



## PRIME FOCUS LIMITED

**Registered Office:** Prime Focus House, Linking Road, Opp. Citi Bank, Khar West, Mumbai – 400 052

**Phone:** [022-67155000] **Fax:** [022-67155001] **Website:** [www.primefocusltd.com]

**Email Id.:** ir.india@primefocusworld.com

**Corporate Identity Number (CIN):** L92100MH1997PLC108981

### NOTICE

Notice is hereby given that the Seventeenth Annual General Meeting of the Members of Prime Focus Limited will be held on Wednesday, 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 to transact the following businesses:

#### Ordinary Business

**Item No. 1:** To consider and adopt:

- a) the audited financial statements of the Company for the financial year (15 months) ended June 30, 2014, the reports of the Board of Directors and Auditors thereon; and
- b) the audited consolidated financial statement of the Company for the financial year (15 months) ended June 30, 2014.

**Item No. 2:** To appoint a Director in place of Mr. Naresh Malhotra (DIN: 00004597), who retires by rotation at this Annual General Meeting and being eligible has offered himself for re-appointment.

**Item No. 3:** To appoint Auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), 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, M/s Deloitte Haskins & Sells, Chartered Accountants (Registration No. 117364W), be and is hereby appointed as Auditors of the Company, to hold office from the conclusion of 17th Annual General Meeting till the conclusion of 22nd Annual General Meeting of the Company, subject to ratification of their appointment by the Members at every Annual General Meeting held hereafter, at a remuneration and other terms as may be approved by the Board of Directors”.

#### Special Business

**Item No. 4:** To re-appoint Mr. Naresh Malhotra (DIN: 00004597) as Whole-time Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution:**

**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel)

Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), approval of the Company be and is hereby accorded to the re-appointment of Mr. Naresh Malhotra (DIN: 00004597) as Whole-time Director of the Company, for a period of 5 (five) years with effect from April 01, 2015, on the terms and conditions including remuneration as set out in the Statement annexed to the Notice convening this Meeting, with liberty to the Board of Directors (hereinafter referred to as “the Board”) to alter and vary the terms and conditions of the said re-appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Naresh Malhotra, subject to the same not exceeding the limits specified under Schedule V to the Companies Act, 2013 or any statutory modification(s) or re-enactment thereof and approved by the shareholders;

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**Item No. 5:** To appoint Mr. Srinivasan Kodi Raghavan (DIN: 00012449) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Srinivasan Kodi Raghavan (DIN: 00012449), Director of the Company, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years upto the conclusion of the 22nd Annual General Meeting of the Company.”

**Item No. 6:** To appoint Mr. Rivkaran Singh Chadha (DIN: 00308288) as an Independent Director and in this regard to consider and if

thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Rivkaran Singh Chadha (DIN: 00308288), Director of the Company, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years upto the conclusion of the 22nd Annual General Meeting of the Company."

**Item No. 7:** To appoint Mr. Padmanabha Gopal Aiyar (DIN 02722981) as an Independent Director and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Clause 49 of the Listing Agreement, Mr. Padmanabha Gopal Aiyar (DIN 02722981), Director of the Company, who has submitted a declaration that he meets the criteria of independence under Section 149(6) of the Companies Act, 2013 and is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Director of the Company whose term shall not be subject to retirement by rotation, to hold office for 5 (five) consecutive years upto the conclusion of the 22nd Annual General Meeting of the Company."

**Item No. 8:** To consider and adopt new Articles of Association of the Company containing regulations in conformity with the Companies Act, 2013 and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 14 and all other applicable provisions of the Companies Act, 2013 read with Companies (Incorporation) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the draft regulations contained in the Articles of Association submitted to this meeting be and are hereby approved and adopted in substitution, and to the entire exclusion, of the regulations contained in the existing Articles of Association of the Company;

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution."

**Item No. 9:** To approve transactions with related party and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to the relevant provisions of Section 188 and all other applicable provisions of the Companies Act, 2013 ("the Act"), and the Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) and pursuant to the approval of the Audit Committee and the Board of Directors, consent of the Company be and is hereby accorded for entering into agreements/ contracts/ arrangements with the respective Companies being related parties as defined under the Act and the Rules made thereunder and as per details, terms and conditions for the maximum amount per annum as set out under Item No. 9 of the Explanatory Statement annexed to this Notice.

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things including delegation of such authority as may be deemed necessary, proper or expedient and to execute such documents, agreements and writings or to make any filings to give effect to this resolution."

**Item No. 10:** To approve transactions with related party and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Clause 49(VII) of the Equity Listing Agreement and any amendments thereto, and pursuant to the approval of the Audit Committee as may be necessary pursuant to the provisions of Clause 49(VII)(D) and of the Board of Directors, consent of the Company be and is hereby accorded for:

- i) all existing material related party contracts or arrangements which are likely to continue beyond March 31, 2015; and
- ii) entering into all material related party transactions with the related parties as defined in Clause 49(VII)(B) of the Listing Agreement as per details and terms and conditions as set out under Item No. 10 of the Explanatory Statement annexed to this Notice.

**RESOLVED FURTHER THAT** the consent of the Company be and is hereby accorded towards investments in equity shares/ debentures/ securities in any other form or against loans, guarantees, security provided in connection with a loan with the respective related parties and for the maximum amounts per annum as mentioned therein

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to perform and execute all such acts, deeds, matters and things including delegation of such authority as may be deemed necessary, proper or expedient and to execute such documents, agreements and writings or to make any filings to give effect to this resolution."

By Order of the Board of Directors

**Kirti Desai**  
Company Secretary

Date: November 14, 2014  
Place: Mumbai

**Registered Office:**  
Prime Focus House, Linking Road,  
Opp. Citi Bank, Khar West,  
Mumbai – 400 052

## NOTES:

1. 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. SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY. A person can act as Proxy on behalf of Members not exceeding fifty (50) and holding in the aggregate not more than 10% (ten percent) of the total share capital of the Company. Members holding more than 10% (ten percent) of the total share capital of the Company may appoint a single person as Proxy, who shall not act as a Proxy for any other Member.

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the Meeting. A Proxy form is annexed with this Notice. Corporate Members intending to send their authorized representatives to attend the Meeting are requested to send a duly certified copy of the Board Resolution authorizing their representatives to attend and vote at the Meeting.

2. In case of joint holders attending the Meeting, only that joint holder who is higher in the order of names will be entitled to vote.
3. An Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to Special Business to be transacted at the Meeting is annexed hereto.
4. Brief resumes of the Directors proposed to be appointed/re-appointed, nature of their expertise in specific functional areas, name of companies in which they hold directorships and membership/chairmanships of Board Committees, shareholding and relationships between them inter-se as stipulated under Clause 49 of the Listing Agreement, are provided in the Annexure to the Notice of the Annual General Meeting.
5. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, December 17, 2014 to Wednesday, December 24, 2014 (both days inclusive) for the purpose of Annual General Meeting.
6. 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.
7. The Securities and Exchange Board of India (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.
8. Pursuant to Section 101 and Section 136 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, companies can serve Annual Report and other communications through electronic mode

to those Members who have registered their e-mail address either with the Company or with the Depository. Members holding shares in physical form, who have not registered their email address with the Company, are requested to submit their request with their valid email address to the Registrar and Share Transfer Agents of the Company. Members holding shares in demat form are requested to register/update their email address with their Depository Participant directly. Members of the Company, who have registered their email address, are entitled to receive such communication in physical form upon request.

Accordingly, electronic copy of the Annual Report for the financial year 2013-14 and Notice of the 17th Annual General Meeting of the Company inter-alia indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent to those Members whose email address are registered with the Company/Depository for communication purposes unless any Member has requested for a hard copy of the same. Even after registering for e-communication, Members are entitled to receive the same in physical form, upon making a request in this regard, by post free of cost. For this purpose, the Members may also send requests to the designated email address i.e. [ir.india@primefocusworld.com](mailto:ir.india@primefocusworld.com).

For Members who have not registered their email address with the Company/Depository, the physical copy of the Annual Report for the financial year 2013-14 and Notice of the 17th Annual General Meeting of the Company, inter-alia, indicating the process and manner of e-voting along with Attendance Slip and Proxy Form is being sent through the permitted mode.

9. Members may also note that the Annual Report for the financial year 2013-14 and the Notice of the 17th Annual General Meeting will also be available on the Company's website i.e. [www.primefocusltd.com](http://www.primefocusltd.com).
10. The Annual Report for the financial year 2013-14, the Notice of the 17th Annual General Meeting and all documents referred to in the Notice and the Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 (which shall also be placed in the Meeting) are available for inspection by the Members of the Company without any fee at the Company's Registered Office at Prime Focus House, Linking Road, Opp. Citibank, Khar (West), Mumbai -400052 between 11.00 a.m and 01.00 p.m. on all working days except Saturday up to the date of the Annual General Meeting.
11. 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 Registrar and Share Transfer Agents i.e. Link Intime Private Limited, 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 Ministry of Corporate Affairs can be obtained from the Registrar and Share Transfer Agents of the Company.

12. The Members/Proxies are requested to bring the attendance slip duly filled in for attending the Meeting.
13. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility as an alternative mode of voting which will enable the Members to cast their votes electronically. Necessary arrangements have been made by the Company with Central Depository Services (India) Limited (CDSL) to facilitate e-voting.

The instructions for Members for exercising their vote through e-voting are as under:

- (i) The voting period begins on Wednesday, December 17, 2014 at 10.00 a.m. and ends on Friday, December 19, 2014 at 06.00 p.m. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of Friday, November 21, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (iii) Click on "Shareholders" tab.
- (iv) Now, select the "Prime Focus Limited" from the drop down menu and click on "SUBMIT".
- (v) 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) Members holding shares in Physical Form should enter Folio Number registered with the Company.
- (vi) Next enter the Image Verification as displayed and Click on Login.
- (vii) 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 voting of any company, then your existing password is to be used.
- (viii) If you are a first time user follow the steps given below:

	<b>For Members holding shares in Demat Form and Physical Form</b>
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> <li>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the folio/client id number in the PAN field.</li> <li>In case the folio number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with folio number 1 then enter RA00000001 in the PAN field.</li> </ul>

DOB	Enter the Date of Birth as recorded in your demat account or in the Company records for the said demat account or folio in dd/mm/yyyy format.
Dividend Bank Details	<p>Enter the Dividend Bank Details as recorded in your demat account or in the Company records for the said demat account or folio.</p> <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or Company, please enter the number of shares in the Dividend Bank details field.</li> </ul>

- (ix) After entering these details appropriately, click on "SUBMIT" tab.
- (x) Members holding shares in physical form will then directly reach the Company selection screen. However, Members 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.
- (xi) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xii) Click on the EVSN for "Prime Focus Limited" on which you choose to vote.
- (xiii) 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.
- (xiv) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xv) 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.
- (xvi) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvii) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xviii) If Demat account holder has forgotten the password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xix) Note for Non - Individual Shareholders
  - Non - Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.

- 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 they have to create a compliance user 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 should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A 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.
- (xx) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.co.in](http://www.evotingindia.co.in) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
14. The voting rights of the Members for the purpose of e-voting shall be reckoned in proportion to the paid-up value of the equity shares registered in their name as on Friday, November 21, 2014.
  15. The Members, who have voted electronically, are not eligible to vote by ballot paper.
  16. Mr. Dharendra Maurya, Practicing Company Secretary has been appointed as Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
  17. The Scrutinizer shall within a period not exceeding three working days from the conclusion of the e-voting period unblock the votes in the presence of at least two witnesses not in employment of the Company and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
  18. The Results shall be declared on or after the Annual General Meeting of the Company and the resolutions shall be deemed to be passed on the date of the Annual General Meeting subject to receipt of the requisite numbers of votes in favour of the resolutions.
  19. The Results declared along with the Scrutinizer's report shall be placed on the Company's website i.e. [www.primefocusltd.com](http://www.primefocusltd.com) and on the website of CDSL within two days of passing of the resolutions at the Annual General Meeting of the Company. The Results will also be communicated to the Stock Exchanges where the shares of the Company are listed.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013 SETTING OUT ALL THE MATERIAL FACTS RELATING TO SPECIAL BUSINESS:**

### **Item No. 4**

The Board of Directors of the Company (the 'Board'), at its meeting held on November 14, 2014 has, subject to the approval of shareholders, re-appointed Mr. Naresh Malhotra as Whole-time Director, for a period of 5 (five) years from the expiry of his present term, which shall expire on March 31, 2015, at the remuneration recommended by the Nomination and Remuneration Committee and approved by the Board.

It is proposed to seek the shareholders' approval for the re-appointment of and remuneration payable of ₹ 60 lacs p.a. to Mr. Naresh Malhotra as Whole-time Director, in terms of the applicable provisions of the Act.

In view of the provisions of Section 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013 read with Schedule V, Part I(c) of the Act, the Board recommends the Special Resolution set out at Item No. 4 of the accompanying Notice regarding appointment of Mr. Naresh Malhotra who has attained 70 years of age considering his vast contribution and active role in the business of the Company, for the approval of the Shareholders.

During the term of employment of the Whole-time Director, if in any financial year, the Company does not earn an adequate profit as contemplated under the provisions of Schedule V of the Companies Act, 2013, unless otherwise approved by any statutory authority, the remuneration shall be paid as per the conditions and monetary ceiling prescribed in Schedule V of the Companies Act, 2013 or any re-enactment thereof.

Except for Mr. Naresh Malhotra and Mr. Namit Malhotra, none of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financial or otherwise, in the resolution set out at Item no. 4 of the accompanying Notice for the approval of the Shareholders.

The above may be treated as a written memorandum setting out the terms of appointment of Mr. Naresh Malhotra under Section 190 of the Companies Act, 2013.

### **Item No. 5 to 7**

Pursuant to the provisions of Section 149 and other applicable provisions of the Companies Act, 2013 with respect to appointment and tenure of the Independent Directors which came into effect from April 1, 2014, the Independent Directors shall be appointed for not more than two terms of five years each and shall not be liable to retire by rotation.

Mr. Srinivasan Kodi Raghavan, Mr. Rivkaran Singh Chadha, Mr. Padmanabha Gopal Aiyar are the Non-Executive Independent Directors of the Company appointed at various times and liable to retire by rotation pursuant to the provisions of the erstwhile Companies Act, 1956.

Also, the Securities and Exchange Board of India (SEBI) has amended Clause 49 of the Listing Agreement inter alia stipulating the conditions for the appointment of Independent Directors by a listed company (effective October 01, 2014).

Accordingly, it is proposed to appoint Mr. Srinivasan Kodi Raghavan, Mr. Rivkaran Singh Chadha and Mr. Padmanabha Gopal Aiyar as Independent Directors not liable to retire by rotation under Sections 149 and 152 of the Companies Act, 2013 and Clause 49 of the Listing Agreement, to hold office for a term of five years expiring at the conclusion of the 22nd Annual General Meeting of the Company.

Mr. Srinivasan Kodi Raghavan, Mr. Rivkaran Singh Chadha and Mr. Padmanabha Gopal Aiyar are not disqualified from being appointed as Directors in terms of Section 164 of the Companies Act, 2013 and have also given their consent to act as Directors.

The Company has also received declarations from all the above Directors that they meet the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Companies Act, 2013 and under Clause 49 of the Listing Agreement.

Notices have been received from Member/s signifying their intention to propose appointment of these Directors along with a deposit of ₹1,00,000/- each.

In the opinion of the Board, Mr. Srinivasan Kodi Raghavan, Mr. Rivkaran Singh Chadha and Mr. Padmanabha Gopal Aiyar fulfills the conditions specified in the Companies Act, 2013 and rules made thereunder for their appointment as Independent Directors of the Company and they are independent of the management. Copy of the draft letter of appointment to the Independent Directors setting out the terms and conditions of appointment are available for inspection by the Members of the Company without any fee at Company's Registered Office between 11.00 a.m and 01.00 p.m. on all working days except Saturday up to the date of the Annual General Meeting i.e. December 24, 2014 and shall also be uploaded on the Company's Website i.e. [www.primefocusltd.com](http://www.primefocusltd.com) pursuant to their appointment at the Annual General Meeting.

Brief resume of all the above Directors, nature of their expertise in specific functional areas and name of companies in which they hold directorship and membership/chairmanship of Board Committees, shareholding and relationship between director inter-se as stipulated under Clause 49 of the Listing Agreement, are provided in the Annexure to the Notice to the Annual General Meeting.

The Board considers that their continued association would be of immense benefit to the Company and it is desirable to continue to avail services of all the above Directors as Independent Directors. Accordingly, the Nomination and Remuneration Committee and the Board recommends the Ordinary Resolutions set forth in Item Nos. 5 to 7 for the approval of the Members.

Mr. Srinivasan Kodi Raghavan, Mr. Rivkaran Singh Chadha and Mr. Padmanabha Gopal Aiyar are interested in the resolutions set out respectively at Item No. 5 to 7 of the Notice with regard to their respective appointments and the relatives of the above Directors may be deemed to be interested in the resolutions respectively to the extent of their shareholding, if any, in the Company.

Save and except the above, none of the other Directors/Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolutions set out at Item Nos. 5 to 7.

The Board recommends the Ordinary Resolutions set out at Item Nos. 5 to 7 of the Notice for approval by the shareholders.

#### **Item No. 8**

The existing Articles of Association ("AoA") are based on the erstwhile Companies Act, 1956 and several regulations in the existing AoA contain references to specific sections of the Companies Act, 1956 while some regulations in the existing AoA are no longer in conformity with the Companies Act, 2013 ("the Act").

Considering that MCA has notified substantive Sections which deal with the general working of companies it is proposed to amend the existing Articles of Association to align it with the provisions of Companies Act, 2013 including the Rules framed thereunder.

Thus with the coming into force of the Act several regulations of the existing AoA of the Company require alteration or deletions in several articles. Given this position, it is considered expedient to wholly replace the existing AoA by a new set of Articles.

The new AoA to be substituted in place of the existing AoA are based on Table 'F' of the Act which sets out the model articles of association for a company limited by shares.

The proposed new draft AoA is being uploaded on the Company's website for perusal by the shareholders.

None of the Directors/Key Managerial Personnel of the Company/their relatives are, in any way, concerned or interested, financially or otherwise, in the Special Resolution set out at Item No. 9 of the Notice.

The Board recommends the Special Resolution set out at Item No. 9 of the Notice for approval by the shareholders.

#### **Item No. 9**

The provisions of Section 188(1) of the Companies Act, 2013 that govern the Related Party Transactions, requires that, for entering into any contract or arrangement as mentioned herein below with the related party, the Company must obtain prior approval of the Board of Directors and the prior approval of Shareholders by way of Special Resolution must be obtained for the transactions specified in the said section. It is further provided in Section 188(3) that if such a contract or agreement is entered into without obtaining prior approval, ratification by shareholders within three months from date of contract or arrangement is required.

In the light of the said provisions of the Companies Act, 2013, the Audit Committee and the Board of Directors of your Company has approved the given transactions along with the annual limit that your Company may enter into with the related parties as defined under the Act.

The particulars of the transactions pursuant to the provisions of Section 188 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are as under:

Nature, duration of the contract and particulars of the contract or arrangement	Name of the related party and nature of relationship	Name of the Director or key managerial personnel who is related	Monetary value (Annually in ₹)	Any other relevant information or is important for the Members to make the decision on the proposed transaction
	<b>DOMESTIC SUBSIDIARIES</b>			
Technical or Support Services rendered/received and Reimbursement of Expenses incurred by/on behalf of	Prime Focus Technologies Private Limited ("PFT") (Direct Subsidiary)	Mr. Ramakrishnan Sankaranarayanan - Managing Director of the Company is a common Director and is also a shareholder in PFT	Services rendered - ₹ 200 lacs Services received - ₹ 350 lacs Reimbursement of expenses incurred by PFT-₹ 200 lacs Reimbursement of expenses incurred on behalf of PFT-₹350 lacs	The Company extends/receives certain services to its group/associate companies including subsidiaries to leverage its existing know-how and professional expertise for which it enters into agreements/arrangements or reimburses/receives reimbursement of expenses incurred. The amount being charged for this is fixed after considering relevant factors and is on an arm's length basis.
	Prime Focus World Creative Services Private Ltd. ("PFWCSPL") (Step down Subsidiary)	Mr. Ramakrishnan Sankaranarayanan - Managing Director of the Company are common Directors	Services rendered - ₹ 100 lacs Services received - ₹ 350 lacs Reimbursement of expenses incurred by PFWCSPL-₹ 60 lacs Reimbursement of expenses incurred on behalf of PFWCSPL-₹350 lacs Non-operating Income (Rent etc.) -₹300 lacs	
	<b>DIRECT/STEP DOWN OVERSEAS SUBSIDIARIES</b>			
Technical Services cost Reimbursement of expenses incurred by/on behalf of	Prime Focus North America, Inc. Prime Focus Creative Services Canada Inc. Prime Focus Visual Entertainment Services Limited Prime Focus International Services U.K. Limited Prime Focus ME Holdings Limited Prime Focus World N.V. Prime Focus International Limited U.K. (direct subsidiary)	The Company's step down overseas subsidiaries enlisted here are related parties pursuant to Section 2(76)(vii)(A) of the Companies Act 2013	Services rendered - ₹ 5000 lacs Services received - ₹ 5000 lacs Reimbursement of expenses incurred by Company - ₹ 5000 lacs Reimbursement of expenses incurred on behalf of Company - ₹ 5000 lacs	The Company provides a complete spectrum of innovative, creative and technical services to the Film, Broadcast, Advertising and Media industries worldwide ranging from pre-production to final delivery for which it has to enter into certain transactions with its group/ associate & step down subsidiary companies and the limit for transaction value proposed to enter/ entered with is for each individual company.

Nature, duration of the contract and particulars of the contract or arrangement	Name of the related party and nature of relationship	Name of the Director or key managerial personnel who is related	Monetary value (Annually in ₹)	Any other relevant information or is important for the Members to make the decision on the proposed transaction
	ENTERPRISES INFLUENCED/ CONTROLLED BY DIRECTOR			
Rent paid towards Leave and License Agreement	Blooming Buds Coaching Private Limited	Mr. Naresh Malhotra - Promoter Director is common Director	1) Monthly License fee of ₹ 25 lacs which will stand increased by 5% for every 12 months completed w.e.f. the date of this agreement and ₹ 500 lacs as interest free refundable security deposit	1) Towards premises of the building Gazebo Plaza situated at Khar (West), Mumbai-400053 for term of 5 years (i.e. from January 01, 2014 upto December 31, 2018)
			2) Monthly License fee of ₹ 3 lacs which will stand increased by 5% for every 12 months completed w.e.f. the date of this agreement and ₹ 30 lacs as interest free refundable security deposit	2) Towards premises of the building Anandkunj situated at North Avenue, Linking Road, Santacruz (W), Mumbai-400054 for term of 5 years (i.e. from March 01, 2014 upto February 28, 2019)
Interest Payable	Standard Chartered Bank	Mr. Nainesh Jaisingh - Nominee Director of the Company & his Alternate- Mr. Vibhav Parikh on behalf of Standard Chartered Private Equity (Mauritius) III Ltd.	₹ 1,500 lacs	The amount is towards any financial support or borrowing in course of day to day business while expanding its business activities.
Interest Payable	Standard Chartered Private Equity (Mauritius) III Ltd.		₹ 2,500 lacs	

No Member of the Company being a related party or having any interest in the resolution set out at Item no. 9 shall be entitled to vote on this special resolution.

Except the Promoter Directors and their relatives (to the extent of their shareholding interest in the Company), no other director or Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in passing of this Resolution.

The Board of Directors recommends the resolution set forth in Item No. 9 for the approval of the Members as special resolution.



## Item No. 10

Securities and Exchange Board of India ("SEBI") had vide Circular CIR/CFD/POLICYCELL/2/2014 dated April 17, 2014 inter alia, revised Clause 49 of the Equity Listing Agreement and pursuant to the same, all existing material related party contracts or arrangements as on the date of the circular which are likely to continue beyond March 31, 2015, shall be placed for approval of shareholders in the first General Meeting subsequent to October 01, 2014.

Further Clause 49(VII)(E) of the revised Equity Listing Agreement applicable to all listed companies with effect from October 01, 2014 stipulates that all prospective material related party transactions shall require approval of the Shareholders through Special Resolution.

Accordingly, in addition to the transactions listed under Item no. 9 all related party transactions entered and all prescribed disclosures as required to be given under the applicable provisions of the revised Equity Listing Agreement are stated herein below for the perusal of the Members:

Name of the related party and nature of relationship	Nature, duration of the contract and particulars of the contract or arrangement	Name of the Director or key managerial personnel who is related	Monetary value	Any other relevant information or is important for the Members to make the decision on the proposed transaction
N2M Realty Private Limited	Capital Advance Given towards property	Promoter Directors: 1) Mr. Naresh Malhotra 2) Mr. Namit Malhotra are common Directors	₹ 2,300 lacs (net balance outstanding)	Advance towards property to be developed for the Company's operational requirements.
Mr. Naresh Malhotra	Company has availed security in the form of pledge of 3,79,10,000 equity shares held by Mr. Naresh Malhotra against Company's borrowings from banks/institutions	Mr. Naresh Malhotra - Promoter Director	--	The Company has borrowed from various banks viz. Yes Bank Ltd., IDBI Bank Ltd., Ratnakar Bank Ltd., Standard Chartered Bank Limited, Kotak Mahindra Bank Ltd., EXIM etc. and one of the conditions to be fulfilled was pledge of shares against borrowing.
Prime Focus London plc. U.K. (Direct Subsidiary)	Corporate Guarantee given on behalf of	The Company's direct/step down overseas subsidiaries enlisted here are related parties pursuant to Section 2(76)(vii)(A) of the Companies Act 2013	₹ 4,854 lacs	
Prime Focus Technologies Private Limited (Direct Subsidiary)			₹ 23,676 lacs	
Prime Focus North America Inc.			₹ 4,421 lacs	
PF World Limited, Mauritius (Direct Subsidiary)			₹ 26,764 lacs	
Prime Focus International Limited U.K. (Direct Subsidiary)	₹ 3,919 lacs			
PF Overseas Limited (Direct Subsidiary)	₹ 0.05 lacs			
PF World Limited, Mauritius (Direct Subsidiary)	₹ 49,789 lacs		@12% non-Convertible Redeemable Preference Shares	
Prime Focus World Creative Services Private Limited	Loan amount given	Mr. Ramakrishnan Sankaranarayanan - Managing Director of the Company is common Director	₹ 1,329 lacs	@17% Demand loan
Prime Focus International Limited U.K.(Direct subsidiary)			₹ 2,819 lacs	@10% Demand loan
Prime Focus Technologies Pvt. Ltd. ("PFT") (Direct Subsidiary)	Advances for short term given in course of business	Mr. Ramakrishnan Sankaranaraynan - Managing Director of the Company is a common Director and is also a shareholder in PFT	₹ 5 lacs	-

Name of the related party and nature of relationship	Nature, duration of the contract and particulars of the contract or arrangement	Name of the Director or key managerial personnel who is related	Monetary value	Any other relevant information or is important for the Members to make the decision on the proposed transaction
Standard Chartered Bank	Working Capital Loan	Mr. Nainesh Jaisingh – Nominee Director in the Company & his Alternate- Mr. Vibhav Parikh on behalf of Standard Chartered Private Equity (Mauritius) III Ltd.	₹ 50 lacs	–
	Term Loan		₹ 5,000 lacs	
Standard Chartered Private Equity (Mauritius) Ltd.	Non- Convertible Debentures Series A Series B		₹ 19,010 lacs	
Prime Focus World Creative Services Private Limited	Deposits received	Mr. Ramakrishnan Sankaranarayanan - Managing Director of the Company is common Director	₹ 500 lacs	Security deposit towards rent

No Member of the Company who falls under the definition of a related party shall be entitled to vote on this special resolution irrespective of whether the entity is a party to the particular transaction or not.

The transactions are on arm's length basis and at relevant market price. Except the Promoter Directors and their relatives (to the extent of their shareholding interest in the Company) and, Directors mentioned, no other director or Key Managerial Personnel or their relatives is concerned or interested, financially or otherwise, in passing of this Resolution.

The Board of Directors recommends the resolution set forth in Item No. 10 for the approval of the Members as special resolution.

By Order of the Board of Directors  
**For Prime Focus Limited**

**Kirti Desai**  
Company Secretary

Date: November 14, 2014  
Place: Mumbai

**Registered Office:**  
Prime Focus House, Linking Road,  
Opp. Citi Bank, Khar West,  
Mumbai – 400 052

## IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/ documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to register the same with the Company's Share Transfer Agent, Link Intime India Private Limited.

## ANNEXURE TO THE NOTICE

### Additional Information

Details of the Directors seeking Appointment/Re-appointment at the Annual General Meeting

(Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Mr Naresh Malhotra	Mr Srinivasan Kodi Raghavan	Mr Rivkaran Singh Chadha	Mr. Padmanabha Gopal Aiyar
Date of Birth	2/10/1944	30/08/1967	17/08/1976	4/12/1936
Date of Appointment	24/06/1997	19/02/2004	27/05/2005	3/7/2009
Expertise in Specific Functional Areas	<p>He is a veteran of the Indian Film and Television industry. He had produced (independently and in partnership) a number of successful movies including Shahenshah, Khamoshi, Safar and Anokhi Raat.</p> <p>Realizing early on the potential boom in the Indian television industry . He has set up India's first digital audio studio in the 80's and later in 90's ventured in to the business of renting equipments for the production of TV programs and ad films. He was instrumental in the setting up of Prime Focus.</p>	<p>He is Chartered Accountant and a Cost Accountant and has extensive experience in the fields of Internal, Statutory and Management Audits, Corporate Laws, Taxation Laws, Financial Consultancy, and Costing and Management Information Services.</p>	<p>He is a MBA in Finance from Cardiff University, England and Wales. He has expertise in providing valuable inputs in the framing and implementation of financial strategies.</p>	<p>He is practising advocate in Bombay High Court for past 31 years. He has expertise knowledge in Civil Law, Company Law and industrial arbitration matters. He also has extensive knowledge in legal matters pertaining to co-operative society.</p>
Qualifications	B.Com	B.Com, C.A.	MBA	L.L.B
Directorship held in other public companies (excluding foreign and private companies, but includes directorship held in private companies which are subsidiaries of public companies)	<ol style="list-style-type: none"> <li>1. Prime Focus Motion Pictures Limited</li> <li>2. Prime Focus Visual Effects Private Limited</li> </ol>	Nil	<ol style="list-style-type: none"> <li>1. Prime Focus Motion Pictures Limited</li> <li>2. Prime Focus Technologies Private Limited</li> <li>3. GVS Software Services Private Limited</li> <li>4. Prime Focus 3D India Private Limited</li> <li>5. Prime Focus Visual Effects Private Limited</li> </ol>	Nil
Membership of committees of other Public Limited Companies (Audit Committee and Stakeholder's Relationship Committee only)	Nil	Nil	Nil	Nil
No. of shares held in the company	6,22,01,546 equity shares	Nil	Nil	Nil

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