



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

Corporate Identity Number (CIN): L92100MH1997PLC108981

NOTICE

NOTICE is hereby given, that an Extra-ordinary General Meeting of the members of PRIME FOCUS LIMITED (the “Company”) will be held on Friday, August 1, 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 special business:

SPECIAL BUSINESS

1. Increase in the Authorised Share Capital and alteration of the Capital Clause in the Memorandum of Association of the Company

To consider and, if thought fit, to give your assent or dissent to the following Resolution as Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 13, sub-section (1), read with Sections 61, 64 and other applicable provisions, if any, of the Companies Act, 2013 (“the **Act**”), (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) read with the rules made thereunder, as may be amended from time to time the Authorized Share Capital of the Company be increased from Rs. 25,00,00,000/- (Rupees Twenty Five Crores only) divided into 25,00,00,000 (Twenty Five Crores) Equity shares of Re 1/- (Rupee One) each to Rs. 35,00,00,000/- (Rupees Thirty Five Crores) divided into 35,00,00,000 (Thirty Five Crores) Equity shares of Re. 1/- (Rupee One) each and consequently the existing Clause V of the Memorandum of Association of the Company relating to share capital, be and is hereby altered by deleting the same and substituting in its place the following as new Clause V :

V. *The Authorized Share Capital of the Company is Rs. 35,00,00,000/- (Rupees Thirty Five Crores only) divided into 35,00,00,000 (Thirty Five Crores) Equity Shares of Re. 1/- (Rupee one only) each with power to increase and reduce the capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special right, privileges or conditions as may be determined or in accordance with the Articles of Association of the Company and to vary, modify, or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company.*

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board / Committee be and is hereby authorized to do all such acts, deeds, matters and things and deal with all such matters and take all such steps as may be necessary.”

2. Preferential Issue of Equity Shares

To consider and, if thought fit, to give your assent or dissent to the following Resolution as a Special Resolution:

“RESOLVED THAT pursuant to Section 62 and all other applicable provisions, if any, of the Companies Act, 2013 (“the **Act**”) and the Rules made thereunder (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force) and in accordance with the provisions of the Memorandum and Articles of Association of the Company, the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations,

2009 as amended (“**ICDR Regulations**”), and any other Rules / Regulations / Guidelines, if any, prescribed by the Securities and Exchange Board of India, Reserve Bank of India, Stock Exchanges and/or any other statutory / regulatory authority whether in India or abroad, the Listing Agreements entered into by the Company with the Stock Exchanges where the securities of the Company are listed and subject to the approval(s), consent(s), permission(s) and/or sanction(s), if any, of the appropriate authorities, institutions or bodies as may be required, and subject to such conditions as may be prescribed by any of them while granting any such approval(s), consent(s), permission(s), and/or sanction(s), and which may be agreed to by the Board of Directors of the Company (hereinafter referred to as ‘the Board’ which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the Board be and is hereby authorised on behalf of the Company to create, offer, issue and allot, from time to time and in one or more tranches, by way of a Preferential Issue, through offer letter and/or circular and/or information memorandum and/or private placement memorandum and/or such other documents / writings, in such manner and on such terms and conditions as may be determined by the Board in its absolute discretion:

- (a) up to 23,076,923 Equity Shares of a face value of Re.1/- each to Monsoon Studio Private Limited (“**Promoter Subscription Shares**”), a company wholly owned by Mr. Namit Malhotra and Mr. Naresh Malhotra, Promoters of the Company at a minimum price of Rs.52/- (including a premium of Rs.51/-) per Equity Share or such other higher price as may be arrived at in accordance with the ICDR Regulations (“**Promoter Issue Price**”) payable in cash;
- (b) up to 23,076,923 Equity Shares of a face value of Re.1/- each to Reliance MediaWorks Limited (“**First RML Subscription Shares**”), a Non-Promoter, at a minimum price of Rs.52/- (including a premium of Rs.51/-) per Equity Share or such other higher price as may be arrived at in accordance with the ICDR Regulations (“**First RML Subscription Shares Price**”) in cash; and
- (c) up to 67,307,692 Equity Shares of a face value of Re.1/- each to Reliance MediaWorks Limited (“**Second RML Subscription Shares**”), a Non-Promoter, at a minimum price of Rs.52/- (including a premium of Rs.51/-) per Equity Share or such other higher price as may be arrived at in accordance with the ICDR Regulations (“**Second RML Subscription Shares Price**”), towards the transfer of its Film and Media Services business (“**F&M Business**”) to the Company for a net consideration of Rs. 3,500,000,000 (Rupees three hundred and fifty crores only) (“**Net Consideration of F&M Business**”).

RESOLVED FURTHER THAT in accordance with the provisions of ICDR Regulations, the “**Relevant Date**” for the purpose of calculating the Promoter Issue Price, the First RML Subscription Shares Price and the Second RML Subscription Shares Price in terms hereof shall be July 2, 2014, being the date 30 days prior to the date of this Extraordinary General Meeting scheduled to be held on August 1, 2014.

RESOLVED FURTHER THAT that the Promoter Subscription Shares, the First RML Subscription Shares and the Second RML Subscription Shares that may be issued by the Company pursuant to the aforesaid resolution shall rank *pari-passu* in all respects with the existing Equity Shares of the Company in accordance with the Memorandum and Article of Association of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to this Resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as it may in its absolute discretion deem necessary, desirable and expedient for such purpose, including without limitation, effecting any modifications or changes to the terms of the issue, entering into contracts, arrangements, agreements, documents (including for appointment of agencies, intermediaries and advisors for the preferential issue), in connection therewith and incidental thereto as the Board in its absolute discretion deem fit without being required to seek any fresh approval of the shareholders of the Company and to settle all questions, difficulties or doubts that may arise in regard to the offer, issue and allotment of the Equity Shares and utilisation of proceeds of the Equity Shares, take all other steps which may be incidental, consequential, relevant or ancillary in this connection and that the decisions of the Board shall be final, binding and conclusive in all respects.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred by above resolution to any Director or to any Committee of Directors or any other executive(s) / officer(s) of the Company or any other person as the Board at its discretion deem appropriate, to do all such acts, deeds, matters and things as also to execute such documents, writings, etc as may be necessary to give effect to the aforesaid resolution."

3. Authorization for ESOP Scheme of the Company

To consider and, if thought fit, to give your assent or dissent to the following Resolution as a Special Resolution:

RESOLVED THAT pursuant to the provisions of Section 62(1) (b) of the Companies Act, 2013 ("Companies Act") and all other applicable provisions of the Companies Act (including any statutory modification or re-enactment thereof, for the time being in force), enabling provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the recognized stock exchanges where the shares of the Company are listed and subject to any approval, consent, permission and/or sanction of the appropriate authorities (hereinafter collectively referred to as the "**Appropriate Authorities**") and subject to such conditions as may be prescribed by the Appropriate Authorities while granting any such approval, consent, permission and/or sanction (hereinafter referred to as the "**Requisite Approvals**"), and which may be agreed to by the Board (which terms for the purpose of this resolution shall be deemed to include any committee including the compensation committee ("**Compensation Committee**") which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the consent be and is hereby accorded to the Board to frame the proposed employee stock option scheme ("**PFL-ESOP Scheme 2014**" or "**Scheme**") and to create, offer, issue and allot in one or more tranches at any time to or for the benefit of such person(s) who are in permanent employment of the Company, whether working in India or abroad, and any director of the Company, whether whole-time or otherwise, (hereinafter referred to collectively as the "**Eligible Employees**") under the proposed Scheme such number of stock options convertible into equity shares not exceeding in aggregate 6% of the issued, subscribed and paid-up equity shares of the Company (post preferential issue) i.e. up to 1,79,32,738 equity shares, at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with applicable provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999

("ESOP Guidelines"), Companies Act and any other provisions of any applicable law in force, as may be prevailing at that time, to the present and future employees and other persons eligible to receive the same in terms of applicable laws and the Scheme;

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the Scheme titled "**PFL - ESOP Scheme 2014**" or any other title for the Scheme as may be decided or modified by the Board on such terms and conditions as contained in the relevant explanatory statement to this notice and to make any modification(s), change(s), variation(s), alteration(s) and revision(s) in the terms and conditions of the Scheme from time to time (pursuant to a special resolution passed in a general meeting), including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or revive the Scheme provided the details of such variation and the rationale therefor and the details of employees or any other eligible persons of the Company who are the beneficiaries of such variation are disclosed in the special resolution for variation and such variation, modification or alteration is not detrimental to the interests of the employees/directors;

RESOLVED FURTHER THAT the Securities may be allotted in accordance with PFL - ESOP Scheme 2014 directly to such employees/directors or through any appropriate mechanism including a trust or other entity which may be set up for that purpose and that such Scheme may also contain provisions for providing financial assistance to the employees/trust/entity to acquire, purchase or subscribe to the Securities;

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any, additional equity shares are issued by the Company to the grantees of options under the Scheme for the purpose of making a fair and reasonable adjustment to the stock option granted earlier, the above ceiling of 1,79,32,738 equity shares of Re.1/- each shall be deemed to be increased proportionately;

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition of the shares by the aforesaid option grantees under the schemes shall automatically stand reduced or increased, as the case may be, in the same proportion as the present face value of Re.1 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees;

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot equity shares upon exercise of stock option from time to time in accordance with the Scheme and take necessary steps for listing of such shares allotted under the Scheme, on the Exchanges where Company's shares are listed, as per the terms and conditions of the respective listing agreements and other applicable guidelines, rules and regulations and such equity shares shall rank *pari-passu* in all respects with the then existing equity shares of the Company;

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may, in its absolute discretion, deem fit without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or the Chairman or any other

Director(s) or officer(s) of the Company to give effect to the aforesaid Resolution.”

4. **Approval of extension of the benefits of the PFL-ESOP Scheme 2014 to the eligible employees of the holding company, subsidiary and, associate companies, if any, of the Company as per applicable laws**

To consider and, if thought fit, to give your assent or dissent to the following Resolution as a Special Resolution:

“**RESOLVED THAT** pursuant to the provisions of Section 62(1) (b) of the Companies Act, 2013 (“Companies Act”) and all other applicable provisions of the Companies Act (including any statutory modification or re-enactment thereof, for the time being in force), enabling provisions of the Memorandum and Articles of Association of the Company, the listing agreements entered into by the Company with the recognized stock exchanges where the shares of the Company are listed and subject to any approval, consent, permission and/or sanction of the appropriate authorities (hereinafter collectively referred to as the “**Appropriate Authorities**”) and subject to such conditions as may be prescribed by the Appropriate Authorities while granting any such approval, consent, permission and/or sanction (hereinafter referred to as the “**Requisite Approvals**”), and which may be agreed to by the Board (which terms for the purpose of this resolution shall be deemed to include any committee including the compensation committee (“**Compensation Committee**”) which the Board may have constituted or hereinafter constitute to exercise its powers including the powers conferred by this resolution), the consent be and is hereby accorded to the Board to extend and allot in one or more tranches, the benefit and coverage of the PFL ESOP Scheme 2014 referred to in the resolution under item no. 3 of this notice, also to such persons who are in permanent employment including the managing and/or whole-time director(s) whether present and future, of the Company's holding/subsidiary company and if permitted by law, to the employees of the associate companies of the Company, whether working in India or outside India, under the Scheme in the manner mentioned in the resolutions under item no. 3 of this Notice, (hereinafter referred to collectively as the “**Group Company Employees**”) under the proposed Scheme such number of stock options convertible into equity shares not exceeding the limits as mentioned in the resolution for approval of PFL-ESOP Scheme 2014 under item no. 3 of this Notice at such price and on such terms and conditions as may be fixed or determined by the Board in accordance with applicable provisions of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 (“**ESOP Guidelines**”), Companies Act and any other provisions of any applicable law in force, as may be prevailing at that time, to the Eligible Employees and the Group Company Employees, both present and future and other persons eligible to receive the same in terms of applicable laws and the Scheme;

RESOLVED FURTHER THAT the Board be and is hereby authorized to formulate, evolve, decide upon and bring into effect the Scheme titled “**PFL - ESOP Scheme 2014**” or any other title for the Scheme as may be decided or modified by the Board on such terms and conditions as contained in the relevant explanatory statement to this notice and to make any modification(s), change(s), variation(s), alteration(s) and revision(s) in the terms and conditions of the Scheme from time to time (pursuant to a special resolution passed in a general meeting), including but not limited to amendments with respect to vesting period, exercise price, eligibility criteria, vesting schedule or to suspend, withdraw or revive the Scheme provided the details of such variation and the rationale therefor and the details of employees or any other eligible persons of the Company who are the beneficiaries of such variation are disclosed in the special resolution for variation and such variation, modification or alteration is not detrimental to the interests of the employees/directors;

RESOLVED FURTHER THAT the Securities may be allotted in accordance with PFL - ESOP Scheme 2014 directly to such

employees/directors or through any appropriate mechanism including a trust or other entity which may be set up for that purpose and that such Scheme may also contain provisions for providing financial assistance to the employees/trust/entity to acquire, purchase or subscribe to the Securities;

RESOLVED FURTHER THAT in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others, if any, additional equity shares are issued by the Company to the grantees of options under the Scheme for the purpose of making a fair and reasonable adjustment to the stock option granted earlier, subject to the ceiling as mentioned in the resolution for approval of PFL-ESOP Scheme 2014 under item no. 3 of this Notice;

RESOLVED FURTHER THAT in case the equity shares of the Company are either sub-divided or consolidated, then the number of shares to be allotted and the price of acquisition of the shares by the aforesaid option grantees under the schemes shall automatically stand reduced or increased, as the case may be, in the same proportion as the present face value of Rs.1 per equity share bears to the revised face value of the equity shares of the Company after such sub-division or consolidation, without affecting any other rights or obligations of the option grantees;

RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot equity shares upon exercise of stock option from time to time in accordance with the Scheme and take necessary steps for listing of such shares allotted under the Scheme, on the stock exchanges where the Company's shares are listed, as per the terms and conditions of the respective listing agreements and other applicable guidelines, rules and regulations and such equity shares shall rank paripassu in all respects with the then existing equity shares of the Company;

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized on behalf of the Company to resolve and settle all questions and difficulties that may arise in the proposed issue, offer and allotment of any of the said Securities, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may, in its absolute discretion, deem fit without being required to seek any further consent or approval of the members of the Company or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution;

RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred, to any Committee of Directors or the Chairman or any other Director(s) or officer(s) of the Company to give effect to the aforesaid Resolution.”

5. **To appoint Mr. Ramakrishnan Sankaranarayanan as a Managing Director**

To consider and, if thought fit, to give your assent or dissent to the following Resolution as a Special Resolution:

“**RESOLVED THAT** in accordance with the provisions of Sections 196, 197, 198 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(s) thereof, for the time being in force), approval of the Company be and is hereby accorded to the appointment of Mr. Ramakrishnan Sankaranarayanan (DIN 02696897) as a Managing Director of the Company for a period of 3 (three) years with effect from June 25, 2014 whose period of office is liable to determination by retirement of directors by rotation 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” which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said

appointment and/or remuneration as it may deem fit and as may be acceptable to Mr. Ramakrishnan Sankaranarayanan, 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;

RESOLVED FURTHER THAT notwithstanding anything contained hereinabove, where, during the term of employment of the Managing Director, if in any financial year, the Company has no profits or its profits are inadequate, unless otherwise approved by any Statutory Authority, as may be required, the remuneration payable to the Managing Director shall be governed and be subject to the conditions and ceiling provided under the provisions of Schedule V of Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration;

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

6. To appoint Mr. Namit Malhotra as a Chairman and Executive Director

To consider and, if thought fit, to give your assent or dissent to the following Resolution as a Special Resolution:

"RESOLVED THAT in accordance with the provisions of Sections 196, 197, 198 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) and subject to approvals under applicable laws, if any, approval of the Company be and is hereby accorded to the appointment of Mr. Namit Malhotra (DIN 00004049) as Chairman and Executive Director of the Company for a period of 3 (three) years with effect from June 25, 2014 whose period of office is liable to determination by retirement of directors by rotation 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" which term shall be deemed to include the Nomination and Remuneration Committee of the Board) to alter and vary the terms and conditions of the said appointment and / or remuneration as it may deem fit and as may be acceptable to Mr. Namit 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;

RESOLVED FURTHER THAT notwithstanding anything contained hereinabove, where, during the term of employment of the Chairman and Executive Director, if in any financial year, the Company has no profits or its profits are inadequate, unless otherwise approved by any Statutory Authority, as may be required, the remuneration payable to the Executive Director shall be governed and be subject to the conditions and ceiling provided under the provisions of Schedule V of Companies Act, 2013 or such other limits as may be prescribed by the Government from time to time as minimum remuneration;

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

By order of the Board of Directors

For Prime Focus Limited

Sd/-

**Navin Agarwal
Company Secretary**

Registered Office:

Prime Focus House,
Linking Road, Opp. CITI Bank,
Khar (West), Mumbai,
Maharashtra ,400052

Place: Mumbai

Date: July 2, 2014

NOTES:

- 1 The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 is annexed hereto.
- 2 The notice is being sent to all Members, whose names appear on the Register of Members / List of beneficial owners as received from National Securities Depository Limited (NSDL) / Central Depository Services Limited (CDSL) on June 30, 2014.
- 3 The Board of Directors have appointed Shilpa Ray, of Shilpa Ray & Associates, Company Secretary in whole-time Practice, as Scrutinizer to receive and scrutinize the E-voting process in a fair and transparent manner.
- 4 In compliance with Clause 35B of the Listing Agreement, the Company is offering e-voting facility to all Members of the Company to send their assent or dissent in respect of the resolutions through e-voting contained in Notice dated July 2, 2014. Link Intime India Private Limited, our Registrar and Transfer Agent will be facilitating e-voting to enable the Members to cast their votes electronically.
- 5 In compliance with the provisions of Section 108 of the Companies Act, 2013 and the Rules framed there under, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by Central Depository Services (India) Limited (CDSL), on all resolutions set forth in this Notice.
- 6 The instructions for e-voting are as under:
 - (a) In case of members receiving e-mail (for Members whose e-mail addresses are registered with the Company/Depositories): Log on to the e-voting website www.evotingindia.com during the voting period.
 - (i) Click on "Shareholders" tab.
 - (ii) Now, select the "Prime Focus Limited" from the drop down menu and click on "Submit"
 - (iii) 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.
 - (iv) Next enter the Image Verification as displayed and Click on Login.

If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.

(v) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN*	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physicalshareholders)</p> <p>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 number for physical shareholder and client id for demat account shareholder in the PAN field.</p> <p>In case the physical 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 no. 1 then enter RA00000001 in the PAN field.</p>
DOB#	Enter the Date of Birth as recorded in your demat account or in thecompany records for the said demat account or folio in dd/mm/yyyyformat.
Dividend Bank Details#	<p>Enter the Dividend Bank Details as recorded in your demat account or inthe company records for the said demat account or folio.</p> <p>Please enter the - Dividend Bank Details in order to login. In case the details are not recorded with the depository or company please enter the number of shares held as on the cut off date i.e. June 30, 2014 in the Dividend Bank details field.</p>

- (vi) After entering these details appropriately, click on "Submit" tab.
- (vii) Members holding shares in physical form will then reach directly 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 CDSLplatform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this notice.
- (ix) Click on the EVSN for the relevant <Prime Focus Limited> on which you choose to vote.
- (x) 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.
- (xi) Click on the "Resolution File Link" if you wish to view the entire Resolution details.

(xii) 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.

(xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.

(xiv) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.

(xv) If Demat account holder has forgotten the changed password then enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.

- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.co.in> and register themselves as Corporates.
- They should submit a scanned copy of the Registration Form bearing the stamp and sign of the entity to helpdesk.evoting@cdslindia.com.
- After receiving the login details they have to create a user who would be able to link the account(s) which they wish to vote on.
- The list of accounts should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.

They should upload a scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, in PDF format in the system for the scrutinizer to verify the same.

- (b) In case of members receiving the physical copy: Please follow all steps from sl. no. (i) to sl. no. (xvii) above to cast vote.
- (c) Other Instructions:
- (i) The voting period begins on Thursday, July 17, 2014 (9.00 a.m. IST) and ends on Saturday, July 20, 2014 (6.00 p.m. IST). During this period, shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of June 30, 2014, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on June 30, 2014.
- (iii) Shilpa Ray, of Shilpa Ray & Associates, Company Secretay in whole-time Practice has been appointed as the scrutinizer to scrutinize the e-voting in a fair and transparent manner.
- (iv) The Scrutinizer shall, within a period not exceeding three working days from the conclusion of e-voting period, unblock the votes in the presence of at least two witnesses not in the 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.
- (v) The results on Resolution shall be declared at or after the EGM and subject to the receipt of requisite votes, the Resolution shall be deemed to be passed on the date of the EGM.

7 **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE EXTRA ORDINARY GENERAL MEETING (THE "MEETING") IS**

ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HERSELF / HIMSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A person can act as proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. However, a member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as proxy for any other shareholder. The instrument appointing proxy should, however, be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.

- 8 Corporate members are requested to send a duly certified copy of the Board Resolution authorising their representative(s) to attend and vote on their behalf at the Meeting.
- 9 Members / Proxies should fill in the Attendance Slip sent for attending the Meeting and bring their Attendance Slips to the Meeting.
- 10 In case of joint holders attending the meeting, only such joint holder who is higher in the order of names will be entitled to vote.
- 11 Notice of the Meeting along with Attendance Slip, Proxy Form and a letter giving the process, instructions and the manner of conducting E-voting is being sent electronically to all the members whose email IDs are registered with the Company / Depository Participants(s). For members who request for a hard copy and for those who have not registered their email address, physical copies of the same are being sent through the permitted mode.
- 12 Shareholders holding Equity Shares shall have one vote per share as shown against their holding. The shareholders can vote for their entire voting rights as per their discretion.

The resolutions shall be taken as passed effectively on the date of the Meeting. The result will be posted on the website of the Company (www.primefocusltd.com).
- 13 Relevant documents referred to in the accompanying Notice are open for inspection by the Members at the Registered Office of the Company during the office hours on all working days, except Saturdays between 11.00 a.m. and 1.00 p.m. up to the date of Meeting.
- 14 Members who have not registered their e-mail addresses so far are requested to register their e-mail address so that they can receive the Annual Report and other communication from the Company electronically.

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 to the accompanying Notice dated July 2, 2014.

Item No. 1

In view of the present size of the Company's operation and its future requirement of capital and the proposed preferential allotment of Equity Shares contemplated in this notice, it is proposed to increase the Authorized Capital from Rs. 25,00,00,000 (Rupees Twenty Five Crores to Rs. 35,00,00,000 (Rupees Thirty Five Crores). The increased share capital of Rs. 35,00,00,000 (Rupees Thirty Five Crores) will consist of 35,00,00,000 (Thirty Five Crores) Equity Shares of Re. 1 each. The necessary amendment in the Memorandum of Association is proposed to reflect the enhanced authorized share Capital.

As per the provisions of the Companies Act, 2013, for increasing the

Authorized share capital of the Company, approval of members in General meeting is required. A copy of Memorandum and Articles of Association together with the proposed alterations is available for inspection by the Members at the Registered Office of the Company between 11.00 a.m to 1.00 p.m on all working days from the date hereof upto the date of the Meeting.

The Board of Directors accordingly recommend the Special Resolution set out at Item No. 1 of the accompanying Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel and their relatives are, in any way, concerned or interested in the said resolution, except to the extent of their equity holdings in the Company, if any and except to the extent that they are participating in the preferential allotment of Equity Shares as proposed in the Item No. 2 of this notice.

Item No. 2

Your Company is a global leader in media and entertainment industry and services and the Company employs over 5000 professionals in 16 cities across 4 continents and 7 time zones. The Company provides end-to-end creative services like visual effects, stereo 3D conversion, animation, post-production, Digital Intermediate (DI) and equipment rental, and technology solutions including the world's first hybrid cloud-enabled Media ERP technology and cloud media services to Studios, Broadcast, Advertising and Media industries worldwide.

The Company is behind path breaking technologies like CLEAR™ (Hybrid Cloud technology-enabled Media ERP platform), Primetime Emmy® award-winning DAX Digital Dailies® and View-D™ (stereoscopic 2D to 3D conversion). Leveraging our Global Digital Pipeline and pioneering delivery model WorldSourcing®. The Company partner's with content creators at every stage of the process ensuring creative enablement, work flow efficiencies, cost optimization and new monetization opportunities.

Keeping in view the growing business requirements, and the ability to compete with the peer group in the domestic and international markets, your Company needs to strengthen its position and net worth by augmenting long term resources. Towards this objective, the Company proposes to combine its global film and media services business with that of Reliance MediaWorks Limited ("RML") by acquiring the films and media services business of RML ("**F&M Business**") which is proposed to be transferred to and acquired by the Company by way of a slump sale as a going concern basis along with its assets, liabilities and debt ("**Business Transfer**") for a net consideration of Rs. 350,00,00,000 ("**Net Consideration of F&M Business**").

The F&M Business to be acquired by the Company primarily comprises the following:

- (a) state-of-the-art studio facility in Film City Mumbai;
- (b) media back end facility in SEZ, Navi Mumbai, India;
- (c) facility for digital cinema services in Film City Mumbai;
- (d) 30% stake in Hollywood VFX house Digital Domain;
- (e) 100% ownership of Los Angeles-based digital film image processing technology firm Lowry Digital;
- (f) Debt of Rs. 200,00,00,000 (Rupees Two Hundred Crores Only).

The F&M Business also includes the fixed assets, current assets and current liabilities of RML's film and media services business division.

The Business Transfer will enhance the Company's industry leadership in India and across the globe and will give the Company access to RML's global media clients. The Company has a strong order pipeline, and the proposed Business Transfer will allow the Company to leverage the

facilities of RML which will be transferred to the Company pursuant to the Business Transfer to provide quality services to the clients of the Company. The Business Transfer will also optimise resource utilisation, reduce overheads and help improve the profitability of the Company.

It is proposed that the consideration for the proposed Business Transfer shall be discharged by the issuance of 6,73,07,692 Equity Shares at the price of Rs. 52/- per Equity Share aggregating to Rs. 350,00,00,000.

The Company has entered into a binding term sheet on July 2, 2014 with Namit Malhotra, Naresh Malhotra (Promoters of the Company) and RML ("Term Sheet") setting out certain rights and obligations of the parties vis-à-vis the preferential allotment and the Business Transfer contemplated above. The consummation of these transactions is subject to certain customary conditions precedent including execution of definitive agreements. The Term Sheet includes certain key terms and conditions for the aforementioned transaction including customary provisions in relation to transfer of Equity Shares, corporate governance, future acquisitions and non-compete provisions. The Term Sheet contemplates that RML or any person acting in concert with RML will provide Monsoon Studio Private Limited financing to subscribe to the Equity Shares of the Company for the purpose of the preferential allotment of Equity Shares of the Company to Monsoon Studio Private Limited as contemplated below. Upon execution of the Term Sheet, RML along with persons acting in concert have made an open offer to the shareholders of the Company under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("Takeover Regulations").

In light of the above approval of the shareholders is being sought for:

- (i) Issuance of 23,076,923 Equity Shares of a face value of Re.1/- each to Monsoon Studio Private Limited, a company wholly owned by Namit Malhotra and Naresh Malhotra, Promoters of the Company at a minimum price of Rs.52/- (including a premium of Rs.51/-) per Equity Share or such other higher price as may be arrived at in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("ICDR Regulations");
- (ii) Issuance of upto 23,076,923 Equity Shares of a face value of Re.1/- each to Reliance MediaWorks Limited, a Non-Promoter, at a minimum price of Rs.52/- (including a premium of Rs.51/-) per Equity Share or such other higher price as may be arrived at in accordance with the ICDR Regulations; and
- (iii) Issuance of upto 67,307,692 Equity Shares of a face value of Re.1/- each to Reliance MediaWorks Limited, a Non-Promoter, at a minimum price of Rs.52/- (including a premium of Rs.51/-) per Equity Share or such other higher price as may be arrived at in accordance with the ICDR Regulations, towards the transfer the F&M Business for the Net Consideration of F & M Business.

The other disclosures in accordance with the Companies Act, 2013, the ICDR Regulations and the other applicable provisions of law, in relation to the Special Resolution set out in the accompanying Notice are as follows:

1. **The Objects of the Preferential Issue:** To augment long term resources of the Company for repayment of debt and in particular to repay a bridge loan availed of by the Company for acquisition of Double Negative Holdings Limited, a company incorporated in England, U.K., for general corporate purposes and for the proposed Business Transfer.
2. **The proposal of the promoters / directors or key management personnel to subscribe to the offer:** The Promoters intend to

participate/ subscribe to the present offer to the extent of 2,30,76,923 Equity Shares at a price of Rs.52/- (including a premium of Rs.51/-) per Equity Share or such other higher price as may be arrived at in accordance with the ICDR Regulations through Monsoon Studio Private Limited, a company wholly owned by Mr. Namit Malhotra and Mr. Naresh Malhotra.

3. **The Shareholding pattern before and after the Preferential Issue:** The shareholding pattern of the Company pre and post the preferential allotment, as also based on the fully diluted capital of the Company considering the issue of upto 11,34,61,538 Equity Shares under the proposed Preferential Issue, is given below:

Shareholder Category	Pre-Preferential issue Shareholding (as of 31 st March, 2014)		Preferential Issue Shareholding (after allotment of equity shares)		Post-Preferential issue Shareholding (after allotment of equity shares)*	
	No.	%	No.	%	No.	%
A Promoter's Holding						
Indian Promoters*						
(a) Individual	77,101,546	41.58	23,076,923	7.72	100,178,469	33.52
(b) Bodies Corporate						
(c) Others						
Sub Total (i)	77,101,546	41.58	23,076,923	7.72	100,178,469	33.52
(ii) Foreign Promoters - Bodies Corporate	-	-	-	-	-	-
(iii) Persons acting in concert with the Promoters	-	-	-	-	-	-
Bodies Corporate - Reliance MediaWorks Limited	-	-	90,384,615	30.24	90,384,615	30.24
Sub-Total (i)+(ii)+(iii)	77,101,546	41.58	113461538	37.96	190563084	63.76
B Non Promoters Holding						
Mutual Fund/UTI	7,068,987	3.81	-	-	7,068,987	2.37
FIs/Banks	70,647	0.04	-	-	70,647	0.02
FIs	3,506,127	1.89	-	-	3,506,127	1.17
Bodies Corporate - Others	21,843,791	11.78	-	-	21,843,791	7.31
Residents Individuals	35,592,741	19.20	-	-	35,592,741	11.91
Qualified Foreign Investors - SCPE	36,549,990	19.71	-	-	36,549,990	12.23
Non Resident Indians (Repat)	1,470,125	0.79	-	-	1,470,125	0.49
Non Resident Indians (Non Repat)	188,266	0.10	-	-	188,266	0.06
Overseas Corporate Bodies	-	-	-	-	-	-
Hindu Undivided Families	-	-	-	-	-	-
Clearing Members	2,025,216	1.10	-	-	2,025,216	0.68
Trusts	-	-	-	-	-	-
Sub Total	108,315,890	58.42	-	-	108315890	36.24
Grand Total (A+ B)	185,417,436	100.00	113,461,538	37.96	298,878,974	100.00

*Monsoon Studio Private Limited can acquire such number of shares as are required for the Promoters to increase their shareholding in the Company to 35% of the expanded share capital of the Company.

4. **Proposed time within which the Preferential Issue shall be completed:** The allotment of Equity Shares shall be completed within a period of 15 days from the expiry of the period specified in Sub-regulation 1 of Regulation 20 of the Takeover Regulations or the date of receipt of all statutory approvals required for the completion of an open offer under the Takeover Regulations.
5. **Relevant date and pricing of the issue:** In accordance with the provisions of ICDR Regulations, the "Relevant Date" for the

purpose of calculating the price of Equity Shares shall be July 2, 2014, being the date 30 days prior to the date of the Extraordinary General Meeting to be held on August 1, 2014. The price so calculated is 47.51 (Rupees Forty Seven and Fifty one paise One only) per Equity Share. The issue price of each Equity Share is fixed at 52 (Rupees Fifty Two only).

6. Auditors' Certificate: A copy of certificate from the Statutory Auditors of the Company certifying that the above issue of the Equity Shares is being made in accordance with the ICDR Regulations, shall be placed before the shareholders of the Company at the Extraordinary General Meeting and will also be open for inspection by the Members.

7. Particulars of the proposed allottees and the identity of the natural persons who are the ultimate beneficial owners of the Equity Shares proposed to be allotted and/or who ultimately control the proposed allottees, the percentage of post Preferential Issue capital that may be held by them and change in control, if any, in the issuer consequent to the Preferential Issue:

(a) Equity Shares are proposed to be allotted to Monsoon Studio Private Limited, which is owned by Mr. Naresh Mahotra and Mr. Namit Malhotra, promoters of the company

Save and except the Preferential Issue as proposed in the resolution as set in the accompanying Notice, the Company has made no other issue or allotment of securities on preferential basis during the year.

(b) Equity Shares are proposed to be allotted to RML which is ultimately owned and controlled by Reliance Capital Limited, a Reliance Group company listed on the BSE Limited and the National Stock Exchange of India Limited.

As set out above, RML has also entered into the Term Sheet with the promoters of the Company and the Company whereby RML and the Promoters have *inter-alia* agreed to certain inter-se rights and obligations as shareholders of the Company. Pursuant to the Term Sheet, while the Promoters will continue to be in charge of the day to day management of the Company, RML will be acting in concert with the Promoters and will have a common objective with the Promoters for the purpose of exercising control over the Company.

8. Lock-in: The entire pre-preferential allotment shareholding of the above allottees, if any, shall be locked-in from the Relevant Date up to a period of six months from the date of trading approval as per Regulation 78(6) of the ICDR Regulations.

9. Pricing & undertaking to re-compute the price; The Company undertakes that if required, the price shall be recomputed in terms of the provision of the ICDR Regulations. If the amount payable upon the re-computation is not paid within the stipulated time as mentioned in the ICDR Regulations, the specified securities shall continue to be locked in till such amount is paid by the allottee.

10. Valuation for consideration other than cash: It is proposed that the consideration for the proposed Business Transfer shall be discharged by the issuance of 6,73,07,692 Equity Shares at a price of Rs. 52/- per Equity Share aggregating to Rs. 350,00,00,000. BDO India LLP, vide their report dated July 2, 2014 have independently valued the F&M Business.

The Board at its meeting held on July 2, 2014 has approved the issue and allotment of Equity Shares on preferential basis in the manner stated hereinabove.

Pursuant to the provisions of Section 62 of the Companies Act, 2013 and Regulation 72(1)(a) of the ICDR Regulations, the above Preferential Issue requires approval of its shareholders by way of a Special Resolution. The Board, therefore, recommends the above mentioned resolution to be passed as a Special Resolution.

The certificate from the statutory auditors certifying that the preferential issue is in accordance with the ICDR Regulations, the valuation report from BDO India LLP, the Memorandum and Articles of Association of the Company, the Term sheet and other documents related to the proposed resolution set out in the accompanying notice and the explanatory statement will be open for inspection at the Registered Office of the Company on all working days from 11.00 a.m to 1.00.p.m .”

The Board of Directors accordingly recommend the Special Resolutions set out at Item No. 2 of the accompanying Notice for the approval of the Members.

None of the other Directors, Key Managerial Personnel (KMP) and their relatives are, in any way, concerned or interested in the said Resolution, except to the extent that they are participating in the preferential allotment of Equity Shares as proposed in this Item of this notice.

Item No. 3

Your Company is committed to being a high-performing growth oriented organization providing opportunity to employees to raise their level of performance, thereby, ensuring that the combined efforts of all employees work towards maximizing corporate performance and stakeholder value.

In order to attract, motivate and retain the qualified and skilled professionals and to create a sense of ownership and participation amongst them, the Company has proposed to implement PFL – ESOP Scheme 2014 therefore, it is proposed to introduce and implement a new employee stock option scheme titled as PFL - ESOP Scheme, whereby stock options upto 6% of the paid-up capital of the Company (post preferential allotment) i.e. 1,79,32,738 stock options will be issued/ granted to the Eligible Employees including directors of the Company, whether working in India or outside India, in one or more tranches, with a right (but not obligation) to convert those options into equivalent number of shares of Re. 1/- each fully paid up within the specified time limit at a price to be determined by the Compensation Committee (the Committee already constituted by the Board of Directors to administer the Scheme) at the time of grant.

The main features of the PFL - ESOP Scheme 2014 are as under:

1. Total number of stock options to be granted

The stock options to be granted under the Scheme shall not result in issue of equity shares exceeding 6% of the issued, subscribed and paid-up equity shares of the Company (post preferential allotment) i.e. up to 1,79,32,738 equity shares.

Vested stock options that lapse due to non-exercise or unvested stock options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

ESOP Guidelines require that in case of any corporate action(s) or change in capital structure such as rights issues, bonus issues, sub-division or consolidation of the nominal value of shares, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the stock options granted.

Accordingly, if any additional equity shares are required to be issued for making such fair and reasonable adjustment, the ceiling

of 1,79,32,738 equity shares shall be deemed to be increased to the extent of such additional equity shares issued/to be issued. Further, the Compensation Committee shall in such cases also have the power to make appropriate adjustments to the number of shares to be allotted pursuant to the exercise of the stock options, the exercise price, number of stock options and other rights and obligations under the stock options granted.

2. Identification of class of employees entitled to participate in the Scheme

Persons who are employees of the Company, including directors as defined in the ESOP Guidelines and as may be decided by the Compensation Committee from time to time.

Under the prevailing ESOP Guidelines, an employee, who is a promoter or belongs to the promoter group, will not be eligible to participate in the Scheme. A director, who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company, shall not be eligible to participate in the Scheme.

3. Grant of Options

The Compensation Committee may, on such dates as it shall determine, grant to such Eligible Employees as it may in its absolute discretion select, stock options of the Company on the terms and conditions and for the consideration as it may decide.

4. Transferability of Employee Stock Options

The stock options granted under the Scheme will not be transferable to any person and shall not be sold, pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of option grantee while in employment, the right to exercise all the stock options granted to him/her till such date shall be transferred to his/her legal heirs or nominees, as mentioned in the nomination form for the Scheme.

5. Requirements of vesting and period of vesting

The stock options granted shall vest up to a period of 4 years from the date of grant, or such other period as may be decided by Compensation Committee, or so long as such employee continues to be in the employment of the Company, whichever is earlier. The Compensation Committee may, at its discretion, lay down certain performance metrics and other considerations viz. longevity of employment, grade/seniority of employee or other relevant considerations, on the achievement of which the granted stock options would vest, the detailed terms and conditions relating to such performance-based vesting and the proportion in which stock options granted would vest subject to the minimum and maximum vesting period as specified below.

According to the ESOP Guidelines there shall be a minimum period of one year between the grant of stock options and vesting of stock options. The maximum vesting period may extend up to four years from the date of grant of Stock options, unless otherwise decided by the Committee. The vesting shall happen in one or more tranches as may be determined by the Compensation Committee.

6. Exercise Price or Pricing formula

The exercise price for the purposes of the grant of stock options will be decided by the Compensation Committee at the time of respective grant of stock options.

In determining the exercise price, the Compensation Committee shall take into consideration relevant factors prevalent at the time of the grant which, amongst other things, shall include the trend in the market price of the Company's equity shares quoted on Bombay

Stock Exchange Ltd., the concerned employee's performance, the future potential contribution of the employee, the ESOP Guidelines and any other rules, regulations or guidelines prescribed by the Securities and Exchange Board of India or of any other Appropriate Authority from time to time. The exercise price shall be calculated at a discount not higher than 75% of the average of the daily high and low of the prices for the Company's equity shares quoted on Bombay Stock Exchange Ltd., during the 15 days preceding the date of vesting of the stock options.

7. Exercise Period and the process of Exercise

The exercise period shall commence from the date of vesting of stock options and shall not exceed 2 years from the date of vesting. The stock options shall be exercisable by the employees by submitting to the Company a written application in prescribed format accompanied with payment towards the exercise price and on execution of such documents, as may be prescribed by the Compensation Committee from time to time. The stock options shall lapse, if not exercised within the specified exercise period.

8. Appraisal Process for determining the eligibility of the employees

The appraisal process for determining the eligibility of the employee will be specified by the Compensation Committee, and will be based on criteria such as role/designation of the employee, length of service with the Company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Compensation Committee at its sole discretion.

The additional stock options may be granted to employees of the Company with some extra ordinary performance/achievement and/or based on such other criteria that may be determined by the Compensation Committee at its sole discretion.

9. Maximum number of stock options to be issued per employee and in aggregate

The number of stock options that may be granted under the scheme to any specific employee in any one financial year shall be less than 1% of the issued equity shares of the Company at the time of grant of stock options and in aggregate to specific employee shall not exceed 1,79,32,738 stock options subject to a fair and reasonable adjustment by the Committee in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others.

10. Disclosure and Accounting Policies

The Company shall comply with the disclosure and the accounting policies prescribed and stipulated in Schedule 1 of the ESOP Guidelines.

11. Method of stock option valuation

To calculate the employee compensation cost, the Company shall use the intrinsic value method for valuation of the stock options granted. The difference between the employee compensation cost computed using the intrinsic value and the employee compensation cost that shall have been recognized if it had used the fair value of the stock options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

As the Scheme provide for issue of shares to be offered to person other than existing members of the Company, consent of the existing members of the Company is sought pursuant to section 62(1) (b) and all other applicable provisions, if any, of the Act and the ESOP Guidelines.

As per the ESOP Guidelines, approval of existing members of the Company is required for grant of stock options to eligible employees of the Company. Hence, specific resolutions at item no. 3 are placed for approval of the members by way of Special Resolution.

None of the directors, Key Managerial Personnel (KMP) and their relatives are, in any way, concerned or interested in the aforesaid resolutions, except to the extent of the securities that may be offered to them under the Scheme.

Item No. 4

Your Company is committed to being a high-performing growth oriented organization providing opportunity to Group Company Employees to raise their level of performance, thereby, ensuring that the combined efforts of Eligible Employees and Group Company Employees work towards maximizing corporate performance and stakeholder value.

In order to attract, motivate and retain the qualified and skilled professionals and to create a sense of ownership and participation amongst them, the Company has proposed to implement PFL – ESOP Scheme 2014 therefore, it is proposed to introduce and implement a new employee stock option scheme titled as PFL - ESOP Scheme 2014, whereby aggregate stock options the limits as mentioned in the resolution for approval of PFL-ESOP Scheme 2014 under item no. [3] of this Notice will be issued/granted to the Group Company Employees together with the Eligible Employees, , whether working in India or outside India, in one or more tranches, with a right (but not obligation) to convert those options into equivalent number of shares of Rs. 1/- each fully paid up within the specified time limit at a price to be determined by the Compensation Committee (the Committee already constituted by the Board of Directors to administer the Scheme) at the time of grant.

The main features of the PFL - ESOP Scheme 2014 are as under:

1. Total number of stock options to be granted

The stock options to be granted under the Scheme shall not result in issue of equity shares exceeding the limits as mentioned in the resolution for approval of PFL-ESOP Scheme 2014 under item no. 3 of this Notice.

Vested stock options that lapse due to non-exercise or unvested stock options that get cancelled due to resignation of the employees or otherwise, would be available for being re-granted at a future date.

ESOP Guidelines require that in case of any corporate action(s) or change in capital structure such as rights issues, bonus issues, sub-division or consolidation of the nominal value of shares, merger and sale of division and others, a fair and reasonable adjustment needs to be made to the stock options granted.

Accordingly, if any additional equity shares are required to be issued for making such fair and reasonable adjustment, the ceiling as mentioned in the resolution for approval of PFL-ESOP Scheme 2014 under item no.3 of this Notice shall be deemed to be increased to the extent of such additional equity shares issued/to be issued. Further, the Compensation Committee shall in such cases also have the power to make appropriate adjustments to the number of shares to be allotted pursuant to the exercise of the stock options, the exercise price, number of stock options and other rights and obligations under the stock options granted.

2. Identification of class of employees entitled to participate in the Scheme

Group Company Employees, including directors as defined in the ESOP Guidelines and as may be decided by the Compensation Committee from time to time.

Under the prevailing ESOP Guidelines, an employee, who is a promoter or belongs to the promoter group, will not be eligible to participate in the Scheme. A director, who either by himself or through his relative or through any body corporate, directly or indirectly holds more than 10% of the outstanding equity shares of the Company, shall not be eligible to participate in the Scheme.

3. Grant of Options

The Compensation Committee may, on such dates as it shall determine, grant to such Group Company Employees as it may in its absolute discretion select, stock options of the Company on the terms and conditions and for the consideration as it may decide.

4. Transferability of Employee Stock Options

The stock options granted under the Scheme will not be transferable to any person and shall not be sold, pledged, hypothecated, mortgaged or otherwise alienated in any manner. However, in the event of the death of option grantee while in employment, the right to exercise all the stock options granted to him/her till such date shall be transferred to his/her legal heirs or nominees, as mentioned in the nomination form for the Scheme.

5. Requirements of vesting and period of vesting

The stock options granted shall vest up to a period of 4 years from the date of grant, or such other period as may be decided by Compensation Committee, or so long as such employee continues to be in the employment of the group company of the Company, whichever is earlier. The Compensation Committee may, at its discretion, lay down certain performance metrics and other considerations viz. longevity of employment, grade/seniority of employee or other relevant considerations, on the achievement of which the granted stock options would vest, the detailed terms and conditions relating to such performance-based vesting and the proportion in which stock options granted would vest subject to the minimum and maximum vesting period as specified below.

According to the ESOP Guidelines there shall be a minimum period of one year between the grant of stock options and vesting of stock options. The maximum vesting period may extend up to four years from the date of grant of Stock options, unless otherwise decided by the Committee. The vesting shall happen in one or more tranches as may be determined by the Compensation Committee.

6. Exercise Price or Pricing formula

The exercise price for the purposes of the grant of stock options will be decided by the Compensation Committee at the time of respective grant of stock options.

In determining the exercise price, the Compensation Committee shall take into consideration relevant factors prevalent at the time of the grant which, amongst other things, shall include the trend in the market price of the Company's equity shares quoted on Bombay Stock Exchange Ltd., the concerned employee's performance, the future potential contribution of the employee, the ESOP Guidelines and any other rules, regulations or guidelines prescribed by the Securities and Exchange Board of India or of any other Appropriate Authority from time to time. The exercise price shall be calculated at a discount not higher than 75% of the average of the daily high and low of the prices for the Company's equity shares quoted on Bombay Stock Exchange Ltd., during the 15 days preceding the date of vesting of the stock options.

7. Exercise Period and the process of Exercise

The exercise period shall commence from the date of vesting of stock options and shall not exceed 2 years from the date of vesting.

The stock options shall be exercisable by the Group Company Employees by submitting to the Company a written application in prescribed format accompanied with payment towards the exercise price and on execution of such documents, as may be prescribed by the Compensation Committee from time to time. The stock options shall lapse, if not exercised within the specified exercise period.

8. Appraisal Process for determining the eligibility of the employees of group company of the Company

The appraisal process for determining the eligibility of Group Company Employees will be specified by the Compensation Committee, and will be based on criteria such as role/designation of the employee, length of service with the Company and with its group company, past performance record, future potential of the employee and/or such other criteria that may be determined by the Compensation Committee at its sole discretion.

The additional stock options may be granted to the Group Company Employees with some extra ordinary performance/achievement and/or based on such other criteria that may be determined by the Compensation Committee at its sole discretion.

9. Maximum number of stock options to be issued per employee and in aggregate

The number of stock options that may be granted under the scheme to any specific employee in any one financial year shall be less than 1% of the issued equity shares of the Company at the time of grant of stock options and in aggregate to specific employee shall not exceed the ceiling as mentioned in the resolution for approval of PFL-ESOP Scheme 2014 under item no. 3 of this Notice subject to a fair and reasonable adjustment by the Committee in case of any corporate action(s) such as rights issues, bonus issues, merger and sale of division and others.

10. Disclosure and Accounting Policies

The Company shall comply with the disclosure and the accounting policies prescribed and stipulated in Schedule 1 of the ESOP Guidelines.

11. Method of stock option valuation

To calculate the employee compensation cost, the Company shall use the intrinsic value method for valuation of the stock options granted. The difference between the employee compensation cost computed using the intrinsic value and the employee compensation cost that shall have been recognized if it had used the fair value of the stock options, shall be disclosed in the Directors' Report and also the impact of this difference on profits and on EPS of the Company shall also be disclosed in the Directors' Report.

As the Scheme provides for issue of shares to be offered to person other than existing members of the Company, consent of the existing members of the Company is sought pursuant to section 62(1) (b) and all other applicable provisions, if any, of the Act and the ESOP Guidelines.

As per the ESOP Guidelines, approval of existing members of the Company is required for grant of stock options to eligible employees of the Company. The Board of Directors accordingly recommend the Special Resolution set out at Item No. 4 of the accompanying Notice for the approval of the Members. Hence, specific resolutions at item no.4 are placed for approval of the members by way of Special Resolution.

None of the directors, Key Managerial Personnel (KMP) and their

relatives are, in any way, concerned or interested in the aforesaid resolutions, except to the extent of the securities that may be offered to them under the Scheme.

Item No. 5

The Board of Directors at its meeting held on June 25, 2014, has already appointed Mr. Ramakrishnan Sankaranarayanan as Managing Director of the Company with effect from June 25, 2014.

The Board of Directors has approved the remuneration upto Rs. 50,00,000/- per annum to Mr. Ramakrishnan Sankaranarayanan with such increment(s) as the Board may decide from time to time within the parameters of the applicable provisions of the Companies Act, 2013..

Mr. Ramakrishnan Sankaranarayanan is B.E, MBA and has a wide experience in performing technical, strategy, customer service, marketing, sales and general management roles in the IT industry. He has specific experience in deployment of technology within the Media & Entertainment sector.

In view of the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item no. 5 of the accompanying Notice for the approval of the Members.

During the term of employment of the Managing Director, if in any financial year, the Company does not earn any profits or earns an inadequate profits 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 to the Companies Act, 2013 or any re-enactment thereof.

Except for Mr. Ramakrishnan Sankaranarayanan, 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. 5.

The above may be treated as a written Memorandum setting out the terms of appointment of Mr. Ramakrishnan Sankaranarayanan under Section 190 of the Act.

Item No. 6

The Board of Directors at its meeting held on June 25, 2014, has already appointed Mr. Namit Malhotra as Chairman and Executive Director of the Company with effect from June 25, 2014.

The Board of Directors has approved the remuneration upto Rs. 50,00,000/- p.a to Mr. Namit Malhotra with such increment(s) as the Board may decide from time to time within the parameters of the applicable provisions of the Companies Act, 2013.

Mr. Namit Malhotra, aged 38 years, is the founder of Prime Focus. A compulsive entrepreneur, Mr. Namit Malhotra hails from a family that has been part of the film business for three generations. Namit is highly tech savvy, and his deep understanding and passion for technology has ensured that the company is always ahead of the technology curve. By integrating all the various technology / service profiles, under one roof, he has created India's and one of Asia's largest end to end services company for post production and visual effects. He is also director in Prime Focus Motion Pictures Limited and several other Private Limited companies.

In view of the provisions of Sections 196, 197, 198, 203 and any other applicable provisions of the Companies Act, 2013, the Board recommends the Special Resolution set out at item no. 6 of the accompanying Notice for the approval of the Members subject to approvals, if any, under applicable laws.

During the term of employment of the Executive Director, if in any financial year, the Company does not earn any profits or earns an inadequate profits 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 to 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. 6.

The above may be treated as a written Memorandum setting out the terms of appointment of Mr. Namit Malhotra under Section 190 of the Act.

By order of the Board of Directors
For Prime Focus Limited

Sd/-

Navin Agarwal
Company Secretary

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

Place: Mumbai
Date: July 2, 2014



PRIME FOCUS LIMITED

(CIN L92100MH1997PLC108981)

Registered Office: Prime Focus House, Linking Road, Khar (West), Mumbai- 400052

Website: www.primefocusltd.com Tel: +91 22 6715 5000

ATTENDANCE SLIP

I / We hereby record my/our presence at the Extra-Ordinary General Meeting of the Company at **Prime Focus Office, Main Frame IT Park, Building – H, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai - 400 065** on Friday, August 01, 2014 at 10.00 a.m.

DP ID No.: _____

Client ID No.: _____

Ledger Folio No. _____

No. of Shares: _____

Name: _____

Signature: _____

Note:

1. Please complete the Folio / DP ID – Client ID No. and name, sign this Attendance Slip and handover at the Attendance Verification Counter at THE MEETING HALL
2. Electronic copy of the Extra-ordinary General Meeting along with Attendance Slip and Proxy Form is being sent to all the members whose email address is registered with the Depository Participant unless any member has requested for a hard copy of the same. Members receiving electronic copy and attending the EOGM can print copy of this Attendance Slip.
3. Physical copy of the Notice of the Extra-ordinary General Meeting along with the Attendance Slip and Proxy Form is sent in the permitted mode(s) to all members whose email is not registered or who have requested for a hard copy.



PRIME FOCUS LIMITED

Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration Rules, 2014)
(CIN L92100MH1997PLC108981) Prime Focus Limited
Registered Office: Prime Focus House, Linking Road, Khar (West), Mumbai- 400052
Website: www.primefocusltd.com Tel: +91 22 6715 5000

PROXY FORM

Name of the member(s) :
Registered Address :
E-mail ID :
Folio No. / Client ID No. :
DP ID :

I/We, being the member(s) of shares of the above named company, hereby appoint

1. Name : Email ID :

Address :

Signature :, or failing him/her

2. Name : Email ID :

Address :

Signature :, or failing him/her

3. Name : Email ID :

Address :

Signature :, or failing him/her

as my/ our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Extra-Ordinary General Meeting of the company, to be held on Friday, August 01, 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** and at any adjournment thereof in respect of such resolutions as are indicated below:

Sr. No.	RESOLUTIONS	Optional*	
		For	Against
1	Increase in the Authorised Share Capital and alteration of the Capital Clause in the Memorandum of Association of the Company		
2	Preferential Issue of Equity Shares		
3	Authorization for ESOP Scheme of the Company		
4	Approval of extension of the benefits of the PFL-ESOP Scheme 2014 to the eligible employees of the holding company, subsidiary and associate companies, if any, of the Company as per applicable laws		
5	To appoint Mr. Ramakrishnan Sankaranarayanan as a Managing Director		
6	To appoint Mr. Namit Malhotra as a Chairman and Executive Director		

Signed this _____ day of _____ 2014.

**Affix Revenue
Stamp of Re.1**

Signature of the shareholder :

Signature of Proxy holder(s) :

Notes:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
2. For the Resolutions, Explanatory Statements and Notes, please refer the Notice of Extra-Ordinary General Meeting.
3. The Company reserves its right to ask for identification of the proxy.
4. The proxy form should be signed across the Revenue Stamp as per specimen signature(s) registered with the Company/depository participant.
5. *It is optional to put 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all resolution, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

