

Corporate Governance Report 2013-14

(As required by Clause 49 of the Listing Agreement of the Stock Exchanges, as amended effective October 1, 2014)

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 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:

a. Composition Of Board Of Directors And Details Of Other Directorships Held:

The Board of Directors of the Company has a combination of 3 Executive and 4 Non-Executive Directors out of which 3 are Independent Non-Executive Directors. With the appointment of Mr. Namit Malhotra – as Executive Director and Mr. Ramakrishnan Sankaranarayanan- as the Managing Director with effect from June 25, 2014, in terms of Clause 49 (I) (A) of the Listing Agreement, the number of Independent Directors required on the Board has increased to 4. The Company has initiated necessary steps to comply with this requirement at the earliest. 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 during the Financial Year (fifteen months) ended June 30, 2014 are as under:

Sr. No.	Name Of Director	Category Of Director	No.Of Directorship Held In other Companies #1	Membership Held In Committees Of Other Companies #2	Chairmanship Held In Committees Of Other Companies #2
1.	Mr. Namit Malhotra #3	Chairman & Executive Director	Nil	Nil	Nil
2.	Mr. Naresh Malhotra	Whole Time Director	2	Nil	Nil
3.	Mr. Ramakrishnan Sankaranarayanan #3	Managing Director	6	Nil	Nil
4.	Mr. Kodi Raghavan Srinivasan	Non- Executive Director (Independent)	Nil	Nil	Nil
5.	Mr. Padmanabha Gopal Aiyar	Non- Executive Director (Independent)	Nil	Nil	Nil
6.	Mr. Rivkaran Chadha	Non- Executive Director (Independent)	5	Nil	Nil
7.	Mr. Nainesh Jaisingh #4	Non - Executive Director	3	Nil	Nil
8.	Mr. Vibhav Parikh #4	Non - Executive Director (Alternate to Mr. Nainesh Jaisingh)	Nil	Nil	Nil

#1 This excludes directorship held in Private Companies, Foreign Companies, Companies formed under section 25 of the Companies Act, 1956/ Section 8 of the Companies Act, 2013 and Alternate Directorships, but includes directorship held in Private Companies which are subsidiaries of public limited companies.

#2 In accordance with Clause 49, Memberships/Chairmanships of only the Audit Committees and Shareholders'/Investors' Grievance Committees in all public limited companies (excluding Prime Focus Limited) have been considered.

#3 Mr. Namit Malhotra was appointed as Chairman & Executive Director and Mr. Ramakrishnan Sankaranarayanan was appointed as Managing Director of the Company for a period of 3 years, respectively with effect from June 25, 2014.

#4 Mr. Vibhav Parikh was appointed as alternate to Mr. Nainesh Jaisingh with effect from November 5, 2012.

Note: Mr. Rakesh Jhunjunwala, Non Executive Director of the Company resigned from directorship with effect from July 26, 2013.

b. **Board Meetings held during the year:**

During the year 2013-14, the Board met nine (9) times on May 30, 2013; June 21, 2013; August 05, 2013; August 14, 2013; November 14, 2013; February 12, 2014; March 10, 2014; May 12, 2014 and June 25, 2014. The gap between two board meetings did not exceed four months.

Attendance of each Director at Board Meetings for the year 2013-14 and last Annual General Meeting:

Name of the Director	No. of meetings held (including adjourned meeting)	No. of meetings attended	Attendance at last Annual General Meeting
Mr. Namit Malhotra #1	-	-	NA
Mr. Naresh Malhotra	9	9	Present
Mr. Ramakrishnan Sankaranarayanan #1	-	-	NA
Mr. Kodi Raghavan Srinivasan	9	4	Absent
Mr. Padmanabha Gopal Aiyar	9	1	Absent
Mr. Rivkaran Chadha	9	8	Present
Mr. Nainesh Jaisingh #2	9	9	Present

#1 Mr. Namit Malhotra was appointed as Chairman & Executive Director and Mr. Ramakrishnan Sankaranarayanan was appointed as Managing Director of the Company for a period of 3 years, respectively with effect from June 25, 2014.

#2 In place of Mr. Nainesh Jaisingh, his alternate Mr. Vibhav Parikh attended the above Board Meetings and the Annual General Meeting.

3. **BOARD COMMITTEES:**

A. **Audit Committee:**

The Audit Committee of the Company has been constituted as per the requirements of Clause 49 of the Listing Agreement. The composition of the Audit Committee is in compliance of Clause 49(II) (A) of the Listing Agreement. As on date, it consists of three members. The Chief Financial Officer, representatives of the statutory auditors and senior officials of the Company are invited to attend the meetings of the Audit Committee from time to time, as and when required. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

i. As on June 30, 2014, the Audit Committee comprises of the following members of the Board:

Sr. No.	Name of the Member	Position	Category
1.	Mr. Rivkaran Chadha	Chairman	Independent & Non-Executive Director
2.	Mr. Kodi Raghavan Srinivasan	Member	Independent & Non-Executive Director
3.	Mr. Nainesh Jaisingh or his Alternate viz. Mr. Vibhav Parikh, during his absence	Member	Non-Executive Director

The Committee's composition meets with the requirements of erstwhile Companies Act, 1956 and Section 177 of the Companies Act, 2013 as also Clause 49 of the Listing Agreement. The Members of the Audit Committee possess financial/accounting expertise/exposure.

ii. During the year 2013-14 the Audit Committee met five times on the following dates:

May 30, 2013; August 14, 2013; November 14, 2013; February 12, 2014; May 12, 2014.

iii. Attendance of the Directors in the Audit Committee Meeting:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Rivkaran Chadha	5	5
Mr. Kodi Raghavan Srinivasan	5	5
Mr. Nainesh Jaisingh #1	5	5

#1 In place of Mr. Nainesh Jaisingh, his alternate Mr. Vibhav Parikh attended the Audit Committee Meeting.

iv. Terms of Reference:

The broad terms of reference includes the following as is mandated in Clause 49 of the Listing Agreement, Section 292A of the erstwhile Companies Act, 1956 and Section 177 of the Companies Act, 2013:

- a. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
- b. Recommend to the Board, the appointment, re-appointment, terms of appointment, remuneration and, if required, replacement or removal of Statutory Auditors and fixation of Audit fees.
- c. Approval of payment to statutory auditors for any other services rendered by them.
- d. Reviewing, with the management the annual financial statements and auditors' report thereon before submission to the Board for approval with particular reference to the matters stated under sub clause (a) to (g) of Clause 49(II)(D)(4)
- e. Reviewing, with the management the quarterly financial statements before submission to the Board for approval.
- f. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
- g. Review and monitor the auditor's independence and performance and effectiveness of audit process.
- h. Approval or any subsequent modification of transactions of the Company with related parties.
- i. Scrutiny of inter-corporate loans and investments.
- j. Valuation of undertakings or assets of the Company, wherever it is necessary.
- k. Evaluation of internal financial controls and risk management systems.
- l. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems.
- m. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
- n. Discussion with internal auditors of any significant findings and follow up there on.
- o. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board.
- p. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
- q. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non- payment of declared dividends) and creditors.
- r. To review the functioning of the Whistle Blower mechanism.
- s. Approval of appointment of CFO (i.e. the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
- t. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Board of Directors at its meeting held on November 14, 2014 reconstituted the Audit Committee by inducting Mr. G. P. Aiyar, Independent Director of the Company as a Member pursuant to which the strength of the Audit Committee is now four Members of which three are Independent Non-Executive Directors.

B. Nomination and Remuneration Committee:

The nomenclature of the Remuneration Committee of the Company was changed to "Nomination and Remuneration Committee" at the Board Meeting held on May 12, 2014.

As on June 30, 2014, the Nomination and Remuneration Committee comprised of four Directors, all of them being Non-Executive Directors with half the composition being Independent Directors. Mr. Rivkaran Chadha, Mr. Kodi Raghavan Srinivasan, Mr. Padmanabha Gopal Aiyar and Mr. Nainesh Jaisingh or his Alternate viz. Mr. Vibhav Parikh during his absence are the Members of the Nomination and Remuneration Committee. Mr. Rivkaran Chadha, Independent Director is the Chairman of the Committee. The Committee deals with the remuneration policy for the Directors of the Company. During the year under review, following Meetings of Nomination and Remuneration Committee were held:

1. November 14, 2013
2. February 12, 2014
3. May 12, 2014
4. June 25, 2014

The Committee's constitution and terms of reference are in compliance with provisions of the Companies Act, 2013 and Clause 49 (IV) of the Listing Agreement, as amended from time to time.

Attendance of each Director at Nomination and Remuneration Committee Meetings for the year 2013-14:

Name of the Director	No. of meetings held	No. of meetings attended
Mr. Rivkaran Chadha	4	4
Mr. Kodi Raghavan Srinivasan	4	1
Mr. Padmanabha Gopal Aiyar	4	-
Mr. Nainesh Jaisingh #1	4	4

#1 In place of Mr. Nainesh Jaisingh, his alternate Mr. Vibhav Parikh attended the Nomination and Remuneration Committee Meeting.

Remuneration to Directors

The Non-Executive Directors of the Company are paid sitting fees for attending the meeting of the Board of Directors. No sitting fee is being paid to the Directors for attending the Meeting of the Committees of the Board.

Detail of Directors' Remuneration paid to Executive and Non-Executive Directors for the year ended June 30, 2014 is as stated below:

Name of Director	Remuneration Paid (₹)	Sitting Fees (₹)	Total (₹)
Executive Directors			
Mr. Namit Malhotra #1	83,333	-	83,333
Mr. Naresh Malhotra*	7,500,000	-	7,500,000
Mr. Ramakrishnan Sankaranarayanan#1	83,333	-	83,333

* An amount of Rs. 36,00,000 was received towards recovery of excess remuneration paid.

Name of Director	Remuneration Paid (₹)	Sitting Fees (₹)	Total (₹)
Non-Executive Directors			
Mr. G. P. Aiyar	-	20,000	20,000
Mr. Rivkaran Chadha	-	160,000	160,000
Mr. K. R. Srinivasan	-	80,000	80,000
Mr. Nainesh Jaisingh	-	-	-
Mr. Vibhav Parikh (Alternate to Mr. Nainesh Jaisingh)	-	180,000	180,000

#1 Mr. Namit Malhotra was appointed as Chairman & Executive Director and Mr. Ramakrishnan Sankaranarayanan was appointed as Managing Director of the Company for a period of 3 years, respectively with effect from June 25, 2014.

Breakup of Remuneration paid during the year to the Executive /Whole-time Directors is:

Name of Director	Basic (₹)	HRA (₹)	CCA (₹)	LTA (₹)	Reimbursement (₹)
Mr. Naresh Malhotra	3,000,000	1,500,000	2,404,245	62,505	533,250
Mr. Namit Malhotra	33,333	16,667	25,390	833	7,110
Mr. Ramakrishnan Sankaranarayanan	33,333	16,667	25,390	833	7,110

The Nomination and Remuneration Committee shall carry out evaluation of performance of every Director including Independent Director, Key Managerial Personnel and Senior Management Personnel at regular intervals (yearly or such other interval as the Committee deems fit). The Nomination and Remuneration Committee shall develop and recommend to the Board an annual performance evaluation process and oversee the same while conducting annual performance evaluations for Directors.

C. Stakeholders' Relationship Committee:

The Board of Directors had constituted "Shareholders'/Investors' Grievance Committee" which functions with the objective of looking into redressal of Shareholders'/Investors' grievances.

As on June 30, 2014, the Committee consists of:-

Chairman Mr. Rivkaran Chadha

Members Mr. Kodi Raghavan Srinivasan

Mr. Naresh Malhotra

Mr. Nainesh Jaisingh or his alternate viz. Mr. Vibhav Parikh during his absence

Compliance Officer

Ms. Kirti Desai, Company Secretary of the Company is also the Compliance officer of the Company.

The nomenclature of "Shareholders'/Investors' Grievance Committee" was changed to "Stakeholders' Relationship Committee" by the Board in its meeting held on May 12, 2014. The Stakeholders Relationship Committee is primarily responsible to review all matters connected with the Company's transfer of securities and redressal of shareholders'/investors'/security holders' complaints.

The Stakeholders' Relationship Committee's composition and the terms of reference meet with the requirements of Clause 49 of the Listing Agreement and provisions of the Companies Act, 2013.

Complaints from Investors

During the year under review, the Company had received three complaints from the investors which were resolved to the satisfaction of the investors. There were no complaints pending as at the end of the financial year.

D. Corporate Social Responsibility (CSR) Committee:

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, the Board of Directors had constituted Corporate Social Responsibility (CSR) Committee by passing circular resolution dated March 21, 2014, which functions with the objectives such as to:

- a) formulate and recommend to the Board, a Corporate Social Responsibility (CSR) Policy which shall indicate the activities to be undertaken by the Company as specified in Schedule VII of the Companies Act, 2013;
- b) recommend to the Board the amount of expenditure to be incurred on the activities referred to in clause (a); and
- c) monitor the implementation and progress therein of the Corporate Social Responsibility Policy of the company on a regular basis.

The CSR activities to be undertaken by the Company shall be as per CSR Policy and projects or programs or activities (either new or ongoing) falling within the purview of Schedule VII of the Companies Act, 2013 excluding activities undertaken in pursuance of its normal course of business will be included.

Pursuant to the provisions of Section 135 of the Companies Act, 2013, the CSR Committee in its meeting held on May 12, 2014 has approved and recommended to the Board, the CSR Policy. The said policy is available on the website of the Company at the below mentioned link:

Link: http://primefocusltd.com/sites/default/modules/filemanager/files/corporate_governance/CSR_Policy.pdf

As on June 30, 2014, the CSR Committee consists of:-

Chairman Mr. Rivkaran Chadha

Members Mr. Naresh Malhotra

Mr. Nainesh Jaisingh or his alternate, Mr. Vibhav Parikh during his absence

E. ESOP Compensation Committee:

Pursuant to the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999, the Board of Directors in its meeting held on July 02, 2014 constituted ESOP Compensation Committee comprising of the following members:

Chairman Mr. Rivkaran Chadha

Members Mr. Nainesh Jaisingh or his alternate, Mr. Vibhav Parikh during his absence

Mr. K. R. Srinivasan

The terms of reference of ESOP Compensation Committee include, inter-alia, granting of Stock Options to the eligible employees, ascertaining the detailed terms and conditions for such grants, administering the Employee Stock Option Schemes of the Company and exercising the powers and performing the duties as prescribed under Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and/or any amendment or repealment thereto.

4. GENERAL BODY MEETINGS:

i. Annual General Meeting:

Location and time, where last three Annual General Meetings were held is given below:

Financial year	Date	Location	Time
2010-2011	September 30, 2011	Prime Focus Office, Main Frame IT Park, Building – H, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai - 400 065	11.30 a.m.
2011-2012	September 29, 2012	Prime Focus Office, Main Frame IT Park, Building – H, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai – 400 065	11.30 a.m.
2012-2013	September 30, 2013	Prime Focus Office, Main Frame IT Park, Building – H, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai – 400 065	10.00 a.m.

ii. Special Resolutions:

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

Date of General Meeting	Number of Special resolutions passed	Details of Special Resolutions
September 30, 2011	NIL	No Special Resolution was passed at this meeting.
September 29, 2012	2	1. Appointment of Mr. Ramakrishnan Sankaranarayanan as Managing Director of the Company 2. Raising of funds by issue via Placement to Qualified Institutional Buyers (QIB) / ADR / GDR / FCCB and / or any other Convertible instrument(s) and also preferential allotment of shares or warrants or other convertible instruments to the extent of \$ 100 million
September 30, 2013	1	1. Alteration to the Articles of Association of the Company

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

Date of Extra-Ordinary General Meeting	Number of Special Resolutions passed	Details of Special Resolutions
November 3, 2012	1	1. Preferential Allotment of Equity Shares
December 20, 2012	2	1. Alteration of Articles of Association by inserting Part III and Part IV in the existing Articles 2. Variation of terms of contract mentioned in the Prospectus/ utilization of IPO proceeds.

iii. **Postal Ballot:**

a) During the year ended June 30, 2014, the following resolution was passed through Postal Ballot:

- Authorization to the Board of Directors to sell, transfer and/or otherwise dispose off the Company's 'backend business' by way of slump sale to Prime Focus World Creative Services Private Limited, a company incorporated in India and an indirect subsidiary of the Company, pursuant to the provisions of Section 293(1)(a) of the erstwhile Companies Act, 1956.

b) Procedure for Postal Ballot:

The postal ballot is conducted as per the procedure set out in Section 192A of the Companies Act, 1956 read with the Companies (Passing of the Resolution by Postal Ballot) Rules, 2011 and the Circular No. CIR/CFD/DIL/6/2012 dated 13th July, 2012 of Securities and Exchange Board of India (SEBI).

c) Results of Postal Ballot:

Promoter/Public	No. of Shares held (1)	No. of Votes Polled (2)	No. of Votes polled on Outstanding shares (3) = $[(2)/(1)]*100$	No. of Votes in Favour (4)	No. of Votes Against (5)	% of Votes in favour on Votes polled (6) = $[(4)/(2)]*100$	% of Votes against on Votes polled (7) = $[(5)/(2)]*100$
Promoter and Promoter Group	76,194,992	76,194,992	100.00	76,194,992	0	100.00	0.00
Public-Institutional Holders	49,229,691	36,549,990	74.24	36,549,990	0	100.00	0.00
Public – Others	59,992,753	192,897	0.32	172,866	14,171	89.62	7.35
Total	185,417,436	112,937,879	60.91	112,917,848	14,171	99.98	0.01

5. DISCLOSURES:

a. Related Parties Transactions

There were no transactions of a material nature undertaken by your Company with its promoters, directors or the management, their subsidiaries or relatives that may have a potential conflict with the interests of the Company. Suitable disclosures as required by the Accounting Standard (AS18) have been made in the Annual Report.

Pursuant to the applicable provisions of Clause 49 of the Listing Agreement, as amended, the Board of Directors in its meeting held on August 28, 2014 had adopted the 'Related Party Transaction Policy'. The said policy is available for the reference of the Members of the Company on the Company's website at the below mentioned link:

Link: http://primefocusltd.com/sites/default/modules/filemanager/files/corporate_governance/Policy_on_Related_parties.pdf

b. Compliances by the Company

There are no instances of non-compliance by your Company of penalties, strictures imposed by Stock Exchange or SEBI or any statutory authority, on any matter related to capital markets during the last three years.

c. Whistle Blower Policy

Pursuant to provisions of Clause 49 of the Listing Agreement and the provisions of Section 177 of the Companies Act, 2013, the Board of Directors in its meeting held on May 12, 2014 has adopted a 'Whistle Blower Policy' to take cognizance of complaints made and suggestions given by the employees and others.

Ms. Nivedita Nanda, Sr. Vice President HR & Administration is appointed as the Vigilance and Ethics Officer of the Company.

The said policy is available for the reference of the Shareholders of the Company on the Company's website at the below mentioned link:

Link: http://primefocusltd.com/sites/default/modules/filemanager/files/vigil_mechanism_policy.pdf

There has been no complaint as at the Financial Year ended June 30, 2014 and no employee of the Company was denied access to meet the Chairman of the Audit Committee in this regard.

d. CEO/CFO certification

In terms of requirements of Clause 49 (V) of the Listing agreement, the CEO and CFO of the Company has certified to the Board in the prescribed format for the year under review and the same has been reviewed by the Audit Committee and taken on record by the Board.

e. Compliance with mandatory and non-mandatory requirements

The Company has complied with all the mandatory requirements of Clause 49 of the Listing Agreement. The Company has complied with the non-mandatory requirement of constitution of the Remuneration Committee and adoption of Whistle Blower Policy.

f. Reconciliation of Share Capital Audit

A Practicing Company Secretary carries out audit of Reconciliation of Share Capital to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report confirms that the total issued/paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL. This Report is also placed before the Board for its noting.

g. Familiarization programme for Independent Directors

Pursuant to the applicable provisions of Clause 49(II)(B)(7) of the Listing Agreement, as amended, the Board of Directors in its meeting held on November 14, 2014 had adopted the 'Familiarization programme for Independent Directors. The details of the said programme is available for the reference of the Members of the Company on the Company's website at the below mentioned link:

Link:

http://primefocusltd.com/sites/default/modules/filemanager/files/corporate_governance/Familiarisation_programme_for_ID.PDF

h. Risk Management Policy & Committee

Pursuant to the provisions of Clause 49(VI)(B) of the Listing Agreement, as amended, the Board of Directors in its meeting held on August 28, 2014 had adopted the 'Risk Management Policy'. The Policy covers the various risks associated with the Company while executing its object. The Policy aims to assess the risk, manage it and monitor it so as to keep the risk at zero level or minimum level.

The Company is committed to managing risk in a manner appropriate to achieve its strategic objectives.

Further, pursuant to the provisions of Clause 49(VI)(C) of the Listing Agreement, as amended, the Board of Directors in its meeting held on November 14, 2014 has constituted Risk Management Committee which shall be responsible to monitor and review the risk management plan of the Company.

The Risk Management Committee consists of:-

Chairman Mr. Naresh Malhotra

Members Mr. Ramakrishnan Sankaranarayanan

Mr. Nainesh Jaisingh (or his alternate Mr. Vibhav Parikh during his absence)

Mr. Vikas Rathee

6. CODE OF CONDUCT

The Company has laid down a Code of Conduct for all its Board Members and Senior Management Personnel for avoidance of conflicts of interest and ensuring the highest standard of honesty, dedication and professionalism in carrying out their functional responsibilities. The Code of Conduct is in consonance with the requirements of Clause 49 of Listing Agreement. The Code of Conduct is posted on the Company's website. The Code has been circulated to all the members of the Board and the Senior Management. The Directors and the Senior Management have affirmed compliance of the Code.

The Annual Report of the Company contains a declaration to this effect duly signed by the CEO of the Company.

7. MEANS OF COMMUNICATION

- 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 Clause 41 of the Listing Agreement within prescribed time limits. Quarterly results are submitted to the Stock Exchanges in terms of the requirements of Clause 41 of the Listing Agreement.
- b. The quarterly/half yearly and annual financial results are regularly submitted to Stock Exchanges in accordance with the Listing Agreement and published in one English daily and one Marathi daily newspaper.
- c. The Company's website www.primefocusltd.com contains a separate dedicated section "investors" where shareholders information is available. Full Annual Reports are also available on the website in user- friendly and downloadable format.
- d. The Company posts its Quarterly / Half Yearly/Annual Results, Annual Report, official news releases, presentations made to investors and transcripts of the meetings with institutional investors / analysts on its website i.e. www.primefocusltd.com. This website contains the basic information about the Company, e.g., details of its business, financial information, shareholding pattern, compliance with corporate governance, contact information of the designated officials of the Company who are responsible for assisting and handling investor grievances and such other details as may be required under Clause 54 of the Listing Agreement. The Company ensures that the contents of this website are updated at all times.

8. UNCLAIMED SHARES/AMOUNTS

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

Clause 5A I of the Listing Agreement stipulates a uniform procedure for dealing with unclaimed shares lying in the escrow account. Under the regulation, the said unclaimed shares are to be credited to a separate dematerialized suspense account. Accordingly, all the corporate benefits accruing on these shares will also be credited to such account. All the voting rights shall remain frozen till the rightful owner claims the shares. All such rightful owners may approach the Company for re-transfer of such shares to their account which will be effected on proper verification of the identity of such owner.

Accordingly, as on June 30, 2014, the unclaimed shares lying in 'Prime Focus Limited-Unclaimed Securities Suspense Account' held with Centrum Broking Limited are as tabled below:

Particulars	No. of cases	No. of Shares
Number of Shareholders and the outstanding shares in the suspense account lying at the beginning of the Year 2013-14 i.e. as on April 01, 2013.	15	3960
Number of Shareholders who approached for Issuer/ Registrar for transfer of shares from suspense account during the year 2013-14.	-	-
Number of shareholders whom shares were transferred from suspense account during the year 2013-14.	-	-
Number of Shareholders and the outstanding shares in the suspense account lying at the end of the year i.e. as on June 30, 2014	15	3960

- b. Status of Unclaimed dividend:

The Unclaimed dividends for the financial year 2007-2008 remaining unclaimed for seven years was transferred by the Company to the 'Investors Education and Protection Fund' established by the Central Government (IEPF) pursuant to Section 205C of the erstwhile Companies Act, 1956 on September 20, 2014.

9. a. GENERAL SHAREHOLDER INFORMATION

1.	Annual General Meeting Date, Time and Venue	December 24, 2014 at 10.00 a.m. at Prime Focus Office, Main Frame IT Park, Building – H, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai – 400 065
2.	Financial Year	2013-2014
3.	Dates of Book Closure	From Wednesday, December 17, 2014 to Wednesday, December 24, 2014 (both days inclusive)
4.	Dividend	No Dividend has been declared during the year in order to preserve funds for future business activities.

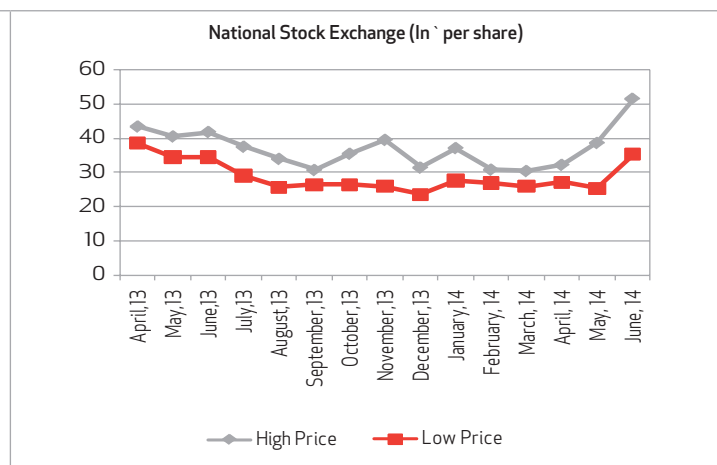
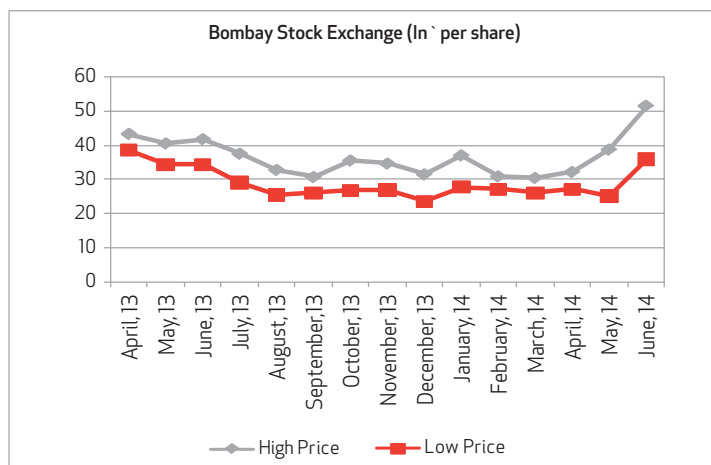
5.	Listing on Stock Exchanges	<p>The equity shares of your Company are listed on: BSE Limited (BSE) Add:- Floor 25, P.J. Towers, Dalal Street, Fort, Mumbai-400 001; & National Stock Exchange of India Limited (NSE) Add:- Exchange Plaza, Bandra-Kurla Complex, Bandra,Mumbai-400 051.</p> <p>The Zero Coupon Unsecured Redeemable Non-Convertible Debentures (NCDs) issued by the Company under Series A and Series B are listed on Wholesale Debt Market Segment of the BSE Limited (BSE). Your Company has paid Annual Listing Fees to all the exchanges for the financial year 2014-15.</p>
6.	Stock Code	<p>For Equity Shares BSE Limited (BSE):- "532748" National Stock Exchange of India Limited (NSE):- "PFOCUS" ISIN Code : INE367G01038</p> <p>For NCDs SERIES A-ISIN Code : INE367G08017 SERIES B-ISIN Code : INE367G08025</p>
7.	Registrar & Transfer Agents	<p>Link Intime India Private Limited Add:-C-13 Pannalal Silk Mills Compound, L.B.S. Marg, Bhandup, Mumbai - 400078 Phone no:022- 25946970 Fax no.:022-25946969 Website: www.linkintime.co.in; email: mt.helpdesk@linkintime.co.in</p>
8.	Share Transfer System	<p>The Board of Directors has delegated the authority to transfer the shares to the M/s Link Intime India Private Limited, Registrar and Share Transfer Agent of the Company. The Share Transfer Agent attends to share transfer formalities, if any, once in a fortnight.</p>
9.	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>Goregaon-Film City Office Dadasaheb Phalke Film City, Goregaon (East), Mumbai-400065.</p> <p>Khar Office Prime Focus House, Linking Road, Opposite Citi Bank, Khar (West), Mumbai-400052.</p> <p>Hyderabad Office Rama Naidu Studios Complex, 79, Film Nagar, Jubilee Hills, Hyderabad - 500033, India.</p>
10.	Address for Correspondence	<p>Ms. Kirti Desai, Company Secretary Prime Focus Limited Registered Office: Prime Focus House, Linking Road, Opposite Citi Bank , Khar (West), Mumbai – 400 052, India. Phone: +91-22-67155000; Fax: +91-22-67155001 Website:www.primefocusltd.com; email: ir.india@primefocusworld.com</p>
11.	Dematerialization of Shares and liquidity	<p>As on June 30, 2014; 18,54,16,056 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.</p>

12.	Electronic Clearing Services (ECS)	Members are requested to update their bank account details with their respective Depository Participants for shares held in the electronic form or write to the Company's Registrar and Share Transfer Agent M/s Link Intime India Private Limited for the shares held in physical form.
13.	Investor Complaints to be addressed to	Registrar and Share Transfer Agent M/s Link Intime India Private Limited or to Ms. Kirti Desai, Company Secretary at ir.india@primefocusworld.com.
14.	Outstanding GDRs/ ADRs/ Warrants or any convertible instruments, conversion date and likely impact on equity	The Company has not issued any GDRs/ ADRs/ Warrants. There are no outstanding convertible instruments as on June 30, 2014.

b. Market Price Data

The price of the Company's Share-High, Low during each month in the last financial year on the Stock Exchanges were as under:

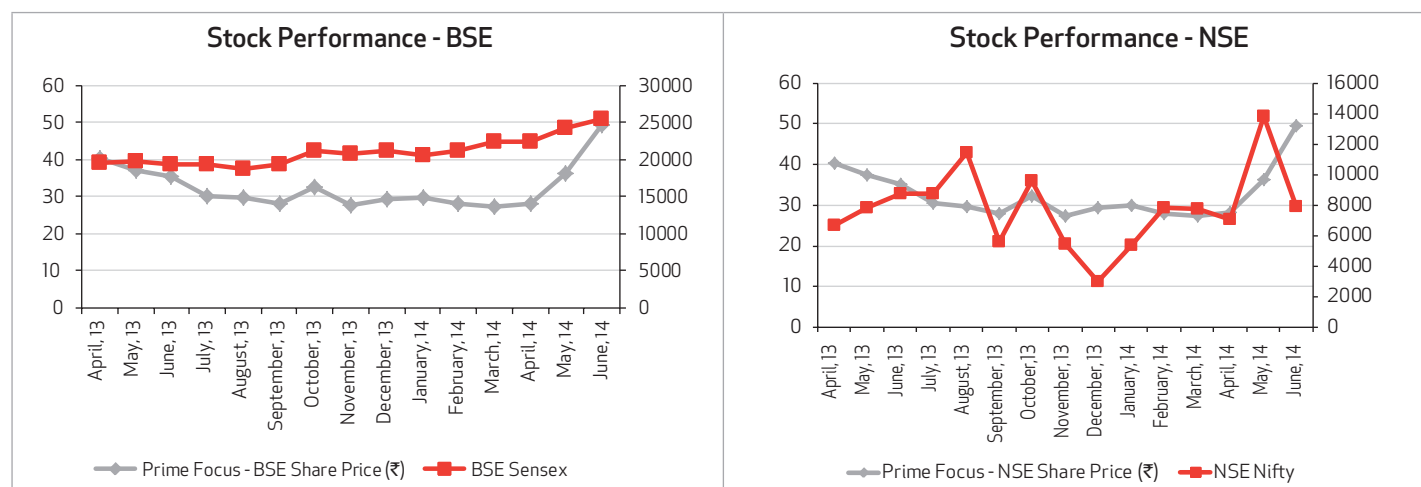
Month	BSE Limited			National Stock Exchange of India Limited		
	High Price (₹)	Low Price (₹)	Volume (No. of shares)	High Price (₹)	Low Price (₹)	Volume (No. of shares)
April, 13	43.40	38.60	1,748,442	43.30	38.65	139,318
May, 13	40.50	34.50	1,993,672	40.50	34.50	250,140
June, 13	41.80	34.50	2,279,518	41.75	34.50	254,505
July, 13	37.50	29.20	979,124	37.50	29.20	116,865
August, 13	33.95	25.80	2,027,233	32.75	25.65	257,129
September, 13	30.70	26.50	658,629	30.65	26.25	130,878
October, 13	35.45	26.55	1,329,404	35.50	26.80	179,782
November, 13	39.50	26.10	1,103,844	34.60	27.00	116,475
December, 13	31.40	23.75	3,710,224	31.45	23.70	376,081
January, 14	37.10	27.85	3,089,599	37.00	27.85	395,622
February, 14	30.80	27.10	780,329	30.85	27.20	123,929
March, 14	30.40	26.10	5011,106	30.40	26.15	294,394
April, 14	32.20	27.25	5,402,592	32.15	27.20	646,417
May, 14	38.60	25.40	6,537,782	38.70	25.25	946,650
June, 14	51.50	35.50	16,603,517	51.50	36.05	2,581,775



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,13	40.35	19,504.18	40.45	6,699.02
May,13	36.85	19,760.30	37.45	7,794.82
June,13	35.15	19,395.81	35.05	8,753.33
July,13	30.10	19,345.70	30.45	8,717.16
August,13	29.45	18,619.72	29.55	11,431.52
September,13	27.90	19,379.77	27.95	5,642.77
October,13	32.40	21,164.52	32.25	9,560.54
November,13	27.40	20,791.93	27.40	5,487.36
December,13	29.30	21,170.68	29.25	3,032.11
January,14	29.70	20,513.85	29.85	5,407.10
February,14	28.05	21,120.12	28.05	7,869.42
March,14	27.15	22,386.27	27.25	7,743.30
April,14	28.10	22,417.80	28.10	7,066.78
May,14	36.25	24,217.34	36.20	13,837.29
June,14	49.40	25,413.78	49.45	7,887.37

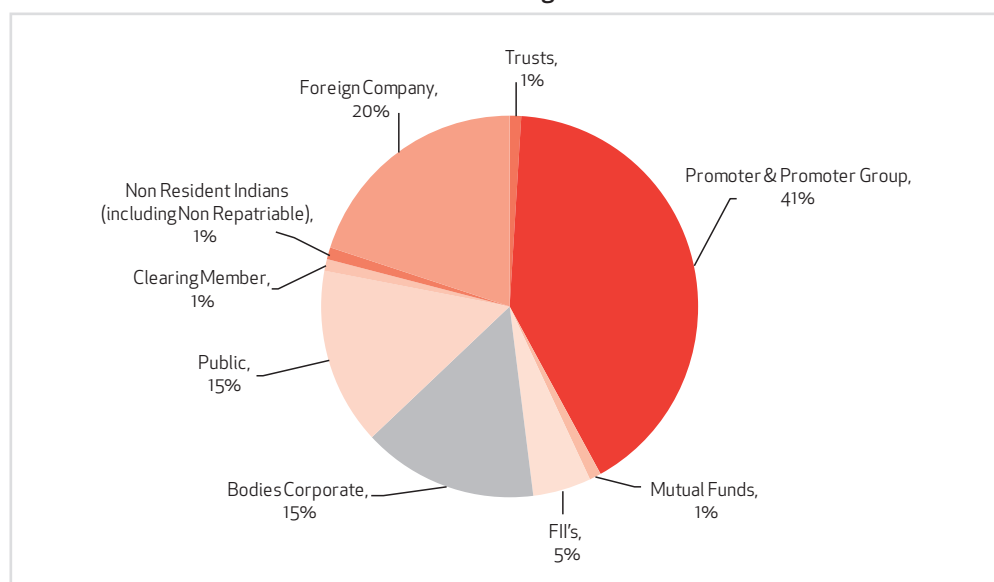


d. **Distribution of Shareholding as on June 30, 2014**

The broad shareholding distribution of the Company as on June 30, 2014 with respect to categories of investors was as follows:

Sr.No.	Category	No. of Equity Shares	Percentage%
1.	Promoter & Promoter Group	77,101,546	41.5827
2.	Mutual Funds	2,054,518	1.1081
3.	FII's	8,729,596	4.7081
4.	Bodies Corporate	28,214,351	15.2167
5.	Public	28,573,130	15.4102
6.	Clearing Member	1,229,805	0.6633
7.	Non Resident Indians (including Non Repatriable)	1,442,133	0.7778
8.	Foreign Company	36,549,990	19.7123
9.	Nationalised Banks	2,200	0.0012
10.	Non-Nationalized Banks	24,920	0.0134
11.	Financial Institutions	54,668	0.0295
12.	Foreign Portfolio Investors (Corporate)	275,579	0.1486
13.	Trusts	1,165,000	0.6283
	Total	185,417,436	100.00

Distribution of Shareholding as on June 30, 2014



c. The broad shareholding distribution of the Company as on June 30, 2014 with respect to/ holdings was as follows:

Range	No. of Holders	Percentage %	No. of Shares	Percentage %
1-500	10,859	71.6908	2,015,447	1.0870
501-1000	1,818	12.0024	1,554,316	0.8383
1001-2000	856	5.6513	1,380,310	0.7444
2001-3000	321	2.1192	843,545	0.4549
3001-4000	170	1.1223	628,670	0.3391
4001-5000	211	1.3930	1,022,794	0.5516
5001-10000	324	2.1390	2,505,411	1.3512
10001 and above	588	3.8820	175,466,943	94.6335
Total	15,147	100.0000	185,417,436	100.0000

ANNUAL DECLARATION BY THE CHIEF EXECUTIVE OFFICER PURSUANT TO THE LISTING AGREEMENT

As per the requirements of Clause 49(I)(D)(ii) of the Listing Agreement, I, Namit Malhotra, Chief Executive Officer, hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Business Conduct and Ethics for the Financial Year ended June 30, 2014.

For and on behalf of the Board

Namit Malhotra
Chief Executive Officer

Mumbai

November 14, 2014