

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM STANDALONE
FINANCIAL RESULTS**

TO THE BOARD OF DIRECTORS OF PRIME FOCUS LIMITED

1. We have reviewed the accompanying Statement of Standalone Unaudited Financial Results of **PRIME FOCUS LIMITED** ("the Company"), for the quarter and half year ended September 30, 2018 ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement which is the responsibility of the Company's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.
3. Based on our review conducted as stated above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.

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



Abhijit A. Damle
Partner
(Membership No. 102912)

MUMBAI, November 13, 2018

**INDEPENDENT AUDITOR'S REVIEW REPORT ON REVIEW OF INTERIM CONSOLIDATED
FINANCIAL RESULTS**

TO THE BOARD OF DIRECTORS OF PRIME FOCUS LIMITED

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **PRIME FOCUS LIMITED** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter and half year ended September 30, 2018 ("the Statement") being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016.

This Statement, which is the responsibility of the Parent's Management and approved by the Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to issue a report on the Statement based on our review.

2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review is limited primarily to inquiries of Parent's personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

3. The Statement includes the results of Prime Focus Limited and of the following entities:

- Prime Focus Limited
- Gener8 India Media Services Limited
- De-Fi Media Limited
- Prime Focus Technologies Limited
- Prime Focus Technologies UK Limited
- Prime Post (Europe) Limited
- Prime Focus Technologies Inc.
- DAX PFT LLC
- DAX Cloud ULC
- Apptarix Mobility Solutions Private Limited
- Prime Focus Production Services Private Limited (formerly known as Prime Focus Visual Effects Private Limited)
- GVS Software Private Limited
- Prime Focus Motion Pictures Limited
- Prime Focus Digital Services Private Limited (formerly known as Prime Focus 3D India Private Limited)
- PF World Limited (Mauritius)



- Prime Focus Luxembourg S.a.r.l.
- Prime Focus 3D Cooperatief U.A.
- Prime Focus World N.V.
- Double Negative Canada Productions Limited
- Double Negative Huntsman VFX Limited
- Vegas II VFX Limited
- Prime Focus International Services UK Limited
- Prime Focus VFX USA Inc.
- DNEG Creative Services Private Limited (formerly known as Prime Focus World Creative Services Private Limited)
- Prime Focus Academy of Media & Entertainment Studies Private Limited
- Double Negative India Private Limited
- DNEG North America Inc. (formerly known as Prime Focus North America Inc.)
- 1800 Vine street LLC (USA)
- Prime Focus VFX Limited
- Double Negative Montreal Production Limited
- Prime Focus World Malaysia Sdn Bhd
- Double Negative Holdings Limited U.K
- Double Negative Singapore Pte. Limited
- Double Negative Film Limited, UK
- Double Negative LA LLC
- Double Negative Limited
- Prime Focus ME Holdings Limited
- Prime Focus China Limited
- Prime Focus (HK) Holdings Limited
- PF Investments Limited (Mauritius)
- PF Overseas Limited (Mauritius)
- Reliance MediaWorks (Mauritius) Limited
- Reliance Lowry Digital Imaging Services Inc.
- Prime Focus Malaysia Sdn Bhd

4. Based on our review conducted as stated above and based on the consideration of the review reports of the other auditors referred to in paragraph 5 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016, including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. We did not review the interim financial information / financial results of forty subsidiaries included in the consolidated unaudited financial results, whose interim financial information / financial results, before consolidation adjustments, reflect total assets of Rs. 420,409.68 lakh as at September 30, 2018, total revenues of Rs. 55,002.49 lakh and Rs. 108,713.77 lakh for the quarter and half year ended September 30, 2018 respectively, total loss after tax of Rs. 1,839.27 lakh and total profit after tax of Rs. 258.87 lakh for the quarter and half year ended September 30, 2018 respectively and total comprehensive loss of Rs. 4,476.95 lakh and Rs. 4,665.03 lakh for the quarter and half year ended September 30, 2018 respectively, as considered in the consolidated unaudited financial results. These interim financial information / financial results have been reviewed by other auditors whose reports have been furnished to us by the Management and our report on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors.

Our report on the Statement is not modified in respect of this matter.

6. The consolidated unaudited financial results include the interim financial results/ financial information of two subsidiaries which have not been reviewed by their auditors, whose interim financial results/ financial information, before consolidation adjustments, reflect total assets of Rs. 2,829.11 lakh as at September 30, 2018, total revenues of Rs. 2.02 lakh and Rs. 2.02 lakh for the quarter and half year ended September 30, 2018 respectively, total loss after tax of Rs. 87.78 lakh and Rs. 259.81 lakh for the quarter and half year ended September 30, 2018 respectively and total comprehensive loss of Rs. 87.78 lakh and Rs. 259.81 lakh for the quarter and half year ended September 30, 2018 respectively, as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial information / financial results are not material to the Group.

Our report on the Statement is not modified in respect of our reliance on the interim financial information / results certified by the Management.

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



Abhijit A. Damle
Partner
(Membership No. 102912)

MUMBAI, November 13, 2018



PRIME FOCUS LIMITED

Registered Office : Prime Focus House, Opp Citi Bank, Linking Road

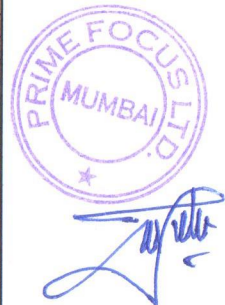
Khar (West), Mumbai, Maharashtra, India, 400052

CIN: L92100MH1997PLC108981

UNAUDITED STANDALONE AND CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018

Rs. In Lakh

Particulars	Standalone						Consolidated					
	Quarter ended			Six Months ended		Year ended	Quarter ended			Six Months ended		Year ended
	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018	30.09.2018	30.06.2018	30.09.2017	30.09.2018	30.09.2017	31.03.2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Income :												
Revenue from operations	3,373.03	3,210.74	3,746.43	6,583.77	7,010.97	13,643.82	59,873.72	60,398.06	54,616.83	1,20,271.78	1,05,962.00	2,22,751.60
Other operating income	231.69	231.51	208.61	463.20	425.67	887.88	694.40	448.86	108.47	1,143.26	115.46	2,995.70
Other income:												
a) Exchange gain (net)	16.14	-	145.52	7.68	125.84	-	521.73	1,592.63	1,486.37	2,114.36	1,702.44	1,158.36
b) Others (net)	341.25	780.53	418.16	1,121.78	1,185.90	2,676.13	668.61	1,410.02	649.69	2,078.63	1,500.33	2,286.96
Total income	3,962.11	4,222.78	4,518.72	8,176.43	8,748.38	17,207.83	61,758.46	63,849.57	56,861.36	1,25,608.03	1,09,280.23	2,29,192.62
Expenses												
Employee benefits expense	950.26	895.11	816.25	1,845.37	1,588.96	3,263.63	39,826.47	38,981.42	30,492.71	78,807.89	60,157.30	1,27,787.54
Employee stock option expense (Refer note 7)	1,637.95	394.93	679.50	2,032.88	1,681.60	2,471.46	1,907.16	529.17	1,394.67	2,436.33	2,548.26	3,479.43
Technician fees	396.30	368.91	460.33	765.21	904.23	1,712.16	901.71	758.43	1,129.40	1,660.14	2,034.45	4,651.56
Technical service cost	268.41	92.41	280.31	360.82	522.93	909.41	2,441.94	2,205.64	1,636.80	4,647.58	2,980.30	7,631.16
Finance costs - towards extinguishment of financial liability (Refer note 8)	-	-	-	-	-	-	2,643.20	-	-	2,643.20	-	-
Finance costs - Others	1,614.28	1,622.38	930.40	3,236.66	1,920.64	7,413.11	5,501.46	4,871.78	3,622.98	10,373.24	7,386.76	21,230.69
Depreciation and amortisation expense	849.87	853.45	828.36	1,703.32	1,592.15	3,342.56	7,085.77	7,186.31	7,084.90	14,272.08	13,539.58	27,730.80
Other expenditure	1,568.47	1,165.55	1,151.58	2,734.02	2,253.42	4,955.71	10,702.08	10,112.78	9,394.82	20,814.86	18,505.38	40,559.17
Exchange loss (net)	-	8.46	-	-	-	82.59	-	-	-	-	-	-
Total Expenses	7,285.54	5,401.20	5,146.73	12,678.28	10,463.93	24,150.63	71,009.79	64,645.53	54,756.28	1,35,655.32	1,07,152.03	2,33,070.35
(Loss) / Profit before tax	(3,323.43)	(1,178.42)	(628.01)	(4,501.85)	(1,715.55)	(6,942.80)	(9,251.33)	(795.96)	2,105.08	(10,047.29)	2,128.20	(3,877.73)
Tax expense												
Current tax	-	273.08	-	273.08	-	-	516.63	523.26	134.40	1,039.89	470.77	3,292.91
Deferred tax	(11.92)	11.92	(43.54)	-	(108.98)	(1,282.33)	(2,624.18)	(468.19)	(216.30)	(3,092.37)	(835.75)	(2,730.35)
Net (Loss) / Profit for the year / period	(3,311.51)	(1,463.42)	(584.47)	(4,774.93)	(1,606.57)	(5,660.47)	(7,143.78)	(851.03)	2,186.98	(7,994.81)	2,493.18	(4,440.29)
Other Comprehensive Income												
A (i) Items that will not be reclassified to profit or loss	-	-	-	-	-	15.89	204.75	-	-	204.75	-	(72.59)
A (ii) Income tax relating to items that will not be reclassified to profit or loss	-	-	-	-	-	(4.63)	(30.18)	-	-	(30.18)	-	41.52
B (i) Items that will be reclassified to the profit or loss	-	-	-	-	-	-	400.38	(479.49)	72.18	(79.11)	728.48	383.11
B (ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-	-	-	-	-	-	-
Other Comprehensive Income	-	-	-	-	-	11.26	574.95	(479.49)	72.18	95.46	728.48	352.04
Total Comprehensive Income	(3,311.51)	(1,463.42)	(584.47)	(4,774.93)	(1,606.57)	(5,649.21)	(6,568.83)	(1,330.52)	2,259.16	(7,899.35)	3,221.66	(4,088.25)
Net attributable to												
Owners of the Company	(3,311.51)	(1,463.42)	(584.47)	(4,774.93)	(1,606.57)	(5,660.47)	(6,513.64)	(612.17)	1,776.26	(7,125.81)	1,871.17	(5,318.64)
Non-controlling interests	-	-	-	-	-	-	(630.14)	(238.86)	410.72	(869.00)	622.01	878.35
Other comprehensive income attributable to												
Owners of the Company	-	-	-	-	-	11.26	458.64	(578.78)	143.57	(120.14)	747.04	307.38
Non-controlling interests	-	-	-	-	-	-	116.31	99.29	(71.39)	215.60	(18.56)	44.66
Total comprehensive income attributable to												
Owners of the Company	(3,311.51)	(1,463.42)	(584.47)	(4,774.93)	(1,606.57)	(5,649.21)	(6,055.00)	(1,190.95)	1,919.83	(7,245.95)	2,618.21	(5,011.26)
Non-controlling interests	-	-	-	-	-	-	(513.83)	(139.57)	339.33	(653.40)	603.45	923.01
Earnings Per Share												
(a) Basic	(1.11)	(0.49)	(0.20)	(1.60)	(0.54)	(1.89)	(2.39)	(0.28)	0.73	(2.67)	0.83	(1.49)
(b) Diluted	(1.11)	(0.49)	(0.20)	(1.60)	(0.54)	(1.89)	(2.39)	(0.28)	0.71	(2.67)	0.81	(1.49)
Paid-up equity share capital (Face value - Re. 1/- per share)	2,991.66	2,991.66	2,988.79	2,991.66	2,988.79	2,991.66	2,991.66	2,991.66	2,988.79	2,991.66	2,988.79	2,991.66
Reserve excluding revaluation reserve				97,720.72	1,05,259.65	1,00,462.77						46,316.50
Debt redemption reserve				2,227.50	5,252.50	2,227.50						
Net worth				1,08,962.38	1,08,248.44	1,11,704.43						
Debt service coverage ratio (No of times) (Refer note 4)				0.16	0.16	0.07						
Interest service coverage ratio (No of times) (Refer note 4)				0.26	0.38	0.34						
Debt - equity ratio (Refer note 4)				0.40	0.56	0.38						





PRIME FOCUS LIMITED

Registered Office : Prime Focus House, Opp Citi Bank, Linking Road

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

CIN: L92100MH1997PLC108981

Balance Sheet as at September 30, 2018

Rs. In Lakh

	Standalone		Consolidated	
	As at	As at	As at	As at
	September 30, 2018	March 31, 2018	September 30, 2018	March 31, 2018
	Unaudited	Audited	Unaudited	Audited
Assets				
Non-current Assets				
Property, Plant and Equipment	37,979.67	39,048.94	62,278.77	76,685.11
Capital work in progress	473.72	150.81	1,422.84	627.61
Goodwill	-	-	1,06,147.49	97,307.77
Other intangible assets	233.60	244.56	63,827.32	52,412.83
Intangible assets under development	-	-	6,758.33	4,884.85
Financial Assets				
Investments	1,00,320.08	93,868.08	441.12	425.20
Other financial assets	153.55	6,495.75	2,610.11	2,277.77
Deferred tax assets (net)	2,547.80	2,547.80	5,057.10	2,547.80
Income tax asset (net)	6,471.62	4,996.06	9,191.20	7,747.43
Other non current assets	1,085.99	277.16	4,380.01	3,449.87
Total non-current assets	1,49,266.03	1,47,629.16	2,62,114.29	2,48,366.24
Current Assets				
Inventories	-	-	320.05	60.45
Financial Assets				
Trade receivables	4,628.35	4,908.58	48,747.35	34,478.88
Cash and cash equivalents	33.80	100.37	3,740.41	7,946.39
Bank balances other than above	60.72	328.65	293.94	1,259.23
Loans	8,775.72	10,127.77	-	-
Other financial assets	3,138.02	2,479.44	40,692.88	43,113.39
Other current assets	1,716.36	967.97	15,407.77	11,264.63
Total current assets	18,352.97	18,912.78	1,09,202.40	98,122.97
Total Assets	1,67,619.00	1,66,541.94	3,71,316.69	3,46,489.21
Equity and Liabilities				
Equity				
Equity share capital	2,991.66	2,991.66	2,991.66	2,991.66
Share warrants	8,250.00	8,250.00	8,250.00	8,250.00
Other equity	97,720.72	1,00,462.77	41,344.98	46,316.50
Equity attributable to equity holders of the parent	1,08,962.38	1,11,704.43	52,586.64	57,558.16
Non-controlling interest	-	-	11,827.02	12,337.96
Total Equity	1,08,962.38	1,11,704.43	64,413.66	69,896.12
Liabilities				
Non-current Liabilities				
Financial Liabilities				
Borrowings	18,537.03	18,975.60	1,08,710.88	92,685.64
Other financial liabilities	7,634.05	7,603.05	12,636.98	12,954.55
Provisions	256.80	242.70	975.50	1,329.61
Deferred tax liabilities (net)	-	-	9,060.59	9,786.95
Other non current liabilities	123.08	115.14	10,763.22	10,921.56
Total non-current liabilities	26,550.96	26,936.49	1,42,147.17	1,27,678.31
Current Liabilities				
Financial Liabilities				
Borrowings	3,227.66	2,173.55	42,470.08	35,395.06
Trade payables*	2,614.84	1,988.57	15,358.48	16,439.76
Other financial liabilities	23,408.44	22,287.99	68,924.41	68,322.91
Provisions	28.60	28.60	2,309.65	1,155.64
Current tax liabilities (net)	1,594.80	258.71	7,143.81	5,269.57
Other current liabilities	1,231.32	1,163.60	28,549.43	22,331.84
Total current liabilities	32,105.66	27,901.02	1,64,755.86	1,48,914.78
Total Liabilities	58,656.62	54,837.51	3,06,903.03	2,76,593.09
Total Equity and Liabilities	1,67,619.00	1,66,541.94	3,71,316.69	3,46,489.21

* Amount dues to micro and small enterprises is Nil.



[Signature]



PRIME FOCUS LIMITED
Registered Office: Prime Focus House, Opp. Citi Bank, Linking Road
Khar (West), Mumbai, Maharashtra, India, 400052
CIN: L92100MH1997PLC108981

Notes to Standalone and Consolidated Unaudited Financial Results for the quarter and six months ended September 30, 2018:

1. The Audit Committee has reviewed the above results and the Board of Directors has approved the above results and its release at their respective meetings held on November 13, 2018. The Statutory Auditors of the Company have carried out a limited review of the results for the quarter and six months ended September 30, 2018.
2. Based on the information reviewed by the Chief Operating Decision Maker (CODM) regularly, the Company has single operating segment of integrated Post Production services.
3. Vide Business Transfer Agreement dated November 19, 2014 between the Company, Reliance Media Works Limited (RMW) and Reliance Land Private Limited, the Company acquired RMW's film and media services business for consideration other than cash. In accordance with the said Agreement, the transfer of BOT Agreement pertaining to the Studio including other business assets and liabilities related to the BOT Agreement ("Studios") and debt facilities of Rs. 20,000 lakhs was to be effected post receipt of the necessary additional approvals. Pending receipt of the additional approvals, the Studios' and the debt facilities have not been transferred to and recorded by the Company. However, based on the mutual understanding with RMW, the Company, continues to operate the Studio, recognise revenue from operations and incurs operating expenses including obligations towards lease rentals and property tax.
4. Formulae for computation of ratios are as follows –

Debt Service Coverage Ratio = Earnings before exceptional items, depreciation, interest on long term loan, employee stock option expense and tax / (Interest Expense on long term loans + Principal Repayments made during the period of long term loans)

Interest Service Coverage Ratio = Earnings before exceptional items, depreciation, interest on long term loan, employee stock option expense and tax / Interest Expense on long term loans

Debt/ Equity Ratio = Total Debt / Equity

5. Details of unsecured non-convertible debentures are as follows:

Sr. No.	Particulars	Previous due date (April 1, 2018 till September 30, 2018)		Next due date (October 1, 2018 till March 31, 2019)	
		Principal	Interest	Principal	Interest
	Prime Focus Limited				
1	Non-convertible debentures – Series B	-	-	November 05, 2018 *	November 05, 2018 *

*Paid on November 02, 2018

6. Company's Non -convertible debentures – Series B, has credit rating of 'A-'. There is no change in rating during the period.
7. At the Twenty-First Annual General Meeting of the Company held on September 28, 2018, the Shareholders approved the extension of the exercise period for outstanding options under PFL Employee Stock Option Scheme 2014 from 2 years to 5 years. The said extension has resulted in an additional employee stock option expense of Rs. 1,560.18 lakh out of which Rs. 1430.85 lakh is recorded during the quarter and balance will be recognized over the remaining vesting period.

Represents charge towards early settlement of a financial liability, which was accounted for at amortised cost.



9. Subsequent to the period end, the Board of Directors have approved sale of 100% equity shares held by the Company of its wholly owned subsidiary, Gener8 India Media Services Limited to DNEG Creative Services Private Limited, another subsidiary of the Company, which is pending Shareholders' approval.
10. Previous period figures have been regrouped and re-arranged wherever necessary to correspond to the figures of the current period.

For and on behalf of the Board of Directors



Naresh Malhotra
Director
DIN No. 00004597

Place: Mumbai
Date: November 13, 2018

