



PFL

PRIME FOCUS LIMITED

CIN: L92100MH1997PLC108981

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

Tel: +91 22 6715 5000, **Fax:** +91 22 6715 5001

Website: www.primefocus.com; **Email Id:** ir.india@primefocus.com

NOTICE OF POSTAL BALLOT

[Pursuant to Sections 108 & 110 of the Companies Act, 2013 read with Rules 20 & 22 of the Companies (Management and Administration) Rules, 2014 and the Circulars issued by the Ministry of Corporate Affairs, Government of India]

Dear Members,

Notice is hereby given pursuant to Sections 108, 110 and other applicable provisions of the Companies Act, 2013, (hereinafter referred to as “**the Act**”), including any statutory modification(s) or re-enactment thereof for the time being in force and other applicable provisions, if any, of the Act and Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (the “**Rules**”) as amended from time to time read with General Circular No. 14/2020 dated April 8, 2020; General Circular No. 17/2020 dated April 13, 2020; General Circular No. 22/2020 dated June 15, 2020; General Circular No. 33/2020 dated September 28, 2020; General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021 and General Circular No. 20/2021 dated December 08, 2021 (the “**Relevant Circulars**”) issued by Ministry of Corporate Affairs (“**MCA**”), Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“**SEBI Listing Regulations**”) and Secretarial Standard – 2 issued by the Institute of Company Secretaries of India and other applicable laws and regulations, if any, including any statutory modification(s) or re-enactment(s) thereto for the time being in force, Special Resolutions as set out in this notice, on the terms which are set out in the Explanatory Statement attached to this notice, is proposed for consideration by members of Prime Focus Limited (“**the Company**”) for passing by means of Postal Ballot through voting by electronic means only (“**remote e-voting**”). Members are requested to read the instructions in the Notes under the section “**Instruction for voting through Electronic Means**”. The communication of the assent or dissent of the Members would only take place through the remote e-voting system.

Pursuant to Rule 22(5) of the Rules, the Board of Directors of the Company vide Resolution dated February 14, 2022 has appointed Mr. Mehul Raval, Practicing Company Secretary (Membership No.: ACS-18300, CP No.:24170) as a Scrutinizer for conducting the Postal Ballot through remote e-voting process in fair and transparent manner and he has communicated his willingness to be appointed and be available for the said purpose.

In compliance with the provisions of Sections 108, 110 and other applicable provisions of the Act, read with the Rules and SEBI Listing Regulations (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Company is pleased to extend e-voting facility to enable the members to cast their votes electronically instead of through the Postal Ballot form(s). Members (whether holding shares in demat form or in physical form) are requested to cast their votes by e-voting only. The Company has engaged the services of Central Depository Services (India) Limited (“**CDSL**”), for the purpose of providing e-voting facility to all its Members.

Members (whether holding shares in demat form or in physical form) desiring to exercise their vote are requested to carefully follow the instructions in the Notes under the Section “**Instructions for voting through Electronic Means**” in this Notice.

The remote e-voting period commences at 9:00 a.m. (IST) on Saturday, February 26, 2022 and ends at 5:00 p.m. (IST) on Sunday, March 27, 2022.

Upon completion of this process, the Scrutinizer will submit the report to the Chairman of the Company or any other person authorised by the Chairman, after the completion of scrutiny of the votes cast through remote e-Voting. The results of Postal Ballot will be announced on or before Tuesday, March 29, 2022. The result of the voting shall be displayed on the notice board of the Company at its Registered Office. The declared result along with the Scrutinizers Report, will be available forthwith on the Company’s website: www.primefocus.com. The results will simultaneously be communicated to the Stock Exchanges i.e. BSE Limited and National Stock Exchange of India Limited where the Company’s shares are listed. Central Depository Services (India) Limited engaged by the Company for facilitating e-voting will also display the result on its website www.evotingindia.com.

SPECIAL BUSINESS

1. To consider and approve the Sale of Company’s business relating to Post Production through Slump Sale

To consider and if thought fit, pass following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 108, 110, 180(1)(a), 188 and other applicable provisions

(if any) of the Companies Act, 2013 and the relevant rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), and subject to the provisions of the Memorandum and Articles of Association of the Company, the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and such other approvals, consents, permissions, sanctions and exemptions, as may be required under applicable laws, regulations and guidelines issued by the statutory and regulatory authorities, and pursuant to the approval and recommendation of the Audit Committee and Board of Directors of the Company (hereinafter referred to as the **"Board"** which term shall deem to include any duly constituted Committee of the Board or hereinafter constitutes to exercise its powers including the power constituted by this resolution), the consent of the Members be and is hereby accorded to the Board, to sell, transfer or dispose off all business relating to post-production related services that is undertaken by the Company through its divisions which carries out this business, but excluding the business of services/rental of shooting floors (the **"Business Division"**) to DNEG India Media Services Limited, a subsidiary of the Company (the **"Purchaser"**) on a going concern basis, by way of a slump sale, for a lump sum consideration of up to ₹ 365 crores (Rupees Three Hundred and Sixty Five Crores) (the **"Proposed Transaction"**), subject to certain closing adjustments, if any, and for this purpose, enter into, execute, deliver and perform, with or without modifications, a Business Transfer Agreement (the **"BTA"**), and all other ancillary agreements, as may be required for the purposes of the Proposed Transaction, on such terms and conditions and with such modifications, as may be required, or the Board may deem fit and appropriate in the interest of the Company.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for the removal of difficulty and doubts, the Board of Directors or Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorized and empowered to execute, negotiate and finalise, including varying and settling the terms and conditions of the Proposed Transaction and deliver and perform the BTA, contracts, deeds, undertakings, and other documents in respect thereof, with effect from such date and in such manner, and seek the requisite approvals, consents and permissions, make requisite filings/submissions, as may be applicable and required under the applicable law, and to generally do and perform all such acts, deeds, matters and things as the Board may deem fit, necessary, proper or desirable, including the power to sub-delegate, settle any question, difficulty or doubt that may arise in this regard, taking all necessary steps as it may, in the best interest of the Company, deem necessary, desirable or expedient from time to time, in order to give effect to the aforesaid resolution".

2. To approve sale / disposal of investment held by the Company in De-Fi Media Limited, a wholly owned subsidiary of the Company

To consider and if thought fit, pass following resolution as a **Special Resolution:**

"RESOLVED THAT pursuant to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI Listing Regulations"**) as amended from time to time and pursuant to Section 110 and other applicable provisions of the Companies Act, 2013 (**"Act"**) read with relevant rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force as amended from time to time) and subject to the Memorandum and Articles of Association of the Company and necessary approvals, consents, permissions and sanctions required, if any, by any appropriate authorities and subject to such terms, conditions, amendments or modifications as may be prescribed by any such appropriate authorities, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as **"Board"**, which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute) to sell/transfer and dispose-off the entire investment of 2,43,67,188 ordinary shares of Face value ₹ 1/- each held in M/s. De-Fi Media Limited at an agreed price of up to ₹ 1,00,000/- (One lakh pound only) to M/s. BRUSTIR PTE.LTD., in one or more tranches, on such terms and conditions and in such manner as the Board may in its absolute discretion decide or as it may deem fit in the best interest of the Company.

RESOLVED FURTHER THAT the Board of Directors or Chief Financial Officer or the Company Secretary of the Company be and are hereby severally authorised to do all such acts, deeds, matters and things including but not limited to deciding on the timing, manner and extent of carrying out the aforesaid activities and to negotiate, finalise and execute agreement(s), such other document(s), by whatever name called and to do all acts, matters and things as may be necessary in this regard and to settle any questions or difficulties that may arise in this regard and incidental thereto, without being required to seek any further consent or approval of the Members and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other Officer(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary."

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

**Sd/-
Parina Shah
Company Secretary
ACS 18061**

Mumbai, February 14, 2022

Registered Office:

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

NOTES:

1. The relevant Explanatory Statement pursuant to Section 102(1) read with Section 110 of the Companies Act, 2013 (**'Act'**), as amended from time to time, in respect of the Special Businesses specified above is annexed hereto.
2. The Postal Ballot Notice is being sent in electronic form to the Members who have registered their e-mail addresses with Registrars and Transfer Agents of the Company (in case of physical shareholding) /with their Depositories/ Depository Participants (in case of electronic shareholding). The MCA vide its Relevant Circulars, has permitted companies to conduct the Postal Ballot by sending the Notice in electronic form only. Accordingly, physical copy of the Notice along with Postal Ballot Form and pre-paid business reply envelope will not be sent to the Members for this Postal Ballot. The communication of the assent or dissent of the Members would take place through the process of remote e-voting only. In compliance with Sections 108 and 110 of the Act and Rules made thereunder, the Company has provided the facility to the Members to exercise their votes electronically through remote e-voting facility provided by CDSL. The instructions for voting through electronic means are annexed to this Notice.
3. The Notice is being sent to all the Members, whose names appeared in the Register of Members / Record of Depositories on Thursday, February 17, 2022 ("**Cut-off date**"). Only those Members whose names are recorded in the Register of Members of the Company or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date, will be entitled to cast their votes by remote e-voting. Members receiving the Notice of Postal Ballot whose names do not appear in the Register of Members/ Statement of Beneficial Ownership as mentioned above, should treat this notice for information purposes only.
4. The Notice will be displayed on the website of the Company viz., www.primefocus.com and on the website of CDSL viz. www.evotingindia.com. The notice shall also be uploaded on both the stock exchanges viz. BSE Limited and National Stock Exchange of India Limited.
5. The dispatch of the postal ballot notice and the Explanatory Statement shall be announced through advertisement in at least one English language national daily newspaper circulating in the whole or substantially the whole of India, atleast in one English newspaper in English language having wide circulation in the district where the registered office of the Company is situated and at least in one daily newspaper published in the vernacular language of the district, and published on the website of the Company.
6. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on Thursday, February 17, 2022. A Member cannot exercise their vote by proxy on Postal Ballot.
7. The remote e-voting period commences at 9:00 a.m. (IST) on Saturday, February 26, 2022 and will end at 5:00 p.m. (IST) on Sunday, March 27, 2022, after which the remote e-voting will be disabled and voting shall not be allowed beyond the said

date and time. During this period, members of the Company holding shares either in physical form or in dematerialised form, as on the cut-off date i.e. Thursday, February 17, 2022, may cast their vote electronically. Once the member casts the vote on the Resolution, he or she will not be allowed to change it subsequently.

8. The resolutions, if passed by the requisite majority shall be deemed to have been passed on the last date specified for remote e-voting i.e. Sunday, March 27, 2022.
9. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection without any fee 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. to 1:00 p.m. from the date hereof up to March 27, 2022.
10. Members who have not registered their e-mail addresses are requested to register the same with the Depository Participant(s) for sending future communication(s) in electronic form.
11. Resolutions passed by the members through postal ballot are deemed to have been passed as if they have been passed at a General Meeting of the members.

INSTRUCTIONS FOR VOTING THROUGH ELECTRONIC MEANS :

Instructions to Members for remote e-voting are as under:

- (i) The voting period begins on Saturday, February 26, 2022 at 9:00 a.m. (IST) and ends on Sunday, March 27, 2022 at 5:00 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 Thursday, February 17, 2022 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- (iii) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting **for Individual shareholders holding securities in Demat mode** is given below:

| Type of shareholders | Login Method |
|---|---|
| Individual Shareholders holding securities in Demat mode with CDSL | <ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration |

| Type of shareholders | Login Method |
|---|--|
| | <ol style="list-style-type: none"> 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers. |
| Individual Shareholders holding securities in demat mode with NSDL | <ol style="list-style-type: none"> 1) If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period. 2) If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS" Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp |

| Type of shareholders | Login Method |
|---|--|
| | 3) Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. |
| Individual Shareholders (holding securities in demat mode) login through their Depository Participants | You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period. |

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

| Login type | Helpdesk details |
|---|--|
| Individual Shareholders holding securities in Demat mode with CDSL | Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43. |
| Individual Shareholders holding securities in Demat mode with NSDL | Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 |

(iv) Login method for e-Voting for **shareholders other than individual shareholders holding in Demat form & physical shareholders.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.
- 3) 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. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) 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 e-voting of any company, then your existing password is to be used.
- 5) If you are a first-time user follow the steps given below:

| | For Shareholders holding shares in Demat Form other than individual and Physical Form |
|--|---|
| PAN | Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA. |
| Dividend Bank Details OR Date of Birth (DOB) | Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (3). |

- (v) After entering these details appropriately, click on "SUBMIT" tab.
- (vi) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders 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.
- (vii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (viii) Click on the EVSN for the relevant <Company Name> on which you choose to vote.
- (ix) 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.
- (x) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xi) 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.
- (xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiii) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xiv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xv) **Facility for Non – Individual Shareholders and Custodians – Remote Voting**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details a Compliance User should be created 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 linked in the login should be mailed to 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.
- Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; ir.india@primefocus.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.

PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL/ MOBILE NO. ARE NOT REGISTERED WITH THE COMPANY/ DEPOSITORIES.

1. For Physical shareholders- please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to ir.india@primefocus.com/rnt.helpdesk@linkintime.co.in.
2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP)
3. For Individual Demat shareholders – Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Other Instructions:

1. The period for e-voting starts on Saturday, February 26, 2022 at 9:00 a.m. (IST) and ends on Sunday, March 27, 2022 at 5:00 p.m. (IST). E-voting shall be disabled by CDSL at 5:00 p.m. (IST) on Sunday, March 27, 2022 and members shall not be allowed to vote through remote e-voting thereafter. During this period, Members holding shares either in physical form or in dematerialized form, as on Thursday, February 17, 2022 (end of day) i.e. cut-off date, may cast their vote electronically. Any person who is not a member as on the cut-off date should treat this notice for information purposes only. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.

2. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date, only shall be entitled to avail the facility of remote e-voting. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of cut-off date, may follow the same procedure as mentioned above for e-Voting.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

As required under Section 102 of the Companies Act, 2013 as amended, read with the rules prescribed thereunder (the “**Act**”), the following explanatory statement sets out all material facts relating to the business mentioned under Item Nos. 1 & 2 accompanying the Notice.

Item No. 1

Prime Focus Limited (the “**Company**”) is carrying on the business of providing Post Production services to the media and entertainment industry amongst other business activities and DNEG India Media Services Limited (“**DNEG**”) is *inter-alia* engaged in the business of providing post production services in India and outside India.

As a part of the restructuring of the companies and considering the prospects in the overall interest of the Group and for consolidating the post production business under a particular group of entities, for achieving better management and operational efficiencies and also attracting investment for the post production business, the proposed sale of Post Production Business by the company to DNEG as a going concern, on a slump sale basis for a lumpsum consideration of upto ₹ 365 Crores (Rupees Three Hundred and Sixty Five Crores) (the “**Proposed Transaction**”), subject to closing adjustments, if any, was approved by the Board of Directors of the Company (the “**Board**”), at its meeting held on January 25, 2022, taking into consideration, the recommendation of the Audit Committee of the Company, and the Valuation Report issued by M/s BDO Valuation Advisory LLP for the Proposed Transaction.

It is proposed that as part of the transfer of the Post Production Business, all the assets and liabilities (as more particularly described in the Business Transfer Agreement proposed to be executed for the Proposed Transaction) associated with such business, shall be transferred to DNEG. Upon consummation of the Proposed Transaction, the same shall be effective in accordance with the terms thereof, subject to the approval of the Members of the Company. In terms of the provisions of Sections 180(1)(a), 188 and other applicable provisions (if any) of the Companies Act, 2013 (the “**Act**”) and the relevant rules made thereunder (including any statutory modification or re-enactment thereof for the time being in force), and subject to the provisions of the Memorandum and Articles of Association of the Company, read with Regulation 23 and other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended (the “**SEBI Listing Regulations**”), the consent of the Members would be required in accordance with the provisions thereof, for the Proposed Transaction.

In this regard, Members are requested to note that in accordance with the provisions of Section 180(1)(a) of the Act, *inter alia*, any sale, lease or otherwise disposal of whole or substantially the

whole of the undertaking of the Company, requires the approval of members of the company by way of a special resolution. An undertaking for the purpose of Section 180(1)(a) of the Act means an undertaking in which the investment of the Company exceeds 20 % of its net worth as per the audited balance sheet of the preceding financial year or an undertaking which generates 20% of the total income of the Company during the previous financial year. Further, the expression “substantially the whole of the undertaking” for the purposes of Section 180(1)(a) of the Act, in any financial year shall mean 20% or more of the value of the undertaking as per the audited balance sheet of the preceding financial year. As such, the Post Production Business constitutes an undertaking of the Company for the purpose of Section 180(1)(a) of the Act and since its disposal to DNEG as part of the Proposed Transaction, would amount to a sale and disposal of the ‘whole of the undertaking’ for the purposes of Section 180(1)(a) of the Act, an approval of the members of the Company is required thereunder, by way of a special resolution.

Further, as per Section 188 of the Act, inter alia, if sale or otherwise disposal of or buying property of any kind between a company and its related party, amounts to 10% or more of the net worth of the relevant company approval of the members of such company, by way of ordinary resolution, is required for such a transaction. As such, DNEG, being a subsidiary of the Company, is a ‘related party’ of the Company, as defined under Section 2(76) of the Act, and, since the consideration for the Proposed Transaction, being upto ₹ 365 Crores (Rupees Three Hundred and Sixty Five Crores), would exceed the threshold of 10% of the net worth of the Company (on a standalone basis) as per its audited financial statements for the financial year 2020-2021, an approval of the members of the Company is required for the proposed transaction under section 188 of the Act, by way of an ordinary resolution. Further, as per Regulation 23 of the Listing Regulations, if a related party transaction to be entered into individually or taken together with previous transactions during a financial year, exceeds 10% of the annual consolidated turnover of the listed entity as per the last audited financial statements of the listed entity, such related party transaction is considered to be a material related party transaction and requires approval of the members of such company, by way of an ordinary resolution. As such, the Proposed Transaction would exceed 10% of the annual consolidated turnover of the Company as per its audited financial statements for the financial year 2020-2021, it would require the approval of the members of the Company by way of an ordinary resolution, in terms of Regulation 23 of the SEBI Listing Regulations.

Additional information required to be disclosed pursuant to Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014, as amended from time to time is also set out below for the consideration of the Members of the Company:

- (a) Name of the related party and nature of relationship:** DNEG India Media Services Limited, a subsidiary of the Company.
- (b) Name of the Director or Key Managerial Personnel who is related, if any:** None of the Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding, if any, in the Company. Mr. Naresh Malhotra, Mr. Rivkaran Chadha and Mr. Padmanabha Gopal Aiyar, Directors of the Company are Directors of DNEG.

(c) **Nature, material terms, monetary value and particulars of the contract or arrangement:** The Proposed Transaction entails transfer by the Company of its business of post production related services carried through its divisions, but excluding the business of services/rental of shooting floors of the Company (the “**Post Production Business**”), to DNEG, as a going concern, and on a slump sale basis. The Post Production Business is proposed to be transferred for a lumpsum consideration of upto ₹ 365 Crores (Rupees Three Hundred and Sixty-Five Crores), subject to closing adjustments, if any, by way of a Business Transfer Agreement proposed to be executed for this purpose.

(d) **Any other information relevant or important for the Members to take a decision on the proposed resolution:**

i. **The amount and percentage of the turnover or revenue or income and net worth contributed by such unit or division of the listed entity during the last financial year:** Revenue of ₹ 61.36 crores (approximately 2.42% of the consolidated income of the Company) for Financial Year: 2020-21.

Net worth of ₹ 111.19 crores (approximately 42% of the consolidated network of the Company) as on March 31, 2021.

ii. **Details in brief such as size, turnover etc.**

a) The Company (being the seller) had a standalone turnover of ₹ 75.99 crores and net worth of ₹. 998.04 crores as on March 31, 2021.

b) DNEG (being the buyer) had a turnover of ₹ 484.20, crores and net worth of ₹ 309 crores as on March 31, 2021.

iii. **The expected date of completion of sale/disposal:** On completion of the conditions precedent as per the business transfer agreement.

iv. **Whether proposed transaction is on arm's length basis:** Yes, the transaction is undertaken on an arm's length basis.

v. **Brief details of change in shareholding pattern (in any) of listed entity:** Not applicable.

None of the Directors, Key Managerial Personnel or their respective relatives are in any way concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding, if any, in the Company. Mr. Naresh Malhotra, Mr. Rivkaran Chadha and Mr. Padmanabha Gopal Aiyar, Directors of the Company are Directors of DNEG.

There is no promoter, director, manager or key managerial personnel of the Company, who directly holds 2% or more of the paid-up share capital of DNEG.

The Board accordingly recommends passing the resolution as set out at Item no. 1 in the accompanying notice for the approval of shareholders of the Company as a Special Resolution.

Item No. 2

De-fi Media Limited is a wholly owned subsidiary of Prime Focus Limited (the “**Company**”). De-Fi Media Limited, domiciled in

United Kingdom, is engaged in the business of post-production including digital intermediate, visual effects, 2D to 3D conversion and other technical and creative services to the Media and Entertainment Industry.

As part of restructuring of the Group and considering the prospects in the overall interest of the Group and shareholders and for achieving better operational efficiency, the Board of Directors at its meeting held on February 14, 2022 accorded in-principle approval to sell/transfer and dispose-off entire investment of 2,43,67,188 ordinary shares of Face value ₹ 1/- each held in De-Fi Media Limited at an agreed price of up to ₹ 1,00,000/- (One lakh pound only) to M/s. BRUSTIR PTE.LTD. in one or more tranches.

The members of the Company are requested to note the following relevant details for the above mentioned proposed transaction:

1. **Details of turnover and network of De-Fi Media Limited as on March 31, 2021:** As at March 31, 2021, De-Fi Media Limited had reported ₹ 6.44 Crores (GBP 665,910) revenue and negative net worth of ₹ 84.00 Crores (GBP 8,332,705). Consolidated network of Prime Focus Limited is ₹ 266.54 Crores.

2. **The expected date of completion of sale/disposal:** On completion of conditions precedent as per the share purchase agreement.

3. **Consideration received from such sale/disposal:** The consideration for this transaction would be upto ₹ 1,00,000/-, subject to closing adjustments, if any.

4. **Brief details of buyers and whether any of the buyers belong to the promoter/ promoter group/group companies. If yes, details thereof:** The buyer is BRUSTIR PTE.LTD and the buyer does not belong to the promoter/ promoter group.

5. **Whether the transaction would fall within related party transactions? If yes, whether the same is done at “arm's length”:** No, the transaction is not a related party transaction.

In view of the above, the Board recommends the resolution as set out in Item No. 2 of the Notice for the approval of the members as a Special Resolution.

None of the Directors, Key Managerial Personnel of the Company or their relatives are in any way concerned or interested, financially or otherwise, in this resolution, except to the extent of their shareholding, if any, in the Company.

By Order of the Board of Directors

**Sd/-
Parina Shah
Company Secretary
ACS 18061**

Mumbai, February 14, 2022

Registered Office:

Prime Focus House, Linking Road, Opp. Citi Bank,
Khar West, Mumbai – 400 052
CIN: L92100MH1997PLC108981