



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 (“Company”) will be held on Saturday, November 03, 2012, at 11.30 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. Issue of Warrants, exercisable into Equity Shares, on preferential basis to Promoters -

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

“RESOLVED THAT pursuant to Section 81(1A) and all other applicable provisions, if any, of the Companies Act, 1956 (including any statutory modifications or re-enactment thereof, for the time being in force), the Memorandum and Articles of Association of the Company, Listing Agreements entered into by the Company with the Stock Exchanges where the equity shares of the Company are listed, Chapter VII of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (**“SEBI (ICDR) Regulations”**) and other applicable Regulations/ Guidelines including Foreign Exchange Management Act, 1999, wherever applicable, such other approvals, permissions, sanctions, consents as may be necessary or expedient under the applicable laws, rules and regulations and subject to such terms, conditions, alterations and modifications as may be considered appropriate by the Board of Directors, (hereinafter referred to as **“Board”** which shall include any Committee of Directors) consent of the shareholders of the Company be and is hereby accorded to the Board to offer, issue and allot, on preferential basis, warrants not exceeding 20,112,164 in number representing a right to subscribe to 20,112,164 equity shares of the Company of face value of ₹ 1/-, for an aggregate amount of ₹ 1040 million (hereinafter referred to as the **“Warrants”**), in one or more tranches on preferential basis, at a price equal to the prevailing market price per equity share of the Company as at the date of allotment subject to a maximum price which shall not exceed ₹ 53/- and a minimum price which shall not be less than the minimum price determined in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations, to Mr. Namit Malhotra (the **“Warrant holder”**), the Promoter of the Company.

RESOLVED FURTHER THAT the aforesaid number of Warrants has been calculated on the basis of minimum issue price of ₹ 51.71 computed as per the SEBI (ICDR) Regulations, however, the exact number of Warrants will be determined according to the actual issue price arrived at in the manner detailed above and the term Warrants shall be construed accordingly. However, the number of Warrants to be allotted to the Warrant holder shall not exceed 20,112,164 in number.

RESOLVED FURTHER THAT the **“Relevant Date”** under SEBI (ICDR) Regulations for preferential Issue in relation to Warrants for the purpose of determining the issue price shall be **4th October, 2012**, i.e. 30 days prior to the date of passing this Resolution.

RESOLVED FURTHER THAT the issue of Warrants, if any, as above, shall be subject to the following terms and conditions:

1. The Warrants shall be exercisable (at the option of the Warrant holder) at any time within a period of 18 months from the date of allotment of Warrants.
2. Each warrant shall represent the right to subscribe to one equity share of nominal value of ₹ 1/- each at a price not less than the minimum price determined in accordance with the provision of Chapter VII of SEBI (ICDR) Regulations.
3. The Warrant holder shall, on the date of allotment of Warrants, pay an amount equivalent to 25% of the total subscription price of the equity shares per Warrant.
4. The exercise of Warrants into equity shares shall be made in one or more tranches within a period of 18 months from the date of allotment of Warrants.
5. The amount referred in (3) above shall be forfeited, if the option to acquire shares is not exercised within a period of 18 months from the date of allotment of Warrants.

6. The number of Warrants and the price per Warrant shall be appropriately adjusted, subject to the Companies Act, 1956 and applicable SEBI guidelines, for corporate actions such as bonus issue, rights issue, stock split, merger, demerger, transfer of undertaking, sale of a division or any such capital or corporate restructuring.
7. The lock in of Warrants and shares acquired by exercise of Warrants shall be for a period of 3 years, in terms of the SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid Warrants shall be made within 15 days from the date of passing of this resolution subject to the applicable statutory regulatory provisions and the SEBI (ICDR) Regulations.

RESOLVED FURTHER THAT the equity shares so issued and allotted on exercise of Warrants into equity shares shall rank *paripassu* with then existing equity shares of the Company in all respects including dividend.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorised to agree, make and accept all such term(s), condition(s), modification(s) and alteration(s) as it may deem fit, including, condition(s), modifications(s) and alteration(s) stipulated or required by any relevant authorities or by their bye-laws, rules, regulations or guidelines, and the Board is also hereby authorised to resolve and settle all questions, difficulties or doubts that may arise in regard to such offer, issue and allotment, to finalise and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion deem fit without being required to seek any further consent or approval of the Company or otherwise to the end and intent that they shall be deemed to have given approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred by this resolution on it, to any Committee of Directors or the Chairman or any other Director(s) or officer(s) of the Company to give effect to the aforesaid resolution.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalise all matters incidental thereto as it may in its absolute discretion think fit, in accordance with all applicable laws, rules and regulations for the time being in force issue and allot the Equity shares and apply for listing of such securities on the stock exchanges where the Equity shares of the Company are already listed as and when the Equity shares are issued and allotted through exercise of Warrants issued through this resolution."

2. Preferential Allotment of Equity Shares:

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

"RESOLVED THAT pursuant to section 81(1A) and all other applicable provisions of the Companies Act, 1956, including any statutory modification or re-enactment thereof, for the time being in force (the "**Act**"), and in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time (the "**SEBI ICDR Regulations**"), the Foreign Exchange Management Act, 2000, the Foreign Exchange Management (Transfer or Issue of Securities by a Person Resident Outside India) Regulations, 2000, including any amendment, modification, variation or re-enactment thereof, and the provisions of any rules/regulations/guidelines issued/framed by the Central Government, Reserve Bank of India, Foreign Investment Promotion Board, Securities and Exchange Board of India, the stock exchange where the shares of the company are listed and any other appropriate authorities (hereinafter collectively referred to as the "**Appropriate Authorities**"), enabling provisions of the Memorandum and Articles of Association of the Company and the Listing Agreement entered into by the Company with the stock exchange(s) where the shares of the Company are listed and subject to the Company obtaining all approvals from the Appropriate Authorities; and subject to such conditions and modifications, as may be prescribed by any one of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as the "**requisite approvals**"), which may be agreed to by the Board of Directors of the Company (hereinafter called the "**Board**" which term shall be deemed to include any Committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this Resolution), the consent, authority and approval of the shareholders of the Company be and is hereby accorded to the Board to offer, issue and allot upto an aggregate of 36,549,990 equity shares of ₹ 1 each (each an "**Equity Share**" and collectively the "**Issue Shares**") at a price per Equity Share equal to the prevailing market price per equity share of the Company as of the date of allotment subject to a maximum price of ₹ 53/- per Equity Share and a minimum price which shall not be less than the minimum price per Equity Share as determined in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations for an aggregate consideration of the Indian Rupee equivalent of USD 35,000,000 (United States Dollars Thirty Five Million) to the investor named below (the "**Investor**") on preferential allotment basis, at such time or times and on such terms and conditions and in such manner as may be decided by the Board in this connection.

Name of Investor	Equity Shares*	Issue Size (₹)**
Standard Chartered Private Equity (Mauritius) III Limited	36,549,990	1,890mn

* Assuming that Issue Shares will be issued and allotted at the minimum price per Equity Share as per the SEBI (ICDR) Regulations, i.e. ₹ 51.71 and assuming a United States Dollars to Indian Rupee exchange rate of US\$ 1 to ₹ 54/-.

** Assuming a United States Dollars to Indian Rupee exchange rate of US\$ 1 to ₹ 54/-.

RESOLVED FURTHER THAT the aforesaid number of Issue Shares and the Rupee equivalent of the issue size have been calculated on the basis of assumptions as stated above, however, the same may vary and the exact number of Issue Shares and the Rupee equivalent of the issue size will be determined according to the actual rupee dollar conversion rate and the actual issue price arrived at in the manner detailed above and the term Issue Shares/Equity Share shall be construed accordingly. However, the number of Issue Shares to be allotted to the Investor shall not exceed 36,549,990 in number.

RESOLVED FURTHER THAT the Issue Shares shall be issued and allotted by the Company to the above-mentioned Investor, inter alia, subject to the following:

- a) The Issue Shares shall be allotted within a period of 15 days from the date of passing of this resolution provided that where the allotment of the said Issue Shares is pending on account of pendency of any approval of such allotment by any regulatory authority, the allotment shall be completed within a period of 15 days from the date of such approval;
- b) The Issue Shares to be issued and allotted in the manner aforesaid shall rank paripassu with the existing equity shares of the Company in all respects;
- c) The Issue Shares shall be subject to a lock in period of 1 year from the date of allotment of such shares.

RESOLVED FURTHER THAT the price of the Issue Shares has been calculated in accordance with provisions of Chapter VII of the SEBI ICDR Regulations. The "Relevant Date" for the purpose of calculating the price of the Issue Shares is the date 30 days prior to the date of this Extraordinary General Meeting i.e. **4th October, 2012**.

RESOLVED FURTHER THAT for the purpose of giving effect to any offer, issue or allotment of the Issue Shares, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may in its absolute discretion, deem necessary and desirable for such purpose, including without limitation, issuing clarifications on the issue and allotment of the Issue Shares, resolving any difficulties, effecting any modification to the foregoing (including any modifications to the terms of the issue), preparing, signing and filing applications with the appropriate authorities for obtaining requisite approvals, liaising with appropriate authorities to obtain the requisite approvals, entering into contracts, arrangements, agreements, memoranda, documents for appointment of agencies for managing, listing and trading of Issue Shares, to appoint such consultants, legal advisors, advisors and all such agencies as may be required for the issuance of the Issue Shares.

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers herein conferred to any Committee of the Board or any Director(s) of the Company and to generally do all such acts, deeds and things as may be necessary or incidental to give effect to the aforesaid resolutions".

RESOLVED FURTHER THAT all actions taken by the Board or Committees duly constituted for this purpose in connection with any matter(s) referred to or contemplated in any of the foregoing resolutions be and are hereby approved, ratified and confirmed in all respects."

By order of the Board of Directors

Sd/-

Navin Agarwal
Company Secretary

Date: October 10, 2012

Place: Mumbai

NOTES FOR MEMBERS' ATTENTION

1. **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.
2. Pursuant to Section 173 of the Companies Act, 1956, an Explanatory Statement in respect of the businesses mentioned under Item Nos. 1 and 2 above, is annexed.

ANNEXURE TO NOTICE

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

Item No. 1 and 2

The Warrants and Equity Shares (referred to in item no. 1 and 2 above) together are being issued by the Company with a view to augment funds to first repay the existing liability of approx. USD 55 million owed by the Company to the existing holders of outstanding foreign currency convertible bonds issued by the Company and the remaining amounts thereafter, if any, shall be used to fund the Company's growth capital requirements, to meet Company's capital expenditure, enhance its long term resources and thereby strengthening the financial structure of the Company.

Pursuant to provisions of Section 81 (1A) of Companies Act, 1956, any preferential allotment of securities, is needed to be approved by the shareholders by way of Special Resolution. Further, in terms of Reg. 73 of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, the following disclosures are needed to be made in the Explanatory Statement to the Notice of the General Meeting.

I. Objects of the issue through Preferential Offer

The proceeds of the preferential offer are proposed to be used first for repayment of the existing liability of approx USD 55 million owed by the Company to the existing holders of outstanding foreign currency convertible bonds and the remaining amounts thereafter, if any, shall be used to fund the Company's growth capital requirements, capital expenditure for Company's businesses, financial support to Subsidiaries/Joint Ventures/ Associates by way of loans/investments, general corporate purposes, strategic acquisitions, maintenance of adequate liquidity for the future requirements in line with the growth strategy of the Company.

II. Intention of Promoters / Directors / Key Management Persons to subscribe to the offer

The entire issue of Issue Shares will be made to Standard Chartered Private Equity (Mauritius) III Limited and no Issue Shares are being subscribed by the Promoters of the Company. The Promoter, namely Mr. Namit Malhotra, is proposed to be issued the Warrants as mentioned above. To meet the objects of the issue, the Promoter, Mr. Namit Malhotra has intended to subscribe to the Warrants to the extent of ₹1040 mn.

III. Shareholding pattern before and after the Preferential Issue

	Shareholder Category	Pre-Preferential issue Shareholding (as of September 30, 2012)		Post-Preferential issue Shareholding (after allotment of equity shares)*	
		No.	%	No.	%
A	Promoter's Holding				
	(i) Indian Promoters				
	(a) Individual	75,787,712	50.9%	95,899,876	46.7%
	(b) Bodies Corporate	-		-	
	(c) Others	-		-	
	Sub Total (i)	75,787,712	50.9%	95,899,876	46.7%
	(ii) Foreign Promoters				
	- Bodies Corporate	-		-	
	Sub Total (i) + (ii)	75,787,712	50.9%	95,899,876	46.7%
B	Non Promoters Holding				
	Mutual Fund/UTI	1,382,539	0.9%	1,382,539	0.7%
	FIs/Banks	57,500	0.0%	57,500	0.0%
	FIIIs	7,720,988	5.2%	7,720,988	3.8%
	Bodies Corporate	23,137,953	15.5%	23,137,953	11.3%
	Residents Individuals	37,508,634	25.2%	37,508,634	18.2%
SCPE	Qualified Foreign Investors	-	0.0%	36,549,990	17.8%
	Non Resident Indians (Repat)	1,383,338	0.9%	1,383,338	0.7%
	Non Resident Indians (Non Repat)	209,753	0.1%	209,753	0.1%
	Overseas Corporate Bodies	-	0.0%	-	0.0%
	Hindu Undivided Families	-	0.0%	-	0.0%
	Clearing Members	1,674,529	1.1%	1,674,529	0.8%
	Trusts	4,500	0.0%	4,500	0.0%
	Sub Total	73,079,734	49.1%	109,629,724	53.3%
	Grand Total (A+ B)	148,867,446	100.0%	205,529,600	100.0%

Note: The post-issue shareholding pattern has been arrived on the assumption that upto all 20,112,164 warrants would be converted into equity shares and allotment of all 36,549,990 Equity Shares to Non- Promoters Investor

IV. Proposed time within which the allotment shall be completed

The allotment of Issue Shares and issue of Warrants are proposed to be completed within a maximum period of 15 days from the date of passing of the resolution at the general meeting or where the approval of any statutory authority is pending or required, the allotment will be completed within 15 days from date of such approval.

V. Identity of the proposed allottee and the percentage of post preferential issue capital

Identity of proposed allottee	Category	Number of equity shares to be issued and allotted#	Percentage of post preferential allotment to be held by the allottee*	Whether the issue of capital on preferential basis will lead to change in control	Number of Warrants to be allotted#	Issue Price#
Namit Malhotra	Promoter	On conversion of all Warrants- 20,112,164	20.7%	No	20,112,164	51.71/-
Standard Chartered Private Equity (Mauritius) III Limited	FDI	36,549,990	17.8%	No	Nil	51.71/-

The numbers mentioned above with respect to Issue Shares have been computed on the presumption of Dollar Exchange rate to be ₹ 54.00 and that the Investor would be subscribing to the Issue Shares at a price of ₹ 51.71 per Equity Share. The exact number of Issue Shares to be allotted to the Investor shall be determined according to the actual rupee dollar conversion rate and the actual issue price computed in the manner stated in para X below, provided that the Issue Shares to be allotted to the Investor shall not exceed 36,549,990 in number.

The numbers mentioned above with respect to Warrants have been computed on the presumption that the Warrant holder would be subscribing to the Warrants at a price of ₹ 51.71. The exact number of Warrants to be allotted to the Warrant holder shall be determined according to the actual issue price computed in the manner stated in para X below, provided that the Warrants to be allotted to the Warrant holder shall not exceed 20,112,164 in number.

*The post preferential allotment percentage holding has been arrived on the assumption that upto all 20,112,164 Warrants would be converted into equity shares and allotment of all 36,549,990 Equity Shares to Non- Promoters Investor.

The proposed allottee has not sold any shares during the 6 months period prior to the relevant date.

VI. Undertaking

The Company undertakes to re-compute the price of the specified securities in terms of the provisions of SEBI (ICDR) Regulations, 2009 where it is required to do so.

The Company further undertakes that if applicable under the provisions of SEBI (ICDR) Regulations, 2009, if the amount payable on account of the re-computation of price is not paid within the time stipulated in the SEBI (ICDR) Regulations, 2009, the above specified Securities shall continue to be locked in till the time such amount is paid by the allottees.

VII. Relevant Date

The Relevant Date for the purpose of determining the issue price of equity shares and pricing of shares arising out of Warrants in accordance with Chapter VII of SEBI(ICDR) Regulations, 2009 is October 4, 2012 (i.e. 30 days prior to the date of Extraordinary General meeting).

VIII. Lock In period

In terms of the SEBI (ICDR) Regulations, 2009, allotment of Equity shares to non promoters and Warrants and Equity Shares allotted on exercise of Warrants issued on preferential basis shall be subject to prescribed lock-in-period.

IX. Terms of Exercise of Warrants

The Warrants may be exercised at the option of the Warrant holder within 18 months from the date of its allotment.

X. Issue Price

The price at which each Warrant to promoters and equity shares to non-promoters will be issued will be the prevailing market price of the equity shares of the Company as at the date of allotment of the warrants to promoters and equity shares to non-promoters respectively, but shall be subject to a maximum price of ₹ 53/ per equity share and a minimum price which shall not be less than the minimum price determined in accordance with the provisions of Chapter VII of the SEBI (ICDR) Regulations.

XI. Terms of payment of Warrants

25% of the issue price of the equity shares to be issued on exercise of the Warrants will be paid on the date of allotment of the Warrants. In case the option to convert Warrants into equity shares is not exercised within 18 months from the date of its allotment, this amount shall be forfeited.

The balance 75% of the issue price is payable at the time of allotment of the equity shares pursuant to the exercise of the Warrant.

XII. Other terms of Warrants

- i. Each Warrant will represent the right to subscribe to 1 (one) equity share of par value of ₹ 1 each. Equity shares to be allotted on conversion / exercise of right attached to the Warrants issued in terms of this resolution shall rank pari-passu inter-se and with then existing equity shares of the Company in all respects including dividend.
- ii. Save and except the right of subscription to the Company's equity shares as per the terms of the issue of Warrants, the Warrant holder(s) shall have no other rights or privileges such as entitlement of voting rights, dividend, bonus issue or rights issue or similar benefits declared by the Company.

XIII. Statutory Auditor's Certificate

The Company is obtaining a certificate from the Statutory Auditor of the Company that above issue is being made in accordance with the requirements contained in the aforesaid SEBI (ICDR) Regulations. A copy of which shall be made available for inspection at the Registered Office of the Company on any working day till the date of the Extra Ordinary General Meeting during business hours between 3.00 PM to 5.00 PM and will also be placed before the meeting.

XIV Change in Control

The proposed allotment on preferential basis, if made, will not result in change in management or control of the Company as per the provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereof.

Section 81 of the Companies Act, 1956 provides, *inter alia*, that when it is proposed to increase the subscribed capital of a Company by allotment of further shares, such further shares shall be offered to the existing shareholders of the Company unless shareholders in general meeting decide otherwise by passing a special resolution. Hence, consent of the shareholders by way of a Special Resolution is being sought.

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

PRIME FOCUS LIMITED

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

ATTENDANCE SLIP

DP ID : _____

Client ID : _____

Regd.Folio No : _____

Name of the Member(s) or Proxy : _____

No. of Shares held : _____

I/We hereby record my/our presence at the Extra Ordinary General Meeting of the Company held on Saturday, the 3rd day of November, 2012 at 11.30 a.m. at Prime Focus Office, Main Frame IT Park, Building – H, Royal Palms, Near Aarey Colony, Goregaon (East), Mumbai – 400 065.

SIGNATURE OF THE MEMBER(s) OR PROXY

(To be signed at the time of handing over this slip)

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PRIME FOCUS LIMITED

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

PROXY FORM

DP ID : _____ Client ID : _____

Ledger Folio No. : _____ No.of Shares held : _____ Proxy No : _____

I/We _____ of _____ in the district of _____

being a Member(s) of Prime Focus Limited hereby appoint _____ of _____

in the District of _____ or failing him _____ of _____

in the District of _____ as my/our proxy to attend and vote for me/us on my/our behalf at the Extra Ordinary General Meeting of the Company to be held on the 3rd day of November, 2012 and at any adjournment thereof.

Signed this _____ day of _____ 2012.

Signature of Member/s

(Affix a
Re.1/-
Revenue
Stamp)

NOTE:- The proxy form must be returned so as to reach the Registered Office of the Company not less than 48 hours before the time for holding the aforesaid Meeting.

BOOK-POST

If not delivered, please return to:

PRIME FOCUS LIMITED

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