



## 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](http://www.primefocus.com); **Email Id:** [ir.india@primefocus.com](mailto:ir.india@primefocus.com)

### NOTICE OF POSTAL BALLOT

[Pursuant to Section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014]

#### Dear Members,

Notice is hereby given pursuant to Section 110 and other applicable provisions of the Companies Act, 2013, if any, read together with Rule 22 of the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force as amended from time to time) and Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable laws and regulations, that the resolution appended below is proposed to be passed by way of Postal Ballot / E-voting.

The Explanatory Statement pertaining to the said Resolution setting out the material facts concerning the resolution and the reasons thereof as required under section 102 of the Companies Act, 2013, is annexed hereto along with a Postal Ballot Form and postage pre-paid Business Reply Envelope.

The Board of Directors of the Company has appointed Ms. Shilpa Ray, Proprietor of M/s Shilpa Ray & Associates, Practicing Company Secretaries, Mumbai (Membership Number FCS 5936) as a Scrutinizer for conducting the Postal Ballot and e-voting process in a fair and transparent manner.

Members have the option to vote either by means of physical Postal Ballot Form or through E-voting. Members desiring to exercise their vote by means of physical Postal Ballot Form are requested to carefully read the instructions printed in this Postal Ballot Notice and Postal Ballot Form and return the Postal Ballot Form duly completed in all respects in the enclosed self-addressed postage pre-paid Business Reply Envelope so as to reach the Scrutinizer at Link Intime India Private Limited, C 101, 247 Park, LBS Marg, Vikhroli (West), Mumbai - 400 083 not later than the close of working hours, i.e. 5:00 p.m. (IST) on Saturday, April 18, 2020. Postal Ballot Forms received after 5:00 p.m. (IST) on Saturday, April 18, 2020 will be treated as "invalid".

Pursuant to section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is also providing E-voting facility for voting electronically on the resolution proposed in this Postal Ballot Notice and instructions given thereunder.

The Scrutinizer will submit the report to the Chairman of the Company or any other person authorised by him after the completion of scrutiny of physical Postal Ballot Forms /E-Voting but not later than 48 hours from the date of conclusion of Postal Ballot process, and the result of Postal Ballot (including voting through electronic means) will be announced on or before Monday, April 20, 2020, by or before 5:00 p.m. at the Registered Office of the Company and also by placing the same on the Company's

website: [www.primefocus.com](http://www.primefocus.com). The results will simultaneously be communicated to the Stock Exchanges and shall also be placed on website of Central Depository Services (India) Limited.

#### SPECIAL BUSINESS

**Appointment of and remuneration payable to Mr. Naresh Malhotra (DIN: 00004597) as a Chairman and Whole-time Director:**

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

**"RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 198 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 the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and subject to approvals, if any, under applicable laws and pursuant to the recommendation of the Nomination and Remuneration Committee of the Company and the Board of Directors of the Company (the 'Board'), consent of the members of the Company be and is hereby accorded for the appointment of Mr. Naresh Malhotra (DIN 00004597), as Chairman and Whole-time Director of the Company, for a period of 3 (three) years with effect from May 1, 2020, and whose period of office is liable to determination by retirement of directors by rotation on such terms and conditions including remuneration as set out in the explanatory statement to the notice, with liberty to the Board /the Nomination and Remuneration Committee to alter and vary the terms and conditions of the said appointment, with remuneration not exceeding the limits specified under Schedule V of the Companies Act, 2013.

**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**

**Parina Shah  
Company Secretary**

Place: Mumbai  
Date: March 11, 2020

**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, as amended from time to time, in respect of the Business specified above and details as required under Regulation 36 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings ("SS-2"), in respect of the Director seeking appointment is annexed hereto.
2. The Postal Ballot Notice along with the Postal Ballot Form 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 Depository Participants (in case of electronic shareholding). Physical copies of the Postal Ballot Notice along with Postal Ballot Form are being sent to Members whose e-mail addresses are not registered, by permitted mode along with a self-addressed postage pre-paid Business Reply Envelope.
3. The Notice is being sent to all the Members, whose names appeared in the Register of Members / Record of Depositories on Friday, March 06, 2020. A person who is not a member as on the cut-off date should treat this Notice for information purpose only.
4. The voting rights of Members shall be in proportion to their share of the paid-up equity share capital of the Company as on Friday, March 06, 2020.
5. Members who have received this Postal Ballot Notice by e-mail and who wish to vote through physical Postal Ballot may download the Postal Ballot Form attached to the e-mail or from the "Investor Relations" section on the Company's website: [www.primefocus.com](http://www.primefocus.com) where this Postal Ballot Notice is displayed and send the duly completed and signed Postal Ballot Form so as to reach the Scrutinizer on or before 5:00 p.m. (IST) on Saturday, April 18, 2020.
6. Members can opt for only one mode of voting i.e. either by Postal Ballot Form or through e-voting. In case Members cast their votes both by Postal Ballot and e-voting, the votes cast through e-voting shall prevail and the votes cast through Postal Ballot Form shall be considered as invalid.
7. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.
8. The resolution, if passed by the requisite majority shall be deemed to have been passed on the last date specified for receipt of duly completed Postal Ballot Form or e-voting i.e. Saturday, April 18, 2020.
9. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection 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. from the date hereof up to Saturday, April 18, 2020.
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.

## INSTRUCTIONS FOR VOTING

### Voting through Physical Postal Ballot Form

1. The Members are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form duly completed with the assent (for) or dissent (against), in the enclosed postage pre-paid self-addressed envelope, so as to reach the Scrutinizer, not later than close of working hours i.e. 5.00 P.M., on Saturday, April 18, 2020, to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.
2. The Members are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.
3. Member who has not received Postal Ballot Form may write to the Company or the Registrar and Transfer agent of the Company for obtaining a duplicate/additional form.
4. Envelopes containing Postal Ballot Form if deposited in person or sent by courier at the expense of the Members will also be accepted.

### E-Voting Facility

The business as set out in the Notice may be transacted through electronic voting system and the Company will provide a facility for voting by electronic means. In compliance with the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the facility of voting through electronic means will be offered by Central Depository Services (India) Limited (CDSL) to its Members to cast their votes electronically.

A person whose name appears in the register of Members or in the register of beneficial owners maintained by the depositories as on the cut-off date i.e. Friday, March 06, 2020 shall be entitled to avail the facility of e-voting.

The Company has appointed Ms. Shilpa Ray, Proprietor of Shilpa Ray & Associates, Practicing Company Secretaries, Mumbai (Membership No. FCS 5936), to act as the Scrutinizer, to scrutinize the e-voting process in a fair and transparent manner.

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

- i. The voting period begins on Friday, March 20, 2020 at 9.00 a.m. and ends on Saturday, April 18, 2020 at 5.00 pm. During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. Friday, March 06, 2020 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- ii. The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com).
- iii. Click on Shareholders / Members.
- iv. 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.
- v. Next enter the Image Verification as displayed and Click on Login.

- vi. If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- vii. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form 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) 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 sequence number (Mentioned in the Postal Ballot Form) in the PAN field. In case the sequence 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 sequence number 1 then enter RA00000001 in the PAN field.
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. 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 (iv).

- viii. After entering these details appropriately, click on "SUBMIT" tab.
- ix. Members holding shares in physical form will then directly reach the Company selection screen. However, Members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolution 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.
- x. For Members holding shares in physical form, the details can be used only for e-voting on the resolution contained in this Notice.
- xi. Click on the EVSN for "PRIME FOCUS LIMITED"
- xii. 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.
- xiii. Click on the "RESOLUTION FILE LINK" if you wish to view the entire Resolution details.
- xiv. 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.
- xv. Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xvi. You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- xvii. 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.
- xviii. **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android-based mobiles. The m-Voting app can be downloaded from Google Play Store. Apple and Windows phone users can download the app from the App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- xix. Note for Non-Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
  - After receiving the login details 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](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- xx. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
- All Grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Deputy Manager, Central Depository Services (India) Limited (CDSL), Marathon Futurex, 25th floor, N.M. Joshi Marg, Lower Parel – (East), Mumbai – 400013 or send an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) or call 1800225533.

## Explanatory Statement

(Pursuant to section 102 of the Companies Act, 2013)

Mr. Naresh Malhotra (DIN 00004597) was appointed as Whole-time Director, for a period of 5 (five) years w.e.f. from 01.04.2015. His tenure expires on March 31, 2020. The Board has approved the appointment of Mr. Naresh Malhotra as Chairman and Whole-time Director, for a period of 3 (three) years w.e.f. May 1, 2020 on the terms and conditions as recommended by the Nomination and Remuneration Committee. Mr. Naresh Malhotra will continue to be Non-Executive Director of the Company from April 1, 2020 until April 30, 2020.

Section 196(3) of the Companies Act, 2013 read with part I of Schedule V of the Companies Act, 2013 (as amended from time to time) provides that no company shall appoint or continue the employment of any person as a Managing Director, Whole-time Director or Manager, who has attained the age of 70 years, unless it is approved by the shareholders as a special resolution. Mr. Naresh is over 70 years as on the date of his proposed appointment (i.e. May 1, 2020). Based on the recommendation of the Nomination and Remuneration Committee and keeping in view of his vast experience of more than 50 years in Indian Film & Television industry and his capabilities in leading his team to achieve exceptional business results, it would be in the interest of the Company to seek the shareholders' approval for the appointment of Mr. Naresh Malhotra as Chairman and Whole-time Director for a period of 3 (three) years

w.e.f May 1, 2020 and pay a remuneration of Rs. 1,20,00,000/- (Rupees One Crores and Twenty Lakhs) per annum to him in terms of the applicable provisions of the Companies Act, 2013 and the rules thereunder (as amended from time to time) and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time). In view of the above, the Board recommends the Special Resolution as set out in this Notice.

During the term of employment of the Whole-time Director, if in any financial year, the Company does not earn adequate profit as contemplated under the provisions of Schedule V of the Companies Act, 2013 (as amended from time to time), the remuneration shall be paid as per the conditions and monetary ceiling prescribed in Schedule V of the Companies Act, 2013 (as amended from time to time), unless otherwise approved by the shareholders.

Except 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 Special Resolution set out in the Notice for the approval of the Shareholders.

Mr. Naresh Malhotra is not disqualified for being appointed as a Director in terms of Section 164 of the Companies Act, 2013.

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

## Statement pursuant to Schedule V of the Companies Act, 2013

### I. General Information:

1	Nature of Industry	Motion Pictures, video and television programme post-production activities			
2	Date or expected date of commencement of commercial Production	Not applicable (The Company is an existing company)			
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not applicable			
4	Financial information based on given indicators (Standalone)	Amount (Rs. in Crores)			
		Particulars	Financial Year 2018-19	Financial Year 2017-18	Financial Year 2016-17
		Total income from operations	162.09	145.32	154.51
		Profit/Loss After Tax	(33.27)	(56.60)	(11.04)
5	Foreign investments or Collaborators, if any	The Company has made investments in the following overseas direct subsidiaries:-  1. De-Fi Media Limited 2. PF World Limited 3. PF Investments Limited 4. PF Overseas Limited 5. PF Media Limited (formerly known as Reliance Mediaworks (Mauritius) Limited) 6. Lowry Digital Imaging Services Inc (Formerly known as Reliance Lowry Digital Imaging Services Inc)			

## II. INFORMATION ABOUT THE APPOINTEE:

### 1. Background Details:

Mr. Naresh Malhotra is a veteran of the Indian Film and Television industry. He had produced (independently and in partnership) a number of successful movies including Shahenshah, Khamoshi, Safar and Anokhi Raat and realized early on the potential boom in the Indian television industry. He has set up India's first digital audio studio in the 80's and later in 90's ventured in to the business of renting equipments for the production of TV programmes and ad films. He was instrumental in the setting up of Prime Focus.

### 2. Past remuneration: For the Financial Year 2019-2020, the remuneration of Mr. Naresh Malhotra is Rs. 1,20,00,000/- p.a.

### 3. Recognition or awards: Mr. Naresh Malhotra received the prestigious Dadasaheb Phalke Award for his immense contribution to, and excellence in the video and films industry.

### 4. Job profile and his suitability: Mr. Naresh Malhotra has been responsible for the development, growth and strategy of the Prime Focus group of Companies. His experience and dedicated services has always added to the overall growth of the Company.

### 5. Remuneration proposed: Rs. 1,20,00,000/- p.a.

The Company intends to pay the maximum amount prescribed under Section II of part II of Schedule V of the Companies Act, 2013 and hence it is proposed to obtain approval of the members by way of Special Resolution in this regard. The remuneration payable to the Whole-time Director has been benchmarked with the remuneration being drawn by similar positions in similar industry

### 6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person

Considering the industry in which the Company operates, the size of the business as well as the profile of Mr. Naresh Malhotra and the responsibilities shouldered by him, the remuneration proposed is commensurate with the remuneration packages paid to similar appointees in other companies in the industry.

### 7. Pecuniary relationship directly or indirectly with the Company or relationship with managerial personnel, if any:

Mr. Naresh Malhotra is father of Mr. Namit Malhotra who is non-executive Director of the Company. They have no pecuniary relationship directly or indirectly with the Company except to the extent of their remuneration and shareholdings in the Company.

## III. Other Information

### 1. Reasons of loss or inadequate profits:

Company has certain non-cash charges like employee stock compensation, expected loss provision for outstanding debtors and depreciation/ amortization of right to use assets which contribute to losses.

### 2. Steps taken or proposed to be taken for improvement:

Company has channelled all its efforts to increase revenue in focused manner by cross selling all its services to its customers. This would help Company to be in higher growth trajectory and generate profits.

### 3. Expected increase in productivity and profits in measurable terms

The management has adopted focused and aggressive business strategies in all spheres of business to improve profitability of the Company. Considering the present business scenario, the Company is expecting increase in revenue and profitability. The Management is confident of keeping a higher growth ratio in the period to come.

By Order of the Board of Directors

For Prime Focus Limited

Parina Shah  
Company Secretary

Place: Mumbai  
Date: March 11, 2020

### Registered Office:

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

Additional information in terms of Regulation 36 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended and Secretarial Standard on General Meetings ("SS-2") :

Name of the Director	Mr. Naresh Malhotra
DIN	00004597
First date of appointment as Director	Since incorporation of the Company (i.e. June 24, 1997)
Date of Birth	October 2, 1944
Age (in yrs)	75
Qualifications	B.Com
Brief resume, Experience and Expertise in Specific Functional Areas	Mr. Naresh Malhotra is a veteran in the Indian M&E industry, best known for producing the Amitabh Bachchan starrer Shahenshah, Naresh realized early the potential boom in the Indian television industry. He set up India's first digital audio studio in 90s and also started providing equipment rental services to TV and ad film makers.
Names of other companies in which the person holds the directorship (Excludes Private Companies, Foreign Companies, Companies formed under Section 8 of the Companies Act 2013)	<ul style="list-style-type: none"> <li>i. DNEG India Media Services Limited (formerly known as Gener8 India Media Services Limited)</li> <li>ii. Prime Focus Motion Pictures Limited</li> <li>iii. *Prime Focus Production Services Private Limited (formerly known as Prime Focus Visual Effects Private Limited)</li> </ul> <p>*Subsidiary of Prime Focus Limited</p>
Chairmanship / Membership of Committees of the board (In terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, only two Committees of the board are considered Audit committee and Stakeholders Relationship Committee)	<ul style="list-style-type: none"> <li>i. Prime Focus Limited: Stakeholder's Relationship Committee- Member</li> </ul>
Remuneration last drawn by such person	Rs. 1,20,00,000/- p.a.
Remuneration sought to be paid	Rs. 1,20,00,000/- p.a.
Terms and conditions of appointment or re-appointment	Terms and Conditions as per the Board Resolution/ Shareholders Resolution for appointment
Disclosure of relationships between directors inter-se and Manager and other Key Managerial Personnel of the company	Mr. Naresh Malhotra belongs to the promoter of the Company. Except Mr. Naresh Malhotra and Mr. Namit Malhotra who are related to each other by way of father and son relationship, none of the other Directors, Manager, Key Managerial Personnel of the Company are related to Mr. Naresh Malhotra
No. of shares held in the company as on the date of notice	62,201,546 Equity Shares of Re. 1 each
The number of Meetings of the Board attended during the financial year 2019-20 (till the date of this notice)	7

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