



**PRIME FOCUS LIMITED**

Registered Office : Prime Focus House, Opp Citi Bank, Linking Road  
Khar (West), Mumbai, Maharashtra, India, 400052

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND FIFTEEN MONTHS ENDED JUNE 30, 2014

Rs. In lacs

Sr No.	Particulars	Standalone					Consolidated				
		Quarter Ended		Fifteen Months Period Ended / Year Ended			Quarter Ended		Fifteen Months Period Ended / Year Ended		
		30.06.2014	31.03.2014	30.06.2013	30.06.2014	31.03.2013	30.06.2014	31.03.2014	30.06.2013	30.06.2014	31.03.2013
		(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
<b>Part I</b>											
1	Income from operations										
	Net sales / income from operations	6,578.70	5,760.90	5,023.15	27,354.79	18,288.23	19,900.51	23,551.28	18,846.89	103,272.16	
	Other operating income	28.99	109.06	-	146.33	-	28.99	109.06	-	146.33	
	<b>Total income from operations</b>	<b>6,607.69</b>	<b>5,869.96</b>	<b>5,023.15</b>	<b>27,501.12</b>	<b>18,288.23</b>	<b>19,929.50</b>	<b>23,660.34</b>	<b>18,846.89</b>	<b>103,418.49</b>	
2	Expenses										
	Employee benefits expense	1,764.59	1,574.28	1,067.28	6,935.01	3,130.76	11,150.44	10,205.10	7,700.03	45,978.27	
	Technician fees	1,219.02	1,219.22	1,411.53	6,411.47	5,704.57	2,002.92	1,291.65	1,711.59	8,166.62	
	Depreciation and amortisation expense	866.62	890.95	847.43	4,398.56	3,480.43	2,943.74	2,768.17	2,247.31	13,319.79	
	Other expenditure	1,158.53	890.03	964.25	4,903.87	3,981.28	5,355.04	7,025.41	5,167.49	29,451.19	
	Exchange loss (net)	-	637.56	-	-	-	-	901.86	-	-	
	<b>Total Expenses</b>	<b>5,008.76</b>	<b>5,212.04</b>	<b>4,290.49</b>	<b>22,648.91</b>	<b>16,297.04</b>	<b>21,452.14</b>	<b>22,192.19</b>	<b>16,826.42</b>	<b>96,915.87</b>	
3	<b>Profit from operations before other income, finance costs and exceptional items (1 - 2)</b>	<b>1,598.93</b>	<b>657.92</b>	<b>732.66</b>	<b>4,852.21</b>	<b>1,991.19</b>	<b>(1,522.64)</b>	<b>1,468.15</b>	<b>2,020.47</b>	<b>6,502.62</b>	
4	Other income:										
	a) Exchange gain (net)	220.83	-	1,770.92	2,105.64	816.72	886.04	-	1,405.66	3,806.97	
	b) Others	133.01	414.19	307.55	1,617.24	1,128.34	144.55	(217.23)	277.50	794.04	
5	<b>Profit from ordinary activities before finance costs and exceptional items (3 ± 4)</b>	<b>1,952.77</b>	<b>1,072.11</b>	<b>2,811.13</b>	<b>8,575.09</b>	<b>3,936.25</b>	<b>(492.05)</b>	<b>1,250.92</b>	<b>3,703.63</b>	<b>11,103.63</b>	
6	Finance costs	528.22	502.88	692.56	2,810.83	2,299.51	1,750.03	1,075.74	1,304.84	6,867.60	
7	<b>Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 ± 6)</b>	<b>1,424.55</b>	<b>569.23</b>	<b>2,118.57</b>	<b>5,764.26</b>	<b>1,636.74</b>	<b>(2,242.08)</b>	<b>175.18</b>	<b>2,398.79</b>	<b>4,236.03</b>	
8	Exceptional items - expenditure / (income)	(171.51)	-	-	(171.51)	10,765.65	881.61	83.08	721.68	1,740.65	
9	<b>Profit / (Loss) from ordinary activities before tax (7 ± 8)</b>	<b>1,596.06</b>	<b>569.23</b>	<b>2,118.57</b>	<b>5,935.77</b>	<b>(9,128.91)</b>	<b>(3,123.69)</b>	<b>92.10</b>	<b>1,677.11</b>	<b>2,495.38</b>	
10	Tax expense	(1,728.04)	293.91	480.22	(446.50)	(3,204.62)	(1,614.90)	929.73	749.34	707.93	
11	<b>Net Profit / (Loss) from ordinary activities after tax (9 ± 10)</b>	<b>3,324.10</b>	<b>275.32</b>	<b>1,638.35</b>	<b>6,382.27</b>	<b>(5,924.29)</b>	<b>(1,508.79)</b>	<b>(837.63)</b>	<b>927.77</b>	<b>1,787.45</b>	
12	Extraordinary items (net of tax expense Rs. Nil)	-	-	-	-	-	-	-	-	-	
13	<b>Net Profit / (Loss) after tax and before minority (11 ± 12)</b>	<b>3,324.10</b>	<b>275.32</b>	<b>1,638.35</b>	<b>6,382.27</b>	<b>(5,924.29)</b>	<b>(1,508.79)</b>	<b>(837.63)</b>	<b>927.77</b>	<b>1,787.45</b>	
14	Minority interest	-	-	-	-	-	(630.77)	(121.94)	74.92	(638.69)	
15	<b>Net Profit / (Loss) for the period (13 ± 14)</b>	<b>3,324.10</b>	<b>275.32</b>	<b>1,638.35</b>	<b>6,382.27</b>	<b>(5,924.29)</b>	<b>(878.02)</b>	<b>(715.69)</b>	<b>852.85</b>	<b>2,426.14</b>	
16	Paid-up equity share capital (Face value - Rs. 1/- per share)	1,854.17	1,854.17	1,854.17	1,854.17	1,854.17	1,854.17	1,854.17	1,854.17	1,854.17	
17	Reserves Excluding Revaluation Reserves as per Balance Sheet of previous accounting year					39,135.35				53,582.32	
18	Earning Per Share (after exceptional items)										
	(a) Basic	1.79	0.15	0.88	3.44	(3.63)	(0.47)	(0.39)	0.46	1.31	
	(b) Diluted	1.79	0.15	0.88	3.44	(3.63)	(0.47)	(0.39)	0.46	1.31	
	Earning Per Share (before exceptional items and net off tax)										
	(a) Basic	1.72	0.15	0.88	3.37	0.83	(0.10)	(0.35)	0.77	2.05	
	(b) Diluted	1.72	0.15	0.88	3.37	0.83	(0.10)	(0.35)	0.77	2.05	
19	Debt service coverage ratio (No of times)				0.97	0.13					
20	Interest service coverage ratio (No of times)				1.94	0.41					
21	Debt - equity ratio				0.74	0.99					
<b>PARTICULARS OF SHAREHOLDING</b>											
1	<b>Public Share Holding</b>										
	- Number of shares	108,315,890	108,315,890	109,222,444	108,315,890	109,629,724	108,315,890	108,315,890	109,222,444	108,315,890	
	- Percentage of shareholding	58.42%	58.42%	58.91%	58.42%	59.12%	58.42%	58.42%	58.91%	58.42%	
2	<b>Promoters and Promoter Group Shareholding</b>										
	a) Pledged / Encumbered										
	- Number of shares	45,612,000	47,712,000	58,474,100	45,612,000	53,822,000	45,612,000	47,712,000	58,474,100	45,612,000	
	- Percentage of shares (as a % of the total shareholding of promoters and promoter group)	59.16%	61.88%	76.74%	59.16%	71.02%	59.16%	61.88%	76.74%	59.16%	
	- Percentage of shares (as a % of total share capital of the Company)	24.60%	25.73%	31.54%	24.60%	29.03%	24.60%	25.73%	31.54%	24.60%	
	b) Non - encumbered										
	- Number of shares	31,489,546	29,389,546	17,720,892	31,489,546	21,965,712	31,489,546	29,389,546	17,720,892	31,489,546	
	- Percentage of shares (as a % of total shareholding of promoters and promoter group)	40.84%	38.12%	23.26%	40.84%	28.98%	40.84%	38.12%	23.26%	40.84%	
	- Percentage of shares (as a % of total share capital of the Company)	16.98%	15.85%	9.56%	16.98%	11.85%	16.98%	15.85%	9.56%	16.98%	



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## PRIME FOCUS LIMITED

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Khar (West), Mumbai, Maharashtra, India, 400052

### STATEMENT OF ASSETS AND LIABILITIES AS AT JUNE 30, 2014

Rs. In Lacs

	Standalone		Consolidated	
	30.06.2014	31.03.2013	30.06.2014	31.03.2013
	Audited	Audited	Audited	Audited
<b>Equity and Liabilities</b>				
<b>Shareholders' funds</b>				
Share Capital	1,854.17	1,854.17	1,854.17	1,854.17
Reserves and Surplus	43,252.31	39,135.35	71,900.46	53,582.32
	<b>45,106.48</b>	<b>40,989.52</b>	<b>73,754.63</b>	<b>55,436.49</b>
<b>Minority Interest</b>	-	-	16,126.80	6,410.93
<b>Non-current liabilities</b>				
Long-term borrowings	26,263.47	26,024.98	57,012.70	33,063.60
Deferred tax liability (net)	-	-	1,186.99	1,306.59
Other long-term liabilities	39.70	108.80	6,060.84	1,773.28
Long-term provisions	69.98	85.71	140.50	125.2200
	<b>26,373.15</b>	<b>26,219.49</b>	<b>64,401.03</b>	<b>36,268.69</b>
<b>Current liabilities</b>				
Short-term borrowings	8,571.88	11,214.99	17,736.25	29,945.96
Trade payables	2,787.61	3,342.93	12,493.07	6,095.32
Other current liabilities	5,758.35	6,535.18	18,143.39	17,501.15
Short-term provisions	4,431.85	13.04	4,432.33	13.23
	<b>21,549.69</b>	<b>21,106.14</b>	<b>52,805.04</b>	<b>53,555.66</b>
<b>TOTAL</b>	<b>93,029.32</b>	<b>88,315.15</b>	<b>207,087.50</b>	<b>151,671.77</b>
<b>Assets</b>				
<b>Non-current assets</b>				
Fixed assets				
Tangible assets	17,004.57	21,752.63	63,216.06	55,123.97
Intangible assets	321.78	943.46	46,008.43	31,047.49
Capital work-in-progress	32.00	14.21	409.03	2,064.26
Intangible assets under development	-	-	1,571.79	634.11
Non-current investments	23,845.96	25,068.11	1.04	1.04
Deferred tax asset (net)	11,293.43	5,256.51	11,293.43	6,013.09
Long-term loans and advances	6,211.24	5,642.98	9,388.25	8,015.15
Other non-current assets	-	-	6.82	1,690.69
	<b>58,708.98</b>	<b>58,677.90</b>	<b>131,894.85</b>	<b>104,589.80</b>
<b>Current assets</b>				
Current investments	-	-	6.25	6.50
Inventories	-	-	3.16	44.87
Trade receivables	13,921.82	13,197.36	38,526.54	25,486.69
Cash and bank balances	654.30	1,051.71	2,249.24	4,912.01
Short-term loans and advances	18,904.16	14,880.02	17,346.28	6,311.65
Other current assets	840.06	508.16	17,061.18	10,320.25
	<b>34,320.34</b>	<b>29,637.25</b>	<b>75,192.65</b>	<b>47,081.97</b>
<b>TOTAL</b>	<b>93,029.32</b>	<b>88,315.15</b>	<b>207,087.50</b>	<b>151,671.77</b>





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### Notes to Consolidated Audited Financial Results for the Quarter and Financial year ended June 30, 2014:

1. The above results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on August 28, 2014. The statutory auditors have carried out Audit of the Standalone and Consolidated results of the Company.
2. The Board of Directors of the Company vide circular resolution passed on March 24, 2014 inter-alia, considered and approved the extension of the current financial year i.e. (April 01, 2013 to March 31, 2014) of the Company by a period of three (3) months in accordance with the provisions of Section 210 of the Companies Act, 1956. Accordingly, the current financial year of the Company is for a period of fifteen (15) months i.e. commencing from April 01, 2013 and ending on June 30, 2014 and therefore not comparable with financial results of year ended March 31, 2013.
3. On April 4, Prime Focus Technologies (PFT), the technology subsidiary of Prime Focus Limited completed acquisition of DAX for a base consideration of USD 9.1 million in a performance linked transaction. PFT through its US subsidiary acquired all the assets of DAX for an upfront payment with balance payable over 3 years primarily from cash flows from the North American operations.
4. PFT raised INR 46.14 crore through a private placement of optionally convertible debentures (OCDs) in three tranches; INR 19.92 crore was allotted on March 15<sup>th</sup>, INR 21.15 crore on April 15<sup>th</sup> and INR 5.07 crore on April 16<sup>th</sup>. The funds raised would be used to fund expansion of its Cloud Technology, CLEAR™ in the global markets as well as for retiring debt. After 2 years, Investors will have an option of converting up to 25% of the total principal amount into equity of PFT.
5. Effective June 30, 2014 Company sold its 'Backend Business', which includes (a) business of providing the services of conversion of 2D audio visual/moving images to stereo 3D audio visual/moving images provided by the Company to Prime Focus World N.V., a company incorporated and operating under the laws of Netherlands ("PFW") ('Conversion Business'); and (b) the business of providing the services of computer generated film visual special effects by the Company to PFW ("VFX Business"), to Prime Focus World Creative Services Pvt. Ltd., a company incorporated in India and an indirect controlled subsidiary of the Company on a going concern basis by way of slump sale for a total consideration of INR 2,297 million and recognized gain on standalone of INR 1,972 million.
6. Company has made provision in standalone results for doubtful loan and advances recoverable from its subsidiary Prime Focus London Plc of INR 1,353 million and for diminution in its investment value of INR 514 million considering subsidiary's sustained losses.
7. Exceptional item comprises of

*Rs. In lacs*

Particulars	Standalone		Consolidated	
	Period ended June 30,	Year ended March 31,	Period ended June 30,	Year ended March 31,
	2014	2013	2014	2013
Gain on sale of net assets on slump sale	(19,720.59)	-	-	-
Provision for loan to subsidiary	13,532.50	-	-	-
Provision for diminution in the value of investment	5,146.36	-	-	-
Bad debts written off	-	445.13	-	445.13
Provision for doubtful Debts / Advances (net)	870.20	2,092.71	870.21	2,092.71
Impairment of fixed assets	-	-	779.88	-
Exchange loss on Foreign Currency Convertible bonds	-	8,227.81	-	8,227.81
Restructuring costs	-	-	90.55	-
	<b>(171.51)</b>	<b>10,765.65</b>	<b>1,740.64</b>	<b>10,765.65</b>

8. The Post Production business is the primary business segment for the Company. Since, the Company's entire operations are governed by the same set of risks and returns, these have been considered as representing a single segment.



9. There were no investor complaints pending at the beginning of the quarter. During the Quarter, the Company received no investor complaints and there was no investor complaint pending at the end of the quarter.

10. The figures for three months ended June 30, 2014 are the balancing figures between audited figures in respect of the full financial year and the published year to date figures upto 12 months ended March 31, 2014.


11. Ratios have been calculated as follows:

- a. Debt Service Coverage Ratio = Profit before exceptional items, Interest on long term loans, Depreciation and Tax/ (Principal repayment / transfer of total long term loans + Interest on long term loans).
- b. Interest Service Coverage Ratio = Profit before exceptional items, Interest on long term loans, Depreciation and Tax/ Interest on long term loans.
- c. Debt Equity Ratio = Total borrowings (principal)/ Shareholders Funds.

12. Previous period / year figures have been regrouped and re-arranged wherever necessary.

For and on behalf of the Board of Directors

Place: Mumbai  
Date: August 28, 2014

  
Naresh Malhotra  
Whole-time Director

