

CORPORATE GOVERNANCE REPORT

Name of the entity: Prime Focus Limited

Quarter ending: September 2018

I. COMPOSITION OF BOARD OF DIRECTORS

| Title (Mr. / Ms.) | Name of the Director | DIN | Category (Chairperson / Executive / Non-Executive / Independent / Nominee) | Date of Appointment in the current term / cessation | Tenure (in months) | No. of Directorship in listed entities including this listed entity (Refer Regulation 25(1) of Listing Regulations) | Number of memberships in Audit / Stakeholder Committee(s) including this listed entity (Refer Regulation 26(1) of Listing Regulations) | No. of post of Chairperson in Audit / Stakeholder Committee held in listed entities including this listed entity (Refer Regulation 26(1) of Listing Regulations) |
|-------------------------|----------------------------------|----------|--|--|-----------------------|---|---|--|
| Mr. | Namit Naresh Malhotra | 00004049 | Chairperson - Executive | 25-06-2017 | | 1 | 0 | 0 |
| Mr. | Naresh Mahendranath Malhotra | 00004597 | Executive | 01-04-2015 | | 1 | 1 | 0 |
| Mr. | Ramakrishnan Sankaranarayanan | 02696897 | Executive | 25-06-2017 | | 1 | 0 | 0 |
| Mr. | Kodi Raghavan Srinivasan | 00012449 | Non-Executive - Independent | 24-12-2014 | 45 | 1 | 2 | 0 |
| Mr. | Rivkaran Singh Chadha | 00308288 | Non-Executive - Independent | 24-12-2014 | 45 | 1 | 5 | 5 |
| Mr. | Padmanabha Gopal Aiyar | 02722981 | Non-Executive - Independent | 24-12-2014 | 45 | 1 | 3 | 0 |
| Mrs. | Dr. Hemalatha Thiagarajan | 07144803 | Non-Executive - Independent | 31-03-2015 | 42 | 1 | 0 | 0 |
| Mr. | Udai Dhawan | 03048040 | Non-Executive - Non-Independent | 14-12-2016 | | 2 | 4 | 0 |
| Mr. | Samu Devarajan | 00878956 | Non-Executive - Independent | 14-12-2016 | 21 | 2 | 6 | 2 |
| Mr. | Anand Natarajan | 00878956 | Non-Executive - Non-Independent | 30-05-2018 | | 1 | 2 | 0 |

II. COMPOSITION OF COMMITTEES

| Name of Committee | Name of Committee members | Category (Chairperson / Executive / Non-Executive / Independent / Nominee) \$ |
|-------------------|---------------------------|---|
| Audit Committee | Rivkaran Singh Chadha | Non-Executive - Independent |
| | Kodi Raghavan Srinivasan | Non-Executive - Independent |
| | Padmanabha Gopal Aiyar | Non-Executive - Independent |
| | Samu Devarajan | Non-Executive - Independent |
| | Anand Natarajan | Non-Executive - Non- Independent |

| | | |
|-------------------------------------|--------------------------|----------------------------------|
| Nomination & Remuneration Committee | Rivkaran Singh Chadha | Non-Executive - Independent |
| | Kodi Raghavan Srinivasan | Non-Executive - Independent |
| | Padmanabha Gopal Aiyar | Non-Executive - Independent |
| | Samu Devarajan | Non-Executive - Independent |
| | Anand Natarajan | Non-Executive - Non- Independent |

| | |
|---------------------------|----------------|
| Risk Management Committee | Not Applicable |
|---------------------------|----------------|

| | | |
|-------------------------------------|------------------------------|----------------------------------|
| Stakeholders Relationship Committee | Rivkaran Singh Chadha | Non-Executive - Independent |
| | Kodi Raghavan Srinivasan | Non-Executive - Independent |
| | Naresh Mahendranath Malhotra | Executive |
| | Samu Devarajan | Non-Executive - Independent |
| | Anand Natarajan | Non-Executive - Non- Independent |

III MEETING OF BOARD OF DIRECTORS

| Date(s) of Meeting (if any) in the previous quarter | Date(s) of Meeting (if any) in the relevant quarter | Maximum gap between any two consecutive (in number of days) |
|---|---|---|
| 30-05-2018 | 14-08-2018 | 75 |

IV MEETING OF COMMITTEES

| Name of Committee | Date(s) of meeting of the committee in the relevant quarter | Whether requirement of Quorum met (details) | Date(s) of meeting of the committee in the previous quarter | Maximum gap between any two consecutive meetings in number of days |
|-------------------------------------|---|---|---|--|
| Audit Committee | 30-05-2018 | Yes | 14-08-2018 | 75 |
| Stakeholders Relationship Committee | 30-05-2018 | Yes | 14-08-2018 | 75 |

V RELATED PARTY TRANSACTIONS

| Sr. No. | Subject | Compliance status (Yes/ No / NA) |
|---------|--|-------------------------------------|
| 1 | Whether prior approval of audit committee obtained | Yes |
| 2 | Whether shareholder approval obtained for material RPT | Yes |
| 3 | Whether details of RPT entered into pursuant to omnibus approval have been reviewed by Audit Committee | Yes |

Disclosure of notes on Related Party Transactions

Annexure A

VI AFFIRMATIONS

| Sr. No. | Subject | Compliance status (Yes / No / NA) |
|---------|---|--------------------------------------|
| 1 | The composition of Board of Directors is in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015. | Yes |
| 2 | The composition of the following committees is in terms of SEBI (Listing obligations and disclosure requirements) Regulations, 2015. | |
| a. | Audit Committee | Yes |
| b. | Nomination & Remuneration Ccommittee | Yes |
| c. | Stakeholders Relationship Committee | Yes |
| d. | Risk Management Committee (applicable to the top 100 listed entities) | NA |
| 3 | The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015. | Yes |
| 4 | The meetings of the board of directors and the above committees have been conducted in the manner as specified in SEBI (Listing obligations and disclosure requirements) Regulations, 2015. | Yes |
| 5 | This report and/or the report submitted in the previous quarter has been placed before Board of Directors. | Yes |

ANNEXURE III

| Board Heading | Regulation Number | Compliance Status (Yes/No/NA) | If status is "No" details of non-compliance |
|--|--------------------------------------|--------------------------------------|--|
| Copy of the annual report including balance sheet, profit and loss account, directors report, corporate governance report, business responsibility report displayed on website | 46(2) | Yes | - |
| Presence of chairperson of audit committee at the annual general meeting | 18(1)(d) | Yes | - |
| Presence of chairperson of the nomination and remuneration committee at the annual general meeting | 19(3) | Yes | - |
| Whether corporate governance report disclosed in annual report | 34(3) read with para C of Schedule V | Yes | - |

Annexure A

Disclosure of *material transaction
With related party by Prime Focus Limited (“PFL”)

| Name of the Related Party | Nature of Transaction | Amount (Rs. in crores) |
|--|---|------------------------|
| Mr. Naresh Malhotra (Promoter Director) | Prime Focus Ltd (PFL) has availed security in the form of pledge/lien/encumbrance of 1,08,54,395 equity shares held by Mr. Naresh Malhotra, Promoter & Director of the Company, against PFL’s borrowing from various banks/ institutions as on September 30, 2018 | -- |
| Mr. Namit Malhotra (Promoter Director) | PFL has availed security in the form of pledge pledge/lien/encumbrance of 29,88,790 equity shares held by Mr. Namit Malhotra, Promoter & Director of the Company, against PFL’s borrowing from various banks/ institutions as on September 30, 2018 | -- |
| Monsoon Studio Private Limited (Promoter Group Company) | - | -- |

* *Definition of Material transaction: A transaction with a related party shall be considered material if the transaction/transactions to be entered into individually or taken together with previous transactions during a financial year, exceeds ten percent of the annual consolidated turnover of the company as per the last audited financial statements of the company.*