial Instruments Disclosures
- v. IND AS 109 – Financial Instruments
- vi. IND AS 115 – Revenue from Contracts with Customers
- vii. IND AS 1 – Presentation of Financial Statements
- viii. IND AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors



# Consolidated Notes to the financial statements for the year ended March 31, 2023

- ix. IND AS 12 – Income Taxes
- x. IND AS 34 - Interim Financial Reporting

Application of above amendments are not expected to have any significant impact on the Group's financial statements.

### 3 Critical accounting judgements and key sources of estimation uncertainty

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

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

#### 3.1 Revenue recognition

The Group derives its revenues from fixed price VFX and 2D to 3D content conversion contracts. The revenue recognised on these contracts is dependent on the estimated percentage of completion at a point in time, which is calculated on the basis of the man days of work performed as a percentage of the estimated total man days to complete a contract. The actual man days and estimated man days to complete a contract are updated on a monthly basis.

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

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

The Group enters into contracts wherein the economic benefits that flow are contingent on a future event, such as performance of the film at box office. According to IND AS 115, variable consideration is estimated at contract inception and subsequently updated each reporting date. Variable consideration is only included in the transaction price if it is considered probable that a significant revenue reversal will not occur. Variable consideration is estimated based on available market information, production house involved,

feature film is new or sequel, and customers correspondence.

#### 3.2 Taxation

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

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

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

#### 3.3 Recoverability of internally generated intangible asset

The Group develops intangible assets internally to assist its business plans and outlook. The Group capitalises various costs, including employee costs, incurred in such development activities. Selection of the intangible asset eligible for capitalisation, identification of the expenses that are directly attributable and reasonably allocable to development of intangible assets involves significant management judgement. Further, the Group considers recoverability of the Group's internally generated intangible assets as at the end of each reporting period. Detailed analysis was carried out by the management as at March 31, 2023 regarding recoverability of its internally generated intangible assets.

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

## 3.4 Leases

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

## 3.5 Impairment of goodwill

Determining whether goodwill is impaired requires an estimation of the value in use of the cash-generating units to which goodwill has been allocated. The value in use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. Where the actual future cash flows are less than expected, a material impairment loss may arise.

## 3.6 Depreciation and useful lives of property, plant and equipment and other intangible assets.

Property, plant and equipment are depreciated over the estimated useful lives of the assets, after taking into account their estimated residual value. Intangible assets are amortised over its estimated useful lives. The Group reviews the estimated useful lives of all such assets at the end of each reporting period. There has been no requirement to revise the useful lives of any such assets as at the Balance Sheet date.

## 3.7 Fair value measurements and valuation process

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

## 3.8 Expected credit losses on financial assets

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

## 3.9 Provisions

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

## 3.10 Defined benefit obligation.

The costs of providing other post-employment benefits are charged to the Statement of Profit and Loss in accordance with IND AS 19 "Employee benefits" over the period during which benefits is derived from the employees' services and is determined based on valuation carried out by independent actuary. The costs are determined based on assumptions selected by the management. These assumptions include salary escalation rate, discount rates, expected rate of return on assets and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to change in these assumptions.

# Consolidated Notes to the financial statements for the year ended March 31, 2023

## 4. Property, plant and equipment

	Buildings	Plant and equipment	Furniture and fixtures	Leasehold Improvements	Office equipments	Vehicles	Total
₹ Crores							
<b>Gross block</b>							
As at April 01, 2021	132.31	794.58	65.96	236.55	121.00	2.06	1,352.46
Additions	-	52.58	0.75	4.54	3.35	0.06	61.28
Transfer from right to use on completion of lease term	-	74.30	-	-	-	-	74.30
Deductions / disposal	-	(2.13)	(0.20)	(0.37)	(0.51)	(0.54)	(3.75)
Sale of subsidiary (Refer note 34)	-	(42.99)	-	-	-	-	(42.99)
Exchange differences	-	19.33	(6.24)	(1.00)	(14.62)	0.01	(2.52)
<b>As at March 31, 2022</b>	<b>132.31</b>	<b>895.67</b>	<b>60.27</b>	<b>239.72</b>	<b>109.22</b>	<b>1.59</b>	<b>1,438.78</b>
<b>Depreciation</b>							
As at April 01, 2021	13.96	590.69	50.77	201.43	99.58	1.35	957.78
For the year	2.34	61.03	4.53	9.68	6.24	0.17	83.99
Transfer from right to use on completion of lease term	-	56.78	-	-	-	-	56.78
Deductions / disposal	-	(1.47)	(0.04)	(0.34)	(0.45)	(0.51)	(2.81)
Sale of subsidiary (Refer note 34)	-	(32.66)	-	-	-	-	(32.66)
Exchange differences	-	16.55	(3.40)	(1.35)	(8.87)	(0.01)	2.92
<b>As at March 31, 2022</b>	<b>16.30</b>	<b>690.92</b>	<b>51.86</b>	<b>209.42</b>	<b>96.50</b>	<b>1.00</b>	<b>1,066.00</b>
<b>Net block</b>							
<b>As at March 31, 2022</b>	<b>116.01</b>	<b>204.75</b>	<b>8.41</b>	<b>30.30</b>	<b>12.72</b>	<b>0.59</b>	<b>372.78</b>

	Buildings	Plant and equipment	Furniture and fixtures	Leasehold Improvements	Office equipments	Vehicles	Total
₹ Crores							
<b>Gross block</b>							
As at April 01, 2022	132.31	895.67	60.27	239.72	109.22	1.59	1,438.78
Additions	-	175.78	7.38	3.58	9.04	1.07	196.85
Transfer from right to use on completion of lease term	-	25.00	-	-	-	1.96	26.96
Deductions / disposal	-	(3.28)	(0.15)	-	(0.12)	(0.05)	(3.60)
Exchange differences	-	(41.10)	7.59	(0.50)	21.87	0.01	(12.13)
<b>As at March 31, 2023</b>	<b>132.31</b>	<b>1,052.07</b>	<b>75.09</b>	<b>242.80</b>	<b>140.01</b>	<b>4.58</b>	<b>1,646.86</b>
<b>Depreciation</b>							
As at April 01, 2022	16.30	690.92	51.86	209.42	96.50	1.00	1,066.00
For the year	2.34	65.21	5.45	7.02	5.32	0.23	85.57
Transfer from right to use on completion of lease term	-	21.02	-	-	-	1.32	22.34
Deductions / disposal	-	(1.66)	(0.01)	-	(0.10)	(0.03)	(1.80)
Exchange differences	-	(28.18)	4.41	(1.51)	16.03	0.02	(9.23)
<b>As at March 31, 2023</b>	<b>18.64</b>	<b>747.31</b>	<b>61.71</b>	<b>214.93</b>	<b>117.75</b>	<b>2.54</b>	<b>1,162.88</b>
<b>Net block</b>							
<b>As at March 31, 2023</b>	<b>113.67</b>	<b>304.76</b>	<b>13.38</b>	<b>27.87</b>	<b>22.26</b>	<b>2.04</b>	<b>483.98</b>

Refer note 19 and 23 regarding details of borrowings where assets have been placed as security.

# Consolidated Notes

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## 5. Other Intangible assets

	Film / First look rights	Customer relationship and contracts	Trade names, Brand and Non-compete	Software	₹ Crores Total
<b>Gross block</b>					
As at April 01, 2021	10.01	24.08	7.05	1,247.77	<b>1,288.91</b>
Additions	-	-	-	118.90	<b>118.90</b>
Transfer from right to use on completion of lease term	-	-	-	3.06	<b>3.06</b>
Exchange differences	0.17	0.75	0.25	4.03	<b>5.20</b>
<b>As at March 31, 2022</b>	<b>10.18</b>	<b>24.83</b>	<b>7.30</b>	<b>1,373.76</b>	<b>1,416.07</b>
<b>Depreciation</b>					
As at April 01, 2021	10.01	24.08	7.05	735.24	<b>776.38</b>
For the year	-	-	-	151.17	<b>151.17</b>
Transfer from right to use on completion of lease term	-	-	-	2.77	<b>2.77</b>
Exchange differences	0.17	0.75	0.25	3.31	<b>4.48</b>
<b>As at March 31, 2022</b>	<b>10.18</b>	<b>24.83</b>	<b>7.30</b>	<b>892.49</b>	<b>934.80</b>
<b>Net block</b>					
<b>As at March 31, 2022</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>481.27</b>	<b>481.27</b>

	Film / First look rights	Customer relationship and contracts	Trade names, Brand and Non-compete	Software	₹ Crores Total
<b>Gross block</b>					
As at April 01, 2022	10.18	24.83	7.30	1,373.76	<b>1,416.07</b>
Additions	-	-	-	119.26	<b>119.26</b>
Deduction	-	-	-	-	<b>-</b>
Transfer from right to use on completion of lease term	-	-	-	19.60	<b>19.60</b>
Exchange differences	0.41	2.18	0.20	33.98	<b>36.77</b>
<b>As at March 31, 2023</b>	<b>10.59</b>	<b>27.01</b>	<b>7.50</b>	<b>1,546.60</b>	<b>1,591.70</b>
<b>Depreciation</b>					
As at April 01, 2022	10.18	24.83	7.30	892.49	<b>934.80</b>
For the year	-	-	-	181.44	<b>181.44</b>
Deduction	-	-	-	-	<b>-</b>
Transfer from right to use on completion of lease term	-	-	-	10.67	<b>10.67</b>
Exchange differences	0.41	2.18	0.20	27.36	<b>30.15</b>
<b>As at March 31, 2023</b>	<b>10.59</b>	<b>27.01</b>	<b>7.50</b>	<b>1,111.96</b>	<b>1,157.06</b>
<b>Net block</b>					
<b>As at March 31, 2023</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>434.64</b>	<b>434.64</b>



# Consolidated Notes to the financial statements for the year ended March 31, 2023

## 6. Right to use assets

₹ Crores

	Studio lease	Buildings	Leased property	Plant and equipment	Office equipments	Vehicles	Software	Total
<b>Gross block</b>								
As at April 01, 2021	185.45	112.20	717.17	484.91	0.01	2.40	141.45	<b>1,643.59</b>
Additions	-	-	15.46	104.70	-	-	32.87	<b>153.03</b>
Deductions / disposal	-	-	(10.70)	(0.15)	-	-	-	<b>(10.85)</b>
Transfer to PPE / Intangible assets on completion of lease term	-	-	-	(74.29)	-	-	(3.06)	<b>(77.35)</b>
Exchange differences	-	-	2.86	(2.25)	(0.01)	(0.01)	(3.11)	<b>(2.52)</b>
<b>As at March 31, 2022</b>	<b>185.45</b>	<b>112.20</b>	<b>724.79</b>	<b>512.92</b>	<b>-</b>	<b>2.39</b>	<b>168.15</b>	<b>1,705.90</b>
<b>Depreciation</b>								
As at April 01, 2021	46.32	20.63	124.09	322.00	0.01	0.86	138.20	<b>652.11</b>
For the year	21.60	3.44	75.92	66.36	-	0.29	14.07	<b>181.68</b>
Deductions / disposal	-	-	(3.20)	(0.11)	-	-	-	<b>(3.31)</b>
Transfer to PPE / Intangible assets on completion of lease term	-	-	-	(56.78)	-	-	(2.77)	<b>(59.55)</b>
Exchange differences	-	-	0.93	(1.38)	(0.01)	-	(4.22)	<b>(4.68)</b>
<b>As at March 31, 2022</b>	<b>67.92</b>	<b>24.07</b>	<b>197.74</b>	<b>330.09</b>	<b>-</b>	<b>1.15</b>	<b>145.28</b>	<b>766.25</b>
<b>Net block</b>								
<b>As at March 31, 2022</b>	<b>117.53</b>	<b>88.13</b>	<b>527.05</b>	<b>182.83</b>	<b>-</b>	<b>1.24</b>	<b>22.87</b>	<b>939.65</b>

₹ Crores

	Studio lease	Buildings	Leased property	Plant and equipment	Office equipments	Vehicles	Software	Total
<b>Gross block</b>								
As at April 01, 2022	185.45	112.20	724.79	512.92	-	2.39	168.15	<b>1,705.90</b>
Additions	-	-	114.41	103.13	-	1.71	20.44	<b>239.69</b>
Deductions / disposal	-	-	(3.60)	(4.39)	-	-	-	<b>(7.99)</b>
Transfer to PPE / Intangible assets on completion of lease term	-	-	-	(25.00)	-	(1.96)	(19.60)	<b>(46.56)</b>
Exchange differences	-	-	13.26	6.09	-	(0.03)	3.30	<b>22.62</b>
<b>As at March 31, 2023</b>	<b>185.45</b>	<b>112.20</b>	<b>848.86</b>	<b>592.75</b>	<b>-</b>	<b>2.11</b>	<b>172.29</b>	<b>1,913.66</b>
<b>Depreciation</b>								
As at April 01, 2022	67.92	24.07	197.74	330.09	-	1.15	145.28	<b>766.25</b>
For the year	21.60	3.44	90.17	70.69	-	0.44	13.31	<b>199.65</b>
Deductions / disposal	-	-	(4.72)	(2.88)	-	-	-	<b>(7.60)</b>
Transfer to PPE / Intangible assets on completion of lease term	-	-	-	(21.02)	-	(1.32)	(10.67)	<b>(33.01)</b>
Exchange differences	-	-	3.07	5.65	-	-	3.71	<b>12.43</b>
<b>As at March 31, 2023</b>	<b>89.52</b>	<b>27.51</b>	<b>286.26</b>	<b>382.53</b>	<b>-</b>	<b>0.27</b>	<b>151.63</b>	<b>937.72</b>
<b>Net block</b>								
<b>As at March 31, 2023</b>	<b>95.93</b>	<b>84.69</b>	<b>562.60</b>	<b>210.22</b>	<b>-</b>	<b>1.84</b>	<b>20.66</b>	<b>975.94</b>

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

## 7a. Capital work in progress (CWIP) ageing schedule:

₹ Crores

As at March 31, 2023	Amount for a period of				Total
	Less than 1 year	1-2 year	2-3 year	more than 3 years	
Project 1 *	1.64	0.12	-	10.44	12.20
Project 2	0.07	-	-	-	0.07
Project 3	51.00	-	-	-	51.00
<b>Total</b>	<b>52.71</b>	<b>0.12</b>	<b>-</b>	<b>10.44</b>	<b>63.27</b>

₹ Crores

As at March 31, 2022	Amount for a period of				Total
	Less than 1 year	1-2 year	2-3 year	more than 3 years	
Project 1 *	0.12	-	4.59	5.85	10.56
Project 2	0.24	-	-	-	0.24
<b>Total</b>	<b>0.36</b>	<b>-</b>	<b>4.59</b>	<b>5.85</b>	<b>10.80</b>

\* The above project 1 in progress is delayed and expected to be completed within next one year, however there are no cost overruns.

## 7b (i). Intangible assets under development ageing schedule:

₹ Crores

As at March 31, 2023	Amount for a period of				Total
	Less than 1 year	1-2 year	2-3 year	more than 3 years	
Project 3	7.77	2.93	-	-	10.70
Project 4	64.89	2.27	-	-	67.16
Project 5	10.74	-	-	-	10.74
<b>Total</b>	<b>83.40</b>	<b>5.20</b>	<b>-</b>	<b>-</b>	<b>88.60</b>

₹ Crores

As at March 31, 2022	Amount for a period of				Total
	Less than 1 year	1-2 year	2-3 year	more than 3 years	
Project 1	3.61	-	-	-	3.61
Project 2	8.32	-	-	-	8.32
Project 3	2.93	-	-	-	2.93
Project 4	2.27	-	-	-	2.27
<b>Total</b>	<b>17.13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.13</b>

# Consolidated Notes to the financial statements for the year ended March 31, 2023

- 7b (ii). During the year, the Group has capitalised the following expenses of revenue nature to the cost of intangible asset under development (software). Consequently, expenses disclosed under the respective notes are net of amounts capitalised by the Group.

Particulars	₹ Crores	
	March 31, 2023	March 31, 2022
Opening balance	17.13	12.54
Add:		
Employee benefit expenses	98.81	26.90
Direct overheads	1.22	0.04
Exchange difference	2.78	0.04
	<b>102.81</b>	<b>26.98</b>
Less: Capitalised	31.34	22.39
Closing balance	<b>88.60</b>	<b>17.13</b>

## 8. Goodwill

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

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

The carrying amount of goodwill was allocated to cash-generating units as follows:

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
Creative services business	906.94	845.03
Technology and technology enabled business	209.06	199.95
Others	56.65	56.65
<b>Total</b>	<b>1,172.65</b>	<b>1,101.63</b>

The recoverable amount for these cash-generating units (CGU) is determined on a value in use calculation which uses cash flow projections based on financial budgets prepared by the management.

Following key assumptions were considered while performing Impairment testing

- Long term sustainable growth rates 2% to 5% (previous year: 2% to 5%)
- Weighted Average Cost of Capital % (WACC) after tax 13.40% to 19.10% (previous year: 12.50% to 18.10%)
- EBITDA margins 23.50% to 30.00% (previous year: 0% to 32.0%)

The projections cover a period of four to five years, as that is believed to be the most appropriate timescale over which to review and consider annual performances before applying a fixed terminal value multiple to the final year cash flows. The growth rates used to estimate future performance are based on the conservative estimates from past performance. EBITDA margins are based on historical performance and Group's strategies.

The management has performed sensitivity analysis around the base assumptions and have concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGUs to be less than the carrying value.

Based on the value in use computations, no impairment provision was considered necessary.

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

## 9. Investments (non-current)

₹ Crores

	As at March 31, 2023	As at March 31, 2022
<b>Unquoted equity instruments - fully paid up (at fair value through profit or loss)</b>		
The Shamrao Vithal Co-operative Bank Ltd. 4,000 shares of ₹ 25/- each	0.01	0.01
Mainframe Premises Co-Operative Society Ltd. 350 shares of ₹ 10/- each *	0.00	0.00
Next Gen Skills Limited	0.25	0.25
	<b>0.26</b>	<b>0.26</b>

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

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

₹ Crores

	As at March 31, 2023	As at March 31, 2022
Deposits	27.82	22.59
Deposits with bank	0.96	0.92
Unbilled revenue	318.32	117.62
Advances towards film investments	714.92	591.49
Other loans and advances - others	13.23	12.18
	<b>1,075.25</b>	<b>744.80</b>

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

₹ Crores

	As at March 31, 2023	As at March 31, 2022
Capital advances	35.40	45.02
Prepaid expenses	0.06	0.70
	<b>35.46</b>	<b>45.72</b>

## 12. Investments (current)

₹ Crores

	As at March 31, 2023	As at March 31, 2022
<b>At Fair Value through Profit or Loss</b>		
<b>Investments in Mutual Funds (unquoted)</b>		
ICICI Prudential Liquid Mutual Fund - Growth Balance units - 1977009.64 (Previous year balance - Nil)	65.37	-
HDFC Liquid Mutual Fund - Regular Plan - Growth Balance units - 149,097.95 (Previous year balance units - Nil)	65.37	-
	<b>130.74</b>	<b>-</b>



# Consolidated Notes to the financial statements for the year ended March 31, 2023

## 13. Trade receivables (current) (unsecured)

₹ Crores

	As at March 31, 2023	As at March 31, 2022
Trade receivables	669.05	488.52
Less: Loss allowances	(44.54)	(37.78)
	<b>624.51</b>	<b>450.74</b>

### 13.1 The movement in allowance for doubtful receivables is as follows:

₹ Crores

	Year ended March 31, 2023	Year ended March 31, 2022
Balance as the beginning of the year	37.78	27.72
Movement during the year	9.24	36.33
Bad debts written off against opening provision for doubtful debts	(2.48)	(26.27)
<b>Balance as at the end of the year</b>	<b>44.54</b>	<b>37.78</b>

### 13.2 Trade receivables - ageing and other details

₹ Crores

March 31, 2023	Undisputed trade receivables			Disputed trade receivables			Total
	Considered good	Which have significant increase in credit risk	Credit impaired	Considered good	Which have significant increase in credit risk	Credit impaired	
Less than 6 months	502.91	8.41	-	-	-	-	511.32
6 months - 1 year	67.02	8.40	-	-	-	-	75.42
1 - 2 year	36.66	12.09	-	-	-	-	48.75
2 - 3 year	2.49	0.43	-	-	-	-	2.92
More than 3 years	15.43	14.51	0.70	-	-	-	30.64
<b>Total</b>	<b>624.51</b>	<b>43.84</b>	<b>0.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>669.05</b>

#### Trade receivables - ageing and other details

₹ Crores

March 31, 2022	Undisputed trade receivables			Disputed trade receivables			Total
	Considered good	Which have significant increase in credit risk	Credit impaired	Considered good	Which have significant increase in credit risk	Credit impaired	
Less than 6 months	374.37	8.73	-	-	-	-	383.10
6 months - 1 year	31.50	-	-	-	-	-	31.50
1 - 2 year	14.01	0.50	-	-	-	-	14.51
2 - 3 year	8.40	5.10	-	-	-	-	13.50
More than 3 years	22.46	22.75	0.70	-	-	-	45.91
<b>Total</b>	<b>450.74</b>	<b>37.08</b>	<b>0.70</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>488.52</b>

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

## Note :- 13.3

The Group has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the days the receivable are due and the rates as given in the provision matrix.

## 14. Cash and cash equivalents

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
<b>a. Cash and cash equivalents</b>		
Cash on hand	0.11	0.10
<b>Bank balances</b>		
In current accounts	153.11	237.36
	<b>153.22</b>	<b>237.46</b>
<b>b. Bank balances other than (a) above</b>		
<b>Other bank balances</b>		
In deposits*	3.65	1.84
	<b>3.65</b>	<b>1.84</b>

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

## 15. Other current financial assets (unsecured)

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
Security deposits		
Considered good	6.81	3.85
Considered doubtful	0.15	0.10
	<b>6.96</b>	<b>3.95</b>
Less: Loss allowances	(0.15)	(0.10)
	<b>6.81</b>	<b>3.85</b>
Unbilled revenue	1,179.47	803.58
Export incentives receivable	8.01	7.19
Advances towards film investments	37.99	52.32
Other loans and advances - others		
Considered good	46.11	8.47
Considered doubtful	0.65	0.44
	<b>46.76</b>	<b>8.91</b>
Less: Loss allowances	(0.65)	(0.44)
	<b>46.11</b>	<b>8.47</b>
	<b>1,278.39</b>	<b>875.41</b>

# Consolidated Notes to the financial statements for the year ended March 31, 2023

## 16. Other current assets (unsecured, considered good)

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
Advances and other receivables*	83.92	146.28
Prepaid expenses	29.15	70.56
Tax credits receivable from foreign governments	28.49	29.30
	<b>141.56</b>	<b>246.14</b>

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

## 17. Equity share capital

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>Authorised share capital:</b>		
45,05,00,000 Shares (Previous year 45,00,00,000 Shares) of ₹ 1/- each	<b>45.00</b>	<b>45.00</b>
<b>Issued, subscribed and paid-Up:</b>		
29,95,36,644 Shares (Previous year 29,95,36,644 Shares) of ₹ 1/- each	29.95	29.95
	<b>29.95</b>	<b>29.95</b>

### 17.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the reporting year.

#### Fully paid equity shares

	As at March 31, 2023		As at March 31, 2022	
	Number	Amount in ₹ Crores	Number	Amount in ₹ Crores
Balance as at the beginning of the year	29,95,36,644	29.95	29,92,48,978	29.92
Additions during the year (Refer note 40 (a))	-	-	2,87,666	0.03
Balance as at the end of the year	29,95,36,644	29.95	29,95,36,644	29.95

### 17.2 Shares reserved for issue under options

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
Shares reserved for issue under options (Refer note 40 (a))	1,72,75,068	1,72,75,068

### 17.3 Rights, preferences and restrictions attached to shares

The Company has one class of equity shares having a par value of ₹ 1 each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all liabilities, in proportion to their shareholding.

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

## 17.4 (a) Shares held by promoters as defined in the Company's Act, 2013 at the end March 31, 2023

Promoter name	No of shares	% of total shares	% change during the year
A2R Holdings	13,24,45,882	44.22%	-
Naresh Malhotra	6,22,01,646	20.77%	-
Namit Malhotra	1,49,00,000	4.97%	-

## 17.4 (b) Shares held by promoters as defined in the Company's Act, 2013 at the end March 31, 2022

Promoter name	No of shares	% of total shares	% change during the year
A2R Holdings	13,24,45,882	44.22%	-
Naresh Malhotra	6,22,01,646	20.77%	-
Namit Malhotra	1,49,00,000	4.97%	-

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

	As at March 31, 2023		As at March 31, 2022	
	Numbers	% of holding	Numbers	% of holding
A2R Holdings	13,24,45,882	44.22%	13,24,45,882	44.22%
Naresh Malhotra	6,22,01,646	20.77%	6,22,01,646	20.77%
Augusta Investments I Pte. Limited	2,92,41,817	9.76%	2,92,41,817	9.76%
Marina IV (Singapore) Pte. Limited	2,33,90,875	7.81%	2,33,90,875	7.81%

## 18. Other equity excluding non-controlling interest

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>Securities premium reserve</b>		
As per last balance sheet	918.41	916.94
Movement during the year	-	1.47
	<b>918.41</b>	<b>918.41</b>
<b>Capital reserve</b>		
As per last balance sheet	134.27	134.27
Movement during the year	-	-
	<b>134.27</b>	<b>134.27</b>
<b>General reserve</b>		
As per last balance sheet	79.80	79.80
Movement during the year	-	-
	<b>79.80</b>	<b>79.80</b>



# Consolidated Notes

to the financial statements for the year ended March 31, 2023

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>Retained earnings *</b>		
As per last balance sheet	(1,040.15)	(868.54)
Contribution towards minority interest	(2.06)	-
Movement during the year	144.38	(171.61)
	<b>(897.83)</b>	<b>(1,040.15)</b>
<b>Share options outstanding account</b>		
As per last balance sheet	265.76	251.74
Movement during the year	24.59	14.02
	<b>290.35</b>	<b>265.76</b>
<b>Other comprehensive income (Fair value of film investments)</b>		
As per last balance sheet	-	-
Movement during the year	(9.81)	-
	<b>(9.81)</b>	<b>-</b>
<b>Other comprehensive income (Foreign currency translation reverse)</b>		
As per last balance sheet	(273.74)	(277.60)
Movement during the year	(246.22)	3.86
	<b>(519.96)</b>	<b>(273.74)</b>
	<b>(4.77)</b>	<b>84.35</b>

\*Retained earnings includes Re-measurement of defined benefit obligation loss (net of tax) of ₹ 7.11 Crores (previous year ₹ 4.22 Crores)

- 18.1** Security premium reserve represents premium received on equity shares issued, which can be utilised only in accordance with the permissions of the Companies Act, 2013 for specified purposes.
- 18.2** Capital reserve represents reserve created on acquisition of business and warrants application money forfeited.
- 18.3** General reserve is created from time to time by transferring profits from retained earnings and can be utilised for the purposes such as dividend pay-out, bonus issue etc.
- 18.4** Retained earnings represents profit that the Company earned till date, less any transfers to general reserve and other distributions paid to the shareholders.
- 18.5** Share option outstanding account relates to the stock option granted by the Company to employees under the Employee Stock Option Plan (Refer note 40)
- 18.6** Foreign Currency Translation Reserve (FCTR) - Exchange difference relating to the translation of the results and net assets of the Group's foreign operations from their functional currencies to the Group's presentation currency (i.e., Indian rupees) are recognised directly in the Other Comprehensive Income and accumulated in FCTR are reclassified to Profit or Loss on the disposal of the foreign operations.
- 18.7** Fair value of film investments - represents change in fair value of equity investment for which the Group has elected to account mark to market gain/ loss in Other comprehensive income.

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

## 19. Borrowings (Non-current)

₹ Crores

	As at March 31, 2023	As at March 31, 2022
<b>Term loans (secured)</b>		
From banks (Refer note (a), (b) and (h))	2,248.78	819.21
From others (Refer note (d))	1,014.50	-
<b>Term loans (unsecured)</b>		
From banks (Refer note (f) and (g))	8.72	15.62
From others (Refer note (c))	200.00	200.00
	<b>3,472.00</b>	<b>1,034.83</b>

- a. During the earlier year, a facility of ₹ 747.43 Crores (\$ 100 Million) sanctioned as term loan and ₹ 1,121.14 (\$ 150 Million) sanctioned as bank overdraft and working capital loan to PFWNV group. The facility is secured by charge on Property, Plant and Equipment and current assets of Prime Focus World NV Group and Investments of Prime Focus World NV in Double Negative Holdings Limited & Prime Focus International Services UK Limited. The rate of interest of the loan is in the range of SOFR/SONIA plus 2.25% to 3.75% per annum, which is subject to leverage levels. The term loan is repayable over a period of four years from financial year 2019-20.

In August 2020, PFWNV Group further enhanced its existing facilities with the banks by ₹ 307.56 Crores (\$ 42 Million). As part of the incremental facilities availed, couple of banks provided exposure under the CLBILS facility (Coronavirus Large Business Interruption Loan Scheme) as was made available by UK government to support businesses during COVID. The same security was extended by the banks towards these loans. The applicable interest on these loans was LIBOR plus 0.88% per annum. This loan was repaid during the previous year.

During the previous year, the PFWNV group availed an additional term loan of ₹ 566.40 Crore (\$ 75 Million) which is secured by the property, equipment and current assets of the PFWNV group, investments of Prime Focus World NV in Double Negative Holdings Limited and Prime Focus International Services UK Limited, which are consolidated subsidiaries of the PFWNV group. The rate of interest of the loan is approximately SOFR plus 2.25% to 3.75% per annum, which is subject to leverage levels. The loan is repayable over a period of eighteen months starting from January 07, 2022 and maturing on July 07, 2023.

These facilities are fully repaid during the year and as at March 31, 2022 ₹ 764.34 Crores is disclosed under long term borrowings, ₹ 263.85 Crores under current maturities of long term borrowings and ₹ 769.88 Crores under short-term demand loan.

- b. During the previous year, the Company and one of the step down subsidiary obtained a working capital term loan from a bank for ₹ 54.94 crores. This facility is 100% credit guaranteed by National Credit Guarantee Trust Company Limited under the Emergency Credit Line Guarantee Scheme. It carries second charge over present and future current assets, movable fixed assets and assets of the Company's India business (excluding specific assets charged against finance lease), second charge by way of pledge over 30% shares of Prime Focus Technologies Limited, Personal Guarantee of Namit Malhotra and pledge of Company shares held by Parent's promoters.

Tenor of the loan is 6 years from September 2021, repayable in 48 equal instalments after moratorium of 2 years. Interest rate applicable is 1% over 1 year MCLR subject to cap of 9.25%. As at March 31, 2023, ₹ 23.02 Crores is disclosed as non-current borrowing and ₹ 2.50 Crores as current maturities of long term borrowing and as at March 31, 2022, ₹ 54.87 crores is disclosed as non-current borrowing.

- c. On February 25, 2019, the Company had entered into a long-term loan agreement with the lender for an amount of ₹ 200 crores at an annual interest rate of 10% per annum. This term loan interest is payable over the period of 48 months, post 27 months of moratorium. The loan principal has to be repaid on May 24, 2025, at the end of the tenure. At the year end March 31, 2023 and March 31, 2022, ₹ 200 crores is disclosed as non-current.

- d. PF World Limited, (Mauritius) entered into a convertible loan agreement for an amount of \$ 133 million with a financial institution with an interest of 20% per annum. Out of this, \$ 123.50 million was drawn till previous year. The loan is guaranteed by PF World Limited, (Mauritius) and Prime Focus 3D Cooperatief UA. Further, PF Investments Limited, PF Overseas Limited and PF Luxembourg sarl are additional guarantors to the loan. PF World Limited, (Mauritius) has pledged its shares in PF Overseas Limited. Additionally all bank accounts of PF World Limited (Mauritius) has been pledged in favour of the lender. Further, Prime Focus Luxembourg Sarl and PF Investments Limited have pledged their membership interest and related rights in Prime Focus 3D Cooperatief UA.

## Consolidated Notes to the financial statements for the year ended March 31, 2023

During the year the lender and PF World Limited, (Mauritius) have agreed to convert this convertible loan into equity shares of Prime Focus World NV Pending issuance of shares and necessary approvals, the outstanding amount of ₹ 1,014.50 Crores and interest accrued of ₹ 401.07 Crores has been classified as non-current borrowing and financial liabilities respectively as on March 31, 2023. As at March 31, 2022 ₹ 933.05 Crores was disclosed as secured short-term demand loan in current borrowing (Refer note 23).

- e. Unsecured term loans from others are availed at interest rate of 15.00% p.a. As at March 31, 2023 ₹ 1.00 Crores (March 31, 2022: ₹ 1.00 Crores) is disclosed under current maturities of long term borrowings.
- f. On March 18, 2021, Prime Focus Technologies Limited Inc. was granted second unsecured loan from Silicon Valley Bank under the U.S Small Business Administration Paycheck Protection Program of ₹ 5.65 Crores (₹ 0.75 Million) bearing an interest rate of 1% per annum and repayable from August 18, 2022 in monthly instalments with last instalment being due on March 18, 2026. The proceeds of the Loan was used to retain workers and maintain payroll or make mortgage interest payments, lease payments, and utility payments, as specified under the Paycheck Protection Program Rule.

During the year, a forgiveness was granted for the entire amount from Silicon Valley Bank under the U.S Small Business Administration Paycheck Protection Program. As on March 31, 2022, ₹ 5.65 Crore is considered as non-current portion of long-term borrowing and ₹ 0.01 Crore is considered as current portion of long-term borrowing.

- g. In the previous year, Prime Focus Technologies Limited has been granted a Guaranteed Emergency Credit Line (GECL) facility of ₹ 9.97 Crore at an interest rate based on one year MCLR + 1 subject to cap of 9.25%. This facility is repayable in 48 instalments after completion of moratorium of 24 months. This facility is secured by exclusive charge over present and future current assets and movable fixed assets, personal guarantees of promoter of the holding company, pledge of 35% shares of Prime Focus Technologies Limited held by the holding company, corporate Guarantee of holding company, exclusive charge by way of mortgage of immovable properties, pledge of 30% shares of subsidiaries viz; Prime Focus Technologies Inc., DAX LLC, Prime Focus Technologies UK Limited, Prime Post Europe Limited. As at March 31, 2023, ₹ 8.72 Crore considered as long term borrowing and ₹ 1.25 Crore as current maturities of long term borrowing. As at March 31, 2022, ₹ 9.97 Crore is considered as non-current portion of long-term borrowing.
- h. On November 17, 2022, PFWNV group has refinanced all its existing debt such that the new facility comprise of a Term loan of ₹ 1,691.52 crore (₹ 20.6 crore) and ₹ 615.45 crore (₹ 6.06 crore) and a Revolving Credit Facility (RCF) of ₹ 697.96 crore (₹ 8.50 crore). The term loan is secured by present and future assets and corporate guarantees of PFWNV. and the subsidiaries of the Group in UK and Canada including pledge over their shares.

The interest rate on loan is SOFR/SONIA plus margin ranging from 2.50% to 3.75% per annum plus a credit adjustment spread which is subject to leverage levels. The loan is repayable in full on termination of three years starting from November 17, 2022 and maturing on November 16, 2025, with an option of extension by 1 year subject to lender's consent.

Working Capital Term Loan facility obtained in India is 100% Credit Guaranteed by National Credit Guarantee Trust Company Limited under Emergency Credit Line Guarantee Scheme. It carries second charge over present and future current assets, movable fixed assets and assets of Parent's India business (excluding specific assets charged against finance lease), second charge by way of pledge over 30% shares of Prime Focus Technologies, Personal Guarantee of Namit Malhotra and pledge of shares of the Parent held by Parent's promoters. Tenor of the loan is 6 years from September 2021, repayable in 48 equal instalments after moratorium of 2 years. Interest rate applicable is 1% over 1 year Marginal Cost of Funds Based Lending Rate (MCLR) subject to cap of 9.25%.

As at March 31, 2023, ₹ 2,225.76 Crores considered as long term borrowings, ₹ 58.66 Crores as current maturities of long term borrowings and ₹ 279.06 Crores under short-term demand loan.

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

## 20. Other non-current financial liabilities

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
Deposits	0.40	0.38
Interest accrued but not due on borrowings (Refer note 19(d))	423.32	24.58
Class B convertible redeemable preferred shares and derivatives (Refer note (a) below)	134.06	126.68
Capital creditors	22.05	40.08
Other long term payables*	20.13	-
Non convertible redeemable preference shares (Refer note (b) below)	-	3.27
	<b>599.96</b>	<b>194.99</b>

\* Includes asset retirement obligation liability of ₹ 17.54 Crores (Previous year ₹ Nil)

### a. Class B convertible redeemable preferred shares

On March 19, 2013, PFWNV issued 187,500 Class B Convertible Redeemable Preferred Shares ("Class B Preferred"), which carry a par value of € 0.01 per share, for ₹ 66.96 Crores (\$ 10.0 million).

The Class B Preferred Shares contain two components: a host debt instrument measured at amortised cost and an embedded derivative conversion option measured at FVTPL. The effective interest rate of the host debt instrument element on initial recognition is 7.30% per annum.

The Class B Preferred Shares form a separate class. The Preferred Shares are senior to the ordinary shares of PFWNV with respect to distribution of assets and rights upon liquidation of PFWNV or a Sale Transaction. The holder of the Class B Preferred is entitled to the same dividend or distribution that the Board may declare to the holders of the Ordinary shares.

The Class B Preferred shareholders are entitled to vote together with Ordinary shareholders and the number of entitled votes is calculated based on an as converted basis according to the then applicable conversion rate of the Class B Preferred Shares to ordinary shares.

All outstanding Class B Preferred Shares automatically convert into ordinary shares in the event of a qualifying initial public offering (QIPO). A QIPO for the purposes of a required conversion is the listing of shares on an internationally recognised stock exchange with a minimum market capitalisation of \$ 370 million immediately after such listing. If PFWNV has not consummated an IPO within 66 months of the issuance of the Class B Preferred Shares, the holder has the right to require PFWNV to redeem all of the Class B Preferred Shares for cash at the price of the amount of initial consideration plus a return that yields an internal rate of return of 5%.

At the date of issue, the fair value of the embedded derivative conversion option is based on the present value of the expected proceeds to the security holders as a result of exercising the conversion option of the Convertible Redeemable Preferred shares. These proceeds were estimated based on a multi-step analysis which included a forecast of PFWNV's total equity and an assessment of the probability of the expected total equity value at each quarter-end over a five-year period. Based on these values the probability of investor exit scenarios and related pay-outs were determined and ultimately the present value of the probable pay-out under each scenario, including the conversion option being exercised, was established. At each reporting date, the fair value of the conversion option is determined and any change in fair value is recognised in Statement of Profit or Loss.

Further, based on mutual agreement vide letter dated September 17, 2018, the maturity date has been extended to December 2023.

### b. Non convertible redeemable preference shares (NCRPS)

The holder of each Non-convertible redeemable preference shares (NCRPS) shall be entitled to a preferential dividend at the rate of 0.01% per annum on the face value of the NCRPS issued. NCRPS will be redeemed on July 31, 2023. (Refer note 45).

# Consolidated Notes to the financial statements for the year ended March 31, 2023

## 21. Provisions (non-current)

	As at March 31, 2023	As at March 31, 2022
Provision for employee benefits:		
Provision for gratuity (Refer note 38)	40.61	30.29
Provision for compensated absences	1.43	1.32
	<b>42.04</b>	<b>31.61</b>

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

## 22. Other liabilities (non-current)

	As at March 31, 2023	As at March 31, 2022
Deferred rent	0.37	0.45
	<b>0.37</b>	<b>0.45</b>

## 23. Borrowings (current)

	As at March 31, 2023	As at March 31, 2022
<b>Short-term borrowing from banks / others (secured)</b>		
Cash credit / overdraft (Refer note (a) below)	10.79	-
Invoice discounting facility (Refer note (b) below)	60.47	58.76
Short-term demand loan (Refer note 19(h) and 19(a & d))	279.06	1,702.93
<b>Current maturities of long term borrowings</b>		
<b>Term loans (secured)</b>		
From banks (Refer note 19(a, b, g & h))	62.41	263.85
<b>Term loans (unsecured)</b>		
From Banks (Refer note 19(f))	-	0.01
From individual (Refer note 19(e))	1.00	1.00
	<b>413.73</b>	<b>2,026.55</b>

- a. PFT has availed a cash credit facility from bank. These facilities are secured by first and exclusive charge on all existing and future current assets and all existing and future movable fixed assets except financed through equipment loan/lease pari-passu with term loans. The above facilities are further secured by corporate guarantee issued by holding company and personal guarantee of promoters. The rate of interest for cash credit / overdraft is based on 6 months MCLR + 2.65% with a reset on half-yearly basis. As at March 31, 2023 ₹ 10.79 Crores and as at March 31, 2022 ₹ Nil was included in cash credit / overdraft.
- b. DNEG India Media Services Limited (subsidiary of PFWNV) has availed pre shipment and post shipment export finance facility from a bank, at a rate of interest of LIBOR plus 4% to 7.25% with a tenor of upto one year. Sanctioned facility of ₹ 60 Crores is secured against current assets and movable fixed assets of DNEG India Media Services Limited, exclusive charge by way of mortgage of immovable properties of DNEG India Media Services Limited, pledge of 30% shares of DNEG India Media Services Limited and Non-Disposal Undertakings over balance 69.99% shares and pledge of 30% shares of Prime Focus Technologies Limited and Non-Disposal Undertakings over balance 43% shares, corporate guarantee of the Company and personal guarantee of the promoter and pledge of shares of the Company held by promoters and corporate guarantee given by PFWNV. As at March 31, 2023, ₹ 60.47 Crores and as at March 31, 2022, ₹ 58.76 Crores is included in Invoice discounting facility.



# Consolidated Notes

to the financial statements for the year ended March 31, 2023

## 24. Trade payables

₹ Crores

	As at March 31, 2023	As at March 31, 2022
Total outstanding dues of micro enterprises and small enterprises	0.12	0.10
Total outstanding dues of creditors other than micro enterprises and small enterprises	225.04	226.60
	<b>225.16</b>	<b>226.70</b>

### Trade Payables - ageing and other details

₹ Crores

As at March 31, 2023	MSME	Others	Disputed dues- MSME	Disputed dues- others	Total
Provisions	-	9.25	-	0.20	9.45
Not due	0.12	143.37	-	-	143.49
Less than 1 years	-	57.03	-	-	57.03
1 to 2 years	-	7.79	-	-	7.79
2 to 3 years	-	5.63	-	-	5.63
More than 3 years	-	1.77	-	-	1.77
<b>Total</b>	<b>0.12</b>	<b>224.84</b>	<b>-</b>	<b>0.20</b>	<b>225.16</b>

₹ Crores

As at March 31, 2022	MSME	Others	Disputed dues- MSME	Disputed dues- others	Total
Provisions	-	25.48	-	0.16	25.64
Not due	0.10	122.01	-	-	122.11
Less than 1 years	-	63.03	-	-	63.03
1 to 2 years	-	5.23	-	-	5.23
2 to 3 years	-	2.96	-	-	2.96
More than 3 years	-	7.73	-	-	7.73
<b>Total</b>	<b>0.10</b>	<b>226.44</b>	<b>-</b>	<b>0.16</b>	<b>226.70</b>

## 25. Other current financial liabilities

₹ Crores

	As at March 31, 2023	As at March 31, 2022
Deferred consideration payable (refer note b below)	-	2.86
Non convertible redeemable preference shares (refer note 20(b))	3.87	-
Interest accrued but not due on borrowings	125.24	233.06
Security deposits	5.32	9.17
Capital creditors	43.12	37.95
Accrued salaries and benefits	187.61	130.86
	<b>365.16</b>	<b>413.90</b>

# Consolidated Notes to the financial statements for the year ended March 31, 2023

Notes:

- a. There are no amounts due for payment to the Investor Education and Protection Fund under Section 125 of the Companies Act, 2013 as at March 31, 2023 (March 31, 2022: Nil)
- b. During the earlier year a joint venture was established between PFWNV and General Systems Vehicle Limited (GSV) to provide virtual production services. During the year, PFWNV has paid ₹ 2.86 Crores to the joint venture (paid in March 31, 2022 ₹ 5.84 Crores).

## 26. Provisions (current)

	₹ Crores	
	As at March 31, 2023	As at March 31, 2022
<b>Provision for employee benefits:</b>		
Provision for gratuity (Refer note 38)	1.22	3.86
Provision for compensated absences	88.52	64.65
	<b>89.74</b>	<b>68.51</b>

## 27. Other liabilities (current)

	As at March 31, 2023	As at March 31, 2022
Deferred revenue	250.68	285.14
Advance received from customers	1.07	0.72
Book overdraft *	-	0.00
Other payables #	94.55	72.63
	<b>346.30</b>	<b>358.49</b>

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

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

## 28. Revenue from operations

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Income from services	4,628.11	3,369.15
Other operating revenues:		
Government incentives	16.15	16.76
	<b>4,644.26</b>	<b>3,385.91</b>

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

## 29. Other income

₹ Crores

	Year ended March 31, 2023	Year ended March 31, 2022
Interest income:		
Bank deposits	0.95	0.30
On income tax refunds	0.89	4.41
Others	2.53	2.67
Dividend income on equity shares*	0.00	-
Net gain on sale of property, plant and equipment	-	0.85
Net gain on sale of investments	1.53	-
Sundry balance written back	0.46	26.07
Others	14.18	10.44
	<b>20.54</b>	<b>44.74</b>

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

## 30. Employee benefits expense

₹ Crores

	Year ended March 31, 2023	Year ended March 31, 2022
Salaries and wages	2,583.76	1,831.02
Contribution to provident fund and other funds (refer note 38 a)	182.64	131.30
Gratuity expense (refer note 38 b)	10.18	7.42
Staff welfare expenses	93.81	60.04
	<b>2,870.39</b>	<b>2,029.78</b>

## 31. Finance costs

₹ Crores

	Year ended March 31, 2023	Year ended March 31, 2022
On working capital finance	240.70	208.62
On term loan	92.11	50.69
On lease liabilities	61.84	60.06
On others (including bank charges)	34.79	46.19
Change in fair value of financial liabilities	(8.72)	7.78
	<b>420.72</b>	<b>373.34</b>

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

## 32. Other expenses

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Rent	51.18	23.89
Communication cost	20.58	20.05
Consumable stores	4.16	3.87
Director's sitting fees	0.07	0.08
Electricity	55.98	43.47
Insurance cost	12.15	8.60
Rebates and discount	0.17	0.11
Traveling and conveyance	45.16	22.28
House keeping expenses	5.54	3.39
Rates and taxes	24.62	25.77
Legal and Professional fees	54.21	34.60
Payment to auditors (see Note below)	11.45	16.17
Repairs and maintenance	92.97	59.02
Bad debts /advances written off	5.40	10.32
Provision for doubtful debts / advances (net)	9.52	36.60
Loss on sale of property, plant and equipment	0.57	0.05
Miscellaneous expenses	48.94	26.37
	<b>442.67</b>	<b>334.64</b>

### Payment to auditors

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
As Auditors		
Audit fees	11.32	16.05
In other matters	0.13	0.12
	<b>11.45</b>	<b>16.17</b>

## 33. Exceptional items (net of tax)

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
SPAC cost written off (refer note (a))	60.04	-
Loss on sale of subsidiary (refer note (b))	-	153.60
Reversal of earlier period government incentive (refer note (c))	-	26.92
	<b>60.04</b>	<b>180.52</b>

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

- a. During the year expenses incurred in connection with US Special Purpose Acquisition Companies ('SPAC') which ultimately was terminated due to prevailing unfavorable SPAC market conditions and other factors.
- b. During the previous year, the Company sold its entire holdings of 2,43,67,188 ordinary shares of De-fi Media Limited, a subsidiary incorporated in the U.K. for a consideration of ₹ 0.99 Crore to rationalize group structure and focus on core business activities. This had resulted into loss of ₹ 153.60 Crore, which is disclosed as an exceptional item.
- c. Government incentives in a subsidiary in India, written off, being no longer recoverable, consequent to change in the Government policies.

## 34. Income tax

### a. Amounts recognised in profit or loss

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Current tax		
- in respect of current year (a)	49.97	57.25
- in respect of prior years (b)	-	(4.73)
<b>Total current tax</b>	<b>49.97</b>	<b>52.52</b>
Deferred tax		
- in respect of current year (c)	61.68	39.10
<b>Total income tax expense recognised in the current year (a) + (b) + (c)</b>	<b>111.65</b>	<b>91.62</b>

### b. Income tax recognised in other comprehensive income

	₹ Crores	
	Year ended March 31, 2023	Year ended March 31, 2022
Re-measurement of defined benefit liability	6.96	(0.08)
<b>Tax recognised in other comprehensive income</b>	<b>6.96</b>	<b>(0.08)</b>

### c. Reconciliation of effective tax rate

	₹ Crores			
	March 31, 2023		March 31, 2022	
	% of PBT	Amount	% of PBT	Amount
Profit/(Loss) before tax		306.14		(82.27)
Tax using company's domestic tax rate	25.17%	77.04	25.17%	(20.70)
Effect of:				
Expenses that are not deductible and other adjustments		14.03		36.29
Deferred tax asset on unutilised losses reversed		10.55		-
Differential tax rates of subsidiaries operating in other jurisdictions		(2.58)		4.99
Reversal of deferred tax liability due to change in tax rate		(12.67)		-
Previously recognised deferred tax assets reversed		(4.93)		-
Deferred tax assets recognised with respect to unused tax losses and depreciation of earlier years (net)		30.21		75.77
		<b>111.65</b>		<b>96.35</b>
Tax pertaining to prior years		-		(4.73)
<b>Income tax expenses recognised in Statement of Profit &amp; Loss</b>		<b>111.65</b>		<b>91.62</b>



# Consolidated Notes to the financial statements for the year ended March 31, 2023

## d. Deferred tax balances

The following is the analysis of deferred tax assets/(liabilities) presented in the consolidated balance sheet:

	As at March 31, 2023	As at March 31, 2022
Deferred tax assets	57.13	79.07
Deferred tax liabilities	(41.85)	(39.72)
	<b>15.28</b>	<b>39.35</b>

₹ Crores

## e. Movement in deferred tax

	Balance as at March 31, 2021	Recognised in Profit / Loss during 2021-22	Recognised in other equity during 2021-22	Recognised in OCI during 2021-22	Balance as at March 31, 2022	Recognised in Profit / Loss during 2022-23	Recognised in other equity during 2022-23	Recognised in OCI during 2022-23	Balance as at March 31, 2023
Difference between tax books and written down value of PPE and intangible assets @	(70.41)	(24.77)	-	-	(95.18)	(22.68)	-	-	(117.86)
Unabsorbed loss carried forward	150.06	(9.33)	-	-	140.73	(20.94)	-	-	119.79
Others	4.16	(5.00)	(5.28)	(0.08)	(6.20)	(18.06)	30.65	6.96	13.35
<b>Net deferred tax assets / (liabilities)</b>	<b>83.81</b>	<b>(39.10)</b>	<b>(5.28)</b>	<b>(0.08)</b>	<b>39.35</b>	<b>(61.68)</b>	<b>30.65</b>	<b>6.96</b>	<b>15.28</b>

₹ Crores

@ Net of deferred tax on lease liabilities recorded against right-to-use assets in accordance with IND AS 116.

## f. The Group has carried forward losses against which deferred tax asset has not been recognised.

	As at March 31, 2023 (₹ Crores)	Will expire in FY	As at March 31, 2022 (₹ Crores)	Will expire in FY
Unabsorbed business loss	-	2022-23	2.06	2022-23
Unabsorbed business loss	-	2023-24	6.77	2023-24
Unabsorbed business loss	-	2024-25	13.73	2024-25
Unabsorbed business loss	-	2025-26	23.09	2025-26
Unabsorbed business loss	-	2026-27	100.84	2026-27
Unabsorbed business loss	-	2027-28	169.73	2027-28
Unabsorbed business loss	-	2028-29	26.96	2028-29
Unabsorbed business loss	-	2029-30	24.60	2029-30
Unabsorbed business loss	253.25	2030-31	245.04	2030-31
Unabsorbed business loss	34.44	2031-32	-	2031-32
Unabsorbed business loss	3.57	2033-34	-	2033-34
Unabsorbed business loss	6.51	2034-35	6.31	2034-35
Unabsorbed business loss	4.72	2035-36	0.77	2035-36
Unabsorbed business loss	1.70	2036-37	3.25	2036-37
Unabsorbed business loss	9.78	2037-38	9.50	2037-38
Unabsorbed business loss	20.68	2038-39	26.23	2038-39
Unabsorbed business loss	129.69	2039-40	112.83	2039-40
Unabsorbed business loss	4.60	2040-41	0.83	2040-41
Unabsorbed business loss	0.07	2041-42	-	2041-42
Unabsorbed depreciation	397.23	Indefinite life	88.80	Indefinite life
	<b>866.24</b>		<b>861.34</b>	

# Consolidated Notes to the financial statements for the year ended March 31, 2023

## 35. Segment information

### Operating segments:

- The segment information has been prepared in line with the review of operating results by Chief Operating Decision Maker (CODM) of Group i.e. the Board of Directors.
- The Group is presently operating as integrated post-production setup. The CODM decides on allocation of the resources to the business taking a holistic view of the entire setup and hence it is considered as representing a single operating segment.

### Geographical information

The Group operates in four principal geographical areas – India (Country of Domicile), United Kingdom, Canada and the United States of America (U.S).

The Group's revenue from continuing operations from external customers by location of customers and information about its non-current assets by location of assets are detailed below:

₹ Crores

	Income from services		Segment non-current assets *	
	Year ended March 31, 2023	Year ended March 31, 2022	As at March 31, 2023	As at March 31, 2022
India	373.19	323.76	1,309.75	1,280.80
United Kingdom	1,031.36	705.72	1,190.50	1,137.73
U.S.	142.96	192.92	167.47	164.93
Canada	3,053.22	2,122.48	570.45	458.57
Other Countries	27.38	24.27	81.58	0.08
	<b>4,628.11</b>	<b>3,369.15</b>	<b>3,319.75</b>	<b>3,042.11</b>

\*Non-current assets exclude investments, financial assets and deferred tax assets.

None of the customers (Previous year: Nil) contributed 10% or more of the Group's total revenue for the year ended March 31, 2023.

## 36. Earnings per share (EPS)

Basic EPS amounts are calculated by dividing the net profit / (loss) for the year attributable to equity holders of the Parent by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the net profit / (loss) attributable to equity share holders of the Parent by the weighted average number of Equity shares outstanding during the year plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations

₹ Crores

	Year ended March 31, 2023	Year ended March 31, 2022
Net profit / (loss) after tax as per Statement of Profit and loss attributable to equity shareholders	194.49	(173.89)
Less: Exceptional items (net of tax)	60.04	180.52
Profit / (Loss) after tax before exceptional items	<b>254.53</b>	<b>6.63</b>

# Consolidated Notes

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	Number	Number
<b>Opening number of Equity shares</b>	<b>29,95,36,644</b>	<b>29,92,48,978</b>
Shares issued during the year	-	36,254
<b>Weighted average number of Equity shares for basic EPS</b>	<b>29,95,36,644</b>	<b>29,92,85,232</b>
Weighted average potential Equity shares	52,42,930	46,88,131
<b>Effects of dilution:</b>		
Weighted average number of Equity shares adjusted for the effect of dilution	30,47,79,574	30,39,73,363
<b>Earnings per share (before exceptional items)</b>		
Basic earnings per share (₹)	8.50	0.22
Diluted earnings per share (₹) (Refer note below)	8.35	0.22
<b>Earnings per share (after exceptional items)</b>		
Basic earnings per share (₹)	6.49	(5.81)
Diluted earnings per share (₹) (Refer note below)	6.38	(5.81)

In previous year, potential equity shares are anti-dilutive in nature and hence diluted earning per share is same as basic earning per share.

## 37. Statement of net assets, net profit / loss after tax and other comprehensive income attributable to owners and non-controlling interest.

₹ Crores

Sr No	Name of entity	Net Assets As on March 31, 2023		Share in Profit / (loss) Year ended March 31, 2023		Share in Other Comprehensive Income Year ended March 31, 2023		Share in Total Comprehensive Income Year ended March 31, 2023	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
1	Prime Focus Limited	998.08%	1,567.54	(12.59%)	(24.49)	(0.05%)	0.14	28.54%	(24.35)
2	Dneg India Media Services Limited	28.38%	44.58	34.51%	67.12	0.84%	(2.34)	(75.93%)	64.78
3	Prime Focus Technologies Limited	119.94%	188.38	(16.28%)	(31.67)	0.11%	(0.31)	37.48%	(31.98)
4	Prime Focus Technologies UK Limited	(17.97%)	(28.23)	(2.36%)	(4.59)	-	-	5.38%	(4.59)
5	Prime Focus MEAD FZ LLC	14.87%	23.35	(0.71%)	(1.39)	-	-	1.63%	(1.39)
6	Prime Post (Europe) Limited	(0.92%)	(1.44)	(0.01%)	(0.01)	-	-	0.01%	(0.01)
7	Prime Focus Technologies Inc.	(3.20%)	(5.02)	7.77%	15.12	-	-	(17.72%)	15.12
8	DAX Cloud ULC	(1.35%)	(2.12)	0.10%	0.20	-	-	(0.23%)	0.20
9	Apptarix Mobility Solutions Private Limited	(0.06%)	(0.10)	(0.00%)	(0.00)	-	-	0.00%	(0.00)
10	Prime Focus Technologies Pte Limited	0.20%	0.31	(0.04%)	(0.07)	-	-	0.08%	(0.07)
11	Prime Focus Production Services Private Limited	(0.00%)	(0.00)	(0.00%)	(0.00)	-	-	0.00%	(0.00)
12	GVS Software Private Limited	16.87%	26.49	(0.00%)	(0.00)	-	-	0.00%	(0.00)
13	Jam8 Prime Focus LLP	(3.18%)	(5.00)	0.41%	0.79	-	-	(0.93%)	0.79
14	Prime Focus Motion Pictures Limited	(1.01%)	(1.58)	(0.64%)	(1.24)	-	-	1.45%	(1.24)
15	PF World Limited (Mauritius)	(739.99%)	(1,162.19)	(89.30%)	(173.68)	-	-	203.57%	(173.68)
16	Prime Focus Luxembourg S.a.r.l.	56.76%	89.15	(2.43%)	(4.72)	-	-	5.53%	(4.72)

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 to the financial statements for the year ended March 31, 2023

₹ Crores

Sr No	Name of entity	Net Assets As on March 31, 2023		Share in Profit / (loss) Year ended March 31, 2023		Share in Other Comprehensive Income Year ended March 31, 2023		Share in Total Comprehensive Income Year ended March 31, 2023	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
17	Prime Focus 3D Cooperatief U.A.	177.09%	278.13	(0.16%)	(0.32)	-	-	0.38%	(0.32)
18	DNEG Plc (formerly known as Dneg Limited)	(9.98%)	(15.67)	3.77%	7.33	-	-	(8.59%)	7.33
19	Prime Focus World N.V.	303.85%	477.22	285.49%	555.26	-	-	(650.83%)	555.26
20	Double Negative Canada Productions Limited	142.38%	223.62	13.38%	26.03	-	-	(30.51%)	26.03
21	Double Negative Huntsman VFX Limited	(1.53%)	(2.41)	0.21%	0.40	-	-	(0.47%)	0.40
22	Vegas II VFX Limited	(9.89%)	(15.54)	(0.04%)	(0.07)	-	-	0.08%	(0.07)
23	Prime Focus International Services UK Limited	(42.81%)	(67.24)	(31.27%)	(60.81)	-	-	71.28%	(60.81)
24	Prime Focus Academy of Media & Entertainment Studies Private Limited	9.65%	15.16	2.08%	4.04	(0.00%)	0.01	(4.75%)	4.05
25	DNEG North America Inc.	94.65%	148.65	12.00%	23.33	-	-	(27.35%)	23.33
26	Double Negative Montreal Productions Limited	305.94%	480.49	39.80%	77.41	-	-	(90.73%)	77.41
27	Double Negative Holdings Limited UK	1.07%	1.68	0.29%	0.57	-	-	(0.67%)	0.57
28	Double Negative Singapore Pte. Limited	0.27%	0.43	0.04%	0.08	-	-	(0.09%)	0.08
29	Double Negative Films Limited, UK	(38.42%)	(60.34)	1.54%	2.99	-	-	(3.50%)	2.99
30	Double Negative LA LLC	2.08%	3.27	(0.01%)	(0.02)	-	-	0.02%	(0.02)
31	Double Negative Limited	51.31%	80.58	32.30%	62.83	-	-	(73.64%)	62.83
32	Incamera Limited	(4.02%)	(6.31)	3.12%	6.07	-	-	(7.11%)	6.07
33	PF Investments Limited (Mauritius)	(0.52%)	(0.82)	(0.09%)	(0.18)	-	-	0.21%	(0.18)
34	PF Overseas Limited (Mauritius)	223.60%	351.18	(0.25%)	(0.49)	-	-	0.57%	(0.49)
35	PF Media Limited	134.17%	210.72	1.58%	3.08	-	-	(3.61%)	3.08
36	Lowry Digital Imaging Services Inc.	(87.57%)	(137.53)	(0.08%)	(0.16)	-	-	0.19%	(0.16)
37	Prime Focus Media UK Limited	0.00%	0.00	-	-	-	-	-	-
38	Double Negative Toronto Productions Limited	5.49%	8.62	3.62%	7.04	-	-	(8.25%)	7.04
39	DNEG Bulgaria EOOD	1.57%	2.47	1.00%	1.95	-	-	(2.29%)	1.95
40	Double Negative Hungary Limited	0.63%	0.99	0.45%	0.88	-	-	(1.03%)	0.88
41	DNEG Australia PTY Limited	0.64%	1.01	0.52%	1.01	-	-	(1.18%)	1.01
42	DNEG Spain SL	0.64%	1.01	0.47%	0.92	-	-	(1.08%)	0.92
			<b>2,713.49</b>		<b>560.54</b>		<b>(2.50)</b>		<b>558.04</b>
	Add/(Less): effects of inter company adjustments / eliminations		(2,688.31)		(413.25)		(256.44)		(669.69)
	Less: minority Interest in all subsidiaries		131.88		47.20		(20.87)		26.33
			<b>157.06</b>		<b>194.49</b>		<b>(279.81)</b>		<b>(85.32)</b>

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

# Consolidated Notes to the financial statements for the year ended March 31, 2023

₹ Crores

Sr No	Name of entity	Net Assets As on March 31, 2022		Share in Profit / (loss) Year ended March 31, 2022		Share in Other Comprehensive Income Year ended March 31, 2022		Share in Total Comprehensive Income Year ended March 31, 2022	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
1	Prime Focus Limited	825.37%	1,582.51	(167.17%)	290.70	(21.31%)	(0.52)	(169.25%)	290.18
2	Dneg India Media Services Limited	120.25%	230.56	(22.07%)	38.37	(40.16%)	(0.98)	(21.81%)	37.39
3	De-Fi Media Limited*	0.00%	-	8.24%	(14.32)	-	-	8.35%	(14.32)
4	Prime Focus Technologies Limited	107.95%	206.97	32.11%	(55.83)	(9.43%)	(0.23)	32.70%	(56.06)
5	Prime Focus Technologies UK Limited	(11.92%)	(22.86)	1.05%	(1.82)	-	-	1.06%	(1.82)
6	Prime Focus MEAD FZ LLC	11.88%	22.77	0.18%	(0.31)	-	-	0.18%	(0.31)
7	Prime Post (Europe) Limited	(0.73%)	(1.40)	1.20%	(2.08)	-	-	1.21%	(2.08)
8	Prime Focus Technologies Inc.	(9.82%)	(18.83)	(7.31%)	12.71	-	-	(7.41%)	12.71
9	DAX Cloud ULC	(1.20%)	(2.31)	(0.05%)	0.09	-	-	(0.05%)	0.09
10	Apptarix Mobility Solutions Private Limited	(0.05%)	(0.10)	0.17%	(0.30)	-	-	0.17%	(0.30)
11	Prime Focus Technologies Pte Limited	0.19%	0.36	(0.08%)	0.14	-	-	(0.08%)	0.14
12	Prime Focus Production Services Private Limited	(0.00%)	(0.00)	0.00%	-	-	-	0.00%	-
13	GVS Software Private Limited	13.82%	26.49	0.00%	-	-	-	0.00%	-
14	Jam8 Prime Focus LLP	(3.02%)	(5.79)	0.43%	(0.74)	0.00%	-	0.43%	(0.74)
15	Prime Focus Motion Pictures Limited	(0.18%)	(0.34)	0.01%	(0.01)	-	-	0.01%	(0.01)
16	PF World Limited (Mauritius)	(472.31%)	(905.57)	446.20%	(775.90)	-	-	452.55%	(775.90)
17	Prime Focus Luxembourg S.a.r.l.	45.08%	86.43	2.52%	(4.39)	-	-	2.56%	(4.39)
18	Prime Focus 3D Cooperatief U.A.	133.57%	256.10	(0.30%)	0.53	-	-	(0.31%)	0.53
19	DNEG Plc (formerly known as Dneg Limited)	(11.90%)	(22.81)	2.62%	(4.55)	-	-	2.65%	(4.55)
20	Prime Focus World N.V.	(107.56%)	(206.23)	130.69%	(227.26)	-	-	132.55%	(227.26)
21	Double Negative Canada Productions Limited	102.51%	196.54	(17.52%)	30.46	-	-	(17.77%)	30.46
22	Double Negative Huntsman VFX Limited	(1.46%)	(2.80)	(0.93%)	1.62	-	-	(0.94%)	1.62
23	Vegas II VFX Limited	(8.03%)	(15.39)	0.00%	-	-	-	0.00%	-
24	Prime Focus International Services UK Limited	94.27%	180.75	(9.10%)	15.82	-	-	(9.23%)	15.82
25	Prime Focus Academy of Media & Entertainment Studies Private Limited	5.80%	11.12	0.24%	(0.42)	0.01	0.02	0.23%	(0.40)
26	DNEG North America Inc.	212.51%	407.46	(0.93%)	1.61	-	-	(0.94%)	1.61
27	Double Negative Montreal Productions Limited	209.12%	400.96	(60.23%)	104.73	-	-	(61.08%)	104.73
28	Double Negative Holdings Limited UK	0.55%	1.06	(67.85%)	117.98	-	-	(68.81%)	117.98
29	Double Negative Singapore Pte. Limited	0.16%	0.31	(72.93%)	126.81	-	-	(73.96%)	126.81
30	Double Negative Films Limited, UK	(32.33%)	(61.99)	(0.30%)	0.53	-	-	(0.31%)	0.53
31	Double Negative LA LLC	1.58%	3.03	0.00%	-	-	-	0.00%	-
32	Double Negative Limited	6.14%	11.77	(53.57%)	93.16	-	-	(54.34%)	93.16
33	Prime Focus ME Holdings Limited	0.00%	-	0.04%	(0.07)	-	-	0.04%	(0.07)



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₹ Crores

Sr No	Name of entity	Net Assets As on March 31, 2022		Share in Profit / (loss) Year ended March 31, 2022		Share in Other Comprehensive Income Year ended March 31, 2022		Share in Total Comprehensive Income Year ended March 31, 2022	
		as % of consol net assets	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount	as % of consol profit / loss	Amount
34	Incamera Limited	(6.46%)	(12.38)	1.83%	(3.18)	-	-	1.85%	(3.18)
35	PF Investments Limited (Mauritius)	(0.31%)	(0.59)	(0.02%)	0.03	-	-	(0.02%)	0.03
36	PF Overseas Limited (Mauritius)	(0.43%)	(0.83)	0.10%	(0.17)	-	-	0.10%	(0.17)
37	PF Media Limited	98.42%	188.71	(9.91%)	17.23	-	-	(10.05%)	17.23
38	Lowry Digital Imaging Services Inc.	(65.89%)	(126.34)	0.16%	(0.27)	-	-	0.16%	(0.27)
39	Prime Focus Media Uk Limited	0.00%	0.00	-	-	-	-	-	-
40	Double Negative Toronto Productions Limited	0.82%	1.58	(0.01)	1.55	-	-	(0.01)	1.55
41	DNEG Bulgaria EOOD	0.24%	0.46	(0.00)	0.44	-	-	(0.00)	0.44
			<b>2,409.37</b>		<b>(237.11)</b>		<b>(1.71)</b>		<b>(238.82)</b>
	Add/(Less): effects of inter company adjustments / eliminations		(2,295.07)		65.54		4.35		69.89
	Less: minority Interest in all subsidiaries		77.43		(2.32)		(0.20)		(2.52)
			<b>191.73</b>		<b>(173.89)</b>		<b>2.44</b>		<b>(171.45)</b>

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

## 38. Employee benefit plans

### a. Defined contribution plans

The total amount recognised in profit and loss statement is ₹ 182.64 Crores (Year ended March 31, 2022 ₹ 131.30 Crores), which is included in note 30 as 'Contribution to Provident Fund and Other Funds'.

The Group contributes towards Provident Fund in India, Saving and Investment plan u/s. 401(k) of internal Revenue Code, Social Security and Medicare in USA, National Insurance in UK, Canada pension plan and Quebec pension plan in Canada. Liability in respect thereof is determined on the basis of contribution as required under the respective rules and regulations. There is no further obligation of the Group beyond the contributions made.

### b. Defined benefit plans

The Group sponsors defined benefit plans for qualifying employees of the Indian component of the Group. The defined benefit plans unfunded and are administered by the Group directly. Under the plans, the employee are entitled to a lump-sum payment upon retirement from the services of the Group. An employee becomes eligible to receive payment upon completion of 5 years of service at the rate of 15 days of service for each completed year of service.

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

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

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

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

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

## i. Reconciliation of opening and closing balance of defined benefit obligation

₹ Crores

	March 2023	March 2022
Defined benefit obligation at the beginning of the year	34.15	29.02
Interest cost	2.52	2.00
Current service cost	7.66	5.42
Benefit paid directly by the employer	(6.04)	(4.08)
Actuarial (Gains)/Losses on Obligations - due to change in demographic assumptions	-	(0.01)
Actuarial losses on obligations - due to change in financial assumptions	(0.02)	(2.09)
Actuarial losses on obligations - due to experience	3.42	3.26
Foreign currency translation	0.14	0.63
<b>Present value of benefit obligation at the end of the year</b>	<b>41.83</b>	<b>34.15</b>

## ii. Expenses recognised in Statement of Profit and Loss during the year

	March 2023	March 2022
Current service cost	7.66	5.42
Interest cost	2.52	2.00
<b>Expenses recognized</b>	<b>10.18</b>	<b>7.42</b>

## iii. Expenses recognized in the Other Comprehensive Income (OCI)

	March 2023	March 2022
Actuarial (gains)/losses on obligation for the year	3.40	1.16

## iv. Actuarial assumptions

	March 2023	March 2022
Rate of discounting	7.25%-7.52%	7.15%-7.31%
Rate of salary increase	5.00%-7.00%	5.00%-7.00%
Rate of employee turnover	2.00% -20.00% p.a.	2.00% -20.00% p.a.
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality 2012-14 (Urban)

- The discount rate is based on the prevailing market yields of the Government of India bonds as at the Balance Sheet date for the estimated term of the obligations.
- The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

# Consolidated Notes

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## vi. Sensitivity analysis of the defined benefit obligations:

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

	₹ Crores			
	March 2023		March 2022	
	Increase in assumption	Decrease in assumption	Increase in assumption	Decrease in assumption
Discount rate (1% movement)	(5.35)	6.47	(4.62)	5.64
Future salary appreciation (1% movement)	6.38	(5.38)	5.17	(4.43)
Attrition rate (1% movement)	0.27	(0.34)	0.23	(0.29)

## 39. Financial instruments

### a. Capital risk management

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

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

The capital structure of the Group consists of borrowings offset by cash and bank balances and equity of the Group (comprising issued capital, reserves and retained earnings as detailed in statement of changes in shareholders' equity). The debt equity ratio for current year is 176.12 as on March 31, 2023 (29.04 as on March 31, 2022).

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

### b. Financial risk management

A wide range of risks may affect the Groups's business and financial results. Amongst other risks that could have significant influence on the Group are market risk, credit risk and liquidity risk.

The Board of Directors manage and review the affairs of the Group by setting up budgets, by monitoring the same and taking suitable actions to minimise potential adverse effects on its operational and financial performance.

### c. Credit risk management

Credit risk is the risk of financial loss to the Group if a client or counter-party to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from clients and cash. Management has a credit policy in place and the exposure to credit risk is monitored on an on-going basis.

The Group has a low credit risk in respect of its trade receivables, its principal customers being reputed production houses, national broadcasters and major organisations which the Group has worked with for number of years. However, as the Group grows its customer base and works with more independent producers it will experience an increased credit risk environment. The Group is also exposed to credit risk in respect of its cash and seeks to minimise this risk by holding funds on deposit with banks and others.

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk was ₹ 3,135.02 Crores and ₹ 2,310.25 Crores as at March 31, 2023 and March 31, 2022 respectively, being the total of the carrying amount of the balances with banks, bank deposits, investments (excluding equity and preference investments), trade receivables, unbilled revenue and other financial assets.

The Group's exposure to customers is diversified and no single customer contributes to more than 10% of outstanding trade receivables and unbilled revenue as at March 31, 2023 and March 31, 2022.

# Consolidated Notes to the financial statements for the year ended March 31, 2023

## d. Liquidity risk management

Liquidity risk refers to the risk that the Group may not be able to meet its financial obligations timely.

Management monitors rolling forecasts of the Group's liquidity position (comprising of undrawn bank facilities and cash and cash equivalents) on the basis of expected cash flows. This monitoring includes financial ratios and takes into account the accessibility of cash and cash equivalents. The Group manages the liquidity risk by maintaining adequate funds in cash and cash equivalents. The Group also has adequate credit facilities agreed with banks and others to ensure that there is sufficient cash to meet all its normal operating commitments in a timely and cost effective manner.

The table below analyses the maturity profile of the Group's financial liabilities. The following break up is based on the remaining period at the balance sheet date to the contractual maturity date.

	₹ Crores	
	March 31, 2023	
	Less than 1 year	More than 1 year
<b>Financial liabilities</b>		
Borrowings	413.73	3,472.00
Lease liabilities	188.05	817.73
Other financial liabilities	365.16	599.96
Trade payables	225.16	-
	<b>1,192.10</b>	<b>4,889.69</b>

	₹ Crores	
	March 31, 2022	
	Less than 1 year	More than 1 year
<b>Financial liabilities</b>		
Borrowings	2,026.55	1,034.83
Lease liabilities	237.01	803.90
Other financial liabilities	413.90	194.99
Trade payables	226.70	-
	<b>2,904.16</b>	<b>2,033.72</b>

## e. Market risk

The primary market risks to which the Group is exposed are foreign currency and interest rate risk.

### i. Foreign currency risk management

Considering the countries and economic environment in which the Group operates, its operations are subject to risks arising from fluctuations in exchange rates in those countries. The risks primarily relate to fluctuations in US Dollar, Euro, Great Britain Pound and Singapore Dollar against the respective functional currencies of Prime Focus Limited and its subsidiaries.

The following analysis has been worked out based on the net exposures for each of the subsidiaries and Prime Focus Limited as of the date of Balance sheet which could affect the statement of profit and loss and other comprehensive income and equity.

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

The following table sets forth information relating to foreign currency exposure:

Particulars	Foreign Currency Denomination	As at March 31, 2023		As at March 31, 2022	
		Foreign Currency	₹ Crores	Foreign Currency	₹ Crores
<b>Asset</b>	AUD	-	-	34,487	0.20
	CAD	4,30,15,815	259.47	34,564	0.21
	EUR	5,39,800	4.80	14,17,439	11.88
	GBP	71,06,799	71.50	24,20,053	24.00
	SGD	1,508	0.01	1,508	0.01
	USD	16,96,42,922	1,402.59	17,85,64,219	1,566.93
<b>Asset total</b>			<b>1,738.37</b>		<b>1,603.23</b>
<b>Liability</b>	AUD	72,80,037	40.07	193	0.00
	AED	19,407	0.04	-	-
	BGN	30,45,244	13.90	17,86,164	7.65
	CAD	3,670	0.02	2,83,98,155	171.80
	EUR	12,51,009	11.17	22,08,453	17.79
	GBP	16,72,15,584	1,698.67	6,64,39,094	659.35
	HUF	66,12,03,348	15.58	-	-
	INR	8,63,341	0.09	7,74,973	0.08
	SGD	22,75,647	14.05	22,50,058	12.55
	USD	25,92,70,023	2,128.14	3,89,95,157	275.60
<b>Liability total</b>			<b>3,921.73</b>		<b>1,144.82</b>

5% appreciation/ depreciation of respective foreign currencies with respect to functional currency of Prime Focus Limited and its subsidiaries would result in increase / decrease (previous year decrease/ increase) in the Group's profit before tax by approximately ₹ 109.17 Crores for the year ended March 31, 2023 [March 31, 2022: ₹ 22.92 Crores]. This sensitivity analysis includes only outstanding foreign currency denominated monetary items.

## ii. Interest rate risk management

The Group is exposed to interest rate risk because the entities in the Group borrow funds at both fixed and floating interest rates. The sensitivity analysis for exposure to interest rates on borrowings as at the end of the reporting period indicates that a 50 basis point increase in floating interest rates on such borrowings would have decreased equity and profit for the year by ₹ 14.97 Crores and ₹ 10.60 Crores for March 2023 and March 2022 respectively and a 50 basis point decrease in floating interest rates on such borrowings would have increased equity and profit by the same amount respectively.



# Consolidated Notes to the financial statements for the year ended March 31, 2023

## f. Fair value measurements

### i. Accounting classifications and fair values

The following table shows the fair values of financial assets and financial liabilities, including their levels in fair value hierarchy.

₹ Crores

	Carrying value		Fair value		Fair value hierarchy
	As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022	
<b>FINANCIAL ASSETS</b>					
<b>Financial assets measured at fair value</b>					
Investments	0.01	0.01	0.01	0.01	Level 3
Investments	130.74	-	130.74	-	Level 1
Advances towards film investments	77.30	-	77.30	-	Level 3
<b>Financial assets measured at amortised cost</b>					
Investments	0.25	0.25	-	-	
Deposits	34.63	26.44	-	-	
Trade receivables	624.51	450.74	-	-	
Cash and cash equivalents	153.22	237.46	-	-	
Bank balance others	3.65	1.84	-	-	
Other financial assets	2,241.71	1,593.77	-	-	
	<b>3,266.02</b>	<b>2,310.51</b>	<b>208.05</b>	<b>0.01</b>	
<b>FINANCIAL LIABILITIES</b>					
<b>Financial liabilities measured at fair value</b>					
Class B convertible redeemable preferred share derivative	-	8.76	-	8.76	Level 3
Cash settled options	2.59	-	2.59	-	Level 3
Non convertible redeemable preference shares (NCRPS)	3.87	3.27	3.87	3.27	Level 3
<b>Financial liabilities measured at amortised cost</b>					
Class B convertible redeemable preferred shares	134.06	117.92	-	-	
Borrowings	3,885.73	3,061.38	-	-	
Lease liabilities	1,005.78	1,040.91	-	-	
Trade payables	225.16	226.70	-	-	
Other financial liabilities	824.60	478.94	-	-	
	<b>6,081.79</b>	<b>4,937.88</b>	<b>6.46</b>	<b>12.03</b>	

# Consolidated Notes

 to the financial statements for the year ended March 31, 2023

## Basis of valuation technique for level 3 financial instruments

₹ Crores

(Financial assets) / Financial liabilities	Fair Value as at		Fair Value hierarchy	Valuation techniques and key inputs	Significant unobservable inputs	Relationship of unobservable inputs to fair value
	31-Mar-23	31-Mar-22				
Advances towards film investments	77.30	-	Level 3	Replacement cost approach based on historical cost discounted for inflation rates.	Historical cost of each film project discounted for market inflation data. Further proportionately reduced as revenues are recognized compared future estimated revenues.	Higher the inflation rate, the lower the fair value.
Investment	0.01	0.01	Level 3	Discounted cash flows	Discount rate and probable cash flows	Higher the discount rate, lower the fair value. Non achieving of probable cash flow will lower the fair value.
<b>Total financial assets</b>	<b>77.31</b>	<b>0.01</b>				
Derivatives for redeemable convertible preferred shares Class B	-	8.76	Level 3	Third party valuation using Probability Weighted Expected Return Methodology ("PWERM")	Discount rate and probable cash flows	The higher the expected payouts, the higher the fair value. The higher the discount rate, the lower the fair value
Cash settled options	2.59	-	Level 3	Expected settlement	NA	NA
Non convertible redeemable preference shares (NCRPS)	3.87	3.27	Level 3	Discounted cash flows	Discount rate and probable cash flows	The higher the expected payouts, the higher the fair value. The higher the discount rate, the lower the fair value
<b>Total financial liabilities</b>	<b>6.46</b>	<b>12.03</b>				

### Movement in level 3 instruments during the year

₹ Crores

<b>Closing balance as at March 31, 2021 (Financial liabilities)</b>	<b>18.99</b>
Mark to market change in embedded derivative of preferred shares Class B recognised in Profit or Loss	7.59
Settlement of cash settled options	(14.88)
Change in fair value of NCRPS	0.34
<b>Closing balance as at March 31, 2022 (Financial liabilities)</b>	<b>12.03</b>
Mark to market change in embedded derivative of Preferred shares Class B recognised in Profit or Loss	(8.76)
Settlement of cash settled options	2.59
Change in fair value of NCRPS	0.60
<b>Closing balance as at March 31, 2023 (Financial liabilities)</b>	<b>6.46</b>
<b>Closing balance as at March 31, 2021 (Financial assets)</b>	<b>(0.01)</b>
Movement	-
<b>Closing balance as at March 31, 2022 (Financial assets)</b>	<b>(0.01)</b>
Change during the year	(77.30)
<b>Closing balance as at March 31, 2023 (Financial assets)</b>	<b>(77.31)</b>

# Consolidated Notes to the financial statements for the year ended March 31, 2023

## 40. Share based payments

**40.a.i.** During the financial year 2014-15, the Board of Directors of the Company and its Shareholders' approved a share option plan and reserved 17,932,738 common shares for issuance thereunder. During the financial year 2016-17, options totalling to 17,932,738 ordinary shares were granted to certain identified eligible employees. Detailed description of share based payment arrangements is as below:

Date of shareholders' approval	August 01, 2014
Total number of options approved under ESOP	1,79,32,738
Vesting requirements	Out of the total options granted, 45.88% options vest after 1st year, 45.88% options vest after 2nd year and 8.24% options vest after 3rd year from the date of respective grant.
Exercise price or pricing formula	₹ 52.00
Maximum term of options granted	10 years from each vesting date
Source of shares (primary, secondary or combination)	Primary
Variation in terms of options	Modified exercise period from 2 to 10 years (Refer note (iii) & (iv) below)

**ii.** The weighted average fair value of the share option granted during the financial year 2016-17 is ₹ 32.26. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 2 - 4 years.

**Inputs into the model were as follows:**

(a) Grant date share price	₹ 68.35
(b) Exercise price	₹ 52.00
(c) Expected volatility	49.67% - 46.62%
(d) Expected life	2 - 4 years
(e) Dividend yield	-
(f) Risk free interest rate	6.85% to 6.97%

**iii.** During 2019, the Company had extended the exercise period of all outstanding options from 2 years to 5 years in financial year 2018-19. The weighted average incremental fair value of the share options modified was ₹ 8.72. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 1.90 - 3.40 years.

**Inputs into the model were as follows:**

(a) Grant date share price	₹ 70.80
(b) Exercise price	₹ 52.00
(c) Expected volatility	49.10% - 46.60%
(d) Expected life	1.90 - 3.40 years
(e) Dividend yield	-
(f) Risk free interest rate	7.90 % to 8.00 %

## Consolidated Notes to the financial statements for the year ended March 31, 2023

- iv. The Company extended the exercise period of all outstanding options from 5 years to 10 years in financial year 2022-23. The weighted average incremental fair value of the share options modified was ₹ 5.43. Options were priced using a Black Sholes Merton Formula pricing model. Where relevant, the expected life used in this model has been adjusted based on management's best estimate for the effects of non-transferability, exercise restrictions and behavior considerations. Expected volatility is based on historical sale price volatility of comparable companies in the industry over the expected life of 6 – 8 years.

### Inputs into the model were as follows:

(a) Weighted average share price	₹ 63.50
(b) Exercise price	₹ 52.00
(c) Expected volatility	58.40 % – 61.60 %
(d) Expected life	6 – 8 years
(e) Dividend yield	-
(f) Risk free interest rate	7.29 % to 7.39 %

- v. Reconciliation of outstanding share options:

	March 31, 2023		March 31, 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
Balance at the beginning of the year	1,72,75,068	52.00	1,75,62,734	52.00
Granted during the year	-	-	-	-
Forfeited / lapsed during the year	-	-	-	-
Exercised during the year	-	-	2,87,666	52.00
Balance at the end of the year	1,72,75,068	52.00	1,72,75,068	52.00
Exercisable at the end of the year	1,72,75,068	52.00	1,72,75,068	52.00

Fair value of Nil option vested during the year is ₹ Nil (March 31, 2022: Nil options vested)

Money realised by exercise of option during the year is ₹ Nil (March 31, 2022: ₹ 1.50 crores).

The options outstanding at March 31, 2023 have an exercise price of ₹ 52 (March 31, 2022: ₹ 52) and a weighted average remaining contractual life of 52 months (March 31, 2022: 4 months)

Weighted average share price at the date of the exercise of share options exercised in 2022-23 is ₹ Nil (March 31, 2022: ₹ 65.55).

- vi. The Company has followed the fair value method to account for the modification of stock options and charge for the year ended March 31, 2023 is ₹ 9.38 crore (March 31, 2022: ₹ Nil).

- 40.b. During fiscal year 2014, the Board of Directors and Shareholders' of PFW approved a share option plan for the Group and reserved 973,285 common shares for issuance thereunder. All share-based payments are issued in PFW's functional currency of U.S. dollars.

Pursuant to such plan, equity-settled options totalling 938,218 ordinary shares were granted to certain executives / consultants and to certain members of the Board of Directors.

- i. Equity settled options :

Each equity-settled share option converts into one ordinary share of PFW on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights. Options may be exercised at any time from the date its eligible to exercise to the date of the expiry. Out of 938,218 options granted, 507,796 options are outstanding as at March 31, 2023.

The exercise prices of 83,096 options were modified to \$ 39.40 per share during the previous year ended March 31, 2022. The fair value of these grants was re-measured on the date of modification. The incremental charge of ₹ 1.52 crore due to difference in modification date fair value based on revised terms and original terms is recognized to the extent options are already vested immediately in the Statement of Profit & Loss during the previous year ended March 31, 2022.

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

Movement in equity settled shares options during the current year

	Fiscal year 2023		Fiscal year 2022	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
<b>Balance at the beginning of the year</b>	<b>8,71,934</b>	<b>\$ 27.36 *</b>	<b>8,74,064</b>	<b>\$ 30.48</b>
Granted during the year	32,924	\$ 60.33	-	\$ 0.00
Forfeited during the year	21,557	\$ 48.93	2,130	\$ 50.00
Exercised during the year	3,75,505	\$ 9.07	-	\$ 0.00
<b>Balance at the end of the year</b>	<b>5,07,796</b>	<b>\$ 40.16</b>	<b>8,71,934</b>	<b>\$ 27.36 *</b>
<b>Exercisable at the end of the year</b>	<b>2,42,891</b>	<b>\$ 31.66</b>	<b>5,90,870</b>	<b>\$ 14.68</b>

\* Post modification of exercise price

During the year ended March 31, 2023, 32,924 options were awarded and no options were awarded in the years ended March 31, 2022 and 2021. Of which 24,232 equity settled options awarded to employee were with the right to sell the options back to the Company at fixed price. The buyback amount vested of ₹ 2.59 crore (\$ 315,112) is treated as cash settled liability. The fair value of option award in the year ended March 31, 2023 was estimated on the date of grant using a Black Scholes option valuation model that uses the assumptions noted in the following table:

	31-03-2023
Weighted average grant date fair value	\$ 38.08
Share price	\$ 61.90
Exercise price	\$ 50.0 - \$ 61.9
Expected term	5 to 7.5 years
Expected volatility	49.70% - 55.10%
Expected dividend	0%
Risk free rate	3.65% - 4.36%

- Expected Volatility - the Group estimated Volatility for option grants by evaluating the average of the annualized price Volatility of comparable Companies for the period immediately preceding the option grant for A term that is approximately equal to the options' Expected term.
- Expected term - the Expected term of the Group's options represents the period that the stock-based awards are expected to be outstanding.
- Dividend Yield - the Group has not declared or paid dividends to date and does not anticipate declaring dividends. As such, the dividend yield has been estimated to be zero.
- Risk-Free Interest Rate - The risk-free interest rate is based on the government bonds with a term that is equal to the options' expected term at the grant date.

The aggregate intrinsic value of fully vested and exercisable options as of March 31, 2023 is ₹ 62.64 crore and March 31, 2022 was ₹ 109.94 crore. No options were exercised in year ended March 31, 2022.

Total fair value of shares vested in the years ended on March 31, 2023 is ₹ 8.57 crore and March 31, 2022 is ₹ 8.77 crore.

The weighted average remaining contractual life in respect of share-based options outstanding is 1,392 days as of March 31, 2023 and 1,448 days as of March 31, 2022.

The weighted average remaining contractual life in respect of share-based options exercisable is 951 days as of March 31, 2023 and 1,167 days as of March 31, 2022.

Share based compensation cost included in Employee benefit expense is ₹ 7.32 crore for March 31, 2023 and ₹ 8.84 crore for March 31, 2022. The tax benefit recognized is ₹ 1.54 crore for March 31, 2023 and ₹ 4.02 crore for March 31, 2022.



## Consolidated Notes to the financial statements for the year ended March 31, 2023

As of March 31, 2023, the total compensation cost related to non-vested awards not yet recognized is ₹ 16.32 crore (previous year 1.44 crore) and the weighted-average period over which it is expected to be recognized is 1,517 days.

### ii. Cash settled stock options:

The Board of Directors approved a grant of 57,429 cash settled options on June 27, 2017, which vest over a period of 48 months to 60 months from October 1, 2014 and expire within ten years from the aforesaid date. In case of phantom stock options, the participants are entitled to a cash payment amounting to the difference between the exercise price of the options and the exit proceeds allocated to each share underlying the options in case of an employee continuing employment and change of control or listing of PFW on certain stock exchanges subject to some conditions. During fiscal year 2022 all of the phantom stock options were exercised and fully settled at equity share price of \$37.51 per option.

The following are the cash-settled share-based payment arrangements:

	Number	Expiry date	Exercise Price per share	Fair value as at reporting date
Grants	57,429	30-Sep-24	€ 0.01	\$ 4.48

Movement in cash settled shares options during the current year:

	31-Mar-23		31-Mar-22	
	Number of options	Weighted average exercise price	Number of options	Weighted average exercise price
<b>Balance at the beginning of the year</b>	-	-	54,178	€ 0.01
Granted during the year	-	-	-	-
Settled during the year	-	-	54,178	€ 0.01
<b>Balance at the end of the year</b>	-	-	-	-
<b>Exercisable at the end of the year</b>	-	-	-	-

The weighted average remaining contractual life in respect of share-based options is Nil days as of March 31, 2023 and March 31, 2022.

In case of phantom stock options, the participants are entitled to a cash payment amounting to the difference between the exercise price of the options and the exit proceeds allocated to each share underlying the options in case of an employee continuing employment and change of control or listing of PFW on certain stock exchanges subject to some conditions.

- 40.c. PFT ("Prime Focus Technologies Limited"), has granted employee stock options under employee's stock options scheme. Each option entitles the holder to one equity share of ₹ 10 each. 258,920 options were outstanding as at March 31, 2023 (Previous year 275,475). 15,500 options (Previous year 94,340) were granted during the year. Such options entitle the holders to one equity share of ₹ 10 for each option granted with vesting period of 1 to 3 years, exercise period of 5 years and exercise price of ₹ 2,416. From options granted, 104,388 options were vested during the year (Previous year 37,190)

The current status of the stock options granted to the Employees is as under:

Particulars	31-Mar-23		31-Mar-22	
	Numbers of options	Weighted average exercise price	Numbers of options	Weighted average exercise price
<b>Balance at the beginning of the year</b>	2,75,476	2,062	1,87,886	1,996
Granted during the year	15,500	1,909	94,340	2,037
Lapsed/ forfeited during the year	13,107	819	6,750	1,576
Exercised during the year	16,005	1,705	-	-
Expired during the year	2,944	235	-	-
<b>Balance at the end of the year</b>	<b>2,58,920</b>	<b>2,310</b>	<b>2,75,476</b>	<b>2,062</b>
<b>Exercisable at the end of the year</b>	<b>1,84,376</b>	<b>2,416</b>	<b>1,11,603</b>	<b>1,715</b>

# Consolidated Notes to the financial statements for the year ended March 31, 2023

For stock options outstanding as at March 31, 2023 the range of exercise price is ₹ 263 to ₹ 4,478 and weighted average remaining contractual life is 7 years and vesting period of 1 to 3 years.

15,500 options were granted during the year.

Following are details with regard to determination of the fair value of stock options:

Option Pricing Model used – Black-Scholes-Merton formula

Weighted average fair value of share – ₹ 2,416 per share

Expected volatility – 31.4% - 34%

Option life – 5 - 8 years

Expected dividends – 0% yield

Risk-free interest rate – 7.1% to 7.2% p.a.

PFT has followed the fair value method to account for the grant of stock options and charge for the year ended March 31, 2023 is ₹ 10.66 Crores (March 31, 2022: ₹ 8.75 Crores).

## 41. Related party transactions

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

#### i. Key management personnel (KMP)

Mr. Naresh Malhotra – Chairman and Whole-time Director

Mr. Namit Malhotra – Non – Executive Director and Chief Executive Officer of PFWNV Group

Mr. Nishant Fadia – Chief Financial Officer

Ms. Parina Shah – Company Secretary

#### ii. Enterprises owned or significantly influenced by Key Management Personnel or their relatives

Blooming Buds Coaching Private Limited

A2R Holdings

Monsoon Studio Private Limited

N2M Reality Private Limited

#### (i) Key Management Personnel \*

	₹ Crores	
	Year ended March, 31 2023	Year ended March, 31 2022
<b>Remuneration</b>		
Mr. Naresh Malhotra	1.80	1.18
Mr. Namit Malhotra	7.59	7.36
Mr. Nishant Fadia	0.60	0.59
Ms. Parina Shah	0.36	0.28

\*The figures of Key management personnel do not include provisions for gratuity / other employee benefit as separate actuarial valuation not available.

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

₹ Crores

	As at March 31, 2023	As at March 31, 2022
<b>Balance payable / (receivable)</b>		
Mr.Naresh Malhotra	0.09	0.07
Mr.Namit Malhotra	1.96	5.05
Mr. Nishant Fadia	0.04	0.04
Ms.Parina Shah	0.02	0.03

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

₹ Crores

	Year ended March, 31 2023	Year ended March, 31 2022
<b>Interest expense on lease liability</b>		
Blooming Buds Coaching Private Limited	1.81	1.94

₹ Crores

	As at March 31, 2023	As at March 31, 2022
<b>Balance outstanding</b>		
<b>Deposit</b>		
Blooming Buds Coaching Private Limited	5.30	5.30
<b>Lease liability</b>		
Blooming Buds Coaching Private Limited	14.76	15.42
<b>Capital advance</b>		
N2M Reality Private Limited	26.50	26.50

Naresh Malhotra and Namit Malhotra (promoters) have given personal guarantees individually / jointly and have pledged part of their shareholdings for borrowings obtained by the Group.

Under ESOP Scheme 2014, 27,80,000 options were granted to Key management personnel. The stock options outstanding for KMP's as at March 31, 2023 is 27,70,000 (March 31, 2022: 27,70,000) and employee stock option expense for the year March 31, 2023 is ₹ Nil (March 31, 2022: ₹ Nil).

Under ESOP Schemes of subsidiaries, Nil (March 31, 2022: Nil) options were granted to Key management personnel during the year. The stock options outstanding for KMP's as at March 31, 2023 is Nil (March 31, 2022: 375,505) and employee stock option expense for the year March 31, 2023 is ₹ Nil (March 31, 2022: ₹ Nil).

During the previous year, A2R Holdings acquired 336,294 Ordinary I shares and 187,500 Class B Preferred Shares from existing shareholders of Prime Focus World NV.

# Consolidated Notes to the financial statements for the year ended March 31, 2023

## 42. Lease liabilities

Maturity profile of lease liabilities	As at March 31, 2023	
	Carrying value	Undiscounted cash flow
Within one year	188.05	254.58
Later than one year and not later than five years	499.18	604.29
Later than five years	318.55	375.03
	<b>1,005.78</b>	<b>1,233.90</b>

₹ Crores

Maturity profile of lease liabilities	As at March 31, 2022	
	Carrying value	Undiscounted cash flow
Within one year	237.01	284.10
Later than one year and not later than five years	435.75	559.92
Later than five years	368.15	438.73
	<b>1,040.91</b>	<b>1,282.75</b>

₹ Crores

## 43. Capital and other commitments

	As at	
	March 31, 2023	March 31, 2022
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for:	65.06	20.09

₹ Crores

## 44. Contingent liabilities

	As at	
	March 31, 2023	March 31, 2022
I. Relates to demand raised by octroi authorities for non-payment of octroi on certain equipments.	1.74	1.74
Performance guarantees given to customers by the Group	39.00	39.00

₹ Crores

45. On August 13, 2018, Prime Focus Technologies Limited ("PFT") acquired 100% shares of Apptarix Mobility Solution Private Limited, an OTT technology product innovator. The business acquisition was conducted by entering into a share purchase agreement for cash consideration of ₹ 1.25 Crore and contingent consideration of up to ₹ 3.75 Crore in the form of Non-convertible redeemable preference shares (NCRPS). The fair value of contingent consideration on the date of acquisition was ₹ 2.46 Crore. Total fair value of consideration was ₹ 3.71 Crore. As at March 31, 2023, the fair value of NCRPS post change in terms is ₹ 3.87 Crore (previous year ₹ 3.27 Crore)

# Consolidated Notes

to the financial statements for the year ended March 31, 2023

## 46. Additional regulatory informations:

- a. The Parent and Indian subsidiaries does not have any benami property held in its name. No proceedings have been initiated on or are pending against the Company for holding benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and Rules made thereunder.
- b. The Parent and Indian subsidiaries has not been declared wilful defaulter by any bank or financial institution or other lender or government or any government authority.
- c. The Parent and Indian subsidiaries has complied with the requirement with respect to number of layers as prescribed under section 2(87) of the Companies Act, 2013 read with the Companies (Restriction on number of layers) Rules, 2017.
- d. There is no income surrendered or disclosed as income during the year in tax assessments under the Income Tax Act, 1961 (such as search or survey), that has not been recorded in the books of account.
- e. The Parent and Indian subsidiaries has not traded or invested in crypto currency or virtual currency during the year.
- f. Utilisation of borrowed funds and share premium :
  - (i). The Parent and Indian subsidiaries has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
    - Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Parent Company (Ultimate Beneficiaries) or
    - Provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
  - (ii). The Parent and Indian subsidiaries has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
    - directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
    - provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- g. The Parent and Indian subsidiaries does not have any charges or satisfaction of charges which is yet to be registered with Registrar of Companies beyond the statutory period.

## 47. Events after the reporting period

There were no events after the reporting period requiring adjustments or disclosures in these consolidated financial statements.

## 48. Approval of Financial Statements

The consolidated financial statements were approved for issuance by the Board of Directors on May 30, 2023.

### For and on behalf of the Board of Directors

**Naresh Malhotra**  
Chairman and Whole-time Director  
DIN: 00004597

**Namit Malhotra**  
Director  
DIN: 00004049

**Nishant Fadia**  
Chief Financial Officer

**Parina Shah**  
Company Secretary

Place : Mumbai  
Date : May 30, 2023



## 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 crores)

Sr. No.	Name of the Subsidiary	Prime Focus Technologies Limited	Prime Focus Technologies UK Limited*	Prime Focus Technologies, Inc.*	Prime Post (Europe) Limited*	DAX Cloud ULC*	Apptarix Mobility Solutions Private Limited*
1	Date of becoming the subsidiary / acquisition	08-Mar-08	13-Aug-10	04-Mar-13	28-Apr-06	04-Apr-14	06-Apr-18
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	INR	GBP	USD	GBP	CAD	INR
		1.0000	101.5590	82.1128	101.5590	60.7048	1.0000
4	Share capital (Rs.)	2.19	0.00	0.00	0.00	-	0.33
5	Reserves & surplus	186.19	(28.23)	(5.02)	(1.44)	(2.12)	(0.43)
6	Total assets	672.53	122.95	253.39	2.99	0.45	0.05
7	Total liabilities	484.15	151.18	258.41	4.42	2.57	0.15
8	Investments	176.66	-	-	-	-	-
9	Turnover	245.75	86.57	107.89	-	0.21	-
10	Profit before taxation	(43.00)	(4.59)	15.75	(0.01)	0.20	(0.00)
11	Provision for taxation	11.33	-	(0.64)	-	-	-
12	Profit after taxation	(31.67)	(4.59)	15.12	(0.01)	0.20	(0.00)
13	Other Comprehensive Income	(0.31)	-	-	-	-	-
14	Total Comprehensive Income	(31.98)	(4.59)	15.12	(0.01)	0.20	(0.00)
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding	73.21%	100.00%	100.00%	100.00%	100.00%	100.00%

Sr. No.	Name of the Subsidiary	Prime Focus MEAD FZ LLC*^	Prime Focus Technologies Pte. Ltd*	Prime Focus Production Services Private Limited	GVS Software Private Limited	Jam8 Prime Focus LLP	Prime Focus Motion Pictures Limited
1	Date of becoming the subsidiary / acquisition	07-Oct-18	18-Sep-20	28-Feb-08	01-Apr-08	22-Apr-19	22-Aug-08
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	AED	USD	INR	INR	INR	INR
		22.3588	82.1128	1.0000	1.0000	1.0000	1.0000
4	Share capital (Rs.)	0.00	0.00	0.01	0.28	0.01	0.05
5	Reserves & surplus	23.34	0.31	(0.01)	26.21	(5.01)	(1.63)
6	Total assets	19.52	0.49	0.00	26.51	3.92	6.64
7	Total liabilities	(3.82)	0.18	0.01	0.02	8.92	8.22
8	Investments	-	-	-	-	-	-
9	Turnover	-	-	-	-	7.02	0.61
10	Profit before taxation	(1.39)	(0.07)	(0.00)	(0.00)	0.79	(1.24)
11	Provision for taxation	-	-	-	-	-	-
12	Profit after taxation	(1.39)	(0.07)	(0.00)	(0.00)	0.79	(1.24)
13	Other Comprehensive Income	-	-	-	-	(0.00)	-
14	Total Comprehensive Income	(1.39)	(0.07)	(0.00)	(0.00)	0.79	(1.24)
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding	100.00%	100.00%	100.00%	100.00%	51.00%	100.00%

Sr. No.	Name of the Subsidiary	PF Investments Limited	PF Overseas Ltd	PF World Limited	DNEG S.A.R.L (Formerly known as Prime Focus Luxembourg S.A.R.L.)	Prime Focus 3D Cooperatief U.A.	Lowry Digital Imaging Services, Inc.
1	Date of becoming the subsidiary / acquisition	23-Jun-11	26-Jul-13	11-May-11	21-Sep-11	21-Sep-11	07-Apr-15
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	USD 82.1128	USD 82.1128	USD 82.1128	USD 82.1128	USD 82.1128	USD 82.1128
4	Share capital (Rs.)	0.35	8.21	0.87	142.22	284.67	0.01
5	Reserves & surplus	(1.18)	342.97	(1,163.06)	(53.07)	(6.54)	(137.53)
6	Total assets	0.12	458.29	854.05	284.80	284.64	0.00
7	Total liabilities	0.94	107.10	2,016.24	195.65	6.51	137.53
8	Investments	-	154.46	374.99	284.66	284.64	-
9	Turnover	-	-	-	-	-	-
10	Profit before taxation	(0.18)	(0.49)	(173.68)	(4.72)	(0.32)	(0.16)
11	Provision for taxation	-	-	-	-	-	-
12	Profit after taxation	(0.18)	(0.49)	(173.68)	(4.72)	(0.32)	(0.16)
13	Other Comprehensive Income	-	-	-	-	-	-
14	Total Comprehensive Income	(0.18)	(0.49)	(173.68)	(4.72)	(0.32)	(0.16)
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Sr. No.	Name of the Subsidiary	PF Media Limited	Prime Focus Media UK Limited	Prime Focus World N.V.	Prime Focus International Services UK Limited#	DNEG PLC#	DNEG North America, Inc.#
1	Date of becoming the subsidiary / acquisition	07-Apr-15	07-Sep-20	16-Aug-11	23-Mar-11	03-Dec-18	01-Apr-08
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	MUR 1.8060	GBP 101.5590	USD 82.1128	GBP 101.5590	GBP 101.5590	USD 82.1128
4	Share capital (Rs.)	161.66	0.00	28.58	-	0.00	0.04
5	Reserves & surplus	49.06	-	448.64	(67.24)	(15.67)	148.60
6	Total assets	212.86	0.00	1,062.15	80.03	-	205.62
7	Total liabilities	2.14	(0.00)	584.93	147.27	15.67	56.98
8	Investments	19.86	-	880.11	-	-	-
9	Turnover	-	-	-	15.23	-	163.59
10	Profit before taxation	3.08	-	555.26	(59.05)	4.89	30.55
11	Provision for taxation	-	-	-	1.76	(2.44)	7.22
12	Profit after taxation	3.08	-	555.26	(60.81)	7.33	23.33
13	Other Comprehensive Income	-	-	-	-	-	-
14	Total Comprehensive Income	3.08	-	555.26	(60.81)	7.33	23.33
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding	100.00%	100.00%	87.25%~	100.00%	100.00%	100.00%

Sr. No.	Name of the Subsidiary	Vegas II VFX Ltd#	Prime Focus Academy of Media & Entertainment Studies Private Limited#	DNEG India Media Services Limited#	Double Negative Holdings Limited#	Double Negative Limited#	Double Negative Singapore Pte. Ltd#
1	Date of becoming the subsidiary / acquisition	30-May-13	01-Oct-16	07-Apr-15	15-Jul-14	15-Jul-14	15-Jul-14
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	CAD 60.7048	INR 1.0000	INR 1.0000	GBP 101.5590	GBP 101.5590	SGD 61.7561
4	Share capital (Rs.)	-	0.02	98.08	0.00	0.00	0.00
5	Reserves & surplus	(15.54)	15.14	(53.50)	1.68	80.58	0.43
6	Total assets	0.36	15.40	853.88	76.95	3,390.22	0.65
7	Total liabilities	15.90	0.24	809.30	75.26	3,309.64	0.23
8	Investments	-	-	15.01	11.68	806.19	-
9	Turnover	-	5.29	1,017.24	-	866.27	-
10	Profit before taxation	(0.07)	4.29	82.81	0.57	67.74	0.27
11	Provision for taxation	-	0.25	15.69	-	4.90	0.19
12	Profit after taxation	(0.07)	4.04	67.12	0.57	62.83	0.08
13	Other Comprehensive Income	-	0.01	(2.34)	-	-	-
14	Total Comprehensive Income	(0.07)	4.05	64.78	0.57	62.83	0.08
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%

Sr. No.	Name of the Subsidiary	Double Negative Canada Productions Ltd.#	Double Negative Huntsman VFX Limited#	Double Negative Films Limited#	Double Negative LA LLC#	Incamera Limited#	Double Negative Montreal Productions Ltd.#
1	Date of becoming the subsidiary / acquisition	30-Jul-14	15-Apr-15	15-Jun-14	07-Mar-17	10-Feb-21	22-Jun-17
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	CAD 60.7048	CAD 60.7048	GBP 101.5590	USD 82.1128	GBP 101.5590	CAD 60.7048
4	Share capital (Rs.)	-	0.00	0.00	-	-	51.62
5	Reserves & surplus	223.62	(2.41)	(60.34)	3.27	(6.31)	428.87
6	Total assets	447.07	10.83	293.72	0.88	140.46	1,678.05
7	Total liabilities	223.45	13.24	354.07	(2.39)	146.77	1,197.55
8	Investments	-	-	0.00	-	-	-
9	Turnover	573.33	0.43	16.33	0.33	124.02	2,635.51
10	Profit before taxation	36.10	0.40	2.99	0.01	8.81	101.05
11	Provision for taxation	10.07	-	-	0.03	2.74	23.65
12	Profit after taxation	26.03	0.40	2.99	(0.02)	6.07	77.41
13	Other Comprehensive Income	-	-	-	-	-	-
14	Total Comprehensive Income	26.03	0.40	2.99	(0.02)	6.07	77.41
15	Proposed Dividend	-	-	-	-	-	-
16	% of shareholding	100.00%	100.00%	100.00%	100.00%	50.00%	100.00%

Sr. No.	Name of the Subsidiary	Double Negative Toronto Productions Ltd.#	DNEG Bulgaria EOOD#	Double Negative Hungary Limited#	DNEG Australia PTY Ltd#	DNEG Spain, S.L.#
1	Date of becoming the subsidiary/acquition	06-Aug-21	14-Oct-21	28-May-22	04-May-22	02-Sep-22
2	Reporting period for the subsidiary concerned, if different from the holding company's reporting period	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23	31-Mar-23
3	Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries.	CAD 60.7048	BGN 45.6459	HUF 0.2352	AUD 55.0383	EUR 89.2756
4	Share capital (Rs.)	-	0.01	0.07	0.00	0.03
5	Reserves & surplus	8.62	2.46	0.92	1.01	0.98
6	Total assets	32.63	39.51	11.53	68.17	19.81
7	Total liabilities	24.00	37.04	10.54	67.16	18.80
8	Investments	-	-	-	-	-
9	Turnover	146.89	28.31	14.92	15.84	18.73
10	Profit before taxation	9.68	1.85	0.98	1.44	1.23
11	Provision for taxation	2.65	(0.10)	0.10	0.43	0.31
12	Profit after taxation	7.04	1.95	0.88	1.01	0.92
13	Other Comprehensive Income	-	-	-	-	-
14	Total Comprehensive Income	7.04	1.95	0.88	1.01	0.92
15	Proposed Dividend	-	-	-	-	-
16	% of shareholding	100.00%	100.00%	100.00%	100.00%	100.00%

~ Note: Considering ESOP shares issued subsequently.

\* Direct/ Indirect Subsidiaries of Prime Focus Technologies Limited.

# Direct/ Indirect Subsidiaries of Prime Focus World N.V.

^ Prime Focus MEAD FZ LLC was dissolved w.e.f. June 16, 2023 and ceased to be subsidiary of the Company.

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

*In this annual report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management’s plans and assumptions. We have tried wherever possible to identify such statements by using words such as ‘anticipate’, ‘estimate’, ‘expect’, ‘projects’, ‘intend’, ‘plans’, ‘believe’, and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in our assumptions. The achievement of results is subject to risk, uncertainties and even inaccurate assumptions. Known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.*





PRIME FOCUS  
L I M I T E D

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