

PRIME FOCUS LIMITED

Registered Office : Prime Focus House, Linking Road, Khar (W), Mumbai - 400 052
AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED 31ST MARCH 09

S. No	Particulars	STANDALONE		CONSOLIDATED	
		Rs. In Lakhs		Rs. In Lakhs	
		Year Ended		Year Ended	
		Year Ended 31-Mar-09	Year Ended 31-Mar-08	Year Ended 31-Mar-09	Year Ended 31-Mar-08
		Audited	Audited	Audited	Audited
1	Net Income from Sales / Services	9,109.53	8,572.07	35,437.20	22,213.30
2	Personnel Cost	2,778.94	2,340.37	20,039.13	9,854.38
3	General Administrative Expenses	1,873.20	1,745.40	9,418.89	5,535.47
4	Bad Debts	498.67	-	706.41	-
5	Depreciation	1,820.01	1,604.21	3,790.95	2,892.12
6	Operating Profit before Interest (1) - (2+3+4+5)	2,138.71	2,882.09	1,481.82	3,931.32
7	Interest	1,409.29	727.33	2,088.22	1,097.35
8	Exceptional Item	-	92.44	(674.71)	579.27
9	Operating Profit after Interest & Exceptional Items (6-7-8)	729.42	2,062.32	68.30	2,254.70
10	Other Income	1,174.82	755.75	1,392.76	942.85
11	Net Profit (+) / Loss (-) from Ordinary Activities before Tax and Adjustments (9+10)	1,904.24	2,818.07	1,461.06	3,197.55
12	Adjustment Pursuant to the Scheme of Arrangement				
	(a) Adjustment to carrying value of assets	-	2,500.00	-	2,500.00
	(b) Withdrawn from Business Restructuring Reserve	-	(2,500.00)	-	(2,500.00)
13	Net Profit (+) / Loss (-) before Tax (11-12)	1,904.24	2,818.07	1,461.06	3,197.55
14	Tax Expense	569.59	153.58	(115.28)	21.66
15	Net Profit (+) / Loss (-) for the period After Tax before Minority Interest (13-14)	1,334.65	2,664.49	1,576.34	3,175.89
16	Minority Interest	-	-	117.97	222.25
17	Net Profit (+) / Loss (-) for the period After Tax (15-16)	1,334.65	2,664.49	1,458.37	2,953.64
18	Paid-up Equity Share Capital (Face Value - Rs. 10/- per share)	1,282.26	1,272.26	1,282.26	1,272.26
19	Reserves excluding Revaluation Reserves (as per Balance Sheet) of Previous Accounting Year	18,636.85	17,302.20	24,094.73	17,587.57
20	Earnings per Share (EPS)				
	a) Basic EPS	10.48	20.94	11.45	23.22
	b) Diluted EPS	9.33	20.16	10.20	22.35
21	Public Shareholding				
	Number of Shares	5,955,488	5,857,588	5,955,488	5,857,588
	Percentage of Shareholding	46.45%	46.04%	46.45%	46.04%
22	Promoters and promoter group				
	Shareholding	6,867,100		6,867,100	
	a) Pledged / Encumbered				
	- No. of Shares	1,900,000		1,900,000	
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	27.67%		27.67%	
	- Percentage of shares (as a % of the total shareholding of the total share capital of the company)	14.82%		14.82%	
	b) Non Pledged / Non Encumbered				
	- No. of Shares	4,967,100		4,967,100	
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	72.33%		72.33%	
23	- Percentage of shares (as a % of the total shareholding of the total share capital of the company)	38.74%		38.74%	

For & On behalf of the Board of Directors

Place **Mumbai**
 Date **June 30, 2009**

sd/-
 Naresh Malhotra
 Chairman & Wholetime Director

Notes to Audited Financial Results for the year ended March 31, 2009:

1. The above results were reviewed by the Audit Committee and approved by the Board of Directors at their meeting on June 30, 2009.
2. During the year, the Company had acquired the following companies through its wholly owned subsidiary Prime Focus Investments Limited registered in UK:
 - a. Post Logic Studios ;
 - b. 1800 Vine Street ;
 - c. Frantic Films Services INC. (now known as Prime Focus VFX Services I INC.);
 - d. Frantic Films Software INC. (now known as Prime Focus VFX Technology INC);
 - e. Frantic Films VFX Services INC, (now known as Prime Focus VFX Services II INC);
 - f. Frantic Films USA INC. (now known as Prime Focus VFX USA INC);
 - g. Frantic Films Pacific INC. (now known as Prime Focus VFX Pacific INC);
 - h. Frantic Films Australia Pty. Ltd. (now known as Prime Focus VFX Australia Pty Ltd.).

The Company incorporated wholly owned subsidiary Prime Focus Motion Pictures Limited and acquired entire share capital of GVS Software Private Limited during the year.

Based on the above, the consolidated results for the year ended March 31, 2009 are not strictly comparable with the corresponding previous year ended March 31, 2008.

3. During December 2008, the Company amalgamated its wholly owned subsidiary, Storemedia Technologies Pvt. Ltd (STPL) with effect from January 1, 2008, the appointed date, after receipt of the court order.
4. The Company has till the period ended December 2008 adjusted the foreign currency exchange differences on amounts borrowed for acquisition of fixed assets including the mark to market losses on derivative contracts, to the carrying cost of fixed assets in compliance with Schedule VI to the Companies Act, 1956, which was at variance to the treatment prescribed in Accounting Standard (AS 11) on “Effects of Changes in Foreign Exchange Rates” notified in the Companies (Accounting Standards) Rules 2006. Pursuant to the amendment to Schedule VI with effect from March 31, 2009, the Company has now adopted the accounting treatment as per AS 11 and provided all the necessary foreign exchange difference in its Profit and Loss Account. As a result of this, the earlier qualification in Limited Review Report by statutory auditors for the period ended December 31, 2008 is now resolved. Consequent to change in accounting policy as above, there is an additional charge of Rs. 407.20 lakhs on profit for the financial year ended March 31, 2009.
5. The Company had issued Foreign Currency Convertible Bonds (FCCB’s) for US\$ 55 million in December 2007. These FCCB’s are convertible into equity shares on or before December 2012 at the option of the investors. The management believes that the bonds are a non monetary liability and hence, the exchange gain/loss on translation of FCCB liability in the event of redemption has not been recognized. The Company has not revalued the FCCBs of US\$ 55 million at the exchange rate prevailing as at March 31, 2009 and March 31, 2008 in accordance with AS 11 and not provided for the premium payable on redemption of these

FCCBs. Had the Company revalued the bonds as at March 31, 2009, the profit for the year ended March 31, 2009 and the reserves as at that date would have been lower by Rs 208.3 million and Rs 219.0 million respectively and Foreign Currency Monetary Item Translation Difference account would have been Rs 416.7 million. Further, had the Company provided for the premium on redemption, the securities premium as at March 31, 2009 would have been lower by Rs 269.1 million. Consequent to the above, the FCCB balance at March 31, 2009 would have been higher by Rs 904.8 million. This was the subject matter of qualification in the Limited Review Report by statutory auditors for the period ended December 31, 2008 and continues to be the subject matter of qualification in their Audit Report for the year ended March 31, 2009.

6. The FCCB's as referred in note number 5 were issued under the 'Automatic Route' as per legal advice received that it complies with the eligibility criteria to raise the FCCBs as per the then extant RBI Master Circular No.07/2007-08 dated July 2, 2007 (on ECB & Trade Credits). The Reserve Bank of India (RBI) vide its letter dated May 25, 2009, advised the company that it was not an eligible borrower under 'Automatic Route' and that it has the option to approach RBI for compounding the contraventions related to the transaction. The Company has decided to apply for compounding as advised and will be submitting the application to RBI. Pending the outcome of the above matter no provision has been made in the financial statements. This has been subject matter of emphasis in the Auditors Report for the financial year ended March 31, 2009.
7. The Company's entire operations are governed by the same set of risks and returns and hence have been considered as representing a single segment.
8. There were no investors complaints at the beginning of the quarter and no complaints were received during the quarter. Therefore no complaints were pending as on December 31, 2008.
9. Previous year figures have been regrouped / reclassified wherever necessary.

For and on behalf of the Board of Directors

Sd/-

Place: Mumbai
Date: June 30, 2009

Director