



PRIME FOCUS LIMITED

Registered Office: 2nd Floor, Main Frame IT Park, Building – H, Royal Palms, Near Aarey Colony,
Goregaon (East), Mumbai – 400 065

NOTICE OF EXTRA ORDINARY GENERAL MEETING

NOTICE is hereby given that an Extra-ordinary General Meeting of the members of PRIME FOCUS LIMITED will be held on Thursday, December 20, 2012, at 10.00 a.m. at the registered office of the Company 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. Alteration of Articles of Association by inserting Part III and Part IV in the existing Articles

To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 31 and other applicable provisions, if any, of the Companies Act, 1956 and rules and regulations enacted under the Act, (including any statutory modification or amendment or re-enactment thereof for the time being in force) and subject to the consents, approvals, permissions and sanctions as may be necessary under any law or agreement, the consent of the members of the Company be and is hereby accorded to insert Part III and Part IV in the existing Articles of Association of the Company, as per the draft annexed herewith.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized to settle any questions, doubt or difficulty that may arise in this regard, to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary and think fit to give effect to this Resolution and to delegate all or any of the powers herein conferred to any Committee of Directors or the Chairman or any Director or any other officer of the Company.”

2. Variation of terms of contract mentioned in the Prospectus/ utilization of IPO proceeds

To consider and if thought fit to pass with or without modification the following resolution as a Special Resolution:

“RESOLVED THAT pursuant to the provisions of Section 61 and other applicable provisions if any, of the Companies Act, 1956 (including any amendment(s) to or re-enactment(s) thereof), provisions of the Memorandum and Article of Association of the Company, and other applicable provisions, if any, the consent of members be and is hereby accorded to any variation, modification and alteration in any manner in the terms and conditions referred to in the prospectus dated June 9, 2006, filed by the Company with the Registrar of the Companies, Maharashtra, Mumbai (the ‘Prospectus’) including ratification of any variation and / or revision in the utilization of the proceeds from the Initial Public Offering (‘IPO’) of Equity Shares made in pursuance of the said Prospectus, as set out in the explanatory statement annexed to the said notice.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to sign necessary documents, papers, instruments and writings and to do all such acts, deeds and things as may be necessary, desirable or expedient in this behalf.”

3. Appointment of Mr. Nainesh Jaisingh as Director of the Company

To consider and if thought fit to pass with or without modification the following resolution as an ordinary Resolution:

“RESOLVED THAT pursuant to section 257 and other applicable provisions, if any of the Companies Act 1956 Mr. Nainesh Jaisingh, who was appointed as an Additional Director w.e.f November 5, 2012 on the board of the Company pursuant to the provisions of Section 260 of the Companies Act, 1956, be and is hereby appointed as a Director of the Company and shall not be liable to retire by rotation.”

By order of the Board of Directors

Navin Agarwal
Company Secretary

Date: November 26, 2012

Place: Mumbai

NOTES FOR MEMBERS' ATTENTION

- A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY/PROXIES NEED NOT BE A MEMBER OF THE COMPANY.** Proxies in order to be effective, should be duly filled, stamped, signed and deposited at the Registered Office of the Company not later than 48 hours before the commencement of the meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority as applicable, issued on behalf of the appointing organization. A form of Proxy and Admission Slip is enclosed.
- Pursuant to Section 173 of the Companies Act, 1956, an Explanatory Statement in respect of the businesses mentioned under Item Nos. 1 to 3 above, is annexed.
- All the documents referred to in the Notice and the Explanatory Statement will be available for inspection by the Members at the Registered Office of the Company between 10:00 a.m. and 1:00 p.m., on all working days from the date hereof up to the date of the Meeting.
- Members are requested to:
 - Notify immediately any change in their address or bank mandates to the Depository Participant with whom they maintain the demat account for shares held in electronic mode and to the Company's Registrar and Transfer Agent for shares held in physical mode.
 - Quote Ledger Folio No. /DP ID and Client ID numbers in all correspondence.
 - Bring with them at the meeting their attendance slip.
- 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.
- Pursuant to Clause 49 of the Listing Agreement, the Particulars of Director seeking appointment at the General Meeting is annexed.

Details of the Director seeking Appointment at the General Meeting (Pursuant to Clause 49 of the Listing Agreement)

Name of Director	Nainesh Jaisingh
Date of Birth	April 24, 1967
Date of Appointment	November 5, 2012
Expertise in specific functional areas	Investment banking and commercial banking roles. Mr. Jaisingh is the India and Financial Services Sector specialist for SCPE and has worked with the global equity investment arm of Standard Chartered since 2000
Qualifications	MBA from Indian Institute of Management Bangalore. Bachelor's Degree (honours) in Technology from Institute of Technology, Banaras Hindu University
Directorship held in other public companies as on November 5, 2012 (excluding foreign and private companies)	Powerica Limited Redington (India) Limited
*Memberships / Chairmanships of Committees across public companies as on November 5, 2012	Powerica Limited - Member of Remuneration Committee
No. of Shares held in the Company as on November 5, 2012	NIL

(*The Committees includes Audit Committee, Remuneration Committee and Shareholders/Investors Grievance Committee.)

ANNEXURE TO NOTICE

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

Item No. 1

Your company has entered into for the purpose of raising funds :

- the Share Subscription Agreement executed on November 5, 2012 between the Company, the Promoters of the Company and Standard Chartered Private Equity (Mauritius) III Limited and
- Debenture trust Deed executed on November 5, 2012 between the Company, the Promoters of the Company and Unit Trust of India Investment Advisory Services Limited

To ensure enforceability and make it binding of the provisions of above agreements, on the Company , the Company recommends to amend its existing Articles of Association by inserting Part III and Part IV to the existing Article of Association of the Company. A draft of Part III and Part IV is annexed herewith.

Yours Board of Directors recommends the passing of the Special Resolution as set out at Agenda Item No. 1 in the above Notice in the interest of the Company.

None of the Directors of the Company except Mr. Naresh Malhotra and Mr. Nainesh Jaisingh are in any way concerned or interested in the above referred resolution except to the extent of their shareholdings in the Company. Mr. Nainesh Jaisingh, Director, may deemed to be further interested in his capacity as an Investor Director appointed by Standard Chartered Private Equity (Mauritius) III Limited, the Investor of the Company.

Item No. 2

The Company made the Initial Public Offer ("IPO") of its equity shares in the month of June, 2006 by way of fresh issue of **23,98,082** equity shares and raised ₹100 Crores. The Initial Public Offer ("IPO") was planned with certain objects as more particularly stated and described under the section titled "Objects of the issue" of the prospectus dated June 9, 2006.

Under the head "Objects of the Issue" in the Prospectus dated June 9, 2006 of the Company ("Prospectus") it was stated that the net proceeds from the IPO would *inter alia* be utilized for the following purposes.

Particulars	Amount (₹ In Lacs)
Domestic Expansion	2,725.00
London Studio	4,500.00
Los Angeles Studio	1,500.00
Hyderabad Studio	1,000.00
Long term working capital	1,000.00
Dubai Studio Setup	1,000.00
Issue Expenses	651.00
Total	12,376.00

The funds set apart for Dubai Studio Setup which constitutes around 10% of total IPO was not utilized for Dubai Studio Setup due to the recessionary trends in the foreign market which was pronounced during 2007-2008. The Board of Directors had decided in the interest of the Company utilized the fund set apart for Dubai Studio Setup in long term working capital and setting up other studio facilities for the Company which had given good results to the Company and have also benefit the Company in the long run. If the Directors would have invested in studio at Dubai during the said uneven conditions, it would have incurred losses.

Further the Company had originally projected the public issue expenses of ₹ 6.51 Crores as against the actually expense of ₹ 7.86 Crores. There was a marginal increase of 1.35% in public issue expenses as the amounts mentioned in the prospectus were only estimates whereas the actual billing was done by the intermediaries handling the public issue depending upon the conditions of the market at the time of actual issue.

Further the pending utilization of IPO proceeds amounting to ₹ 14.5 Crores for the objects of the issue as stated in the prospectus were to be utilized in the fixed deposits of commercial banks for necessary duration. However the said sum of ₹ 14.5 Crores were invested in the Debt Mutual Funds by the Company to optimize tax expenses on such income. Hence this was commercially more prudent measure aimed at shareholder wealth maximization. Moreover all the mutual funds in which we have invested for the interim period were all reputed and having track record of excellence.

Section 61 of the Companies Act, 1956, requires members consent for varying the terms and conditions of any such contract specified in the prospectus issued by the Company. Accordingly, approval of the members is being sought for ratification of any variation and / or revision in the utilization of the proceeds from the Initial Public Offering ('IPO') of Equity Shares made in pursuance of the said Prospectus, June 9, 2006, filed by the Company with the Registrar of the Companies, Maharashtra, Mumbai.

Yours Board of Directors recommend the passing of the Special Resolution as set out at Agenda Item No. 2 in the above Notice in the interest of the Company.

None of the Directors of the Company are in any way concerned or interested in the above referred resolution.

Item No. 3

Mr. Nainesh Jaisingh was appointed as an Additional Director w.e.f November 5, 2012 on the Board of the Company in accordance with the provisions of Section 260 of the Companies Act, 1956 and pursuant to the Share Subscription Agreement executed between the Company, Promoters of the Company and Standard Chartered Private Equity (Mauritius) III Limited.

The Company has received notice in writing from a member along with a deposit of ₹500/- proposing the candidature of Mr. Nainesh Jaisingh for the office of Director of the Company under Section 257 of the Companies Act, 1956.

Mr. Nainesh Jaisingh is not disqualified from being appointed as Director under section 274(1)(g) and has complied with the requirement of section 266A of the Companies Act, 1956.

A brief resume of Mr. Nainesh Jaisingh as required under clause 49 of the Listing Agreement is annexed to the notice.

The Board recommends the Resolution for approval of the members as set out in Agenda Item no. 3 of the Notice.

None of the Directors except Mr. Nainesh Jaisingh is concerned or interested in the resolution.

By order of the Board of Directors

Navin Agarwal
Company Secretary

Date: November 26, 2012

Place: Mumbai

PART III AND PART IV OF THE ARTICLES OF ASSOCIATION

PART III

Provisions pursuant to the Share Subscription and Shareholders' Agreement dated November [05], 2012

198. Notwithstanding anything to the contrary contained in the preceding provisions contained in Part I and Part II of these Articles of Association, so long as the Share Subscription and Shareholders' Agreement continues to be in effect, the provisions contained in this Part III of these Articles of Association shall also apply and in the event of any inconsistency or contradictions between the provisions of Part I or Part II of these Articles of Association and the provisions of Part III of these Articles of Association, the provisions of Part III of these Articles of Association shall override and prevail over the provisions of Part I and / or Part II of these Articles of Association.

199. The termination of the Share Subscription and Shareholders' Agreement or cessation of operation of certain clauses under Part III of these Articles of Association shall be without prejudice to any claim or rights of action previously accrued in terms of Part III of these Articles of Association before such termination or cessation.

190. DEFINITIONS AND INTERPRETATION

- a. Defined Terms. As used in this Part III of the Articles of Association, the following and their cognate terms and expressions when used in capital shall, unless the context otherwise requires, have the following meanings:

"Accounts" means the consolidated balance sheets and cash flow statements of the Company and/or its Subsidiaries (as the case may be) as at the Accounts Date and the consolidated profit and loss accounts of the Company and/or its Subsidiaries (as the case may be) in respect of the Financial Year ended on the Accounts Date, together with any notes, reports, statements or documents included in or annexed to them, all of which are certified by the auditors of the Company or the Subsidiaries, as the case may be;

"Accounts Date" shall mean March 31, 2012;

"Act" shall mean the Indian Companies Act, 1956;

"Adjourned Shareholders' Meeting" shall have the meaning ascribed to it in Article 204.2;

"Affiliate" means (a) in the case of any Person other than a natural Person, any entity Controlled, directly or indirectly, by that Person, any entity that Controls, directly or indirectly, that Person, or any entity under common Control with that Person and (b) in the case of a natural person, any Relative of such person, and any entity Controlled directly or indirectly by such natural person or by any Relative of such natural person or under common Control with such natural person or under Relative of such natural person. Without limiting the generality of the foregoing, Affiliate in relation to an Investor includes any general partner, management or advisory company of such Investor or any fund under the same management as such Investor, or any fund or other vehicle in which any general partner of the Investor is a general partner, investment manager or advisor, provided that such fund or vehicle is not controlled by any entity other than the Investor or an Affiliate of the Investor. It is hereby clarified that the Investor shall not be deemed to be an Affiliate of the Company;

"Agreement" or **"Share Subscription and Shareholders' Agreement"** means the agreement dated November [05], 2012, entered into between the Company, the Promoters and the Investor, together with its Schedules and Annexure;

"Agreed Form" shall mean in a form mutually decided upon by the Company, the Investor and the Promoters;

"Allotment" means the allotment of the Investor Shares to the Investor;

"Allotment Date" means the date on which the Investor Shares are allotted to the Investor;

"Applicable Laws" means all statutes, enactments, acts of legislature or parliament, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any government, statutory authority, tribunal, board, court or any recognized stock exchange(s) on which the Shares may be listed;

"Big Four Accounting Firm" shall mean one of KPMG, Deloitte, Price Waterhouse Coopers and Ernst and Young;

"Board" shall mean Board of Directors of the Company and/or any of its Subsidiaries (as the case may be) or any duly appointed committee thereof from time to time;

"Business" shall mean in relation to the Company, the Company's Business and in relation to any other Person shall mean the business as is being carried out by the said Person;

"Business Day" means a day (excluding Saturdays and Sundays) on which banks generally are open in Mumbai, India, Port Louis, Mauritius for the transaction of normal banking business;

"Claim" means a demand, claim, action or proceeding made or brought by or against any Person, however arising and whether present, unascertained, immediate, future or contingent;

"Company" shall mean Prime Focus Limited;

"Confidential Information" means information relating to the business, products, affairs, performance and finances of any Group Company for the time being confidential to it or treated by it as such and trade secrets (including technical data and know-how) relating to the business of any Group Company or of any of its suppliers, clients or customers, but shall not include (i) any information that is available in the public domain, (ii) any information that becomes available to the recipient through any other source, without any obligation to maintain the confidentiality of the same, or (iii) any information that subsequently enters the public domain otherwise than by a breach by the recipient of the terms of these Articles of Association;

"Connected Person/Concern" of the Company means:

- i. any company under the same management (as defined by Section 370 (1-B) of the Act) as the Company;
- ii. any Director, Key Management Employee of the Company or any Affiliate of any such , Director or Key Management Employee;
- iii. any Promoter or any Affiliate of a Promoter;
- iv. The trustees and beneficiaries of any trust in which the Company, a Promoter or any Affiliate of a Promoter is either a trustee or beneficiary;
- v. any trust in which any Promoter or any Affiliate of a Promoter is a trustee or beneficiary;
- vi. any Affiliate of the Company, or of a Director or Key Management Employee referred to above ("such director/employee");

- vii. any firm or unlisted company in which the Company, a Promoter, any such director/employee or any Affiliate of any such director/employee, Promoter or Affiliate is a partner, shareholder (in the case of a listed company, holding shares exceeding 5% of the paid up capital of such listed company) or director, or has any control or other interest;
- viii. any listed company in which the Company, a Promoter, any such director/employee or any Affiliate of any such director/employee, Promoter or Affiliate is a director or hold/s shares exceeding 5% (five percent) of the paid-up equity share capital of such listed company;
- ix. any company, the board of directors, managing director or manager whereof acts or is accustomed to act in accordance with the directions or instructions of the Board, the Promoter, of any such director or of any Affiliate mentioned above
- x. any other entity which the Company, the Promoters and the Investor mutually agree (acting reasonably and in good faith) to be a Connected Person or a Connected Concern;

"Consent" means any consent, approval, authorisation, waiver, permit, grant, franchise, concession, agreement, license, certificate, exemption, permission, order, registration, declaration, filing, report or notice of, with, to, from or by any Person, including any third party consents, not limited to lender consents and Government Approvals;

"Constitutional Documents" means the memorandum and articles of association of the Company or the Subsidiaries as the case may be, and in the case of Subsidiaries incorporated / registered / established outside India, shall mean the equivalent documents of such respective Subsidiary;

"Control" means the power to direct the management and policies of an entity whether through the ownership of voting capital, by contract, or otherwise. Provided that minority protection rights, affirmative rights, lessor-lessee rights, would not amount to or be construed as "Control". The terms **"Controlling"** and **"Controlled"** shall be construed accordingly;

"Contract" means any agreements, contracts, instruments, obligations, offers, legally binding commitments, arrangements and understandings (whether written or oral) including all loan agreements, indentures, letters of credit (including related letter of credit applications and reimbursement obligations), mortgages, security agreements, pledge agreements, deeds of trust, bonds, notes, guarantees, surety obligations, warranties, licenses, franchises, permits, powers of attorney, purchase orders, leases, including any amendment variation, termination or extension under or in respect of any of the foregoing;

"Damages" means (a) any and all direct monetary (or where the context so requires, monetary equivalent of) damages, losses, Claims (third party or otherwise), fines, fees, penalties as applicable under law, , and out-of-pocket expenses (including without limitation any liability imposed under any award, writ, order, judgment, decree or direction passed or made by any Person), (b) subject to Applicable Laws, any indirect, punitive special, absolute, accrued, conditional or otherwise (and whether or not resulting from third party claims) losses or damages,, and (c) amounts paid in settlement, interest, court costs, costs of investigation, reasonable fees and expenses of attorneys, accountants, and other experts, and other expenses of

litigation or of any Claim, default, or assessment;

"Director" means a director on the Board from time to time;

"Disclosure Letter" shall mean the letter to be issued by the Company and the Promoters simultaneously with the execution of the Agreement and accepted and acknowledged by the Investors, for disclosures against the Warranties contained in the Agreement;

"Encumbrance" shall mean any right, title or interest existing by way of, or in the nature of sale, agreement to sell, encumbrance including, without limitation, any claim, debenture, mortgage, pledge, charge, (whether fixed or floating), hypothecation, lien, deposit by way of security, security interest, option or right of pre-emption, beneficial ownership (including usufruct and similar entitlements), any provisional or executorial attachment, non-disposal undertaking, voting arrangement, right of first offer or first refusal, co-ownership, disposal of beneficial interest, adverse possession or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under Applicable Laws;

"Environmental Law" means any common or statutory law, regulation, directive or other law and all codes of practice, statutory guidance and the like in any jurisdiction relating to the environment, pollution of the environment, human health or safety or the welfare, emissions, discharges or releases into, or the presence in, the environment of hazardous substances, and the use, treatment, storage, disposal, transportation or handling of hazardous substances of any other living organism which applies to the company concerned, its premises or its activities;

"Equity Securities" means Equity Shares or any preference shares, debentures, bonds, warrants, options, depository receipts, debt securities or any other instruments, securities or certificates which are convertible into or exercisable or exchangeable for, or which carry a right to subscribe to or purchase or which represent or bestow any beneficial ownership/interest in, the Equity Shares;

"Equity Shares" shall mean the equity shares of the Company having face value of INR 1/- (Indian Rupee One only) per share;

"Exchanges" means the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited (including, in either case, any successor thereto) and/or any internationally recognized stock exchange or quotation system acceptable to the Investor;

"Excluded Entity" shall mean the Persons identified in Schedule 4 to the Agreement as well as any of their subsidiaries or Affiliates which are engaged in the similar line of business as the primary business of the Company, as a substantial part of their business;

"Existing Bonds" shall have the meaning ascribed to it in Recital C;

"Existing Pledge" means the existing pledge created over 42,530,800 (Forty Two Million and Five Hundred and Thirty Thousand Eight Hundred) Equity Shares held by Promoter 2 in favour of the Company's creditors;

"Financial Indebtedness" shall mean all indebtedness of the Company on a gross basis and shall include all long-term and short-term indebtedness including debt facilities,

monies borrowed, any advances or deferred purchase agreements, guarantees (without double counting), counter-indemnity obligations under guarantees, bonds, standby or documentary letters of credit or any other instruments issued by banks or financial institutions and any other transactions that have the commercial effect of a borrowing.

"Financial Year" means when used in reference to a particular year, the period commencing on April 1 of the previous calendar year and ending on March 31 of the year referred to;

"Fully Diluted Basis" means that the calculation is to be made assuming that all outstanding Equity Securities (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged (or issued, as the case may be);

"Government" and/or **"Government Authority"** shall include the President of India, the Government of India, the Governor and the Government of any State in India, any Ministry or Department of the same, any quasi-governmental, supranational, national, state, municipal, local, statutory, regulatory or investigative body, authority, agency, bureau, board, commission, association, institution, department, court of judicial authority, arbitrator, tribunal or instrumentality thereof or other authority exercising powers conferred by Law and shall include, the Securities and Exchange Board of India (**"SEBI"**), recognised stock exchanges or quotation systems, the Reserve Bank of India (**"RBI"**) and the Foreign Investment Promotion Board (**"FIPB"**);

"Government Approvals" means any consent, approval, authorization, waiver, permit, grant, franchise, concession, agreement, license, certificate, exemption, order, registration, declaration, filing, report or notice of, with or to any Government;

"Group Company" means the Company and any company which is or becomes a Subsidiary;

"Group" means all the Group Companies. Where in these Articles of Association it provides that "the Group shall/will/must" in relation to a particular act, or uses any similar expression, this means that the Company must, and must procure that each Group Company carries out the act in question;

"Investor" shall mean Standard Chartered Private Equity (Mauritius) III Limited by itself or through or in conjunction with its Affiliates;

"Investor Consent" shall mean the written consent of the Investor;

"Investor Group" means the Investor and any Affiliate(s) of the Investor;

"Investor Director(s)" shall have the meaning ascribed to it in Article 202.1;

"Investor Shares" shall mean such number of Equity Shares of the Company which (at the Issue Price) are of value equal to the Rupee equivalent of USD 35,000,000/- (United States Dollars Thirty Five Million only). Therefore, if the Indian Rupee to United States Dollar conversion rate of INR 54/- to USD 1 is taken, the Investor Shares would comprise 36,549,990 (Thirty Six Million Five Hundred Forty Nine Thousand Nine Hundred and Ninety) Equity Shares of the Company. Provided however that notwithstanding anything to the contrary contained herein, the Investor shall not be required to subscribe to the Investor Shares in the event that the prevailing market price of the Equity Shares

shall be lower than the Issue Price. Provided further that at no time shall the Investor be required to subscribe to more than 36,549,990 (Thirty Six Million Five Hundred Forty Nine Thousand Nine Hundred Ninety) Equity Shares.

"Issue Price" shall mean INR 51.75/- (Indian ₹ Fifty One and Seventy Five paise only) per Equity Share;

"Litigation" includes any Claim, cause of action, suit, citation, summons, subpoena, inquiry or investigation of any nature, civil, criminal, regulatory or otherwise, in law or in equity, pending or to the knowledge of the Company or the Promoters threatened, by or before any court, tribunal, arbitrator or other Government Authority;

"Material Adverse Effect" shall mean any change, effect or development that would be (or could reasonably be expected to be), individually or in the aggregate, materially adverse to the business, assets, condition (financial or otherwise), operating results, operations or business prospects of the Company, or to the ability of the Company to consummate the issue of the Investor Shares in a timely fashion (regardless of whether such adverse change can be or has been cured at any time or whether the Investor has knowledge of such effect or change on the date of the subscription agreement), including any adverse change, event, development or effect arising from or relating to: (i) general business or economic conditions, including such conditions relating to the business of the Company; (ii) national or international political or social conditions, including the engagement by India in hostilities, whether or not pursuant to the declaration of a national emergency or war, or the occurrence of any military or terrorist attack upon India, or any of its territories, possessions, or diplomatic or consular office or upon any military installation, equipment or personnel of India; (iii) financial, banking or securities markets (including any suspension of trading in, or limitation on price for, securities on the BSE or NSE for a period in excess of three hours or any decline of the Sensex or Nifty by an amount in excess of 15% (Fifteen per cent) measured from the close of business on the date hereof); (iv) changes in the accounting principles, standards and practices generally accepted in India; (v) changes in laws, rules, regulations, orders or other binding directives issued by any governmental entity (vi) the taking of any action contemplated under the provisions of the Agreement or the other agreements contemplated hereunder;

"Notices" shall have the meaning ascribed to it in Article 215.15;

"Notify" or **"Notification"** shall mean notification in writing;

"Observer" shall have the meaning ascribed to it in Article 202.8;

"Permission" means any permission, approval or other equivalent Consent, authorisation or licence given or deemed to be given and includes any planning permission, approval or other equivalent Consent, authorisation or licence given or deemed to be given pursuant to Planning and Zoning Legislation and includes all conditions attached to it;

"Person(s)" shall mean any natural person, limited or unlimited liability company, corporation, general partnership, limited partnership, proprietorship, trust, union, association, court, tribunal, agency, government, ministry, department, commission, self regulatory organization, arbitrator, board, bureau, Hindu undivided family, instrumentality, or other entity, enterprise, authority, or business organization;

"Promoters" means Mr. Naresh Malhotra and Mr. Namit Malhotra, and **"Promoter"** shall mean either one of them;

"RBI" shall mean Reserve Bank of India;

"Receiving Party" shall have the meaning ascribed to it in Article 215.15;

"Relative" shall have the meaning assigned to the term in the Act;

"Required Governmental Approvals" means such Government Approvals, if any, as may be necessary or advisable for the issuance of the Investor Shares by the Company and the acquisition of the Investor Shares by the Investor on the terms contained herein and the consummation of the transactions contemplated herein, including, any Government Approvals which are granted automatically contingent upon requisite filing of specified documents and/or reports being made;

"Sanctioned Countries" shall mean Burma / Myanmar, Cuba, Iran, North Korea, South Sudan, Sudan and Syria, and such other countries as the Investor may notify to the Company from time to time;

"Shares" shall mean means all classes of shares in the capital of the Company issued from time to time, together with all rights, differential rights, obligations, title, interest and claim in such shares and shall be deemed to include all bonus shares issued in respect of such shares and shares issued pursuant to a stock split in respect of such shares;

"Stock Exchange" shall mean the relevant stock exchange on which the respective shares are listed;

"Subscription Amount" shall mean an aggregate amount Indian Rupee equivalent of USD 35,000,000 (United States Dollars Thirty Five Million only). The conversion rate for determining the Rupee equivalent of the Subscription Amount shall be intimated by the Investor to the Company on the Allotment Date and the parties to the Agreement shall thereafter exchange an addendum to the Agreement to capture the details of the rupee equivalent of the Subscription Amount and the actual number of Investor Shares to be issued to the Investor;

"Subscription Shares" means the number of Investor Shares actually subscribed to by the Investor at Allotment;

"Subsidiaries" means all subsidiaries of the Company as defined in the Act. Provided that in respect of Prime Focus London Plc ("PLC"), references to the rights of the Investor in respect of subsidiaries hereunder shall not include PLC so long as the PLC remains a listed company.

"Taxes" shall mean all forms of taxation, duties, levies, imposts and social security charges, whether direct or indirect, deductible at source or otherwise, including without limitation corporate income tax, wage withholding tax, value added tax, service tax, customs and excise duties, capital tax, stamp duties and other legal transaction taxes, dividend withholding tax, real estate taxes, other municipal taxes and duties, environmental taxes and duties and any other type of taxes or duties in any relevant jurisdiction, together with any interest, penalties, surcharges or fines relating thereto, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction and the terms **"Tax"** and **"Taxation"** shall be construed accordingly;

"Tax Holiday" includes any relief from Taxation, or allowance, exemption, set-off or deduction in computing, or against, profits, income or gains for the purposes of Taxation, or a credit against Taxation;

"Transaction Documents" shall mean collectively, the Agreement and such agreements as may be required to be entered into by the parties to the Agreement in terms of the Agreement, and any other agreements and documents required pursuant to or entered into in connection with the Agreement, or the transactions contemplated hereby;

"Transfer" means (i) any sale, transfer, assignment or other disposition of the Equity Securities or voting interests or any interest or benefit therein, including, without limitation, by operation of Applicable Laws by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any sale, assignment gift, donation, redemption, conversion or other disposition of Equity Securities or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such Equity Securities or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting or creation of any Encumbrance in, or extending or attaching to, such Equity Securities or any interest therein.

"Unpublished Price Sensitive Information" means 'unpublished price sensitive information' as described under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1993 (as may be amended from time to time);

"Warranties" shall mean the representation and warranties of the Company and the Promoters as set out in Schedule 5 to the Agreement;

- b. Interpretation. The following rules of interpretation shall apply in this Part III of Articles of Association unless the context requires otherwise or is expressly specified otherwise.
- i. reference to an entity hereunder shall include such entity's successors, permitted assigns and any Persons deriving title under it;
- ii. references to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time;
- iii. the descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of the content of such Articles and shall not be used to construct or interpret the provisions of these Articles of Association;
- iv. the use of words in the singular or plural, or with a particular gender, shall not limit the scope or exclude the application of any provision of these Articles of Association to such Person or Persons or circumstances unless the context requires otherwise;
- v. the terms "hereof", "hereto" and "hereunder" and similar expressions mean and refer to these Articles of Association and not to any particular provision of these Articles of Association;
- vi. any grammatical form of a defined term herein shall have the same meaning as that of such term;
- vii. the words "including", "include" and "includes" herein shall always mean "including, without limitation", "include, without limitation" and "includes, without limitation", respectively;
- viii. all references to "₹", "INR" or "₹" in these Articles of Association shall mean the lawful currency of India and references to "United States Dollars", "USD" or "\$" in these

Articles of Association shall mean the lawful currency of the United States of America; and

- ix. reference to any law or to any provision thereof shall include references to any such law as it may, after the date hereof, from time to time, be amended, supplemented or re-enacted, and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.

200. INDEMNIFICATION AND STATUS OF INVESTOR

Each Promoter and the Company shall jointly and severally indemnify the Investor, such relevant members of the Investor Group who hold whole or part of Investor Shares, their directors and employees of the Investor for the acts or omissions to the extent mentioned in the Agreement.

201. COVENANTS

201.1. The Company shall ensure that:

- (a) The Company shall duly maintain the assets and properties that are material to the business of the Company and its existing and future material subsidiaries;
- (b) The Company shall
 - (i) preserve its corporate existence and good standing; and
 - (ii) comply with the Contracts;
- (c) All Contracts between the Company and any Connected Person/Concern as well as all Contracts between the Promoter (and any other Connected Person/Concerns) and the Company or any of its Subsidiaries) shall be entered into on arms' length, commercial terms in the ordinary course of business.
- (d) The Company shall at all times maintain a listing for all its issued Equity Shares on an Exchange and for this purpose shall do all such things as may be required under Applicable Laws as well as any listing agreements entered into by the Company with such Exchange;
- (e) All Group Companies must:
 - (i) comply in all material respects with Applicable Laws, including Environmental Law;
 - (ii) maintain all Consents required under Applicable Laws, including Environmental Law; and
 - (iii) Notify the Investor immediately if any Group Company ceases to hold any such Consent or if any of them expire (and have not been renewed),

The Company shall ensure that the Subscription Amount is used solely towards redemption of the Existing Bonds and the Existing Bonds are redeemed in full within their due date. Such redemption shall be in accordance with the terms of the Existing Bonds or on terms that are more beneficial to the Company.

201.2. Until the redemption of the Existing Bonds, the Subscription Amount shall be maintained in an account approved by the Investor and subsequently shall be used exclusively for redemption of the Existing Bonds. The Company shall be entitled to drawdown the Subscription Amount in one or more tranches for the purposes of redeeming the Existing Bonds. The Company shall inform the Investor at least 7 (Seven) days prior to the redemption of the Existing Bonds and withdrawal of such amount.

201.3. Any redemption (whether premature or otherwise) of the Existing Bonds shall be done by the Company strictly in accordance with the applicable regulations / guidelines / circulars issued by the RBI in this regard.

202. INVESTOR DIRECTOR AND OBSERVER

202.1. The Investor shall be entitled to nominate (without the need to hold qualification shares), 1 (One) non-retiring director (the "**Investor Director**") to the Board (as well as all the committees formed under it; the "**Committees**") of the Company.

202.2. To the extent permissible by Law, the appointment of an Investor Director shall be by direct nomination by the Investor and any appointment or removal shall, unless the contrary intention appears, take effect from the date it is notified to the Company in writing. If the Law does not permit the Person nominated by the Investor to be appointed as a director of the Company merely by nomination by the Investor, the Company and the Promoters shall ensure that the Board of the Company forthwith (and in any event within 7 (Seven) Business Days of such nomination or at its next Board meeting, whichever is earlier) appoints such Person as an additional director of the Company and further that, such Person or any other Person nominated by the Investor as an Investor Director is elected as a director of the Company at each following general meeting of the shareholders of the Company.

202.3. The Investor will be entitled to nominate an Alternate Director (the "**Alternate Director**") to the Investor Director so appointed. The Promoters shall ensure the appointment of such Alternate Director nominated by the Investor. Such Alternate Director shall be entitled to attend only those meetings which the Investor Director is unable to attend, and shall always be an alternate and not an addition to the Investor Director. At no point of time would both the Investor Director and the Alternate Director attend any meeting of the Board of the Company.

202.4. Without prejudice to any other provision in these Articles of Association, the Promoters and the Company agree to exercise all powers and rights available to ensure that the Persons nominated by the Investor are expeditiously appointed or removed (as the Investor may specify) as an Investor Director and the appointments and removals referred to in this Article 200 result in the Persons nominated/appointed or removed becoming or ceasing to be an Investor Director.

202.5. The Investor Director (and his/her alternate) must comply with Standard Chartered Bank's social, environment and ethical standards and will vote at Board meetings in accordance with such standards.

202.6. The presence of the relevant Investor Director or Alternate Director shall be required to form quorum for any Board meeting of the Company (including any Committee meetings). With respect to any shareholder meeting of the Company, the presence of the Investor Director or Alternate Director, acting as a representative of the Investor in its capacity as a shareholder, shall be required to form the quorum.

202.7. The Company and the Subsidiaries shall, and the Promoters shall ensure that the Company and the Subsidiaries shall at all times maintain a directors' and officers' insurance policy for an amount equivalent to INR 150,000,000/- (Indian ₹ One Hundred and Fifty Million only) from a reputable insurance company, for any liability, cost or expense (including legal expenses) accruing, incurred, suffered, and/or borne by the Investor Director, in connection with the Business or by virtue of such Investor Director being a director of the Company.

202.8. So long as the Investor holds any Investor Shares and is a shareholder of the Company, the Investor shall also be entitled to appoint an observer (an "**Observer**") to the Board of the Company, as well as on the Committees. Such Observer shall have the right to receive notice of, and attend any and all meetings of the Board and of all Committees, but shall not have the right to vote in any such meeting. The Company shall

deliver all written materials and other information given to Directors in connection with such meetings to such Observer at the same time that those materials or information are given to the Directors.

- 202.9. Each Investor Director shall be entitled to receive sitting fees and all such other remuneration and benefits as paid/provided to other members of the Board, in accordance with the policy of the Company.
- 202.10. All expenses of the Directors, Alternate Directors, and Observers shall be borne by the Company and / or the concerned subsidiary.
- 202.11. Other than due to any negligence or misconduct/breach on part of the Investor Director or the Observer, the Company shall indemnify, defend and hold harmless any Investor Director or Observer (an “**Indemnitee**”) who was or is a party to or is threatened to be made a party to any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative by reason of the fact that he or she is or was a director / observer of such company. or is or was a director / observer of such company serving at the request of such company as a director / observer of another company, partnership, joint venture, trust, employee benefit plan or other entity or enterprise, to the fullest extent permitted by Law against:
- (a) act, omission or conduct of, or by the Company or its employees or agents as a result of which, in whole or in part, any Investor Director or Observer is made a party to, or otherwise incurs any loss pursuant to, any action, suit, claim or proceeding arising out of or relating to any such act, omission or conduct; or
 - (b) any action or failure to act undertaken by an Investor Director or Observer at the request of, or with the consent of, the Company or any of the Promoters; or
 - (c) contravention of any Law including, without limiting the generality of the foregoing, the Foreign Exchange (Management) Act 1999, Laws relating to provident fund, gratuity, labour, environment and pollution, and any action or proceedings taken against an Investor Director or Observer in connection with any such contravention or alleged contravention; or
 - (d) all expenses, costs and obligations (including, , attorneys’ fees, experts’ fees, court costs, retainers, transcript fees, duplicating, printing and binding costs, as well as telecommunications, postage and courier charges) (the “**Expenses**”) Damages, judgments, fines, penalties, excise taxes and amounts paid in settlement (including all interest, assessments and other charges paid or payable in connection with or in respect of such expenses, judgments, fines, penalties, excise taxes or amounts paid in settlement) actually and reasonably incurred by him or her in connection with any action, suit or proceeding under paragraph (a), (b) and / or (c) or otherwise in connection with the relevant Group Company,
- (collectively referred to as the “**Indemnifiable Amounts**”) to the extent that the Indemnifiable Amounts are not recovered from the proceeds of the directors’ and officers’ insurance policy referred to in Article 202.7 above.
- 202.12. If so requested by an Indemnitee, the relevant Group Company may advance any and all Expenses incurred by such Indemnitee, either by (i) paying such Expenses on behalf of such Indemnitee, or (ii) reimbursing such Indemnitee for such Expenses.
- 202.13. If an Indemnitee is entitled under any provision of these Articles of Association to indemnification by the relevant Group Company

for some or a portion of the Expenses or other Indemnifiable Amounts in respect of a claim but not, however, for the total amount thereof, the relevant Group Company shall indemnify the Indemnitee for the portion thereof to which the Indemnitee is entitled.

- 202.14. The rights of an Indemnitee hereunder shall be in addition to any other rights such Indemnitee may have under these Articles of Association or otherwise. To the extent that a change in Applicable Laws permits greater indemnification by agreement than would be afforded currently under these Articles of Association, it is the intent of the Company, the Promoters and the Investor hereto that such Indemnitee shall enjoy by these Articles of Association the greater benefits so afforded by such change.
- 202.15. Indemnitees are expressly meant to be third-party beneficiaries of this Article 202.
- 202.16. The Investor Directors or Observers shall not be required to hold any Equity Securities in order to qualify as directors or observers of any of the relevant Group Company.
- 202.17. The Investor Director or the Observer shall be entitled to supply details of any business transacted at Board meetings or committee meetings, and any other information obtained by him in his capacity as a Director or Observer, to the Investor and/or to the Investor’s professional advisers provided such information does not amount to Unpublished Price Sensitive Information. However, where an Affiliate of the Investor becomes a lender or a provider of debt finance (other than by reason only of the holding of any foreign currency convertible bonds issued by the Company) to the Company or any of its Subsidiaries, the Investor Director or Observer and the Investor (where entitled to receive such information in accordance with this Article 200) shall keep such details and information confidential from such lender or provider of debt finance.
- 202.18. Further, the Investor Director, Alternate Director to the Investor Director and the Observer, shall at all times comply with the ‘Code of Conduct of the Company with respect to insider trading and, notwithstanding anything to the contrary contained herein, shall also execute necessary non-disclosure agreement(s) in the format prescribed by the Company in line with the said ‘Code of Conduct’, prior to their appointment as Investor Director, Alternate Director or Observer.
203. MEETINGS OF THE BOARD
- 203.1. The Board shall hold regular meetings at the registered office of the Company or at such other place as is acceptable to the Investor at least once in every 3 (Three) months, and at least 4 (Four) such meetings shall be held in every calendar year. Unless otherwise agreed to in writing by the Investor Director(s), the notice and agenda for each Board meeting shall be sent to the Investor Director(s), the Observer and all other Directors at least 7 (Seven) Business Days prior to the meeting. All notices for all meetings of the Board and Committees thereof shall be in writing, and shall be sent to each of the Directors (with a copy to the Investor) in the manner specified in this Article 203. No meeting of the Board or Committee shall be convened at a shorter notice period without the prior written consent of the Investor Director. The schedule for the quarterly meetings of the Board shall be sent to the Investor at least 7 (Seven) days prior to the meeting. The agenda for each Board (or committee of the Board) meeting and all papers connected therewith and/or proposed to be placed or tabled before the Board (or committee of the Board) shall be circulated at least 7 (Seven) Business Days prior to such meeting, together with the notice and, no items save and except those specified in the agenda, shall be discussed at any Board (or committee of the Board) meeting, except with the prior written consent of the Investor Director.

- 203.2. The quorum for any meeting of the Board or of any Committee shall be the presence, in person, of 3 (Three) Directors, or such higher number of Directors as may be required under Law, subject to the presence of the Investor Director or Alternate Director (unless waived in writing by the Investor).
- 203.3. A decision shall be said to have been made and a resolution passed at a meeting of the Board only if passed at a validly constituted meeting, and such decisions are approved of by and the resolution is approved of by a majority of the Directors (each Director having one vote), which unless otherwise mandated by Law in India, shall mean approval by a majority of the Directors present and voting at such Board meeting of the Company. The Board shall mutually agree to appoint a Director present at a meeting of the Board or the Committee to be the chairman of such meeting of the Board. The chairman of a meeting of the Board or Committee shall not have a second or casting vote on any matter taken up by the Board or Committee in its meetings.
- 203.4. Subject to Applicable Laws, Directors or members of any Committee may participate in meetings of the Board or Committees through video-conference or telephonic conference.
- 203.5. The provisions of this Article 203 (*Meetings of the Board*) shall apply *mutatis mutandis* to the meetings of the Committees constituted by the Board, and to meetings of the Board of Directors of any of the Subsidiaries.
204. SHAREHOLDERS' MEETINGS
- 204.1. Procedures relating to meetings of the shareholders of the Company and / or its Subsidiaries shall be regulated by these Articles of Association, by the provisions of the Act and the Applicable Laws. In the event of inconsistency between the provisions of these Articles of Association on the one hand and the provisions of the Act or the Applicable Laws on the other, the provisions of the Act or the Applicable Laws, as the case may be, shall prevail, and the Promoters, the Company and the Investor shall immediately negotiate in good faith to replace such a provision with another, which is not prohibited or unenforceable and has, as far as possible, the same legal and commercial effect as that which it replaces. Unless a shorter period of notice in respect of any particular meeting of the shareholders' is agreed to by the shareholders' holding at least 95% (Ninety Five percent) of the paid-up Equity Share capital including the Investor and the Promoters in writing, specifying the date, place and time, and business to be transacted thereat, shall be given to all shareholders. Each notice of a meeting of the shareholders shall contain, inter alia, an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting and shall to the extent practicable be accompanied by all necessary written information and documents. The shareholders may consider any matter not circulated in the agenda with the consent of the Investor and/or or its representatives. No business shall be transacted at any meeting of the shareholders unless the requisite quorum of the shareholders as specified in Article 204.2 below is present throughout the meeting.
- 204.2. The quorum for any meeting of the shareholders of the Company shall, subject to the Act or Applicable Laws, require the presence, throughout the meeting, of the authorized representatives of the Investor. The Investor shall be entitled to waive their right to be a necessary part of the quorum. If within 1 (One) hour from the time appointed for the meeting of the shareholders, the requisite quorum is not present, the meeting shall be adjourned to a mutually agreed time and place not more than 14 (Fourteen) calendar days later ("**Adjourned Shareholders' Meeting**"). A notice of at least 7 (Seven) calendar days will be given to each of the shareholders in relation to the Adjourned Shareholders' Meeting. In the event that within 1 (One) hour from the time appointed for the Adjourned Shareholders' Meeting, then subject to Article 204.3, the requisite quorum is not present, the shareholders present (being more than one) shall constitute the quorum, provided that items which were not on the agenda for the original shareholders' meeting shall not be considered at such Adjourned Shareholders' Meeting.
- 204.3. In the event a resolution is passed contrary to the provisions of this Article 204, then the Company and the shareholders shall ensure that such resolution is not given effect to and such resolution shall be null and void and shall not be binding on the Company.
- 204.4. Subject to any requirements imposed by Applicable Laws, each resolution of the meeting of the shareholders of the Company shall be adopted by a simple majority vote of the shareholders personally present and voting or voting through written notice. The Investor shall, prior to the date of the meeting of the shareholders of the Company including any Adjourned Shareholders' Meeting have the right to issue a written notice to the Company and indicating its consent or dissent, as the case may be with respect to any matter (that was part of the agenda for such meeting) and such written notice shall be counted as the vote of the said Investor.
- 204.5. The Company shall, and the Promoters shall ensure that the Investor is permitted to attend any meeting of the shareholders of each of the Subsidiaries. Subject to any requirements imposed by Applicable Laws, each resolution of the meeting of the shareholders of the Subsidiaries shall be adopted by a simple majority vote of the shareholders personally present and voting or voting through written notice. Any votes cast by or on behalf of the Company or its Subsidiaries at a meeting of the shareholders of the concerned Subsidiary shall be cast in such manner as may be determined at a meeting of the Board of the Company.
205. EXERCISE OF RIGHTS
- 205.1. Without prejudice to the other provisions of these Articles of Association, the Company agrees to exercise all powers and rights available to it (including voting rights and rights as and in respect of directors and shareholders) to give full effect to the provisions of these Articles of Association and so as to procure and ensure that the provisions of these Articles of Association are complied with in all respects by the Subsidiaries and the Company.
- 205.2. The Company shall vote or cause to be voted all equity shares beneficially owned by the Company in any Subsidiary at any annual or extraordinary meeting of shareholders of the concerned Subsidiary (the "**Subsidiary Shareholders Meeting**") or in any written consent executed in lieu of such a Subsidiary Shareholders Meeting (the "**Written Consent**"), and shall take all other actions necessary to give full effect to the provisions of the Agreement and these Articles of Association. In addition, the Company shall vote or cause to be voted all equity shares beneficially owned by it at any Subsidiary Shareholders Meeting or act by Written Consent with respect to such equity shares, upon any matter submitted for action by Subsidiaries' shareholders or with respect to which such shareholder has a right to vote or act by Written Consent, in conformity with the provisions of these Articles of Association.
- 205.3. In order to effectuate the provisions of these Articles of Association, and without limiting the generality of Article 205.2, the Company shall:
- when any action or vote is required to be taken by the Shareholders pursuant to these Articles of Association or any of the shareholders of any Subsidiary, call, or cause the appropriate officers and directors of the Company to call, one or more Shareholders meetings or Subsidiary

Shareholder Meetings to take such action or vote, to attend such Subsidiary Shareholders Meetings in person or by proxy for purposes of obtaining a quorum, or to execute or cause to be executed a Written Consent to effectuate such shareholder action;

- (b) cause the Board to adopt, either at a meeting of the Board or by unanimous written resolution of the Board, all the resolutions necessary to effectuate the provisions of these Articles of Association; and
- (c) to the extent not in violation of Applicable Laws, cause the Board to cause the company secretary of the Company, or if there be no company secretary, such other officer of the Company as the Board may appoint to fulfil the duties of a company secretary, not to record any vote or consent contrary to the terms of this Article 205.

206. INFORMATION RIGHTS

206.1. The Company shall, and shall cause each Subsidiary to, maintain true books and records of account in which full and correct entries shall be made of all its/their respective business transactions pursuant to a system of accounting established and administered in accordance with the applicable accounting principles, and shall set aside on its books all such proper accruals and reserves as shall be required under the applicable accounting principles. The Company shall provide to the Investor Director, such information as it may request, including, with respect to the Company and its Subsidiaries:

- (a) as soon as available, but in any event within 90 (Ninety) days after the end of each Financial Year of the Company, a copy of the audited consolidated and stand alone balance sheets of the Company and its Subsidiaries as at the end of such Financial Year and the related consolidated and stand alone statements of income, statements of changes in shareholders' equity and statements of cash flows of the Company and its Subsidiaries for such Financial Year, all in reasonable detail and stating in comparative form the figures as at the end of and for such Financial Year accompanied by an opinion of the external auditor of the Company, which opinion shall state that such auditor's audit was conducted in accordance with GAAP and that it is not subject to any qualification resulting from a limit on the scope of the examination of the financial statements or the underlying data or which could be eliminated by changes in the financial statements or the notes thereto or by the creation of or increase in a reserve or a decreased carrying value of assets; all such financial statements shall be complete and correct in all material respects and shall be prepared in conformity with GAAP and applied on a consistent basis throughout the periods reflected therein except as stated therein;
- (b) as soon as available, but in any event not later than 30 (Thirty) days after the end of each quarter: (i) the unaudited consolidated and stand alone balance sheets of the Company and its Subsidiaries as at the end of such quarter and the related unaudited consolidated and stand alone statements of income, statements of changes in shareholders' equity and statements of cash flows of the Company and its Subsidiaries for such quarter and for the elapsed period in such fiscal year, all in reasonable detail and stating in comparative form the figures as of the end of and for the comparable periods of the preceding Financial Year and budgeted figures for the period, certified by the Chief Financial Officer of the Company; all such financial statements shall be complete and correct in all material respects and shall be prepared in conformity with GAAP and applied on a consistent basis throughout the periods

reflected therein except as stated therein; (ii) the quarterly operating statistics of the Company and subsidiaries as at the end of such quarter; and (iii) the items of the balance sheet as required by the Investor;

- (c) as soon as available, but in any event not later than 21 (Twenty One) days after the end of each month, monthly management review detailing key operational performance indicators and statistics in a form reasonably satisfactory to the Investor;
 - (d) minutes of meetings of the shareholders of the Company within 7 (Seven) days of the occurrence of such meetings;
 - (e) promptly, copies of all documents and other information regularly provided to any other security holder of the Company and/or its Subsidiaries, including any management or audit or investigative reports provided to any other security holder;
 - (f) promptly, copies of all material documents and other information regularly provided to or received from any Governmental Authority;
 - (g) promptly, such additional information and explanation of any event or development at the Company or any Subsidiary which has a significant impact on the Business, operations, profits, conditions (financial or otherwise), prospects, results of operations, properties, assets or liabilities of the Company;
 - (h) capital expenditure budgets and management reporting information not set forth above;
 - (i) such other material financial and accounting reports and information as the Investor may request; and
 - (j) details of any event of force majeure or any other event, which could have or result in Material Adverse Effect.
- 206.2. The Company shall conduct quarterly business review and progress discussion with the Investor.
- 206.3. The Company shall inform the Investor whether any information to be provided to the Investor under this Article 206 constitutes Unpublished Price Sensitive Information. In the event that such information does constitute any Unpublished Price Sensitive Information, at the option of the Investor the information in question shall be disclosed by the Company to the Investor Director (or the Observer in the event that no Investor Director shall have been appointed). In the event that the Investor shall require any information and such information shall constitute Unpublished Price Sensitive Information, then the Company shall be entitled not to provide the information in question to the Investor but may however provide the same to the Investor Director or the Observer (as the case may be). It is clarified that the Investor Director and the Observer shall continue to be bound by the terms of the non-disclosure agreements and Code of Conduct of the Company pertaining to insider trading mentioned at Article 202.18.
- 206.4. If the relevant information requires more than 7 (Seven) days for its provision, then the Company and Promoters shall demonstrate that they are making best efforts to obtain such information within 7 (Seven) days of the request.
- 206.5. Notwithstanding anything contained herein, the Company shall be entitled to not share any Unpublished Price Sensitive Information with the Investor or its Affiliates.
- 206.6. The Company shall give full access to the Investor Director to visit and inspect all properties, assets, corporate, financial and other records, reports, books, contracts and commitments of the Company, and to discuss and consult its business, actions plans, budgets and finances with the directors and executive officers of the Company, upon reasonable notice. All costs incurred in

connection with such inspection shall be borne by the Company. The Company shall, subject to reasonable notice, permit the Investor, at the Company's cost and expense, to appoint an auditor or any other consultant to inspect the accounts of or access the records and books of the Subsidiaries. The Company and Promoter shall procure any consent of any other Persons required for this purpose.

- 206.7. In the event that any information received by the Investor from an auditor or consultant appointed in accordance with Article 206.6 constitutes Unpublished Price Sensitive Information, the Investor shall not publish the same except as may be required for any remedial action to be taken by the Investor against any Person pursuant to the receipt of such information.
- 206.8. The Company shall periodically report to the Board, an update on the performance of Business of the Company, including the Subsidiaries of the Company, by the provision of all such data and information as may be required for this purpose.
- 206.9. The content of the financial reports to be delivered and the timing for such deliveries shall be notified to the Company at least 5 (Five) Business Days in advance by the Investor.
207. ETHICS AND STANDARDS
- 207.1. The Company shall and the Promoters shall procure that the Company formulates and implements appropriate and adequate policies to deal with all matters relating to the prevention of corrupt practices and procedures to ensure compliance with the U. S. Foreign Corrupt Practices Act, 1977, the United Kingdom Bribery Act 2010 and/or the Indian Prevention of Corruption Act, 1988 or any other international anti-bribery conventions or bribery laws (the "Anti-Corruption Policies") and for the purposes of this Article, each Group Company shall be deemed to be required to comply with such Anti-Corruption Policies. The policy shall include matters such as
- Bribery and corruption risk assessment;
 - Gatekeeper functions and networks for compliance (internal audit, legal, human resources, finance, etc);
 - Timely monitoring internal audits and reporting including redressal mechanism/ sanctions against erring employees;
 - Appropriate internal controls and training of management and employees in laws and practices relating to anti-corruption;
 - Whistleblowers policy (including whistleblower protection);
 - Investigation of any alleged or suspected actions taken by employees which may not be in compliance with the Anti-Corruption Policies and compliance review/ report to management; and
 - Providing appropriate template clauses / covenants to be included by the Company in third party contracts obliging a contractor/ service provider/ consultant of the Company/ Subsidiaries to not indulge in any actions contrary to the Anti-Corruption Policies for and on behalf of the Company/ Subsidiaries or related to the business of the Company/ Subsidiaries.
- 207.2. The Company shall form a committee of senior level management to monitor the compliance with the Anti-Corruption Policies on an ongoing basis. The committee shall periodically report its actions to the Board.
- 207.3. The Company shall review the Anti-Corruption Policies from time to time and take cognizance of the Investor's suggestions to improve and implement the policy and also take cognizance of any changes in Applicable Laws.
- 207.4. None of the Company, its Subsidiaries, the Promoters, their Affiliates and principals shall and shall not permit any

shareholder, director, officer, contractor or employee of the Company or any of its Subsidiaries, to (i) pay, offer or promise to pay, or authorize the payment, directly or indirectly through any other Person or firm, of any monies or anything of value to (A) any Person or firm employed by or acting for on behalf of any Person, whether private or governmental, or (B) any government official or employee or any political party or candidate for political office, for the purpose of illegally inducing or rewarding any action by any official favourable to such Company or Subsidiaries or any other Person in connection with the Company's or Subsidiaries' business or (ii) taken any other action that, would violate the U. S. Foreign Corrupt Practices Act, 1977, the United Kingdom Bribery Act, 2010 and / or the Indian Prevention of Corruption Act, 1988 or any other international anti-bribery conventions or bribery laws (any such action, a "Prohibited Payment"). A Prohibited Payment will not include the payment of reasonable and bona fide expenditures, such as travel and lodging expenses, which are directly related to the promotion, demonstration or explanation of products or services, or the execution or performance of a contract with a foreign government or agency thereof, provided such payments are permissible under requirements of Law and guidelines applicable to the recipient of such payments.

- 207.5. No Affiliate of the Company or any of its Subsidiaries shall bribe another person (within the meaning given in section 7(3) of the United Kingdom Bribery Act 2010 and the corresponding provisions of the U. S. Foreign Corrupt Practices Act, 1977 and the Indian Prevention of Corruption Act, 1988) intending to obtain or retain business or an advantage in the conduct of business for the Company and/or any of its Subsidiaries, and the Company and each of its Subsidiaries shall have in place adequate procedures designed to prevent their Affiliates from undertaking any such conduct.
- 207.6. The Group, the Promoters and their Affiliates shall (i) have in place anti-money laundering practices as required by Applicable Laws and (ii) follow the highest standards of ethical business practice.
208. SANCTIONED COUNTRIES
- 208.1. The Company shall not and the Promoters shall ensure that the:
- Group shall not conduct any business or any business arrangements, directly or indirectly, involving any party operating from, resident in, or incorporated in any Sanctioned Country, or enter into any transaction knowing or intending that such a party be involved;
 - no Group Company shall establish a business or trading presence or activity in any Sanctioned Country (including any form of representative or marketing office);
 - none of the Group Companies shall conduct any business or have any dealings whatsoever, with persons engaged in business in the Iranian oil, gas or petrochemical sector; and
 - no Group Company shall conduct any business or have any dealings whatsoever with a party sanctioned by the United States of America, the United Kingdom, the European Union or the United Nations, and no Group Company shall enter into any transaction knowing or intending that such a party be involved.
209. EXIT
- 209.1. The Investor shall, at its discretion, be entitled to exercise the following exit rights:
- In the event that the Investor is unable to consummate a sale of all Equity Securities acquired by the Investor or any member of the Investor Group at any time on or after

the date of the Agreement under the Agreement, including the Investor Shares, and/or by way of a bonus or a rights issue or on a preferential basis, all pursuant to the terms of the Agreement, to public market investors including any strategic/financial investor within 48 (Forty Eight) months from the Allotment Date, at any time and from time to time thereafter, the Investor shall have the right to initiate a public 'offer-for-sale' of up to all of its Equity Shares. The Company and the Promoters shall facilitate and extend all cooperation and every assistance to enable the Investor pursuant to any such proposed offer for sale, including offering such number of shares (by way of a fresh issuance or a sale) as may reasonable required by the Investor to ensure the viability of such proposed offer for sale and providing all requisite cooperation to the Investor, any prospective buyer or appointed banker in any due diligence (including making available the senior management of the Company for any management meetings or investor presentation) or preparation of any offer documents;

- (b) At all times, Investor will have the right to sell all its Equity Shares, along with a Transfer or assignment of all their rights in the manner contemplated in these Articles of Association to any person who shall not be an Excluded Entity provided however, that any acquisition by any Excluded Entity of any Equity Shares through a non-negotiated purchase on an Exchange shall not be deemed to be a breach of the provisions of these Articles of Association.

210. AUDITOR

- 210.1. The Company shall appoint a Big Four Accounting Firm as its statutory auditor for Financial Year ending on March 31, 2014. Any future change of auditor (including the appointment of a new auditor) will require the Investor Consent.

211. NON – COMPETE

- 211.1. The Promoters shall not engage in any other business and shall devote sufficient time and attention during business hours to the Business and (where applicable) the duties of their employment with the Company/concerned Subsidiary.
- 211.2. The Promoters shall not directly or indirectly compete with the Business.
- 211.3. As the Promoters, in the course of their employment and / or directorship, are likely from time to time to obtain knowledge of trade secrets and other confidential information relating to the Company and its Subsidiaries and to have dealings with the customers and suppliers of the Company and its Subsidiaries and in order to protect such trade secrets and other confidential information and the goodwill of the Company and its Subsidiaries, the Promoters further undertake to the Investor and, as a separate undertaking, to the Company, in the terms set out below.
- 211.4. The Promoters shall not, except with the consent of the Investors either personally or through an agent, company or otherwise in any other manner directly or indirectly (including through their Affiliates):
 - (a) be concerned in any business which is of a nature which is similar to or competes or may compete with the Business;
 - (b) except on behalf of the Company, canvass or solicit business or custom for goods of a similar type or dealt in or for services similar to those being provided to the Company from any Person who is a customer of the Company;
 - (c) induce or attempt to induce any supplier of the Company and/or its Subsidiaries to cease to supply, or to restrict or vary the terms of supply to, the Company and/or its

Subsidiaries or otherwise interfere with the relationship between such supplier and the concerned company (save and except actions taken by a Promoter during the course of its employment with the Company and/or its Subsidiaries (as the case may be) in exercise of its power and authority as an employee of the Company and/or its Subsidiaries (as the case may be) and in, what it reasonably believes to be, in the interest of the concerned company); or

- (d) induce or attempt to induce any director or senior/key employee of the Company and/or its Subsidiaries (as the case may be) to leave the employment of the Company and/or its Subsidiaries (as the case may be) (save and except actions taken by a Promoter during the course of its employment with the Company and / or its Subsidiaries (as the case may be) in exercise of its power and authority as an employee of the Company and / or its Subsidiaries (as the case may be) and in, what it reasonably believes to be, in the interest of the concerned company).

- 211.5. The Promoters jointly and severally undertake with the Company and the Investor that, they shall not use (either personally or through an agent or otherwise, directly or indirectly) or (insofar as they can reasonably do so) allow to be used for any purpose outside the Business:

- (a) any information of a secret or confidential nature relating to the business or affairs of the Company and / or its Subsidiaries (as the case may be); or
- (b) any trade name used by the Company and / or its Subsidiaries (as the case may be).

- 211.6. For the purposes of Article 211.4, a Promoter is concerned in a business if:

- (a) He/she carries it on as principal or agent; or
- (b) He / she is a partner, director, employee, secondee, consultant or agent in, of or to any Person who carries on the business;
- (c) He / she or his / her Affiliate has any direct or indirect financial interest (as shareholder or otherwise) more than 5% (Five percent) in any Person who carries on the business;

disregarding any financial interest of a Person in securities which are listed, or dealt in, on any generally recognised stock exchange if a Promoter and any of its Connected Person/Concern are interested in securities which (collectively) amount to less than five per cent of the issued securities of that class and which, in all circumstances, carry less than five per cent of the voting rights (if any) attaching to the issued securities of that class and provided that none of such Persons are involved in the management of the business of the issuer of the securities or any of its Connected Person/Concern other than by the exercise of voting rights attaching to the securities; and references to the Company and / or its Subsidiaries (as the case may be) include its successors in business.

- 211.7. Any of the undertakings on the part of the Promoters under this Clause 22 may be released either generally or in any particular case with prior consent of the Investor but not otherwise.

- 211.8. Each covenant contained in each clause or paragraph above shall be, and is, a separate covenant by the Promoters and shall be enforceable separately against each of the Promoters and independently of each of the other covenants and its validity shall not be affected if any of the others is invalid. Each Promoter agrees that the restrictions contained in this Article 211 are no greater than are reasonable and necessary for the protection of the interest of the Investor, and the Company, but if any such

restriction shall be held to be void but would be valid if deleted in part or reduced in application, such restriction shall apply with such deletion or modification as may be necessary to make it valid and enforceable.

211.9. The Promoters expressly acknowledge and agree that in the context of the Company's business and the Promoters' relationship with the Company and / or its Subsidiaries (as the case may be) as promoter, substantial shareholder and director or employee of the Company and / or its Subsidiaries (as the case may be), the Promoters' ownership interest in the Company and / or its Subsidiaries (as the case may be) is a substantial ownership interest, and that the Investor would not proceed with the acquisition of the Investor Shares but for the Promoters' covenants hereunder to ensure the protection of the value of the Company and its Subsidiaries and the Business. The Promoters acknowledge that the restrictions on competitive activity set forth in these Articles of Association are mainly to secure to the Shareholders including the Investor the benefits of these Articles of Association and to protect the value of the Company, including the goodwill of the Company's business and the potential for expansion of that business.

211.10. The Promoters and / or the Company (as the case may be) acknowledge the breadth of the geographic scope of this Article 211, but deem the investment by the Investor under the terms of these Articles of Association to be adequate consideration for the right to engage in a competitive business that it is foregoing under these Articles of Association; and each of the Promoters admits and acknowledges that he/she has various other technologies and skill sets which, if deployed by him/her after he/she ceases to be an employee of the Company and / or its Subsidiaries (as the case may be), would not result in him/her competing against the Company and / or its Subsidiaries (as the case may be).

211.11. The Promoters agree that any failure to comply with this paragraph will reduce the value of the Investor Shares and acknowledge that monetary damages alone would not be an adequate compensation for the breach of this Article 211 and the Investor may seek an injunction from a court of competent jurisdiction. The Promoters having obtained professional advice, acknowledge and agree that the covenants contained in this Article 211 are no more extensive than are reasonable to protect the Investor as subscribers to Investor Shares and to protect the business of the Company and its Subsidiaries.

The key management personnel of the Company and / or its Subsidiaries shall execute employment agreements (including confidentiality, non-compete and non-solicit agreements) in Agreed Form.

212. SHARE TRANSFERS

212.1. Free transferability of Shares

The Investor Shares shall be freely Transferable, and there shall be no restrictions on sale or transferability of the Investor Shares by the Investor, provided that such sale or transfer is in compliance with the Applicable Laws and provided such sale or transfer is not made to any Excluded Entities. The aforesaid restriction on transfers to Excluded Entities shall not apply with respect to any non-negotiated transfers made on any Stock Exchange. The Company will not be bound to recognize any transfer of Investor Shares in violation of this Article 212.1.

(a) Subject to Applicable Laws and the terms of these Articles of Association, all or any of the rights enjoyed by the Investor in the Company shall be assignable by it to any person / persons at any time. The Investor shall have the right, at its sole discretion, at any time to Transfer or otherwise dispose all or any Investor Shares held by it

to any other person; provided that the Investor shall not sell the Investor Shares or assign any of its rights to an Excluded Entity; provided however, that any acquisition by any Excluded Entity of any Investor Shares through a non-negotiated purchase on an Exchange shall not be deemed to be a breach of the provisions of this sub-clause. If the Investor assigns any rights hereunder to any person, such assigned rights shall be exercisable by such person only for a period of 72 (Seventy Two) months from the Allotment Date. However, the Investor's rights hereunder shall continue until such time as the Investor along with its Affiliates holds not less than 20% of the number of Investor Shares.

- (b) During the period of 72 (Seventy Two) months from Allotment Date, in the event that the Investor and any persons to whom the Investor assign any rights hereunder, together cease to hold at least 20% (Twenty percent) of the number of Investor Shares, then the rights of the Investor and any assignee set out under these Articles of Association shall cease except those rights which are available to the Investor or its assigns as a shareholder under Applicable Laws.
- (c) A purchaser of the Equity Shares who acquires such Equity Shares through a non-negotiated purchase on the Stock Exchange shall not be entitled to the rights of the Investor other than those enjoyed by other shareholders of the Company.
- (d) No other person shall be granted or shall continue to retain rights, which are superior to those granted to the Investor other than the rights granted to Mr. Rakesh Jhunjhunwala under shareholders agreement dated May 18, 2004.
- (e) Where the transfer of Investor Shares along with assignment of rights results in the rights granted under these Articles of Association being available to more than one Person, the holders of the Investor Shares shall, at the time of the assignment of such rights agree upon the manner in which the holders of the Subscription Shares shall take any decisions in relation to any rights that are to be collectively exercised as well as, the manner in which such decisions as well as any other communications to be made collectively by all holders of the Subscription Shares to the Company shall be made, and a copy of such agreement shall be provided to the Company within 30 (Thirty) days from the date of assignment of rights to such person/assignee. The holders of the Subscription Shares shall further agree and nominate any one Person who shall be responsible for communicating any decisions of the holders of the Subscription Shares to the Company ("Subscription Share Representative"). In the event holders of Subscription Shares fail to appoint Subscription Share Representative, Company shall be entitled to rely and act upon on the first communication received from any of the holders of Subscription Shares and for the purpose of that communication such holder shall be treated as Subscription Share Representative. Any communication received by the Company from the Subscription Share Representative on behalf of the holders of the Subscription Shares shall be deemed to be the decision of all holders of the Subscription Shares and the Company shall be entitled not to acknowledge or act in accordance with any communications on decisions taken by the holders of the Subscription Shares that are received from any holders of the Subscription Shares other than the Subscription Share Representative. Unless otherwise stipulated in these Articles of Association, the Subscription Share

Representative shall communicate any decision on behalf of the holders of the Subscription Shares within a maximum period of 14 Business Days from the date on which the Subscription Share Representative shall have received all information from the Company pertaining to the matter for which a decision is required to be taken by the holders of the Subscription Shares. In the event that the Subscription Share Representative shall not communicate the decision of the holders of the Subscription Shares within the abovementioned time frame, then the Company shall be deemed to have received the objection of the holders of the Subscription Shares on/to the matter in question.

- 212.2. The Promoter shall be entitled to subscribe to warrants issued by the Company, which warrants shall be convertible into not more than 20,112,164 (Twenty Million One Hundred and Twelve Thousand One Hundred and Sixty Four) equity shares of the Company, within a period of 45 (Forty Five) days from the Allotment Date, at a minimum price per share which shall not be less than the Issue Price.

Non disposal

- 212.3. The Promoters shall maintain their shareholding in the Company at all times, either by themselves or through their Affiliates acting either as Promoters or persons acting in concert with the Promoters, provided all such persons and entities have executed a Deed of Adherence to the Agreement in Agreed Form and provided the Promoters themselves continue to hold at least 35% (thirty five per cent) of the paid-up equity share capital of the Company, on a Fully Diluted basis, unless otherwise agreed to by the Investor. Other than the Existing Pledge, the Promoters shall not Transfer any Equity Shares that they own for any purpose, except with the prior written consent of the Investor. Any shares released from the Existing Pledge shall be retained by the concerned Promoter free from Encumbrances. Notwithstanding the foregoing, in addition to the Equity Shares covered by the Existing Pledge already in force, the Promoters may (i) until the expiry of the Financial Year 2014 pledge shares of the Company representing up to 10% (Ten per cent) of the paid-up equity share capital of the Company (taken on a Fully Diluted Basis); and (ii) thereafter ensure that shares of the Company held by the Promoters, which are pledged does not exceed 5% (Five per cent) of the paid-up equity share capital of the Company (taken on a Fully Diluted Basis), for availing of loans for the Company and its Subsidiaries against the security of the said shares. Additionally, the Promoters shall be entitled to (i) until the expiry of the Financial Year 2014 pledge shares of the Company representing up to 5% (Five Percent) of the paid-up equity share capital of the Company (taken on a Fully Diluted Basis); and (ii) thereafter ensure that shares of the Company held by the Promoters, which are pledged does not exceed 2% (Two per cent) of the paid-up equity share capital of the Company (taken on a Fully Diluted Basis); for personal purposes .

- 212.4. The Company, the Promoters and the Investor agree that the Transfer restrictions on the Promoters in these Articles of Association shall not be capable of being avoided by the holding of Equity Securities indirectly through a company or other entity (or one or more companies or entities either alone or together in any combination or under Contract) that can itself (or the shares in it) be sold in order to Transfer an interest in Equity Securities free of restrictions imposed under these Articles of Association. Any Transfer, issuance or other disposal of any securities (or other interest) resulting in any change in the control, directly or indirectly, of any Affiliate of the Promoter who holds, directly or indirectly, any Equity Securities, shall be treated as being a Transfer of the Equity Securities held by the Promoter, and the

provisions of these Articles of Association that apply in respect of the Transfer of Equity Securities shall thereupon apply in respect of the Equity Securities so held.

- 212.5. Without prejudice to the restrictions stated in Articles 212.2 and 212.3, the Promoters shall not, except with the Investor Consent, Transfer any Equity Shares at a price per share which is less than the Issue Price.

Pre-emptive Rights

- 212.6. In the event that the Company or its Subsidiaries propose to issue any additional Shares or other securities or instruments convertible into Shares ("Additional Capital") to any Person (including the Promoters), then the Company shall, subject to Applicable Laws , first offer to issue to the Investor the Additional Capital, (the "Offer Shares"), on the same terms and conditions on which any Additional Capital is offered to any other Person, which terms and conditions shall be set out in a written notice with respect to such further issue (the terms of such offer to the Investor, the "Offer Terms", and the notice, the "Offer Notice"). The Investor may at its sole discretion elect to waive such right.

- 212.7. Upon such offer being made, the Investor shall have the first right to accept the Offer Terms within a period of 30 (Thirty) days from the date of the Offer Notice (the "**Offer Period**"). If the Investor agrees to subscribe to the Offer Shares within the Offer Period, the Investor shall deliver a written notice stating its acceptance to subscribe to the Offer Shares (the "**Acceptance Notice**"). The Company shall complete the issue and allotment of the Offer Shares to the Investor within a period of 15 (Fifteen) days from the date of the Acceptance Notice.

- 212.8. In the event that the Investor declines to subscribe to the Offer Shares or any part thereof within the prescribed time period or the Company has not received the Acceptance Notice within the prescribed time period, the Investor shall be deemed to have waived this rights and then the Company shall offer, issue and allot such proportion of the Offer Shares not subscribed to by the Investor to the proposed allottee on the Offer Terms within 30 (Thirty) days of the Investor having so declined.

- 212.9. The Investor shall be entitled to nominate any of its Affiliates to subscribe to, acquire and/or hold the Offer Shares which it is entitled to subscribe to, acquire or hold, pursuant to these Article 212.4 and 212.6.

Right of First Refusal

- 212.10. In the event that a Promoter receives a firm and legally binding offer from any other person (an "**Offeror**") to sell, either directly or indirectly, the legal or beneficial ownership of, or any economic interest in, any of the Shares or other Equity Securities held by them in the Company (the "Offered Shares"), the Promoter shall provide a written notice to the Investor of the proposed Transfer of the Offered Securities (the "Promoter's Offer Notice").

- 212.11. The Promoter's Offer Notice shall, inter alia, state: (a) the number of Equity Shares that the Promoter owns (on a Fully Diluted Basis), prior to the proposed Transfer and the number of Shares proposed to be Transferred (the "**Offered Shares**") and the number and class of Equity Shares the Promoters own at that time; (b) the name and address of the Offeror; (c) the proposed price, including the proposed amount and form of consideration and terms and conditions offered by the Offeror ("**Offered Price**"); (d) the proposed date of consummation of the proposed Transfer; (e) a representation that the Offeror has been informed of the "right of first refusal" and "tag along rights" provided to the Investor under these Articles of Association and has agreed to purchase all the Shares required to be purchased in accordance with the terms of this Article; (f) the rights which are proposed to be granted/transferred to such Offeror; and (g) a representation that no consideration, tangible

or intangible, is being provided to the Promoter that will not be reflected in the Offered Price. In the event that the Offered Price includes consideration other than cash, the Promoter's Offer Notice shall include a calculation of the fair market value of such consideration and an explanation of the basis for such calculation. The Promoter's Offer Notice shall be accompanied by a true and complete copy of all documents constituting the understanding between the Promoter and the Offeror regarding the proposed Transfer.

- 212.12. Upon receiving the Promoter's Offer Notice, the Investor shall have the right (but not the obligation) to, either by itself or through its Affiliate(s), acquire all of the Offered Shares at the Offered Price by providing a written notice to the Promoter (the "**Acceptance Notice**") within a period of 30 (Thirty) Business Days from the date of receipt of the Promoter's Offer Notice by the Investor (the "**Acceptance Notice Period**").
- 212.13. If the Investor exercises its right to purchase all of the Offered Shares, the Investor shall deliver the Acceptance Notice within the Acceptance Notice Period, setting out the number of Offered Shares that the Investor is willing to purchase from the Promoter. The Promoter shall, within a period of 21 (Twenty one) Business Days of the receipt of the Acceptance Notice, Transfer the Offered Shares as specified in the Acceptance Notice, to the Investor and/or its Affiliate(s), free and clear of all Encumbrances along with customary representations and warranties in relation to the title of the Offered Securities as well as the Business. The aforementioned period of 21 (Twenty One) Business Days' may be extended for such period as may be required for obtaining any Governmental Approvals required for such purchase of, and payment for, the Offered Shares by the Investor.
- 212.14. Simultaneously with the Transfer of the Offered Securities, the Investor shall pay the Promoter the Offered Price for the number of Offered Shares being purchased by the Investor.
- 212.15. On the date of Transfer of the Offered Shares in favour of the Investor, the Promoter shall issue irrevocable instructions to their depository participants to Transfer the Offered Shares to a securities account designated by the Investor. If the Offered Shares are in physical form, the Promoter shall deliver to the Investor: (i) the share certificates, properly endorsed for Transfer, representing the Offered Shares purchased by the Investor; and (ii) the duly stamped share transfer deeds, validly executed in favour of the Investor.
- 212.16. In the event that the Investor does not exercise its right of first refusal by delivering the Acceptance Notice for all of the Offered Shares, the Promoter shall be free (subject to the provisions of Article 212.17 below (*Tag Right*)) to Transfer all (but not less than all) of the Offered Securities to the Offeror named in the Promoter's Offer Notice, on terms and conditions which are not more favourable to such Offeror than those stated in the Promoter's Offer Notice, and at a price not less than the Offered Price, within a period of 30 (Thirty) Business Days from completion of the Acceptance Notice Period, subject in any event to Article 212.5 below (*Tag Along Rights*). The Promoter shall furnish to the Investor adequate documentation evidencing the completion of the sale of the Offered Shares to the Offeror at the Offered Price, and on terms and conditions no more favourable than those mentioned in the Promoter's Offer Notice mentioned therein within 2 (Two) Business Days of such Transfer to the Offeror. If such Transfer does not occur within 30 (Thirty) Business Days of the completion of the Acceptance Notice Period, the Offered Shares shall be subject de novo to this Article 212.

212.17. Tag Right

- (a) In the event that the Investor does not exercise its right of first refusal by delivering the Acceptance Notice, the Investor shall be entitled to respond to the Promoter's Offer Notice by serving a written notice (the "**Response Notice**") on the Promoter, prior to the expiry of 30 (Thirty) days from the date of receipt by the Investors of the Promoter's Offer Notice (the "**Tag Along Period**") requiring the Promoter to ensure that, subject to Article 212.16 (regulatory approvals) below, the proposed transferee of the Offered Shares also purchases such Equity Shares from the Investor as the Investor may specify (the "**Tag Securities**"), at the same price and on the same terms as are mentioned in the Promoter's Offer Notice, except that: (a) the Investor shall not be required to provide any representations or warranties, other than in respect of its title to such Tag Securities to the transferee; and (b) at the Investor's election, the Investor may receive the cash equivalent of any non-cash component of the consideration to be received by the Promoters.
- (b) The Promoters shall not be entitled to sell or Transfer any of their Offered Shares to any proposed transferee unless the proposed transferee simultaneously purchases and pays for the required number of Tag Securities in accordance with the provisions of these Articles of Association;
- (c) The Promoters shall ensure that, along with the Offered Shares, the proposed transferee also acquires the Tag Securities specified in the Response Notice at the Offered Price and upon the same terms and conditions as applicable to the Offered Shares, provided that such Offered Price takes into consideration any payment towards a non-compete fee or other consideration payable to the Promoters and provided further that the Investor may choose to receive the cash equivalent of any consideration which is in a form other than cash. Where the Investor has elected to exercise its "tag-along" right hereunder and the proposed transferee fails to purchase from the Investor the Tag Securities which it is entitled to sell under this tag along provision, the Promoters shall not make the proposed Transfer of their Offered Shares, and if purported to be made, such Transfer shall be void and the Company shall not register any such Transfer of such Offered Shares;
- (d) In the event the Investor does not deliver a Response Notice to the Promoters prior to the expiry of the Tag Along Period, then upon the expiry of the Tag Along Period, the Promoters shall be entitled to sell and transfer the Offered Shares to the proposed transferee mentioned in the Promoter's Offer Notice on the same terms and conditions and for the Offered Price as specified in the Promoter's Offer Notice;
- (e) Any transferee purchasing the Offered Shares and the Tag Securities (if applicable) shall deliver to the Promoters, on or before the date of consummation of the proposed Transfer specified in the Sale Notice, payment in full of the Offered Price in respect of the Offered Shares and the Tag Securities (if applicable) in accordance with the terms set forth in the Promoter's Offer Notice and of any requisite transfer Taxes. If completion of the sale and Transfer to the proposed transferee does not take place within a period of 90 (Ninety) days from the date of the Promoter's Offer Notice, the Promoter's right to sell the Offered Shares to such third party shall lapse, and the provisions of this Article 212.7 shall once again apply to any proposed Transfer of the Offered Shares.

- (f) The restrictions in respect of an Excluded Entity shall not apply to a Transfer of securities of the Investor pursuant to a Tag Along Right covered in this Article.
- (g) In the event that the proposed transferee does not consummate the purchase of the Offered Shares and the Tag Securities, the same shall not be deemed to be a default by the Company or the Promoters.

212.18. Where the Investor or the Promoters (as the case may be) require prior legal, governmental, regulatory or shareholder consent or approval ("**Approvals**") for an acquisition or disposal of Equity Securities pursuant in accordance with Article 212, then notwithstanding any other provision of these Articles of Association, the Investor or the Promoters (as the case may be) shall only be obliged to acquire or dispose of Equity Securities once such Approvals are obtained, and the Company, the Promoters and the Investor shall use their reasonable endeavours to obtain any such required Approvals. Any period within which a transfer of Equity Securities by or to the Investor or the Promoters (as the case may be) has to be completed shall be extended by such further period as is necessary for the purpose of obtaining the above Approvals. Provided that:

- (a) if any of the Approvals are finally withheld or declined then the Investor or the Promoters (as the case may be) shall be deemed not to have offered to purchase or sell the Equity Securities; and
- (b) Any Transfer or attempted Transfer of any Equity Securities of the Company in violation of (a) above shall be void and no such Transfer shall be recorded on the Company's register and the purported transferee of any such Transfer shall not be treated as a shareholder of the Company.

212.19. Subject to any Applicable Laws, the Company must register a transfer of any Equity Securities made in compliance with these Articles of Association.

213. DEFAULT

Occurrence of an event of default

213.1. The Promoters and the Company shall immediately intimate the Investor of the occurrence of any of the following events (each a "**Specified Event**"):

- (a) The Company and / or the Promoters breaches any of its material obligations under the Agreement. For the purposes of this Article in the event that the Company and/or the Promoters breach any of their non-material obligations under this Deed and the same is not rectified within a period of 30 (Thirty) days from the date the Company and the / or the Promoters become aware of such breach, the same shall comprise a breach of a material obligation,
- (b) Any change to the Constitutional Documents of the Company or of any document relating to the Investor Shares, which adversely affects the rights and interest of the Investor;
- (c) The initiation of any bankruptcy, insolvency or winding-up proceedings in respect of the Company or any of its material existing and future Subsidiaries other than those which are voluntary in nature and initiated by the shareholders of the Company themselves with consent of the Investor unless the same is stayed or dismissed by a court of competent jurisdiction within a period of 90 (Ninety) days from the commencement of the same;
- (d) Any Financial Indebtedness, including obligations under guarantees issued, of the Company or any of its material Subsidiaries (whether currently existing or coming into existence in future) is not paid when due and the same is not rectified within a period of 60 (Sixty) days from default;

provided however that: (i) in the event that the Board of the Company, with unanimous consent, has decided to defer making payment or not make payment in relation to any monetary obligation under an advance or deferred purchase agreement, then a delay / default in making payment pursuant to such decision of the Board shall not be treated as an Event of Default under this sub-clause; and (ii) any short term indebtedness of the Company will be deemed to form part of Financial Indebtedness for the purpose of determining whether an Event of Default has occurred under this sub-clause, irrespective of whether the said short term indebtedness is secured by cash or cash equivalents;

- (e) The attachment of any material assets of the Company which attachment is not vacated within a period of 90 (Ninety) days of such attachment;
- (f) The wilful illegality or unlawfulness arising out of, related to or in connection with the Business of the Company or any of its material existing and future Subsidiaries that has or could have a Material Adverse Effect on the financial condition, assets, operations or business prospects of the Company;
- (g) Any material qualification made by the statutory auditors of the Company or its subsidiaries as the case may be in any audit report issued after the issue of the Subscription Shares with respect to the going concern of the Company;
- (h) The Company ceases or threatens to cease carrying on a material part of its Business or operations;
- (i) An encumbrancer being appointed or taking possession of a substantial part of the assets of the Company and the Company either failing to obtain an injunction for the stay of such appointment or failing to obtain a stay for such possession within a period of 90 (Ninety) days of such coming to know about it;
- (j) Any material breach of the Company Warranties or covenants undertaken by the Company and / or the Promoters. For the purposes of this Article in the event that the Company and the Promoters are in breach of any of the Warranties or covenants provided under the Agreement, which ordinarily would not comprise of a material breach of Warranties or covenants, and the same is not rectified within a period of 30 (Thirty) days from the date the Company and the / or the Promoters become aware of such breach, the same shall comprise a material breach of Warranties or covenants;
- (k) The consummation of any transaction or series of transactions (including, any merger or consolidation) the result of which is that:
 - (i) any person or group of related persons (other than the Investor or the Promoters) owns capital or has rights to own capital of the Company representing (assuming, if applicable, full exercise and/or conversion thereof) 26% (Twenty Six percent) or more of the total number of shares outstanding (including any capital stock of the Company owned by such person or group of related persons prior to such transaction or series of transactions) on a Fully Diluted Basis;
 - (ii) any person or group of related persons (being persons acting with a common intent) acquire all or substantially all of the assets of the Company;
 - (iii) the Company consolidates with or merges into or sells or transfers all or substantially all of the Company's assets to any other person or group of related persons, unless such consolidation, merger, sale or transfer does not result in

such other person or group of related persons acquiring Control of the Company or its successor entities;

- (iv) except with the prior written consent of Investor, the majority of the Board ceasing to be constituted during any period of 12 (Twelve) months, of either (A) the existing members of the Board as on the Allotment Date or (B) the existing members of the Board as on the Allotment Date and any new directors appointed by the Board, unless the same is caused due to a casual vacancy;
- (l) The Equity Shares of the Company ceasing to be listed, quoted or dealt on an Exchange for a period of 30 (Thirty) consecutive days or more.

213.2. Effect of Events of Default

- (a) Upon the Investor becoming aware of the occurrence of a Specified Event (by an intimation from the Promoters or the Company, or otherwise), in the event that
 - (i) the Specified Event is not capable of being remedied, within the period specified in Article 213.1, or where no period has been provided, within a period of 60 (Sixty) days; or
 - (ii) the Specified Event is capable of being remedied, and is not corrected within the period provided in Article 213.1, or where no period has been provided, within a period of 60 (Sixty) days, upon the expiry of the same,the Investor may elect to treat the same as an event of default (an "Event of Default") and intimate the Company and the Promoters of the same.
- (b) Upon the occurrence of an Event of Default, the Promoters and the Company shall be entitled to deliver a cash offer price in writing to the Offeror to purchase / buy-back the Investor Shares subject only to any Consents required in connection with that Transfer. The Investor shall, without prejudice to any other rights available to it under Law or under the Agreement or under these Articles of Association, be entitled to
 - (i) accelerate and exercise all or any of the rights in Article 209 (*Exit Rights*) at any time at their discretion.
 - (ii) freely Transfer any Equity Securities held by to any other entity, including an Excluded Entity (notwithstanding the provisions of Article 212.1), at a price per share that is not below the price per share offered by the Company and / or the Promoter in accordance with Article 213.2(b).

214. DIVIDEND

- 214.1. The Investor shall be entitled to receive any dividend payable on the Subscription Shares, *pari passu* with any dividend payable to other shareholders of the Company.

215. GENERAL UNDERTAKINGS

- 215.1. Any Investor Director may, subject to compliance with the 'Code of Conduct' of the Company pertaining to insider trading and the non-disclosure agreement signed with the Company:
 - (a) report to the Investor on the affairs of the Group; and
 - (b) disclose Confidential Information as he / she shall reasonably consider appropriate to the Investor.

Confidentiality

- 215.2. Subject to the below mentioned exceptions, each of the Company, the Promoters and the Investor to the Agreement agrees with the others that for the continuance of the Agreement and for a period of 2 (Two) years thereafter it will keep confidential and shall not disclose to any third Person any Confidential Information, which it holds or receives.

- 215.3. The Company, the Promoters and the Investor to the Agreement may disclose Confidential Information:

- (a) to the extent to which it is required to be disclosed pursuant to the Applicable Laws, or in response to the request of any regulatory body having jurisdiction over such party, provided that where permissible, the disclosing party must Notify the other party promptly so such other party may seek (with the cooperation and reasonable efforts of the disclosing party) a protective order, confidential treatment or other appropriate remedy, and in any event shall furnish only that portion of the information which is reasonably necessary for the purpose at hand and shall exercise reasonable efforts to obtain reliable assurance that confidential treatment will be accorded such information to the extent reasonably requested by such party. Further, to the extent permissible a copy of every public announcement must be given to the other party before any public disclosure is made;
- (b) to the extent to which it is specifically permitted by the other parties in writing;
- (c) to the extent that the Confidential Information is publicly available and not by way of a breach of an obligation to keep such information confidential; and
- (d) to its Affiliates, employees, partners, members, managers, consultants and professional advisors, but only to the extent necessary and subject to such Affiliates, employees, partners, members, managers, consultants and professional advisors of such Affiliates are bound by, or accept a confidentiality obligation equivalent to that set out in this Article.

- 215.4. Upon the expiry of a period of 2 (Two) years from the termination of the Agreement, the Company, the Promoters and the Investor shall be required to destroy any Confidential Information in its possession that was received from the other parties; provided that a party shall be entitled to retain such Confidential Information as may be required for its archival purposes which information shall not be disseminated to any third parties, except in response to the requirement of any Government Authority having jurisdiction over such party.

Right to Conduct Business

- 215.5. The Company and the Promoters hereby acknowledge that the Investor / Investor Group invest and may invest in numerous companies, some of which may compete with the Company, its Subsidiaries and their respective businesses. The Company and the Promoters confirm and acknowledge for themselves and on behalf of the Subsidiaries of the Company, that the Investor and the Investor Group shall not be liable for any claim arising out of, or based upon (a) the fact that they hold an investment in any Person that competes with the Company and/or its Subsidiaries, or (b) any action taken by any of their officers or representatives to assist any such competing Person, whether or not such action was taken as a board member of such competing company, or otherwise; provided, the representative of the Investor on the Board of the Company and such competing company are different individuals. The Investor shall not, without the Company's consent, nominate as representative of the Investor on the Board of the Company and whether as a Director (or as an alternate director) or as an Observer, persons who are representative(s) of the Investor on the board of a competing company which is engaged in the Business. Further the Investor shall neither share any Confidential Information that it may have received under the Agreement with any of its representatives that are on the board of a competing company nor with the any

representatives of competing Person, its promoters, officers and directors.

- 215.6. The Company and the Promoters hereby unconditionally and irrevocably consent, for themselves and on behalf of the Subsidiaries of the Company, to the Investor and/or any member of Investor Group at any time and from time to time investing in the securities of any Person engaged in the same or a similar business as the business of the Company and/or the Subsidiaries of the Company or entering into collaborations or other agreements or arrangements with any Persons in India engaged in the same or a similar business as the business of the Company and/or the Subsidiaries of the Company. The Company, the Promoters and the Subsidiaries shall from time to time at the request of the Investor, certify that they do not object to such investment, agreement or arrangement with such Persons and in such form as may be requested by the Investor.
- 215.7. Further, the Investor and any Investor Group shall not disclose any Confidential Information (i.e., information which is not in the public domain) relating to the Company, Subsidiaries or the Business, to any such competing company in which it may have made investments as stated above.

Promoters to retain control as promoters

- 215.8. The Promoters and the Company agree and acknowledge that the Promoters are and shall directly or indirectly remain in Control of the Company as promoters. The Promoters are the promoters of the Company and the Investor shall not be deemed to be a promoter of the Company or in any manner subject to any obligations of the promoters of the Company. It is hereby clarified that the Promoters are not in management of the Company but are (and shall remain) in Control of the Company through exercise of the voting rights attached to the Equity Shares held by the Promoters.
- 215.9. English Language
- All notices or formal communications, under or in connection with these Articles of Association, shall be in the English language.
- 215.10. Indemnity from the Investor
- The shareholders and the Company hereby expressly agree and acknowledge that nothing in these Articles of Association shall render the Investor Group liable to indemnify any of the other shareholders for any Damages.
- 215.11. Subsidiaries
- All the rights of the Investor hereunder shall apply to all the Subsidiaries of the Company and Company shall ensure that the Subsidiaries comply with the provisions of these Articles of Association in the same manner as applicable to the Company. The Investor shall not be required to hold any securities of the Subsidiaries for the exercise of rights as mentioned herein. The Company shall at all times hold and continue to hold, 51% of the share capital of all Subsidiaries of the Company.
- 215.12. Dispute Resolution

- (a) If any dispute, controversy or claim between the Company and the Promoters, and the Investor arises out of or in connection with the Agreement, or these Articles of Association, including the breach, termination or invalidity thereof ("**Dispute**"), the parties shall use all reasonable endeavours to negotiate with a view to resolving the Dispute amicably. If a party gives the other party notice that a Dispute has arisen (a "**Dispute Notice**") and the parties are unable to resolve the Dispute amicably within 15 (Fifteen) days of service of the Dispute Notice (or such longer period as the parties may mutually agree), then the Dispute shall be referred to arbitration in accordance with

the terms of Article 215.12(b) below.

- (b) Subject to Article 215.12(a) above, any Dispute shall be finally settled by way of arbitration conducted in accordance with the Indian Arbitration and Conciliation Act, 1996. The number of arbitrators shall be 3 (Three), of whom the Investor shall appoint 1 (One) arbitrator, the Company / Promoters shall appoint 1 (One) arbitrator and the two arbitrators so appointed shall appoint the third arbitrator. Any arbitral award shall be final and binding on the Company, the Promoters and the Investor and the Company, the Promoters and the Investor waive irrevocably any rights to any form of appeal, review or recourse to any state or other judicial authority in so far as such waiver may validly be made. The venue of the arbitration shall be New Delhi, India. The language of the arbitration shall be English.
- (c) In order to facilitate the comprehensive resolution of related disputes, and upon request of any party to the arbitration proceeding, the arbitration tribunal may, within 90 (Ninety) days of its appointment, consolidate the arbitration proceeding with any other arbitration proceeding involving any of the Company, the Promoters and the Investor relating to the Agreement or these Articles of Association. The arbitration tribunal shall not consolidate such arbitrations unless it determines that (a) there are issues of fact or law common to the proceedings, so that a consolidated proceeding would be more efficient than separate proceedings, and (b) no party would be prejudiced as a result of such consolidation through undue delay or otherwise. In the event of different rulings on this question by the arbitration tribunal constituted hereunder and any tribunal constituted under these Articles of Association, the ruling of the tribunal constituted under these Articles of Association will govern, and that tribunal will decide all disputes in the consolidated proceeding.
- (d) The provisions of this Article 215.12 shall survive any termination of the Agreement.

215.13. Governing Law and Jurisdiction

These Articles of Association and any non-contractual obligations arising out of or in connection with it shall be governed by and construed in accordance with Indian law. Subject to the provisions of Article 215.12 (*Dispute Resolution*), the courts at New Delhi shall have non-exclusive jurisdiction in relation to all matters arising out of these Articles of Association.

215.14. Assignment

- (a) The Company and the Promoters shall not be entitled to, nor shall they purport to, assign transfer, charge or otherwise deal with all or any of its/their rights and/or obligations under the Agreement or these Articles of Association nor grant, declare, create or dispose of any right or interest in it, in whole or in part.
- (b) Subject to the terms of the Agreement, the Investor (and it being clarified each assignor thereafter) shall be entitled to assign all of its rights and obligations hereunder to any other Person, free from all restrictions along with transfer of Subscription Shares, save and except to an Excluded Entity. For this purpose, the Company, the Promoters and the Investor shall execute such deed of adherence or other document, all in the Agreed Form as the Investor may request. Provided that the Investor and its assignees shall not, in the aggregate hold rights, which are in excess of those available to the Investor.
- (c) Any of the rights of the Investor hereunder may be exercised by any Affiliate of the Investor on behalf of

the Investor and a Transfer of shares of any class in the Company by an Affiliate of the Investor to another Affiliate may be made without restriction as to price or otherwise.

- (d) If the Investor and its Affiliates, along with any persons to whom the Investor assigns any rights hereunder, together cease to hold at least 20% (Twenty percent) of the number of Subscription Shares, then the rights of the Investor and its assignees under the Agreement shall cease. Further, if the Investor assigns any rights hereunder to any person other than an Affiliate, such assigned rights shall cease upon completion of 72 (Seventy Two) months from the Allotment Date. However, the Investor's rights hereunder shall continue until it along with its Affiliates hold(s) at least 20% (Twenty percent) of the number of Subscription Shares.

215.15. Notices. Except as may be otherwise provided herein, all notices, requests, waivers and other communications ("**Notices**") shall be deemed to be delivered as provided herein: (a) if delivered to the addressee ("**Receiving Party**") by hand: upon the Notice being acknowledged by written receipt by the Receiving Party; (b) if sent by facsimile: upon the receipt of transmission report confirming transmission; (c) if dispatched by ordinary prepaid postage: upon the lapse of the 5th (fifth) day of such dispatch; (d) if sent via an overnight courier: upon receipt (evidenced by proof of delivery). The Notices shall be addressed to the Company, the Promoters and the Investor at the contact details provided below. Each party shall promptly inform the other parties of any change to his/its contact details.

For the Company

Prime Focus Limited

Attention: Nishant Fadia, Chief Financial Officer

Address: 2nd Floor, Mainframe IT Park Building H Royal Palms, Goregaon (East), Mumbai 400 065

Phone: +91 22 2409 5000

Facsimile: +91 22 2409 5001

For the Promoters

Attention: Mr. Naresh Malhotra / Mr. Namit Malhotra

Address: 2nd Floor, Mainframe IT Park Building H Royal Palms, Goregaon (East), Mumbai 400 065

Phone: +91 22 2409 5000

Facsimile: +91 22 2409 5001

For the Investor

Attn: Mr. Andrew Dawson

Address: c/o Kross Border Trust Services Limited, St. Louis Business Center, Cnr Desroches & St. Louis Streets, Port Louis, Mauritius

Facsimile: +65 6634 9560

PART IV

Provisions pursuant to the Debenture Trust Deed dated November [05], 2012 executed between the Company, the Promoters and Unit Trust of India Investment Advisory Services Limited (the “**Debenture Trust Deed**”)

216. Notwithstanding anything to the contrary contained in the preceding provisions contained in Part I, Part II and Part III of these Articles of Association, so long as the Debenture Trust Deed continues to be in effect, the provisions contained in this Part IV of these Articles of Association shall also apply and in the event of any inconsistency or contradictions between the provisions of Part I, Part II or Part III of these Articles of Association and the provisions of Part IV of these Articles of Association, the provisions of Part IV of these Articles of Association shall override and prevail over the provisions of Part I, Part II and / or Part III of these Articles of Association.

217. The termination of the Debenture Trust Deed or cessation of operation of certain clauses under Part IV of these Articles of Association shall be without prejudice to any claim or rights of action previously accrued in terms of Part IV of these Articles of Association before such termination or cessation.

218. Definitions

Capitalised terms used in this Part IV of the Articles of Association shall have the meaning assigned to them under the Debenture Trust Deed.

Negative Covenants

219. The Company and the Promoters hereby covenant and agree that until the Final Settlement Date (as defined under the Debenture Trust Deed):

- (a) So long as at least 20% (Twenty percent) or more of the Debentures are outstanding, neither the Company nor its Subsidiaries will undertake (whether by decision of the Board, any committee, or the shareholders of the Company and/or the Subsidiaries) to do the following without obtaining the Debenture Holders Consent (for which purpose the Debenture Holders shall communicate their decision through the Debenture Trustee):
 - (i) Any material acquisition, disposal or merger;
 - (ii) Any change in rights of the existing shares and issuance of any new class of share capital;
 - (iii) The conversion of any securities of the Company or any of its Subsidiaries (other than the existing options outstanding and the existing performance rights granted to selected members of the management team and not more than 20,112,164 (Twenty Million One Hundred and Twelve Thousand One Hundred and Sixty Four) number of warrants to be issued by the Company to the Promoters within a maximum period of 45 (Forty Five) days from the Deemed Date of Allotment, which warrants shall be convertible to an equal number of equity shares and shall be issued at a minimum price of INR 51.75/- (Indian ₹ Fifty One and Seventy Five paise only) per warrant / equity share;
 - (iv) Any capital issuance or strategic sale at the level of the Company or any Subsidiary;
 - (v) Any change in the size of the Board of the Company (except for appointment of the Nominee Director) subject to compliance with statutory requirements;
 - (vi) Settling any litigation, which has a monetary value exceeding INR 60,000,000/- (Indian ₹ Sixty Million only)
 - (vii) Changing the fiscal year end of the Company and / or any

Subsidiary;

- (viii) Issue of any share capital under any executive stock option plans (which plan is adopted after the date on which the Information Memorandum is issued);
- (ix) Listing of the securities of Prime Focus World;
- (x) Creation of any encumbrance over assets or revenues or permitting any set-off rights, to secure future indebtedness of the Company or its Subsidiaries, except security granted in the ordinary and usual course of business and other customary exceptions and those which already exist.
- (b) So long as at least 20% (Twenty percent) or more of the Debentures are outstanding, the Debenture Holders Consent will be required (for which purpose the Debenture Holders shall communicate their decision through the Debenture Trustee) to effect any of the following at the level of the Company or any of its Subsidiaries:
 - (i) changing the capital structure of the Company, take any action that would change or adversely affect any right, preference or privilege, or change the authorized number of shares of the Company, redeem or acquire any shares of common stock or preferred stock, except redemption of other preferred stock issued prior to the issue of the Debentures;
 - (ii) other than in relation to the issuance of up to 20,112,164 (Twenty Million One Hundred and Twelve Thousand One Hundred and Sixty Four) equity shares, which are to be issued to the Promoters upon conversion of an equal number of warrants, which warrants are to be issued by the Company to the Promoters within 45 (Forty Five) days from the Deemed Date of Allotment and which warrants shall be issued at a minimum price of INR 51.75/- (Indian ₹ Fifty One Decimal Point Seven Five only), authorize or issue any equity or equity-linked security, including any security exercisable or convertible into an equity security, or reclassify (whether by amendment, merger, consolidation or otherwise) any outstanding shares or securities, which are convertible into shares;
 - (iii) taking any action that would change or adversely affect any right, preference or privilege, or change the authorized number of shares of the Company, redeem or acquire any equity shares;
 - (iv) creating or adopting any new or additional equity option plan, or change, modify or amend any existing equity option plan;
 - (v) incurring any Financial Indebtedness or entering into any fixed operating lease or grant of any loan, guarantee or indemnity, which (in each case) exceeds INR 250,000,000/- (Indian ₹ Two Hundred and Fifty Million only);
 - (vi) incurring any secured or unsecured Financial Indebtedness or act as guarantor where the amount of such Financial Indebtedness is equivalent to or greater than: (i) INR 7,000,000,000/- (Indian ₹ Seven Billion only) in Financial Year 2013; (ii) INR 7,750,000,000/- (Indian ₹ Seven Billion and Seven Hundred and Fifty Million only) in Financial Year 2014; and INR 8,500,000,000/- (Indian ₹ Eight Billion and Five Hundred Million only) from Financial Year 2015 onwards; individually or when taken together with all existing Financial Indebtedness;
 - (vii) incurring any Financial Indebtedness (except such indebtedness, which are otherwise purely debt in nature, but wherein lender has reserved rights to convert debt into

- equity), which has equity participation rights or is issued in conjunction with any equity shares, including any security exercisable or convertible into an equity security, or which is capable of being converted into or contains any option or right to convert into equity shares;
- (viii) encumbering, diluting, transferring or licensing any brand, software, intellectual property, or other intangible asset of the Company, other than in the usual and ordinary course of business of the Company, to raise Financial Indebtedness (approved by the Debenture Holders) for the Company, its Subsidiaries, PLC or any joint venture;
 - (ix) providing guarantees or making any loans to any entities other than Subsidiaries;
 - (x) purchasing any security, private or public, other than high-grade money market securities over and above INR 50,000,000/- (Indian ₹ Fifty Million only);
 - (xi) purchasing real estate, of value greater than INR 100,000,000/- (₹ One Hundred Million only), in any 12 (Twelve) month period;
 - (xii) acquiring the stock or assets of any other entity or otherwise setting up or investing in any venture or entity or form any joint venture or strategic alliance. For this purpose, a strategic alliance means any arrangement to act together or with a common objective that is not in the ordinary course of business;
 - (xiii) effecting any sale, lease, assignment, transfer or other conveyance of all or substantially all of the assets of the Company or any of its Subsidiaries, or any consolidation or merger involving the Company or any of its Subsidiaries, or any reclassification or other change of any stock (whether by amendment, merger, consolidation or otherwise), or any recapitalization (whether by amendment, merger, consolidation or otherwise) of the Company;
 - (xiv) selling, transferring or encumbering any technology or intellectual property of the Company or its Subsidiaries, other than the granting of licenses (non-exclusive or exclusive) that is in the ordinary course of business;
 - (xv) declaring or paying a dividend on any series of existing or future capital stock;
 - (xvi) paying any management, advisory or other fee to or to the order of any of its Affiliates and, in each case, other than dividends or other distributions which are payable in accordance with the approved dividend policy of the Company and provided that the payment of such dividends or distributions does not result in the ratio of Free Cash Flow to Debt Service being less than 1.5 (One Decimal Point Five) times;
 - (xvii) amending the Constitutional Documents of the Company or any of its Subsidiaries;
 - (xviii) materially changing the business purpose of the Company;
 - (xix) engaging in any transactions with any Connected Person, including making any loans to employees, officers, directors, consultants or other Persons performing services for the Company, and also including all transactions with Subsidiaries (including at all times PLC), but other than
- A. transactions with Subsidiaries that fulfil all the following conditions: (i) in the ordinary course of business; (ii) on an arms-length basis; (iii) have a monetary value which is less than INR 150,000,000/- (Indian ₹ One Hundred and Fifty Million only); and (iv) does not cause a loss to the Company;
- B. transactions with entities, where the Company is not aware that the counterparty (/ies) is or are Connected Persons that fulfil all the following conditions: (i) in the ordinary course of business; (ii) on an arms-length basis; (iii) have a monetary value which is less than INR 10,000,000/- (Indian ₹ Ten Million only); and (iv) does not cause a loss to the Company;
 - (xx) entering into, amending or terminating any contract with a value of more than INR 150,000,000/- (Indian ₹ One Hundred and Fifty only);
 - (xxi) incurring any capital expenditure in excess of INR 1,000,000,000/- (₹ One Billion only) per annum;
 - (xxii) approval of accounts;
 - (xxiii) entering into or amending any exclusive marketing agreements or arrangements, other than in the normal course of business;
 - (xxiv) appointing or removing and determining the terms of employment of the Key Management Employees, and any significant changes in the terms of their employment agreements;
 - (xxv) undertaking or enter into any agreement or transaction for any corporate restructuring, including disposal or assignment of assets/business;
 - (xxvi) creating legal entities, joint ventures or partnerships (as defined under the Act), mergers, de-mergers, spin-offs and consolidations, and creating any new subsidiaries, dissolving, winding-up or liquidating the Company or any Subsidiary, if voluntary in nature, or any restructuring or reorganization, which has a similar effect;
 - (xxvii) prosecuting or settling legal actions or claims where the aggregate amount of all claims so prosecuted or settled would exceed INR 60,000,000/- (₹ Sixty Million only) in any Financial Year;
 - (xxviii) making material changes to accounting or Tax policies, procedures or practices or change of internal or statutory auditors, unless as required by law or for regulatory compliance or because an existing auditor getting merged into, or acquired by, another auditor;
 - (xxix) delegating authority or any of the powers, relating to any matter contained in this Article 219, of the Board of the Company and/or its Subsidiaries to any individual or committee and any commitment or agreement to do any of the foregoing;
- (c) Where any decision or action to be taken by or in respect of a Subsidiary relates to a negative covenant identified in this Article 219, the Company shall first obtain the prior consent of the Debenture Trustee (acting on the basis of the Debenture Holders Consent) in respect of the same and subsequently vote/instruct their representatives to vote at the meetings of the Subsidiary in accordance with the Debenture Holders Consent. Where the Debenture Holders Consent is withheld, the Company shall vote / ensure that their representatives vote against such matters at the meetings of the Subsidiaries.



PRIME FOCUS LIMITED

Registered Office: 2nd Floor, Main Frame IT Park, Building - H, Royal Palms, Near Aarey Colony,
Goregaon (East), Mumbai - 400 065.

EXTRA-ORDINARY GENERAL MEETING – DECEMBER 20, 2012

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting Venue)

FOLIO NO. : _____

NO. OF SHARES : _____

DP ID NO. : _____

CLIENT ID NO. : _____

Name of the attending member (in block letters)

Name of proxy (in block letters) (to be filled by the proxy attending instead of the member)

I hereby record my presence at the **Extra-Ordinary General Meeting to be held on Thursday, December 20, 2012, at 10.00 a.m. at the registered office of the Company at Prime Focus Office, Main Frame IT Park, Building – H, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai – 400 065.**

Member's / Proxy's Signature

- Notes :
- 1) Interested joint members may obtain attendance slip from the Regd. Office of the Company.
 - 2) Members/Joint members/Proxies are requested to bring attendance slip with them. Duplicate slips will not be issued at the entrance of the Auditorium.



PRIME FOCUS LIMITED

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EXTRA-ORDINARY GENERAL MEETING – DECEMBER 20, 2012

PROXY FORM

FOLIO NO. : _____

NO. OF SHARES : _____

DP ID NO. : _____

CLIENT ID NO. : _____

I/We of being a member/members of the above named Company, hereby appoint of or failing him of as my/our proxy to vote for me/us on my/our behalf at the **Extra-Ordinary General Meeting to be held on Thursday, December 20, 2012, at 10.00 a.m. at the registered office of the Company at Prime Focus Office, Main Frame IT Park, Building - H, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai – 400 065.**

Signed day of 2012

Signature-----

Affix Revenue
Stamp of Re.1

Notes : The proxy form must be deposited at the Company's Regd. Office not less than 48 hrs before the meeting. The proxy need not be a member of the Company.

BOOK-POST

if undelivered please return to :

PRIME FOCUS LIMITED

Registered Office: 2nd Floor, Main Frame IT Park, Building - H,
Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai - 400 065.