

Letter of Offer

This Document is important and requires your immediate attention.

This Letter of Offer ('LOF') is sent to you as a Shareholder(s) of **Prime Focus Limited**. If you require any clarification about the action to be taken, you may consult your stock broker or investment consultant or the Manager to the Offer (as defined below) or the Registrar to the Offer (as defined below). In case you have recently sold your Equity Shares, please hand over this LOF and the accompanying Form of Acceptance and transfer deed to the member of the Stock Exchange through whom the said sale was effected.

Reliance MediaWorks Limited

a company incorporated under the laws of India
Film City Complex, Goregaon (East), Mumbai – 400 065, India
Tel: +91 22 3980 8900, Fax: +91 22 3980 8985
(hereinafter referred to as “**Acquirer**”)

along with following Persons Acting in Concert

Reliance Land Private Limited

a company incorporated under the laws of India
H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai – 400 710, India
Tel: +91 22 3047 9800, Fax: +91 22 3032 7202
(hereinafter referred to as “**PAC 1**”)

And

Mr. Namit Malhotra

Current Residence: 13300 Mulholland Drive, Beverly Hills, California, CA 90210 USA
Permanent Address: 201, Priyanka Apartment, J.V.P.D. Scheme, 6th Road, Vile Parle West, Mumbai – 400 056, India
Tel: +91 22 6715 5000, Fax: +91 22 6715 5001
(hereinafter referred to as “**PAC 2**”)

And

Mr. Naresh Malhotra

201, Priyanka Apartment, J.V.P.D. Scheme, 6th Road, Vile Parle West, Mumbai – 400 056, India
Tel: +91 22 6715 5000, Fax: +91 22 6715 5001
(hereinafter referred to as “**PAC 3**”)

And

Monsoon Studio Private Limited

a company incorporated under the laws of India
201, Priyanka Apartments, 28-Friends CHS, J.V.P.D. Scheme, 6th Road, Vile Parle West, Mumbai – 400 056, India
Tel: : +91 22 6715 5000, Fax: +91 22 6715 5001
(hereinafter referred to as “**PAC 4**”) (PAC 1, PAC 2, PAC 3 and PAC 4 are collectively referred to as “**PAC**”)

Make a cash offer at Rs. 52 per Equity Share to acquire
up to 7,77,08,534 Equity Shares of face value of Re.1 each representing 26% of the Emerging Voting Capital of

Prime Focus Limited

a company registered under the laws of India
Prime Focus House, Linking Road, Opp. Citibank, Khar (West), Mumbai – 400 052 India
Tel: +91-22-6715 5000, Fax: +91-22-6715 5001

Attention:

1. This Offer is being made pursuant to Regulation 3(1) read with Regulation 3(3) alongwith Regulations 3(2), Regulation 4 and other applicable regulations of the Regulations.
2. This Offer is neither a competing offer in terms of Regulation 20 of the Regulations nor a conditional offer in terms of Regulation 19 of the Regulations.
3. This offer is subject to the receipt of CCI approval for the Proposed Transactions. As on date of this LOF, the CCI approval is currently awaited.
4. NRI and OCB holders of the Equity Shares must obtain all approvals, including without limitation the approval from the RBI, required to tender the Equity Shares held by them in this Offer and submit such approvals along with the Form of Acceptance and other documents required under this Offer. In the event such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer.
5. If there is any upward revision of the Offer Price or the number of Equity Shares sought to be acquired under this Offer by the Acquirer or PAC until the last permitted date (3 Working Days prior to the commencement of the Tendering Period) for revision, i.e., December 15, 2014, the same shall be informed by way of a public announcement in the same newspapers in which the DPS was published. Such revised Offer Price shall be payable for all the Equity Shares validly tendered any time during the Tendering Period. In the event of withdrawal of this Offer, a public announcement will be made within 2 (two) Working Days of such withdrawal, in the same newspapers in which the DPS was published.
6. **No competing offer has been made to this Offer, as of date of this LOF.**
7. If there is a competing offer, the open offers under all subsisting bids will open and close on the same date.
8. Copies of the PA, the DPS, corrigendum to DPS and this LOF (including the Form of Acceptance) are available on SEBI's website (www.sebi.gov.in).

MANAGER TO THE OFFER



Centrum Capital Limited
Centrum House, Vidyanagari Marg, CST Road,
Kalina, Santacruz (E), Mumbai - 400 098
Tel: +91-22-42159000;
Fax: +91-22-42159707;
SEBI Registration No. INM 000010445
Contact Person: Ms. Amandeep Sidhu
Email: pfl.openoffer@centrum.co.in

REGISTRAR TO THE OFFER



Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
LBS Marg, Bhandup (West), Mumbai - 400 078
Tel: +91 22 61715400; Fax: +91 22 25960329;
Website: www.linkintime.co.in
SEBI Registration No: INR000004058
Contact Person: Mr. Ganesh Mhatre
Email: pfl.offer@linkintime.co.in

Activity	Day and date (Original Schedule)	Day and date (Revised Schedule)
PA Date	Wednesday, July 2, 2014	Wednesday, July 2, 2014
Date of publication of the DPS (within 5 Working Days of the PA)	Wednesday, July 9, 2014	Wednesday, July 9, 2014
Date of filing the draft letter of offer with SEBI	Wednesday, July 16, 2014	Wednesday, July 16, 2014
Last date for a competing offer (within 15 Working Days of the DPS)	Thursday, July 31, 2014	Thursday, July 31, 2014
Identified Date* (10 th Working Day prior to commencement of the Tendering Period)	Friday, August 8, 2014	Friday, December 5, 2014
Last date by which the LOF will be dispatched to the Shareholders (within 7 Working Days from, receipt of comments by SEBI)	Tuesday, August 19, 2014	Friday, December 12, 2014
Last date for the upward revision of the Offer Price/number of Equity Shares (up to 3 Working Days prior to the commencement of the Tendering Period)	Wednesday, August 20, 2014	Monday, December 15, 2014
Last date by which the committee of independent directors constituted by the Board of Directors shall give its recommendation (up to 2 Working Days prior to the commencement of the Tendering Period)	Friday, August 22, 2014	Wednesday, December 17, 2014
Date of publication of Offer opening public announcement in the newspapers where the DPS has been published	Monday, August 25, 2014	Thursday, December 18, 2014
Date of commencement of Tendering Period (within 12 (twelve) Working Days of receipt of comments from SEBI)	Tuesday, August 26, 2014	Friday, December 19, 2014
Date of expiry of Tendering Period	Tuesday, September 9, 2014	Friday, January 2, 2015
Date of payment of consideration (net of applicable taxes) to the Shareholders whose Equity Shares are validly accepted under this Offer	Tuesday, September 23, 2014	Friday, January 16, 2015
Filing of final report by the Manager to the Offer with SEBI	Tuesday, September 30, 2014	Friday, January 23, 2015

** Identified Date is only for the purpose of determining the names of the Shareholders as on such date to whom the LOF would be sent. All owners (registered or unregistered) of Equity Shares (except the Acquirer, PAC and Promoters) are eligible to participate in this Offer any time before the closure of the Offer.*

RISKS RELATING TO THE OFFER

The risk factors set forth below pertain to the underlying transaction, this Offer and association with the Acquirer and the PAC and are not in relation to the present or future business operations of the Target Company or other related matters. These are neither exhaustive nor intended to constitute a complete analysis of the risks involved in the participation by a Shareholder in this Offer, but are merely indicative. Shareholders are advised to consult their stockbrokers, investment consultants and/or tax advisors, for analyzing all the risks with respect to their participation in this Offer.

A. Risk relating to the underlying transaction

1. The underlying transactions contemplated in the Term Sheet, BTA and SSSA are subject to completion risks as would be applicable to similar transactions.

B. Risks relating to this Offer

1. To the best of the knowledge of the Acquirer and the PAC, other than CCI approval for the Proposed Transactions, no other statutory approvals are required by the Acquirer and/or the PAC to complete this Offer. The purchase of the F&M Business from the Acquirer and allotment of 6,73,07,692 Equity Shares by the Target Company to the Acquirer, for the transfer of F&M Business, requires approval of the CCI. Since the proposed allotment of (i) 2,30,76,923 Equity Shares to the Acquirer for cash, (ii) 2,30,76,923 Equity Shares to PAC 4 for cash, and (ii) this Offer (by the Acquirer along with the PAC), are part of one composite combination / transaction, prior approval of CCI would also be required for the same. Therefore, the Offer is subject to receipt of the approval of the CCI under the provisions of the Competition Act, 2002 (as amended) and applicable regulations. Application for CCI approval has been filed with Competition Commission of India on August 1, 2014. As on date of this LOF, the CCI approval is currently awaited.
2. Furthermore, in case of any additional statutory approvals being required by the Acquirer and/or the PAC at a later date, this Offer shall be subject to such approvals and the Acquirer and/or the PAC shall make the necessary applications for such approvals. In case of delay in receipt of any such statutory approvals, as per Regulation 18(11) of the Regulations, SEBI may, if satisfied that non-receipt of such approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer and/or the PAC to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PAC agreeing to pay interest to the Shareholders for delay beyond 10 Working Days, at such rate as may be specified by SEBI. Furthermore, in case of delay in receipt of any such statutory approvals, this Offer process may be delayed beyond the schedule of activities indicated in this Letter of Offer. Consequently, the payment of consideration to the Shareholders whose Equity Shares are validly accepted in this Offer, as well as the return of Equity Shares not validly accepted in this Offer, may be delayed. Where the statutory approvals extend to some but not all the Shareholders, the Acquirer and the PAC will have the option to make payment of the consideration to such Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
3. NRI and OCB holders of the Equity Shares must obtain all approvals, including without limitation the approval from the RBI, required to tender the Equity Shares held by them in this Offer and submit such approvals along with the Form of Acceptance and other documents required under this Offer. In the event such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer.
4. In the event that either: (a) CCI approval for the Proposed Transactions is not received in time, (b) there is any litigation leading to a stay or injunction on the Offer or that restricts or restrains the Acquirer or PAC from performing its obligations hereunder, or (c) SEBI instructs the Acquirer or PAC not to proceed with the Offer, then the Offer process may not proceed or may be delayed beyond the schedule of activities indicated in this LOF. Consequently, in the event of any delay, the payment of consideration to the Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares not accepted under the Offer by the Acquirer or PAC may be delayed.
5. The tendered Equity Shares will lie to the credit of a designated escrow depository account and documents will be held by the Registrar to the Offer until the process of acceptance of Equity Shares and the payment of consideration to the Shareholders is completed. During such period, there may be fluctuations in the market price of the Equity Shares and the Shareholders will not be able to trade in such Equity Shares which are in the custody of the Registrar to the Offer thereby restricting the ability of such Shareholders to take advantage of any favourable price movements. Neither the Acquirer nor the PAC make any assurance with respect to the market price of the Equity Shares during or after the period that the Offer is open or upon completion of the Offer and disclaim any responsibility with respect to any decision by the Shareholders on whether or not to participate in the Offer.

6. The Acquirer, the PAC and the Manager to the Offer accept no responsibility for the statements made otherwise than in this LOF or the PA or the DPS or in the post issue advertisement or any corrigendum issued and anyone placing reliance on any other source of information would be doing so at his/her/its own risk.
7. In the event of oversubscription in the Offer, the acceptance will be proportionate in accordance with the Regulations in consultation with the Manager to the Offer in a fair and equitable manner and hence, there is no certainty that all the Equity Shares tendered by the Shareholders in this Offer will be accepted.
8. The Shareholders who have lodged their acceptance to this Offer are not entitled to withdraw such acceptance during the Tendering Period, even if the acceptance of the Equity Shares in this Offer and dispatch of consideration are delayed.
9. This LOF has not been filed, registered or approved in any jurisdiction outside India. The recipients of this LOF resident in jurisdictions outside India should inform themselves of and observe any applicable legal requirements. The Offer is not directed towards any person or entity in any jurisdiction or country where the Offer would be contrary to the applicable laws or regulations or would subject the Acquirer, the PAC or the Manager to the Offer to any new or additional registration requirements.
10. The Shareholders are advised to consult their respective tax advisors for assessing the tax liability pursuant to this Offer, or in respect of other aspects such as the treatment that may be given by their respective assessing officers, and the appropriate course of action that they should take. The Acquirer and PAC do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this LOF.

C. Risks relating to Acquirer and the PAC

1. There is no assurance with respect to the continuation of the past trend in the financial performance of the Target Company.
2. The Acquirer and PAC make no assurance with respect to the future financial performance of the Target Company.
3. The Acquirer and the PAC make no assurances with respect to their investment/divestment decisions relating to their shareholding in the Target Company.
4. The Acquirer and PAC cannot provide any assurance with respect to the market price of the Equity Shares before, during or after the Offer and each of them expressly disclaims any responsibility or obligation of any kind (except as required by applicable law) with respect to any decision by any Shareholder on whether to participate or not to participate in the Offer.
5. As per Clause 40A of the Listing Agreement with the Stock Exchanges, read with Rule 19A of the Securities Contract (Regulation) Rules, 1957 (as amended) (the “SCRR”), the Target Company is required to maintain at least 25% (twenty five per cent) public shareholding, as determined in accordance with the SCRR, on a continuous basis for listing. If, as a result of the Equity Shares acquired under the Offer, the Term Sheet, BTA, SSSA and purchase of Equity Shares, if any, during the Offer Period, the public shareholding in the Target Company falls below the minimum level required as per the Listing Agreement read with Rule 19A of the SCRR, the Acquirer and the PAC hereby undertake that the promoter shareholding in the Target Company will be reduced, within the time period specified in the SCRR, such that the Target Company complies with the required minimum level of public shareholding. Any failure to comply with the conditions of the SCRR and the Listing Agreement could have an adverse effect on the price and tradability of the Equity Shares.

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KEY DEFINITIONS

Acquirer	Reliance MediaWorks Limited
Bank Guarantee	shall have the meaning ascribed to it in paragraph 5.2.4 of this LOF
BSE	BSE Limited
Board of Directors	The board of directors of the Target Company
BTAA	Business Transfer Agreement executed between Target Company, Acquirer and PAC 1 on November 19, 2014
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
Delivery Instruction	shall have the meaning ascribed to it in paragraph 7.7.1 of this LOF
Draft Letter of Offer	The draft letter of offer filed with SEBI in accordance with Regulation 16(1) of Regulation on July 16, 2014
DP	Depository Participant as registered with SEBI
DPS	The Detailed Public Statement dated July 8, 2014, which was published on July 9, 2014 in The Financial Express (English), Jansatta (Hindi) and Navshakti (Marathi), issued by the Manager to the Offer, on behalf of the Acquirer and the PAC, in compliance with Regulation 13(4) and Regulation 15(2) of the Regulations
Emerging Voting Capital	The paid-up Equity Share capital of Rs. 29,88,78,974 divided into 29,88,78,974 Equity Shares, being the paid-up equity share capital of the Target Company after the allotment of the Preferential Allotment i.e., 11,34,61,538 Equity Shares to the Acquirer and PAC 4 on a preferential allotment basis
Escrow Account	shall have the meaning ascribed to it in paragraph 5.2.4 of this LOF
Escrow Agreement	shall have the meaning ascribed to it in paragraph 5.2.4 of this LOF
Escrow Bank	shall have the meaning ascribed to it in paragraph 5.2.4 of this LOF
Equity Share(s)	Each fully paid-up equity share of the Target Company having a face value of Re. 1 each
F&M Business	shall have the meaning ascribed to it in paragraph 2.1.2 of this LOF
FEMA	Foreign Exchange Management Act, 1999, as amended time to time
FIs	Financial Institutions
FII	Foreign Institutional Investor
FIPB	Foreign Investment Promotion Board
Form of Acceptance	Form of Acceptance-cum-Acknowledgement attached to this LOF
Identified Date	Tenth Working Day prior to commencement of the Tendering Period for purpose of determining the Shareholders to whom this LOF shall be sent i.e., December 5, 2014
ICAI	Institute of Chartered Accountants of India
IFSC	International Financial System Code
IT Act	Income-tax Act, 1961
Indian GAAP	The generally accepted accounting principles in India
Listing Agreement	The listing agreement entered into by the Target Company with the Stock Exchanges
LOF/Letter of Offer	This Letter of Offer dated December 8, 2014
Manager to the Offer	Centrum Capital Limited
MF	Mutual Funds
NRI	Non-resident Indian
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
OCB	Overseas Corporate Body as defined in Foreign Exchange Management (Deposit) Regulations, 2000
Offer	The Offer being made by the Acquirer and the PAC for acquiring up to 7,77,08,534 Equity Shares representing 26% of the Emerging Voting Capital, from the Shareholders at the Offer Price payable in cash
Offer Consideration	shall have the meaning ascribed to it in paragraph 5.2.1 of this LOF
Offer Period	The period between the date of PA and the date on which the payment of consideration to Shareholders who have validly tendered their Shares in the Offer, or the date on which the Offer is withdrawn, as the case may be.
Offer Price	shall have the meaning ascribed to it in paragraph 2.2.2 of this LOF
Offer Size	shall have the meaning ascribed to it in paragraph 2.2.2 of this LOF
PAC/Persons Acting in	PAC means: 1. Reliance Land Private Limited (“ PAC 1 ”)

Concert	2. Namit Malhotra (“ PAC 2 ”). 3. Naresh Malhotra (“ PAC 3 ”). 4. Monsoon Studio Private Limited (“ PAC 4 ”).
PA	Public Announcement filed (i) on July 2, 2014 with the Stock Exchanges and (ii) on July 3, 2014 with SEBI and the Target Company in accordance with the Regulations
Preferential Allotment	The issue and allotment of up to 11,34,61,538 Equity Shares representing 37.96% of the Emerging Voting Capital to the Acquirer and PAC 4 (9,03,84,615 Equity Shares representing 30.24% of the Emerging Voting Capital to the Acquirer and 2,30,76,923 Equity Shares representing 7.72% of the Emerging Voting Capital to PAC 4) on a preferential allotment basis in compliance with the relevant provisions of the Companies Act, 2013 read with Chapter VII (Preferential Issue) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Present Voting Share Capital	The issued, subscribed and paid-up Equity Share capital of Rs. 18,54,17,436 divided into 18,54,17,436 Equity Shares, being the paid-up equity share capital of the Target Company before the allotment of Equity Shares under the Preferential Allotment
Promoters	PAC 2 and PAC 3, who are the current promoters of the Target Company
Proposed Transactions	The transactions, including the Preferential Allotment, this Offer and slump sale of F&M Business as contemplated under the Term Sheet, the BTA and SSSA.
RBI	Reserve Bank of India
Registrar to the Offer	Link Intime India Private Limited
Regulations	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and subsequent amendments thereof
Rs./ Re. / Rupees / INR	The lawful currency of the Republic of India
SEBI	Securities and Exchange Board of India
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEZ	Special Economic Zone
Shareholder(s)	All shareholders (registered or otherwise) of the Target Company excluding the parties to the Term Sheet and persons acting in concert or deemed to be acting in concert with such parties
Special Account	shall have the meaning ascribed to it in paragraph 7.4 of this LOF
Stock Exchanges	BSE and NSE
SSSA	Share Subscription cum Shareholders’ Agreement executed between Acquirer, Target Company, PAC 2 and PAC 4 on November 19, 2014
Takeover Regulations 1997	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
Target Company	Prime Focus Limited
Tendering Period	The 10 Working Day period from December 19, 2014 to January 2, 2015 (both days inclusive)
Term Sheet	The binding term sheet dated July 2, 2014 entered into by the Acquirer with the Promoters and the Target Company whereby the Acquirer on the one hand and the Promoters on the other hand have agreed to certain inter-se rights and obligations as shareholders of the Target Company
USA	United States of America
USD	The lawful currency of the United States of America
VFX	Visual effects
Working Day	Working day as defined under the Regulations

CURRENCY OF PRESENTATION

In this LOF, all references to “Re.”/“Rs.”/“INR” are to Indian Rupee(s), the official currency of India. Throughout this LOF, all figures have been expressed in “Crores” unless otherwise specifically stated. In this LOF, any discrepancy in any table between the total and sums of the amount listed are due to rounding off and/or regrouping.

Note: All capitalized terms used in this LOF, but not otherwise defined herein, shall have the meanings ascribed thereto in the Regulations.

1. Disclaimer Clause

IT IS TO BE DISTINCTLY UNDERSTOOD THAT FILING OF DRAFT LETTER OF OFFER WITH SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED, VETTED OR APPROVED BY SEBI. THE DRAFT LETTER OF OFFER HAS BEEN SUBMITTED TO SEBI FOR A LIMITED PURPOSE OF OVERSEEING WHETHER THE DISCLOSURES CONTAINED THEREIN ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE REGULATIONS. THIS REQUIREMENT IS TO FACILITATE THE SHAREHOLDERS OF PRIME FOCUS LIMITED TO TAKE AN INFORMED DECISION WITH REGARD TO THE OFFER. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF THE ACQUIRER, PAC OR THE TARGET COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ACQUIRER AND PAC ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE ACQUIRER AND PAC DULY DISCHARGE THEIR RESPONSIBILITY ADEQUATELY. IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER CENTRUM CAPITAL LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JULY 16, 2014 TO SEBI IN ACCORDANCE WITH THE SEBI (SUBSTANTIAL ACQUISITION OF SHARES AND TAKEOVER) REGULATIONS, 2011 AND SUBSEQUENT AMENDMENT(S) THEREOF. THE FILING OF THE DRAFT LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND PAC FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER.

2. DETAILS OF THE OFFER

2.1 Background to the Offer

- 2.1.1 On July 2, 2014, the Board of Directors, *inter-alia*, approved the Preferential Allotment. Upon completion of the Preferential Allotment, the Acquirer's aggregate shareholding in the Target Company would exceed 25% of the Emerging Voting Capital being the threshold set out in Regulation 3(1) of the Regulations. Pursuant to the SSSA, while the PAC 2 will continue to be in charge of the day to day management of the Target Company, the Acquirer and PAC 1 will be acting in concert with the Promoters for exercising control over the Target Company. Accordingly, in light of the above, this Offer is being made pursuant to Regulation 3(1) read with Regulation 3(3) along with Regulations 3(2) and Regulations 4 of the Regulations.
- 2.1.2 Out of the 9,03,84,615 Equity Shares proposed to be allotted to the Acquirer, consideration for 2,30,76,923 Equity Shares shall be paid in cash at a price of Rs. 52 per Equity Share and the consideration for the balance 6,73,07,692 Equity Shares shall be in the form of transfer of the Film and Media Services business of the Acquirer ("**F&M Business**") to the Target Company by way of a slump sale on a going concern basis for a net consideration of Rs. 350 Crores.
- 2.1.3 As specified in the BTA, the F&M Business to be transferred to the Target Company *inter-alia* comprises the digital intermediate, digital cinema, shooting studio, visual effects and restoration facility and the debt attributed to the F&M Business of up to Rs. 200 Crores.

The F&M Business also includes the fixed assets, current assets and current liabilities of the Acquirer's film and media services business division. BDO India LLP, vide their report dated July 2, 2014 have independently valued the F&M Business. The report would also be open for inspection to the shareholders of the Target Company.

- 2.1.4 The Term Sheet executed between the Acquirer, the Promoters and Target Company *inter-alia* captures the aforementioned terms of the Preferential Allotment and slump sale of the F&M Business. Since the date of the PA: (i) the Acquirer, PAC 2, Target Company and PAC 4 have entered into the SSSA capturing the terms of the Preferential Allotment; and (ii) the Acquirer, the Target Company and PAC 1 have entered into the BTA capturing the terms of the transfer of the F&M Business by the Acquirer to the Target Company. BTA and SSSA supersedes the Term Sheet.
- 2.1.5 Some of the key provisions of the SSSA are as under:
- 2.1.5.1 The entire proceeds of the Preferential Allotment will be used by the Target Company to repay a bridge loan availed by the Target Company for the acquisition of Double Negative Holdings Limited, a company incorporated in England, U.K. and for other general corporate purposes.
- 2.1.5.2 Equity Shares tendered in the Offer shall be acquired by the Acquirer alone save for such number of Equity Shares as are required by the Promoters to increase their shareholding in the Target Company to 35% of the Emerging Voting Capital.
- 2.1.5.3 The Acquirer is entitled to certain affirmative voting rights in the Target Company and material subsidiaries in respect of matters specified in the SSSA such as (i) an alteration to the charter documents of the Target Company, (ii) a merger, sale, demerger, spin-off of all or substantially all the assets or any undertaking of the Target Company / material subsidiaries or any business combination, (iii) a related party transaction with the Promoters, and (iv) an issuance of any shares or any debentures, instruments or obligations that are convertible into or give the right to subscribe for or acquire any equity or preference shares of the Target Company and material subsidiaries.
- 2.1.5.4 The Acquirer shall have the right to nominate 1 nominee on the Board of Directors and the board of directors of each of the material subsidiaries of the Target Company.
- 2.1.5.5 Mr. Namit Malhotra shall be the executive chairman and chief executive officer of the Target Company.
- 2.1.5.6 Upon consummation of the Preferential Allotment, the Promoters shall continue to be in charge of the management and day to day operations of the Target Company.

- 2.1.5.7 Up to 3 years from the date of completion of Preferential Allotment, the Promoters shall not pledge (except to the extent already pledged on the date of Term Sheet), hypothecate, sell, transfer, or otherwise dispose any of the equity shares held by them in the Target Company (other than by way of an *inter se* transfer of Shares among Promoters). However, the Promoters shall be permitted to: (i) pledge their shares which have already been pledged in case of release as long as the same is for the purpose of refinancing the loan availed of by the Target Company in respect of which such shares were pledged, (ii) so long as the total shares pledged by the Promoters do not exceed 2% of Emerging Voting Capital or USD 10,000,000 based on the market value of the shares, whichever is higher; and (iii) pledge such number of Shares held by them that is in excess of 38% (thirty eight percent) of the Share Capital on a fully diluted basis.
- 2.1.5.8 The Acquirer and the Promoters have agreed to certain rights and obligations with respect to the transferability of their Equity Shares such as right of first refusal and tag along rights.
- 2.1.5.9 In case of further issue of shares or other securities in the Target Company, the Acquirer has agreed to certain for anti-dilution rights, subject to certain terms and conditions.
- 2.1.5.10 The Promoters and the Acquirer have agreed that they shall not, without each other's consent, undertake any act which would trigger the open offer requirements under the Regulations. The Promoters and the Acquirer have also agreed that their aggregate holding as promoters and persons acting in concert shall not exceed the maximum permissible promoter holding which is currently 75%.
- 2.1.5.11 So long as the shareholding of the Acquirer is less than 35% of the Emerging Voting Capital, the Acquirer shall be permitted to acquire up to 2% of the Emerging Voting Capital in every financial year. In the event that the shareholding of the Acquirer exceeds 35% of the Emerging Voting Capital, the Acquirer shall not acquire additional voting rights in the Target Company without the consent of the Promoters.
- 2.1.5.12 During the Offer Period, neither the Promoters nor the Acquirer shall acquire any Equity Shares at a price exceeding Rs. 52 per Equity Share.
- 2.1.5.13 The Promoters have agreed to devote their undivided and complete attention to the affairs and business of the Target Company and / or its subsidiaries and not to compete, directly or indirectly, with the business of the Target Company and/ or its subsidiaries. The Acquirer has also agreed not to compete, directly or indirectly, with the film and media services business as currently carried on by the Target Company and / or its subsidiaries.
- 2.1.5.14 The Promoters and the Acquirer shall not solicit any customer, supplier or employee of the Target Company and/ or material subsidiaries.
- 2.1.5.15 The rights and obligations of the Acquirer set out in the SSSA shall fall away upon the Acquirer (along with its affiliates and persons acting in concert) ceasing to hold at least 10% of the Emerging Voting Capital. Provided however that if closing under the SSSA does not occur, but the Acquirer holds Equity Shares pursuant to the Offer, then such minimum shareholding threshold will be 5%.
- 2.1.6 Some of the key provisions of the BTA are as follows:
- 2.1.6.1 The Acquirer shall transfer the F&M Business of the Acquirer to the Target Company in consideration of the 67,307,692 Equity Shares to be issued and allotted to the Acquirer in accordance with the SSSA.
- 2.1.6.2 The transfer of the F&M Business of the Acquirer to the Target Company is subject to fulfilment of certain conditions precedent.
- 2.1.6.3 Completion of the transfer of the assets and liabilities in relation to the F&M Business under the BTA may be in one or more tranches subject to the conditions precedent under the BTA being met.
- 2.1.7 The Proposed Transactions are subject to, *inter alia*, the receipt of certain statutory approvals and third party approvals which are listed below alongwith the status ("**Conditions Precedent**")

No.	Approvals	Status
Statutory Approval		
1.	Competition Commission of India (“CCI”)	Application for approval of the CCI has been filed on August 1, 2014 and the approval is still awaited. The Offer may be withdrawn under Regulation 23(1)(c) of Regulations only in case CCI refuses to give its approval. However, if CCI gives approval with an adverse condition(s) and/or remark(s) which makes the proposed transaction(s) commercially unsustainable for the Acquirer and / or PAC, the Offer may be withdrawn only pursuant to an application to SEBI made under Regulation 23(1)(d) of the Regulations.
2.	Certificate u/s 281 of the Income Tax Act for the Acquirer	Permission has been obtained by the Acquirer from the Income Tax Department vide their certificate ACIT-11(1)/Certificates u/s 281/2014-15 dated August 8, 2014.
Corporate and Third Party Approvals – Target Company		
3.	Permission from the Board and shareholders of the Target Company	Permission of the Board and shareholders of the Target Company has been obtained on July 2, 2014 and August 1, 2014, respectively
4.	In-principle approval from BSE and NSE	In-principle approval from NSE and BSE has been obtained on September 5, 2014 and September 23, 2014, respectively.
5.	Lender approval (i) Yes Bank Limited; (ii) The Ratnakar Bank Limited; (iii) IDBI Bank Limited; (iv) Standard Chartered Bank; (v) Reliance Capital Limited.	The Company has procured approval from The Ratnakar Bank Limited, Reliance Capital Limited, Standard Chartered Bank, IDBI Bank and Yes Bank Limited.
6.	Standard Chartered Private Equity (Mauritius) III Limited	In-principle approval at the Term Sheet stage and approval for BTA and SSSA has been obtained.
7.	Unit Trust of India Investment Advisory Services Limited	In-principle approval at the Term Sheet stage and approval for BTA and SSSA has been obtained.
Third party approvals – Acquirer and its subsidiaries		
8.	Lender approval (i) Axis Trustee Services Limited for the loan of Rs. 250 cr through secured listed NCDs; (ii) Yes Bank Limited; (iii) Syndicate Bank; (iv) Bank of Baroda; (v) Indiabulls Housing Finance Limited; (vi) Axis Bank Limited; (vii) Reliance Capital Limited;	The Acquirer has received approval from Yes Bank Limited, Axis Bank Limited, Reliance Capital Limited, Axis Trustee Services Limited, Syndicate Bank, Bank of Baroda and Indiabulls Housing Finance Limited.
9.	Consent of Maharashtra Film Stage & Cultural Development Corporation Limited for the purpose of assignment of lease	The Acquirer has applied for the approval and is pending as on the date of this LOF.
Others		
10.	Execution of the BTA and SSSA as described in paragraph 2.1.4	BTA and SSSA have been executed on November 19, 2014.

The Conditions Precedents shall be fulfilled prior to December 31, 2014 (which is the current Long Stop Date under the BTA).

- 2.1.8 The purchase of the F&M Business from the Acquirer and allotment of 6,73,07,692 Equity Shares by the Target Company to the Acquirer, for the transfer of F&M Business, requires approval of the CCI. Since the proposed allotment of (i) 2,30,76,923 Equity Shares to the Acquirer for cash, (ii) 2,30,76,923 Equity Shares to PAC 4 for cash, and (ii) this Offer (by the Acquirer along with the PAC), are part of one composite combination / transaction, prior approval of CCI would also be required for the same. Therefore, the Offer is subject to receipt of the approval of the CCI under the provisions of the Competition Act, 2002 (as amended) and applicable regulations. Application for approval of the CCI has been filed on August 1, 2014 and as on the date of this LOF the approval is awaited.

- 2.1.9 This Offer is triggered by, and therefore subject to completion of the Preferential Allotment and slump sale of F&M business as contemplated under the Term Sheet, SSSA and BTA.
- 2.1.10 Shareholders of the Target Company vide the extra-ordinary general meeting held on August 1, 2014 *inter-alia*, approved the following:
- Preferential Allotment pursuant to the applicable provisions of the Companies Act, 2013 read with Chapter VII (Preferential Issue) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; and
 - increase the authorised equity share capital with consequent amendment to memorandum of association.
- 2.1.11 The Acquirer and the PAC will continue the existing business of the Target Company as well as the F&M Business of the Acquirer that is proposed to be transferred in the Target Company. The Acquirer and PAC aim to achieve operational and strategic efficiency after the completion of the Proposed Transactions.
- 2.1.12 This Offer is not made pursuant to any indirect acquisition, arrangement or agreement and is not a conditional offer.
- 2.1.13 This Offer is not a result of a global acquisition, an open market purchase or a negotiated deal.
- 2.1.14 Neither the Acquirer nor PAC have been prohibited by SEBI from dealing in securities, in terms of any direction issued under Section 11B of SEBI Act or under any of the regulations made under the SEBI Act.
- 2.1.15 As of the date of this LOF, there are no directors on the Board of Directors representing the Acquirer or PAC 1. PAC 2 and PAC 3 are already directors on the Board of Directors and PAC 4. PAC 2 and PAC 3 shall recuse themselves from participating in any deliberations on the Board of Directors or vote on any matter in relation to this Offer. Upon completion of the Proposed Transactions, the Acquirer shall nominate 1 nominee on the Board of Directors and of each of the material subsidiaries of the Target Company.
- 2.1.16 The committee of independent directors formulated by the Board of Directors in accordance with Regulation 26 of the Regulations, is required to publish a reasoned recommendation for the Offer at least 2 Working Days before the commencement of the Tendering Period in the same newspapers in which the DPS was published. As on date of this LOF, the committee of independent directors is yet to provide their recommendation.
- 2.1.17 The acquisition of Equity Shares under the Offer (assuming full acceptance) may result in public shareholding in Target Company being reduced below 25% of the Emerging Voting Capital, which is the minimum level required as per the Listing Agreement. Accordingly, the Acquirer and PAC undertake that they shall take necessary steps to facilitate compliance of the Target Company with the minimum public shareholding norms as set out in the Listing Agreement and Securities Contracts (Regulation) Rules, 1957 within the time stipulated therein.

2.2 Details of the proposed offer

- 2.2.1 The DPS was published in the following newspapers:

Newspaper	Language	Editions	Date of Publication
The Financial Express	English	All editions	July 9, 2014
Jansatta	Hindi	All editions	July 9, 2014
Navshakti	Marathi	Mumbai edition	July 9, 2014

On July 22, 2014, corrigendum to DPS was published in the same newspapers wherein the DPS was published. The PA, the DPS and corrigendum to DPS are also available on the SEBI website at www.sebi.gov.in.

- 2.2.2 The Acquirer and PAC are making an Open Offer to acquire up to 7,77,08,534 Equity Shares representing 26% of the Emerging Voting Capital ("**Offer Size**") at a price of Rs. 52 per Equity Share

(“**Offer Price**”) payable in cash in accordance with Regulation 9(1)(a) of the Regulations, subject to the terms and conditions set out in the PA, the DPS, corrigendum to DPS and this LOF.

- 2.2.3 This Offer is being made to all Shareholders of the Target Company except the parties to the Term Sheet and persons acting in concert or deemed to be acting in concert with such parties.
- 2.2.4 The Offer is only to acquire the Equity Shares from the Shareholders. There are no partly paid-up equity shares outstanding of the Target Company.
- 2.2.5 There is no differential price for the Equity Shares.
- 2.2.6 This is not a competitive bid in terms of Regulation 20 of the Regulations.
- 2.2.7 This Offer is not conditional on any minimum level of acceptance by the Shareholders.
- 2.2.8 The Acquirer and PAC 4 will acquire all Equity Shares that are validly tendered as per the terms of Offer up to a maximum of 7,77,08,534 Equity Shares constituting 26% of the Emerging Voting Capital. Out of the total number of Equity Shares to be acquired in the Offer, PAC 4 may acquire such number of Equity Shares tendered in the Offer as may be required to increase the total holding of the PAC 2, PAC 3 and PAC 4 in the Target Company to 35% of the Emerging Voting Capital.
- 2.2.9 The Preferential Allotment will be in compliance with the provisions of Regulation 22(2A) of the Regulations.
- 2.3 The Manager to the Offer does not hold any Equity Shares as on the date of this LOF. The Manager to the Offer further declares and undertakes that it will not deal on its own account in the Equity Shares during the Offer Period.
- 2.4 Neither the Acquirer nor the PAC hold any Equity Shares as of the date of this LOF other than the Equity Shares held by PAC 2 and PAC 3 as mentioned in paragraph 3.3.7 and 3.4.7 of this LOF, respectively.
- 2.5 In terms of Regulation 18(4) of the Regulations, the Acquirer is permitted to revise the Offer Price at any time prior to the commencement of the last 3 Working Days before the commencement of the Tendering Period. In the event of such revision, an announcement will be made in the same newspapers in which the DPS was published and the revised offer price would be available for all the Equity Shares tendered any time during the Tendering Period.
- 2.6 The Acquirer and the PAC have not acquired any shares of the Target Company since the date of the PA and up to the date of this LOF.
- 2.7 The Equity Shares tendered in this Offer will be acquired by the Acquirer and PAC 4, as the case may be, fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof subject to the terms and conditions set out in this LOF.
- 2.8 The completion of Proposed Transactions is subject to the receipt of all statutory approvals including the approval of the CCI. The Offer may be withdrawn under Regulation 23(1)(c) of Regulations only in case CCI refuses to give its approval. However, if the CCI grants its approval with any adverse condition(s) and/or remark(s) which makes the proposed transaction(s) commercially unsustainable for the Acquirer and / or PAC, the Offer may be withdrawn only pursuant to an application to SEBI made under Regulation 23(1)(d) of Regulations. In the event of withdrawal, a public announcement will be made within 2 Working Days of such withdrawal, in the same newspapers in which the DPS has appeared.
- 2.9 Object of Acquisition/Offer
 - 2.9.1 The Acquirer and the PAC will continue and expand the existing business of the Target Company as well as the F&M Business of the Acquirer that is proposed to be transferred in the Target Company. The Acquirer and PAC aim to achieve operational and strategic efficiency after the completion of the Proposed Transactions. However, as of the date of this LOF, the Acquirer and PAC cannot ascertain the repercussions, if any, on the employees and locations of the Target Company’s places of business.
 - 2.9.2 The Offer to the Shareholders of the Target Company is to acquire up to 26% of the Emerging Voting Capital.

- 2.9.3 The Acquirer and PAC presently do not have any intention to alienate any material assets of the Target Company or any of its subsidiaries whether by way of sale, lease, encumbrance or otherwise for a period of two years except in the ordinary course of business of the Target Company or any of its subsidiaries. The Target Company's future policy for disposal of its assets, if any, for the two year period from the completion of Offer will be decided by the Board of Directors, subject to the applicable provisions of the law and subject to the approval of the shareholders of the Target Company through special resolution passed by way of postal ballot in terms of Regulation 25(2) of the Regulations.

3. BACKGROUND OF THE ACQUIRER AND PAC

3.1 Background of the Acquirer: **Reliance MediaWorks Limited**

- 3.1.1 The Acquirer is a public limited company incorporated on November 30, 1987 under the Companies Act, 1956.
- 3.1.2 Brief history and major areas of operation
- 3.1.2.1 The Acquirer was originally incorporated as 'Adlabs Films Private Limited', a private limited company under the Companies Act, 1956. The Acquirer was originally promoted by Mr. Manmohan Shetty and Mr. Vasanji Mamania. It was involved in the business of processing of advertising films. In 1989, Acquirer entered into the business of motion picture processing by setting up a film processing laboratory in Mumbai.
- 3.1.2.2 On June 19, 2000, the Acquirer was converted into a public company and accordingly, its name was changed to 'Adlabs Films Limited'. Subsequently in December 2000, Acquirer made an initial public offer of 44,00,150 equity shares constituting 20.47% of the then paid up equity share capital of the Acquirer.
- 3.1.2.3 On June 30, 2005, PAC 1 entered into share purchase agreements with Mr. Vasanji Mamania and Ms. Rubaiyat Patel, erstwhile shareholders of Acquirer, for acquiring an aggregate of 23.20% of the Acquirer. Pursuant to this, PAC 1 and Reliance Capital Limited made an open offer for acquiring a further shareholding of 20.01% of the Acquirer in compliance with Takeover Regulations, 1997.
- 3.1.2.4 The Acquirer's name was further changed to its current name, 'Reliance MediaWorks Limited' and consequently, it obtained a fresh certificate of incorporation on October 5, 2009 issued by the Registrar of Companies, Maharashtra, Mumbai.
- 3.1.2.5 The Acquirer is one of India's leading entertainment and media companies with a presence across several businesses such as theatrical exhibition of films, film and media services and television content production and distribution. The headquarters of Acquirer are located in Mumbai and it has operations across 78 cities and towns in India and internationally, including the United Kingdom and the United States.
- 3.1.2.6 The Acquirer, subject to its shareholders approval, has proposed to transfer its exhibition business to its Subsidiary – Reliance MediaVentures Private Limited (name changed to Cinema Ventures Private Limited with effect from November 28, 2014) as a going concern basis.
- 3.1.3 The registered office of the Acquirer is situated at Film City Complex, Goregaon (East), Mumbai 400065, India, Tel: +91 22 3980 8900; Fax: +91 22 3980 8985.
- 3.1.4 The Acquirer is a part of the Reliance Group.
- 3.1.5 PAC 1 is the promoter of the Acquirer and shall be funding the Acquirer to acquire the Equity Shares in the Offer.
- 3.1.6 The equity shares of the Acquirer were listed on Stock Exchanges. However, with effect from May 6, 2014, the Acquirer's equity shares were delisted from the Stock Exchanges pursuant to a successful delisting offer made under and in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009. Accordingly, none of the equity shares of the Acquirer are listed on any Stock Exchange.
- 3.1.7 The Acquirer acquired 4,82,000 equity shares of Rs. 10 each of the Target Company in March 2004 (prior to the listing of Target Company) constituting 4.67% of the then paid-up capital of the Target Company. Subsequently in March 2008, the Acquirer sold its entire stake in the Target Company in the open market. The provisions of Chapter II of the Takeover Regulations 1997 were not triggered for the sale of entire equity stake by the Acquirer in March 2008. Apart from the aforesaid transaction, as on date, Acquirer has not directly acquired or sold any Equity Shares. Hence, the provisions of Chapter V of the Regulations and Chapter II of the Takeover Regulations 1997 are not applicable to the Acquirer with respect to the Target Company.

3.1.8 The paid-up equity share capital of the Acquirer as on the date hereof is Rs. 96,60,44,155 comprising 19,32,08,831 equity shares of Rs. 5 per equity share. PAC 1 is the parent company and a key shareholder of the Acquirer, and holds 14,58,51,529 equity shares aggregating to 75.49% of the total equity share capital of the Acquirer as on December 5, 2014.

3.1.9 The shareholding pattern of the Acquirer as on December 5, 2014 is given below:

Sr. No.	Shareholder's Category	Number of shares held	Percentage
1.	Promoters – Reliance Land Private Limited Reliance Capital Limited	14,58,51,529 3,62,49,805	75.49% 18.76%
2.	FII/ Mutual-Funds/ FIs/ Banks	48,713	0.03%
3.	Public	1,10,58,784	5.72%
	Total	19,32,08,831	100%

3.1.10 As on the date of this LOF, the Acquirer does not hold any Equity Shares. Pursuant to the Preferential Allotment, the Acquirer will hold 9,03,84,615 of the Equity Shares comprising 30.24% of the Emerging Voting Capital.

3.1.11 The Acquirer is neither a promoter nor a part of the promoter group of the Target Company as on the date of this LOF. Further, neither the Acquirer, nor any of its directors or key managerial personnel hold any ownership/interest/relationship/shares in the Target Company. None of the directors of Acquirer are on the board of Target Company.

3.1.12 The board of directors of the Acquirer comprises the following members:

Name of the Director	Director Identification Number (if applicable)	Designation	Date of Appointment	Qualifications	Experience
Gautam Doshi	00004612	Non-Executive and Non-Independent Director	October 7, 2005	Master's degree in Commerce and Chartered Accountant	Around 37 years of experience in mergers and acquisitions, taxation, legal, auditing and general management
Amit Khanna	00005430	Non-Executive and Non-Independent Director	April 26, 2007	Bachelor's degree in Arts	Around 40 years of experience in film production, direction, journalism and television programming
Sujal Shah	00058019	Non-Executive and Independent Director	April 26, 2007	Bachelor's degree in Commerce and Chartered Accountant	Around 21 years of experience in the field of accounting and corporate consultancy practice including mergers and acquisitions and restructuring
Anil Sekhri	00506790	Non-Executive and Independent Director	September 13, 2007	Bachelor's degree in Commerce and Chartered Accountant	Over 26 years of experience in accounting, taxation and legal matters with focus on media and entertainment sector
Prasoon Joshi	01260545	Non-Executive and Independent Director	September 3, 2009	Bachelor's degree in Science, Master's degree in Science and Master's degree in Business Administration	Over 18 years of experience in advertising, lyrics writing and communications

3.1.13 Brief audited consolidated financial particulars of the Acquirer for the financial year ended March 31, 2011 and 18 months period ended September 30, 2012 and March 31, 2014 are as follows:

(in Rs. Crores except per share data)

Profit & Loss Statement	Financial Year ended March 31, 2011	18 Months Period ended	
		September 30, 2012	March 31, 2014
Income from Operations	792.07	1,234.41	1,012.62
Other Income	58.19	20.46	38.29
Total Income	850.26	1,254.87	1,050.91
Total Expenditure	849.79	1,467.46	1,190.16
Profit Before Depreciation, Interest (net) and Taxes	0.47	(212.59)	(139.25)
Depreciation	132.27	213.36	267.23
Interest (Net)	187.87	397.51	419.87
Exceptional Items	-	81.81	59.47
Profit Before Tax	(319.67)	(905.27)	(885.82)
Provision for Tax	11.16	(2.13)	4.74
Profit After Tax (after minority interest)	(328.86)	(910.47)	(895.35)

Balance Sheet Statement	Financial Year ended March 31, 2011	18 Month Period ended	
		September 30, 2012	March 31, 2014
<i>Sources of funds</i>			
Paid-up share capital	23.06	24.54	98.08
Reserves and Surplus (excluding revaluation reserve)	19.72	(590.17)	(974.73)
Net worth	42.78	(565.63)	(876.65)
Minority Interest	13.39	10.65	11.40
Secured Loans	655.95	1,010.89	1,103.43
Unsecured Loans	1,326.46	1,061.76	1,150.94
Deferred Tax Liabilities (Net)	10.46	-	-
Total	2,049.04	1,517.67	1,389.12
<i>Uses of funds</i>			
Net Fixed Assets	1,462.78	1,158.44	974.84
Investments	11.03	5.53	91.78
Deferred Tax Assets(net)	0.03	0.20	0.60
Net current assets	557.86	341.36	314.96
Total miscellaneous expenditure not written off	17.34	12.14	6.94
Total	2,049.04	1,517.67	1,389.12

Other Financial Data	Financial Year ended March 31, 2011	18 Month Period ended	
		September 30, 2012	March 31, 2014
Dividend (%)	Nil	Nil	Nil
Earnings Per Share (Rs.)	(71.41)	(197.50)	(87.46)

(Source- Annual report for the year ended March 31, 2011, for 18 months period ended September 30, 2012 and March 31, 2014)

*The financial information for the financial year ending March 31, 2011 and for the 18 month period ended September 30, 2012 and March 31, 2014 set forth above have been extracted from the audited financial statements of the Acquirer as at and for the financial year ending March 31, 2011, and the 18 month period ended September 30, 2012 and March 31, 2014, respectively, and audited by B S R & Co, Chartered Accountants, and Chaturvedi & Shah, Chartered Accountants, the statutory auditors of the Acquirer.

3.1.14 The contingent liabilities of the Acquirer as at March 31, 2014 are as follows:

(in Rs. Crores)

Sr. No.	On Account of	As at March 31, 2014
Contingent Liabilities		

Sr. No.	On Account of	As at March 31, 2014
Central Excise		
1.	Disputed central excise demand pending with the Central Excise and Service Tax Appellate Tribunal	5.05
2.	Value added tax Disputed value added tax demand pending for various states	3.36
3.	Service Tax Disputed Service Tax demand pending with the Central Excise and Service Tax Appellate Tribunal	2.05
4.	Income tax Disputed liability in respect tax deduction at source, matter is pending with Commissioner of Income tax (Appeals)	10.17
5.	Disputed tax liability in respect of assessment year 2008-09 for Rave Entertainment Private Limited (“REPL”). REPL was wholly-owned subsidiary of the Acquirer and merged with the Acquirer with effect from April 1, 2008. The Department’s appeal against order of Commissioner of Income Tax (Appeals) is pending with Income Tax Appellant Tribunal (ITAT). During the previous period, the same was pending with Commissioner of Income Tax (Appeals)	14.01
6.	Further, the Acquirer has received a demand in respect of REPL matter for assessment year 2009-10, appeal is pending with the Hon’ble High Court Judicature at Allahabad. During the previous period, the same was pending with Commissioner of Income Tax (Appeals)	17.87
Entertainment Tax		
7.	In respect of certain multiplexes, the Acquirer has made an application for availing exemption under the relevant act retrospectively from the date of commencement of the operations of the said multiplex and the application is pending approval	0.13
8.	In respect of certain multiplexes, the Acquirer is in dispute with the entertainment tax authorities regarding eligibility for availing exemption under the relevant act	11.32
9.	The Acquirer shall be liable to pay the entertainment tax in the event that the multiplexes do not continue operations for a period of 10 years from the respective dates from which they commenced their operations	142.27
10.	The Acquirer has engaged the services of a contractor for the purpose of deploying personnel at its cinemas. During the tenure of the contract, the The Acquirer has paid the contractor, amounts payable towards employers contribution to provident fund (“PF”) amounting to Rs. 2.94 Crores on a regular basis. The Acquirer has learned that the contractor has failed to deposit appropriate amounts for employee and employer contribution amounting to approximately Rs. 5.88 Crores with the PF authorities and the Acquirer apprehends that some portion of the aforesaid amount which was supposed to be deposited in the individual accounts of the personnel by the contractor may have actually been mis-appropriated by the contractor. The Acquirer has filed a criminal complaint against the contractor and the matter is currently under investigation. Some employees have raised a claim against the the Acquirer for amounts due to them in a District Consumer Forum, where they have received favourable judgements, however the Acquirer is confident of reversal of the said judgement in the higher forums, where it has preferred an appeal.	-
11.	Claims against Acquirer not acknowledged as debts	87.20
Contingent Liabilities of Subsidiary Companies		
12.	Octroi / Cess Tax Disputed Cess Tax Demand pending with Deputy Commissioner, Navi Mumbai Municipal Corporation-Cess Department. The Company believes, being an SEZ unit, it is fully exempt from payment of Octroi/Cess Tax as per Maharashtra IT-ITEs policy, 2009. The amount of Rs. 0.97 Crores deposited, as Tax demand, for the purpose of admission of Appeal is reflected as Short Term Loans and Advances	5.37
Share of Contingent Liabilities of Joint Ventures		
13.	A joint venture shall be liable to pay entertainment tax in the event that the multiplex does not continue operations for the period of 10 years from the date of commercial operations	0.97
14.	Disputed income tax liability of a joint venture	0.06

3.2 Background of PAC 1: **Reliance Land Private Limited**

- 3.2.1 PAC 1 is a private limited company incorporated on December 23, 1993 under the Companies Act, 1956.
- 3.2.2 PAC 1 was originally incorporated as ‘Reliance Homes Limited’, a public limited company under the Companies Act, 1956. On May 25, 1995, its name was changed to ‘Reliance Land Limited’. Further, On September 7, 2001, PAC 1 was converted into a private limited company, and consequently, its name was changed to its current name, ‘Reliance Land Private Limited’.
- 3.2.3 The registered office of PAC 1 is situated at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai – 400 710, Tel: +91 22 3047 9800, Fax: +91 22 3032 7202.
- 3.2.4 The main object of PAC 1 is to do the business of real estate.
- 3.2.5 PAC 1 is part of Reliance Group.
- 3.2.6 The provisions of Chapter V of the Regulations and Chapter II of the Takeover Regulations 1997 are not applicable to PAC 1 with respect to the Target Company since PAC 1 has not directly acquired or sold any Equity Shares as on the date of this LOF.
- 3.2.7 The paid-up equity share capital of PAC 1 as on the date hereof is Rs. 10 Crores comprising 1,00,00,000 equity shares of Rs. 10 per equity share. Reliance Capital Limited (“**RCL**”) directly and indirectly holds the entire equity stake of PAC 1.
- 3.2.8 The shareholding pattern of PAC 1 as on the date of this LOF is as given below:

Sr. No.	Shareholder’s Category	Number of shares held	Percentage
1.	Promoters –		
	1. Reliance Share & Stock Brokers Private Limited	50,00,000	50.00%
	2. Indian Agri Services Private Limited	45,00,000	45.00%
	3. Reliance Capital Limited	5,00,000	5.00%
2.	FII/ Mutual-Funds/ FIs/ Banks	-	-
3.	Public	-	-
	Total	1,00,00,000	100.00%

- 3.2.9 The board of directors of PAC 1 comprises the following members:

Name of the Director	Director Identification Number (if applicable)	Designation	Date of Appointment	Qualifications	Experience
Vinod Tripathi	00798632	Whole-time Director	June 12, 2008	Masters degree in Arts	More than 25 years of experience in working with Office of the Accountant General, Indian Revenue Service (Income Tax), and National Textile Corporation (South Maharashtra & Gujarat)
Lav Chaturvedi	02859336	Additional Director	August 29, 2013	Bachelor’s degree in Commerce, MBA and CFA	Over 15 years of experience in field of operations, risk management and business management and is currently the Chief Risk Officer of Reliance Capital Limited

- 3.2.10 PAC 1 is the promoter of the Acquirer and shall be funding the Acquirer to acquire the Equity Shares in the Offer.
- 3.2.11 As on the date of this LOF, PAC 1 does not hold any Equity Shares.
- 3.2.12 PAC 1 is neither a promoter nor a part of the promoter group of the Target Company. Further, neither PAC 1, nor any of its directors or key managerial personnel hold any ownership/interest/relationship/shares in the Target Company. None of the directors of PAC 1 are on the board of Target Company.
- 3.2.13 Brief audited financial particulars of PAC 1 for the financial years ended March 31, 2012, 2013 and 2014:

(in Rs. Crores except per share data)

Profit & Loss Statement	Financial Year ended March 31		
	2012	2013	2014
Income from Operations	0.00	0.00	0.00
Other Income	0.17	1.61	0.79
Total Income	0.17	1.61	0.79
Total Expenditure.	0.41	14.51	0.15
Profit Before Depreciation and Taxes	(0.24)	(12.9)	0.64
Depreciation	0.06	0.06	0.06
Interest	1.30	1.89	25.19
Profit Before Tax	(1.60)	(14.85)	(24.61)
Provision for Tax	(0.03)	(0.001)	0.00
Profit After Tax	(1.57)	(14.85)	(24.61)

Balance Sheet Statement	Financial Year ended March 31		
	2012	2013	2014
Sources of funds			
Paid-up equity share capital	10.00	10.00	10.00
Paid-up preference share capital	14.13	14.13	14.13
Reserves and Surplus (excluding revaluation reserves)	478.53	463.68	439.07
Net worth	502.66	487.81	463.20
Secured loans	-	-	328.48
Unsecured loans	12.67	33.37	253.27
Other Liabilities	0.71	1.10	25.01
Total	516.04	522.36	1069.96
Uses of funds			
Net fixed assets	0.13	0.06	0.01
Investments	514.10	507.25	1068.85
Net current assets	1.51	0.01	0.13
Other non-current assets	0.30	1.02	0.97
Total miscellaneous expenditure not written off	-	-	-
Total	516.04	522.36	1069.96

Other Financial Data	Financial Year ended March 31		
	2012	2013	2014
Dividend (%)	Nil	Nil	Nil
Earnings Per Share (Rs.)	(1.57)	(14.85)	(24.61)

(Source – Annual report for the financial year ended March 31, 2012, 2013 and 2014)

*The financial information for the financial years ending March 31, 2012, March 31, 2013 and March 31, 2014 set forth above have been extracted from the audited financial statements of PAC 1 as at and for the financial years ending March 31, 2012, March 31, 2013 and March 31, 2014, respectively, audited by Chaturvedi & Shah, Chartered Accountants, the statutory auditors of PAC 1.

3.2.14 PAC 1 is not listed on any stock exchange.

3.2.15 There are no major contingent liabilities of PAC 1.

3.3 Background of PAC 2: **Namit Malhotra**

3.3.1 PAC 2, aged 38 years, son of PAC 3, is a non-resident Indian currently residing at 13300 Mulholland Drive, Beverly Hills, California, CA 90210 USA and having permanent address at 201, Priyanka Apartments, J.V.P.D. Scheme, 6th Road, Vile Parle West, Mumbai – 400 056.

3.3.2 PAC 2 is a commerce graduate and he has over 20 years of experience. PAC 2 is the founder of the Target Company and has played an important role in constantly evolving the Target Company through backward and forward integration. By integrating all the various technology / service profiles under one roof, he has created the Target Company to be one of the largest end to end services company in Asia for post production and visual effects.

3.3.3 The net worth of PAC 2 is Rs. 1.72 Crores as on March 31, 2014, as certified vide certificate dated July 8, 2014 by V. Shivkumar (Membership no. 42673) of M/s. V. Shivkumar & Associates, Chartered Accountants, having office at 120, Damji Shamji Udyog Bhavan, First Floor, Veera Desai Road, Andheri (West) – Mumbai – 400 053, Tel. no. +91 22 2673 4852.

3.3.4 PAC 2 and PAC 3 are the promoters of the Target Company. As on the date of this LOF, PAC 2 is the Chairman, CEO and Executive Director on the Board of Directors and PAC 3 (father of PAC 2) is the Whole Time Director of the Target Company. PAC 2 and PAC 3 shall recuse themselves from participating in any deliberations of the Board of Directors or vote on any matter in relation to this Offer.

3.3.5 PAC 2 along with PAC 4 and the Target Company has entered into the SSSA with the Acquirer and has agreed to certain *inter-se* rights and obligations as shareholders of the Target Company pursuant to the Preferential Allotment.

3.3.6 The applicable provisions of Chapter V of the Regulations and Chapter II of the Takeover Regulations 1997 have been complied with by PAC 2 with respect to the Target Company within the time frame specified in the Regulations and the Takeover Regulations 1997.

3.3.7 As on the date of this LOF, PAC 2 holds 1,49,00,000 Equity Shares representing 8.04% of the Present Voting Share Capital of the Target Company. PAC 2 along with PAC 3 holds 7,71,01,546 Equity Shares representing 41.58% of the Present Voting Share Capital of the Target Company.

3.3.8 The details of earlier acquisitions made by PAC 2 in the Target Company and the details of the changes in shareholding of the Target Company pursuant to such acquisitions are set out below:

Date of Acquisition	Mode of Acquisition	Number of Equity Shares Acquired	Face Value (Rs.)	Shareholding in Target Company
July 24, 1997	Allotment to subscribers of Memorandum	100	100	50.00%
September 30, 1997	Further issue of capital to promoters	19,900	100	40.00%
November 30, 1999	Shares issued as a consideration for takeover of M/s True Colors, a partnership firm owned by Namit Malhotra, Promoter and Rivkaran Chadha under the scheme of arrangement.	3,50,000	10	40.74%
April 15, 2003	Transfer	1,00,000	10	16.25%
September 30, 2003	Bonus Ratio 1:1 out of free reserves	6,50,000	10	16.25%
March 24, 2004	Transfer	1,60,000	10	15.50%
April 13, 2012	Allotment on conversion of warrants	1,00,00,000	1	15.05%

Note: Apart from above acquisitions PAC 2 has also sold some Equity Shares held at various intervals.

3.3.9 PAC 2 is on the board of directors of the following companies listed on the stock exchanges:

Sr. No.	Name of the Company	Designation	Date of Appointment
1.	Prime Focus Limited (Target Company)	Executive Director & Chairman	June 25, 2014

3.3.10 Apart from designation mentioned above, PAC 2 is not the whole time director in any other company

3.4 Background of PAC 3: **Naresh Malhotra**

3.4.1 PAC 3, aged 69 years, son of Mahendranath Malhotra, a resident Indian, residing at 201, Priyanka Apartments, J.V.P.D. Scheme, 6th Road, Vile Parle West, Mumbai – 400 056.

3.4.2 PAC 3 is a commerce graduate with over 40 years of experience in the Indian film and television industry. He is a veteran in the Indian film and television industry. He has produced various movies and provided services for production of television programs and ad. films. He is one of the promoters of the Target Company.

3.4.3 The net worth of PAC 3 is Rs. 178.40 Crores as on March 31, 2014, as certified vide certificate dated July 8, 2014 by V. Shivkumar (Membership no. 42673) of M/s. V. Shivkumar & Associates, Chartered Accountants, having office at 120, Damji Shamji Udyog Bhavan, First Floor, Veera Desai Road, Andheri (West) – Mumbai – 400 053, Tel. no. +91 22 2673 4852.

3.4.4 PAC 3 and PAC 2 are the promoters of the Target Company. As on the date of this LOF, PAC 3 is the Whole Time Director of the Target Company and PAC 2 (son of PAC 3) is the Chairman, CEO and Executive Director on the Board of Directors. PAC 2 and PAC 3 shall recuse themselves from participating in any deliberations of the Board of Directors or vote on any matter in relation to this Offer.

3.4.5 PAC 3 along with PAC 2 and the Target Company has entered into the Term Sheet with the Acquirer and has agreed to certain inter-se rights and obligations as shareholders of the Target Company pursuant to the Preferential Allotment.

3.4.6 The applicable provisions of Chapter V of the Regulations and Chapter II of the Takeover Regulations 1997 have been complied with by PAC 3 with respect to the Target Company within the time frame specified in the Regulations and the Takeover Regulations 1997

3.4.7 As on the date of this LOF, PAC 3 holds 62,201,546 Equity Shares representing 33.54% of the Present Voting Share Capital of the Target Company. PAC 3 along with PAC 2 holds 7,71,01,546 Equity Shares representing 41.58% of the Present Voting Share Capital of the Target Company.

3.4.8 The details of earlier acquisitions made by PAC 3 in the Target Company and the details of the changes in shareholding of the Target Company pursuant to such acquisitions are set out below:

Date of Acquisition	Mode of Acquisition	Number of Equity Shares Acquired	Face Value (Rs.)	Shareholding in Target Company
July 24, 1997	Allotment to subscribers of Memorandum	100	100	50.00%
September 30, 1997	Further issue of capital to promoters	14,900	100	30.00%
April 1, 2000	Shares issued as a consideration for takeover of M/s Video Works, a proprietary concern owned by Naresh Malhotra, Promoter under the scheme of arrangement.	26,50,000	10	70.00%
September 30, 2003	Bonus Ratio 1:1 out of free reserves	27,98,600	10	69.97%
November 23,	Transfer	2,800	10	63.46%

Date of Acquisition	Mode of Acquisition	Number of Equity Shares Acquired	Face Value (Rs.)	Shareholding in Target Company
2004				
November 14, 2009	Inter-se-transfer from Neeta Malhotra	23000	10	43.27%
February 26, 2013	Inter-se transfer	50,00,000	1	31.49%
April 17, 2013	Inter-se transfer	25,00,000	1	32.84%
May 10, 2013	Purchased from Market	1,00,000	1	32.89%
May 15, 2013	Purchased from Market	2,53,280	1	33.03%
May 23, 2013	Purchased from Market	54,000	1	33.06%
July 31, 2013	Purchased from Market	3,20,000	1	33.23%
August 1, 2013	Purchased from Market	5,50,089	1	33.53%
August 2, 2013	Purchased from Market	36,465	1	33.54%

Note: Apart from above acquisitions PAC 3 has also sold some Equity Shares held at various intervals.

3.4.9 PAC 3 is on the board of directors of the following companies listed on the Stock Exchanges:

Sr. No.	Name of the Company	Designation	Date of Appointment
1.	Prime Focus Limited	Whole-time Director	June 24, 1997

3.4.10 PAC 3 is the whole time director of the following companies:

Sr. No.	Name of the Company	Date of Appointment
1.	Prime Focus Limited	June 24, 1997

3.5 Background of PAC 4: **Monsoon Studio Private Limited**

3.5.1 Monsoon Studio Private Limited is a private limited company incorporated on March 11, 2011 under the Companies Act, 1956. There has been no change in the name of PAC 4 since inception.

3.5.2 The registered office of MSPL is situated at 201, Priyanka Apartments, 28-Friends CHS, J.V.P.D. Scheme, 6th Road, Vile Parle West, Mumbai – 400 056, Tel: +91 22 6715 5000, Fax: +91 22 6715 5001.

3.5.3 The main object of PAC 4 is to carry on the business of architectural design which generally deals in designing, editing and trading in all decorative furnishing and luxury articles including studio designs whether interior or exterior.

3.5.4 PAC 2 and PAC 3 are the promoters and directors of PAC 4.

3.5.5 The provisions of Chapter V of the Regulations and Chapter II of the Takeover Regulations 1997 are not applicable to PAC 4 with respect to the Target Company since PAC 4 has not directly acquired or sold any Equity Shares as on the date of this LOF.

3.5.6 The paid-up equity share capital of PAC 4 as on the date hereof is Rs. 1,00,000 comprising 10,000 equity shares of Rs. 10 per equity share. The key shareholders of PAC 4 are PAC 2 and PAC 3, holding 100% of the equity shares of PAC 4.

3.5.7 The shareholding pattern of PAC 4 as on the date of this LOF is as given below:

Sr. No.	Shareholder's Category	Number of shares held	Percentage
1.	Promoters – 1. Namit Malhotra (PAC 2) 2. Naresh Malhotra (PAC 3)	9,999 1	99.99% 0.01%
2.	FII/ Mutual-Funds/ FIs/ Banks	-	-
3.	Public	-	-
	Total	10,000	100%

3.5.8 The board of directors of PAC 4 comprises the following members:

Name of the Director	Director Identification Number	Designation	Date of Appointment	Qualifications	Experience
Namit Malhotra (PAC 2)	00004049	Director	March 28, 2014	Bachelor's degree in Commerce	Over 20 years of experience in the field of technology with a specialisation in post-production and visual effects
Naresh Malhotra (PAC 3)	00004597	Director	March 28, 2014	Bachelor's degree in Commerce	Over 40 years of experience in the Indian film and television industry

- 3.5.9 PAC 2 and PAC 3 are also the Promoters and executive director in the Target Company. PAC 2 and PAC 3 shall recuse themselves from participating in any deliberations of the Board of Directors or vote on any matter in relation to the Offer.
- 3.5.10 Other than above, neither PAC 4 nor any of its directors or key managerial personnel hold any ownership/interest/relationship/shares in the Target Company.
- 3.5.11 As on date of this LOF, PAC 4 does not hold any Equity Shares. Pursuant to the Preferential Allotment, PAC 4 proposes to hold 2,30,76,923 Equity Shares comprising 7.72% of the Emerging Voting Capital.
- 3.5.12 On July 2, 2014, the Board of Directors approved the Preferential Allotment. The Acquirer and PAC 1 belong to Reliance Group. PAC 1 has agreed to provide financing to PAC 4 to subscribe to the aforesaid Equity Shares by way of the Preferential Allotment.
- 3.5.13 Pursuant to the SSSA, PAC 2 and PAC 4 may acquire such number of Equity Shares tendered in the Offer as may be required to increase the collective holding of PAC 2, PAC 3, and PAC 4 in the Target Company to 35% of the Emerging Voting Capital. Since (i) PAC 4 is acquiring 2,30,76,923 Equity Shares of the Target Company by way of the Preferential Allotment along with the Acquirer, (ii) PAC 4 may also acquire certain shares tendered in this Offer, and (iii) the Acquirer and PAC 1 have a common objective with the Promoters for the purpose of exercising control over the Target Company, PAC 2, PAC 3, and PAC 4 have also been identified as "persons acting in concert" with the Acquirer and PAC 1 for the purpose of this Offer.
- 3.5.14 The Acquirer has entered into the SSSA with the PAC 2, PAC 4 and the Target Company whereby the Acquirer on the one hand and the PAC 2, PAC 4 and Target Company on the other hand have agreed to certain inter-se rights and obligations as shareholders of the Target Company. Pursuant to the SSSA, while PAC 2 and PAC 4 will continue to be in charge of the day to day management of the Target Company, the Acquirer and PAC 1 will be acting in concert with PAC 2 and PAC 4 for exercising control over the Target Company.
- 3.5.15 Brief audited financial particulars of PAC 4 for the financial years ended March 31, 2012, 2013 and 2014:

(in Rs. Crores except per share data)

Profit & Loss Statement	Financial Year ended March 31		
	2012	2013	2014
Income from Operations	-	-	-
Other Income	-	-	-
Total Income	-	-	-
Total Expenditure.	-	-	-
Profit Before Depreciation and Taxes	-	-	-
Depreciation	-	-	-
Interest	-	-	-
Profit Before Tax	-	-	-
Provision for Tax	-	-	-
Profit After Tax	-	-	-

Balance Sheet Statement	Financial Year ended March 31		
	2012	2013	2014
Sources of funds			
Paid-up share capital	0.01	0.01	0.01

Balance Sheet Statement	Financial Year ended March 31		
	2012	2013	2014
Reserves and Surplus (excluding revaluation reserves)	-	-	-
Net worth	-	-	-
Secured loans	-	-	-
Unsecured loans	-	-	-
Total	0.01	0.01	0.01
Uses of funds			
Net fixed assets	-	-	-
Investments	-	-	-
Net current assets	0.01	0.01	0.01
Other non-current assets	-	-	-
Total miscellaneous expenditure not written off	-	-	-
Total	0.01	0.01	0.01

Other Financial Data	Financial Year ended March 31		
	2012	2013	2014
Dividend (%)	-	-	-
Earnings Per Share (Rs.)	-	-	-

(Source: Annual report for the financial year ended March 31, 2012, 2013 and 2014)

**The financial information for the financial years ending March 31, 2012, March 31, 2013 and March 31, 2014 set forth above have been extracted from the audited financial statements of PAC 4 as at and for the financial years ending March 31, 2012, March 31, 2013 and March 31, 2014, respectively, and audited by K. Venkatachalam & Associates, the statutory auditors of PAC 4.*

3.5.16 PAC 4 is not listed on any stock exchange.

3.5.17 There are no major contingent liabilities of PAC 4.

4. BACKGROUND OF THE TARGET COMPANY

As required under the Regulations, unless specifically confirmed by the Target Company, information regarding the Target Company has been restricted to relevant information obtained from publicly available documents.

- 4.1 As confirmed by the Target Company, the Target Company was incorporated as a private limited company under the Companies Act, 1956 with the Registrar of Companies, Maharashtra, Mumbai on June 24, 1997 and was converted into a public limited company vide fresh certificate of incorporation on April 24, 2000. The Corporate Identification Number of the Target Company is L92100MH1997PLC108981 and its registered office is situated at Prime Focus House, Opp. CITI Bank, Linking Road, Khar (West), Mumbai, Maharashtra – 400052; Tel: +91-22-6715 5000; Fax: +91-22-6715 5001. The Target Company had its initial public offering in June 2006. The present promoters of the Target Company are PAC 2 and PAC 3.
- 4.2 As on the date of this LOF and as confirmed by the Target Company, the authorized share capital of the Target Company is Rs. 35 Crores comprising 35,00,00,000 Equity Shares. The paid up share capital of the Target Company is as follows:

Paid-up Equity Shares of Target Company	No. of Shares or voting rights	% of shares or voting rights
Fully paid-up Equity Shares	18,54,17,436	100%
Partly paid-up Equity Shares	Nil	Nil
Total paid-up Equity Shares	18,54,17,436	100%
Total voting rights in Target company	18,54,17,436	100%

(Source: BSE website)

- 4.3 As confirmed by the Target Company, there has been no suspension of trading of the Equity Shares on the Stock Exchanges.
- 4.4 As confirmed by the Target Company, there are no Equity Shares that are not listed on the Stock Exchanges.
- 4.5 The Equity Shares are presently listed on the BSE (Scrip Code: 532748; Scrip ID: PFOCUS) and NSE (Scrip Symbol: PFOCUS). The ISIN of the Target Company is INE367G01038.
- 4.6 Based on the information available on BSE and NSE, the Equity Shares are frequently traded on both BSE and the NSE (within the meaning of definition of “frequently traded shares”) under Regulation 2(1)(j) of the Regulations and is most frequently traded on the NSE.
- 4.7 As confirmed by the Target Company, the applicable provisions of Chapter II of the Takeover Regulations 1997 and Chapter V of the Regulations have been complied with by the Target Company within the time specified in Takeover Regulations 1997 and Regulations, respectively, except the following:

S. No.	Regulation/ Sub-Regulation	Due date of compliance mentioned in Regulation	Actual date of compliance	Delay
1.	8(3)	April 30, 2007	June 25, 2007	Delay of 56 days
2.	8(3)	April 30, 2008	May 13, 2008	Delay of 13 days
3.	8(3)	April 30, 2010	May 27, 2010	Delay of 27 days

SEBI may initiate appropriate action against the Target Company in terms of the Regulations and provisions of the SEBI Act for non-compliance of Chapter II of Takeover Regulations, 1997.

- 4.8 There are no (i) partly paid-up Equity Shares, or (ii) convertible instruments. The Board of Directors through its meeting held on July 2, 2014 and shareholders’ meeting held on August 1, 2014 has approved an employee stock option scheme. However, the Target Company has not initiated the process of allotting ESOPs.
(Source: BSE website)
- 4.9 As confirmed by the Target Company, the Board of Directors comprises the following directors:

Sr. No.	Name of the Director	Director Identification Number	Designation	Date of Appointment
1	Namit Malhotra (PAC 2)	00004049	Executive Director	June 25, 2014
2	Naresh Malhotra (PAC 3)	00004597	Whole-time Director	June 24, 1997

Sr. No.	Name of the Director	Director Identification Number	Designation	Date of Appointment
3	K R Srinivasan	00012449	Independent Director	February 19, 2004
4	Nainesh Jaisingh*	00061014	Non-Executive Director	November 5, 2012
5	Rivkaran Chadha	00308288	Independent Director	May 27, 2005
6	Ramakrishnan Sankaranarayanan	02696897	Managing Director	June 25, 2014
7	G. P. Aiyar	02722981	Independent Director	July 3, 2009

* Mr. Vibhav Parikh is appointed as alternate to Mr. Nainesh Jaisingh.

The Board of Directors of the Target Company has a combination of 3 Executive and 4 Non-Executive Directors out of which 3 are Independent Non-Executive Directors. With the appointment of Mr. Namit Malhotra – as Executive Director and Mr. Ramakrishnan Sankaranarayanan- as the Managing Director with effect from June 25, 2014, in terms of Clause 49 (I) (A) of the Listing Agreement, the number of Independent Directors required on the Board has increased to 4. The Target Company has initiated necessary steps to comply with this requirement at the earliest.

(Source: MCA website, Board Resolutions dated June 25, 2014 and annual report for the 15 months period ended June 30, 2014)

- 4.10 As on the date of this LOF, there are no directors on the Board of Directors representing the Acquirer or PAC 1. PAC 2 and PAC 3 are already directors of the Target Company and PAC 4. PAC 2 and PAC 3 shall recuse themselves from participating in any deliberations of the Board of Directors or vote on any matter in relation to this Offer.
- 4.11 As confirmed by the Target Company, the Target Company was not involved in any merger/demerger/spin offs during the last 3 years.
- 4.12 Brief audited consolidated financial details of the Target Company for the financial years ended March 31, 2012, March 31, 2013 and for 15 months period ended June 30, 2014 and unaudited consolidated financial results for quarter ended September 30, 2014:

(in Rs. Crores except per share data)

Profit & Loss Statement	Financial Year ended March 31,		15 Months Period ended June 30, 2014*	Quarter ended September 30, 2014
	2012	2013		
Income from operations	771.19	762.16	1,034.48	350.17
Other Income	20.15	17.41	45.71	17.42
Total Income	791.34	779.57	1,080.19	367.59
Total Expenditure	550.47	586.86	835.95	338.98
Profit Before Depreciation, Interest and Taxes	238.7	192.71	244.24	28.61
Depreciation	71.14	99.89	133.20	46.62
Interest Income (Expense)	34.76	41.83	68.68	15.84
Profit Before Prior period adjustments and Tax	132.80	50.99	42.36	(33.85)
Prior Period Adjustments (Net)	-	-	-	-
Exceptional Items	-	107.66	17.41	34.27
Tax Expense	30.00	(39.82)	7.08	(35.66)
Profit after tax before minority interest	102.80	(16.85)	17.87	(32.46)
Minority Interest	3.55	3.46	(6.39)	(10.45)
Net Profit	99.25	(20.31)	24.26	(22.01)

Balance Sheet	Financial Year ended March 31,		15 Months Period ended June 30, 2014*	Quarter ended September 30, 2014
	2012	2013		
Sources of Funds				
Paid-up share capital	13.89	18.54	18.54	18.54
Share Warrants	13.87		-	Not Available
Reserves and Surplus (excluding revaluation	468.96	535.82	719.00	Not Available

Balance Sheet	Financial Year ended March 31,		15 Months Period ended	Quarter ended
	2012	2013	June 30, 2014*	September 30, 2014
reserve)				
Net Worth	496.72	554.36	737.54	Not Available
Minority Interests	45.06	64.11	161.27	Not Available
Secured Loans	323.39	516.49	588.58	Not Available
Unsecured Loans	216.26	190.10	234.66	Not Available
Total Loans	539.65	706.59	823.24	Not Available
Deferred Tax liabilities (Net)	26.76	-	11.87	Not Available
Non-Current Liabilities	5.01	18.99	62.01	Not Available
Total	1,113.20	1,344.05	1,795.93	
<i>Uses of Funds</i>				Not Available
Fixed Assets	748.89	775.76	984.99	Not Available
Goodwill on Consolidation	107.06	112.94	127.06	Not Available
Investments	0.01	0.01	0.01	Not Available
Deferred Tax Assets (Net)	-	47.06	112.93	Not Available
Net Current Assets	199.11	311.22	476.99	Not Available
Miscellaneous Expenditure	-	-	-	Not Available
Long-term loans and advances	36.15	80.15	93.88	Not Available
Other non-current assets	21.98	16.91	0.07	Not Available
Total	1,113.20	1,344.05	1,795.93	Not Available

Other Financial Data	Financial Year ended March 31,		15 Months Period ended	Quarter ended
	2012	2013	June 30, 2014*	September 30, 2014
Dividend (%)	-	-	-	
Earnings Per Share (Rs.)	7.15	(1.24)	1.31	1.31
Return on Net Worth	20.0%	(3.7)%	3.29%	Not Available
Book Value Per Share (Rs.)	35.77	29.90	39.78	Not Available

*The Board of Directors vide circular resolution passed on March 21, 2014 approved the extension of current financial year by the period of 3 months in accordance with the provisions of section 210 of the Companies Act, 1956. Accordingly, the current financial period of the Target Company will be for 15 months i.e., commencing from April 1, 2013 and ending on June 30, 2014).

(Source: Annual report for FY12, FY13 and 15 months period ended June 30, 2014. Unaudited financial statement for quarter ended September 30, 2014 submitted with BSE)

4.13 Pre and post- Offer shareholding pattern of the Target Company as on July 16, 2014:

Shareholders' category	Shareholding and voting rights prior to the agreement/ acquisition and offer. ⁽¹⁾		Equity Shares /voting rights agreed to be acquired which triggered off the Regulations. ⁽²⁾		Equity Shares/voting rights to be acquired in open offer (Assuming full acceptances) ⁽²⁾		Shareholding/voting rights after the acquisition and offer. ⁽²⁾	
	(A)	(B)	(C)	(D)	(A)+(B)+(C) =(D)			
	No.	%	No.	%	No.	%	No.	%
(1) Promoter group								
a. Parties to agreement, if any								
Namit Malhotra (PAC 2) ⁽³⁾	1,49,00,000	8.04	0	0	⁽⁴⁾	0	1,49,00,000 ⁽⁴⁾	4.99
Naresh Malhotra (PAC 3) ⁽³⁾	6,22,01,546	33.54	0	0	0	0	6,22,01,546	20.81
Sub-Total	7,71,01,546	41.58	0	0	0	0	7,71,01,546	25.80
b. Promoters other than (a) above								
Monsoon Private Limited (PAC 4) ⁽⁴⁾	0	0	2,30,76,923	7.72	44,29,172 ⁽⁴⁾	1.48	2,75,06,095	9.20
Sub-Total 1(a+b)	7,71,01,546	41.58	2,30,76,923	7.72	44,29,172	1.48	10,46,07,641	35.00
(2) Acquirers								
a. Reliance MediaWorks	0	0	9,03,84,615	30.24	7,32,79,362	24.52	16,36,63,977	54.76

Shareholders' category	Shareholding and voting rights prior to the acquisition offer. ⁽¹⁾		Equity Shares /voting rights agreed to be acquired which triggered off the Regulations. ⁽²⁾		Equity Shares/voting rights to be acquired in open offer (Assuming full acceptances) ⁽²⁾		Shareholding/voting rights after the acquisition and offer. ⁽²⁾	
	(A)		(B)		(C)		(A)+(B)+(C) =(D)	
	No.	%	No.	%	No.	%	No.	%
Limited (Acquirer) ⁽⁶⁾								
b. Reliance Land Private Limited (PAC 1) ⁽³⁾	0	0	0	0	0	0	0	0
Sub-Total 2(a+b)	0	0	9,03,84,615	30.24	7,32,79,362	24.52	16,36,63,977	54.76
Total Shareholding Total (1) + (2)	7,71,01,546	41.58	11,34,61,538	37.96	7,77,08,534	26.00	26,82,71,618	89.76
(3) Parties to agreement other than (1) (a) & (2)	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
(4) Public (other than parties to agreement, Acquirer & PAC)⁽⁵⁾								
a. FIs/MFs/FII/ Banks, SFIs	79,75,814	4.30	N.A	N.A	Will depend on response from each category		Will depend on response from each category	
b. Others	10,03,40,076	54.12	N.A	N.A				
Total (4) (a+b)	10,83,15,890	58.42	N.A	N.A	N.A	N.A	3,06,07,356	10.24
Grand Total (1+2+3+4)	18,54,17,436	100	11,34,61,538	37.96	7,77,08,534	26.00	29,88,78,974	100.00

(1) Reflects the Present Voting Share Capital of the Target Company (pre-issue of the Preferential Allotment).

(2) Reflects the Emerging Voting Capital (post-issue of the Preferential Allotment).

(3) PAC 1, PAC 2, and PAC 3 will not be acquiring Equity Share either through the Preferential Allotment or through the Offer.

(4) PAC 4 is wholly owned by PAC 2 and PAC 3, who are the current promoters of the Target Company. Since (1) PAC 4 is acquiring 2,30,76,923 Equity Shares pursuant to the Preferential Allotment along with the Acquirer, (2) PAC 4 and/or PAC 2 may also acquire certain shares tendered in this Offer, and (3) the Acquirer and PAC 1 have a common objective with PAC 2 and PAC 3 for the purpose of exercising control over the Target Company, PAC 2, PAC 3, and PAC 4 have also been identified as "persons acting in concert" with the Acquirer and PAC 1.

(5) Public shareholding is as on June 30, 2014.

(6) The Acquirer is also a party to the Term Sheet (the agreement triggering the Offer), BTA and SSSA.

5. OFFER PRICE AND FINANCIAL ARRANGEMENTS

5.1 Justification of Offer Price

5.1.1 The Equity Shares (ISIN: INE367G01038) are listed on the BSE (Scrip code: 532748; Scrip ID PFOCUS) and the NSE (Scrip code: PFOCUS). In terms of Regulation 2(1)(j) of the Regulations, the Equity Shares have been frequently traded on both BSE and NSE and is most frequently traded on the NSE during the preceding 12 calendar months prior to the calendar month in which the PA was made.

5.1.2 The annualised trading turnover of the Equity Shares during July 1, 2013 to June 30, 2014 (12 calendar months preceding the month in which the PA is issued) on the NSE and BSE, where the Equity Shares are listed, is as follows:

Name of the stock exchange	Total number of Equity Shares traded during July 1, 2013 to June 30, 2014	Total number of listed Equity Shares	Trading turnover (% to total listed Equity Shares)
BSE	4,70,96,351	18,54,17,436	25.40
NSE	12,78,19,275	18,54,17,436	68.94

(Source: Daily trading data from www.nseindia.com, www.bseindia.com)

5.1.3 In terms of Regulation 2(1)(j) of the Regulations, the Equity Shares have been most frequently traded on the NSE and in accordance with Regulation 8(2) of the Regulations, the Offer Price has been determined taking into account the following parameters:

(a)	The highest negotiated price per Equity Share of the Target Company for acquisition under an agreement attracting the obligation to make PA of an open offer.	Rs. 52.00
(b)	The volume weighted average price paid or payable for acquisitions, whether by the Acquirer or by any PAC during the 52 weeks immediately preceding the date of the PA.	Nil*
(c)	The highest price paid or payable for an acquisition whether by the Acquirer or by any PAC, during the 26 weeks immediately preceding the date of the PA.	Nil
(d)	The volume-weighted average market price of Equity Shares for a period of 60 trading days immediately preceding the date of the PA as traded on the NSE, being the stock exchange where the maximum volume of trading in the Equity Shares was recorded during such period.	Rs. 42.05

*Only the volume weighted price paid by the Acquirer / PAC 1 during the 52 weeks immediately preceding the PA is applicable; In accordance with the ruling of the Hon'ble Supreme Court of India in *Daiichi Sankyo Company Limited versus Jayaram Chigurupati & Ors.*, the volume weighted average price paid by the PAC 2, PAC 3, or PAC 4 during the 52 weeks immediately preceding the PA, which works to Rs. 30.83 per Equity Share has not been considered, since the Reliance Group and the PAC 2, PAC 3, and PAC 4 were not acting in concert at that point of time. Further, even if the volume weighted average of both groups were to be considered, the same would have been Rs. 30.83 per Equity Share which is lesser than the Offer Price of Rs. 52 per Equity Share.

(Source: Certified by Mr. Sandeep Shah, Membership no 123076, partner of Sandeep S. Shah & Associates, Chartered Accountants vide letter dated July 2, 2014)

Therefore, in accordance with Regulation 8(2) of the Regulations the Offer Price of Rs. 52 per Equity Share is justified.

5.1.4 The price and volume data of the Equity Shares on NSE, i.e., where the Equity Shares are most frequently traded, for a period of 60 trading days immediately preceding the date of the PA, as per Regulation 8(2) of the Regulations, is set forth below:

Sr. No	Date	Total Trading Quantity (Nos.)	Turnover (Rs. in lakhs)
1	July 1, 2014	84,24,777	4,471.54
2	June 30, 2014	18,52,661	913.55
3	June 27, 2014	29,83,580	1,461.66
4	June 26, 2014	33,93,737	1,615.48
5	June 25, 2014	1,11,46,717	5,554.99
6	June 24, 2014	45,08,976	2,186.92
7	June 23, 2014	1,02,41,862	4,869.48

Sr. No	Date	Total Trading Quantity (Nos.)	Turnover (Rs. in lakhs)
8	June 20, 2014	13,33,673	544.85
9	June 19, 2014	1,66,315	64.29
10	June 18, 2014	8,46,298	330.65
11	June 17, 2014	3,51,519	136.46
12	June 16, 2014	4,20,588	161.19
13	June 13, 2014	8,91,397	346.20
14	June 12, 2014	4,77,884	189.63
15	June 11, 2014	8,30,532	348.61
16	June 10, 2014	9,50,131	398.04
17	June 9, 2014	11,09,285	469.40
18	June 6, 2014	11,47,251	482.71
19	June 5, 2014	18,58,770	797.26
20	June 4, 2014	41,71,419	1,785.70
21	June 3, 2014	26,24,661	1,042.66
22	June 2, 2014	29,10,016	1,142.18
23	May 30, 2014	24,04,874	893.76
24	May 29, 2014	9,60,844	343.28
25	May 28, 2014	11,01,302	388.42
26	May 27, 2014	5,64,182	188.14
27	May 26, 2014	33,18,024	1,159.72
28	May 23, 2014	29,33,855	1,015.60
29	May 22, 2014	7,94,988	267.49
30	May 21, 2014	12,91,655	420.09
31	May 20, 2014	8,05,304	248.33
32	May 19, 2014	11,73,799	341.29
33	May 16, 2014	1,75,220	47.03
34	May 15, 2014	3,31,175	89.95
35	May 14, 2014	4,85,975	131.02
36	May 13, 2014	15,64,346	410.79
37	May 12, 2014	5,74,629	156.21
38	May 9, 2014	3,33,880	90.30
39	May 8, 2014	2,40,825	65.44
40	May 7, 2014	1,72,838	47.62
41	May 6, 2014	1,93,129	53.68
42	May 5, 2014	1,61,640	45.00
43	May 2, 2014	2,97,156	83.91
44	April 30, 2014	4,67,557	133.97
45	April 29, 2014	1,84,831	53.22
46	April 28, 2014	4,77,238	140.37
47	April 25, 2014	6,36,862	184.27
48	April 23, 2014	2,38,737	69.15
49	April 22, 2014	3,81,650	113.13
50	April 21, 2014	2,81,250	84.72
51	April 17, 2014	2,31,065	68.87
52	April 16, 2014	3,35,604	100.49
53	April 15, 2014	4,70,142	147.81
54	April 11, 2014	8,90,219	276.09
55	April 10, 2014	12,10,571	368.13
56	April 9, 2014	11,88,262	343.98
57	April 7, 2014	3,53,774	98.82
58	April 4, 2014	2,24,522	62.84
59	April 3, 2014	2,89,195	81.19
60	April 2, 2014	9,19,296	263.40
	Total	9,13,02,464	38,390.97

Volume weighted average market price based on the above is Rs. 42.05 per Equity Share.

- 5.1.5 As confirmed by the Target Company, there have been no corporate actions by the Target Company warranting adjustments of any of the relevant price parameters under Regulation 8(9) of the Regulations.

- 5.1.6 Any increase in the Offer Price, if any, on account of future purchases/competing offers or otherwise will be made only up to the period prior to 3 Working Days before the date of commencement of the Tendering Period and would be notified to the Shareholders. In the event of such revision, the Acquirer and PAC are required to (i) make corresponding increases to the amounts kept in the Escrow Account, as set out in paragraph 5.2.4 of this LOF; (ii) make a public announcement in the newspapers in which the DPS was published; and (iii) simultaneously with the issue of such announcement, inform SEBI, the Stock Exchanges and the Target Company at its registered office, of such revision.
- 5.1.7 In the event of any acquisition of Equity Shares by the Acquirer and/or PAC during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price will be revised upwards to be equal to or more than the highest price paid for such acquisition in terms of Regulation 8(8) of the Regulations. However, neither the Acquirer nor any member of the PAC shall acquire any Equity Shares after the third Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period.
- 5.1.8 If the Acquirer or PAC acquire Equity Shares during the period of 26 weeks after the Tendering Period at a price higher than the Offer Price, then the Acquirer and PAC shall pay the difference between the highest acquisition price and Offer Price, to all Shareholders whose shares have been accepted in Offer within sixty days from the date of such acquisition in accordance with Regulation 8(10) of the Regulations. However, no such difference shall be paid in the event that such acquisition is made under an open offer under the Regulations or pursuant to SEBI (Delisting of Equity Shares) Regulations, 2009, or open market purchases made in the ordinary course on the stock exchanges, not being negotiated acquisition of shares of the Target Company in any form.
- 5.1.9 In the event that the number of Equity Shares offered by the Shareholders is more than the Offer Size, the Acquirer and the PAC shall accept the offers received from the Shareholders on a proportionate basis in accordance with the Regulations in consultation with the Manager to the Offer in a fair and equitable manner.
- 5.1.10 There has been no revision in the Offer Price or to the Offer Size as of the date of this LOF.

5.2 Financial Arrangements:

- 5.2.1 The total funding requirement for the Offer (assuming full acceptance) i.e. for the acquisition of up to 7,77,08,534 Equity Shares representing 26% of the Emerging Voting Capital from the Shareholders of the Target Company at an Offer Price of Rs. 52 per Equity Share is Rs. 4,04,08,43,768 ("**Offer Consideration**").
- 5.2.2 The Acquirer and PAC 1 have adequate resources and have made firm financial arrangements for financing the acquisition of the Equity Shares under the Offer and are able to implement the Offer, in terms of Regulation 25(1) of the Regulations. The details of the financial arrangement is given below:
 - 5.2.2.1 PAC 1 has an undrawn committed loan facility which PAC 1 has undertaken to use for the Offer.
 - 5.2.2.2 The Acquirer and PAC 1 have agreed to provide the financial support to meet the obligation in the Offer.
- 5.2.3 Further, PAC 4 has adequate resources and has made financial arrangements for financing the acquisition of Equity Shares under the Offer such that the collective holding of the PAC 2, PAC 3, and PAC 4 increases to 35% of the Emerging Voting Capital. The source of funds for funding the acquisition in the Offer will be made available by the Promoters of PAC 4 i.e., PAC 2 and PAC 3.
- 5.2.4 The Acquirer, the Manager to the Offer and Yes Bank Limited, a banking corporation incorporated under the laws of India having its registered office at 9th Floor, Nehru Centre, Discovery of India, Worli, Mumbai – 400 018 ("**Escrow Bank**"), have entered into an escrow agreement dated July 4, 2014 for the purpose of the Offer ("**Escrow Agreement**") in accordance with Regulation 17 of the Regulations. Pursuant to the Escrow Agreement, the Acquirer had deposited cash of an amount of Rs. 4,04,10,000 (being in excess of 1% of the Offer Consideration) in an escrow account under the name and title of "PFL Open Offer Escrow Account" ("**Escrow Account**") opened with the Escrow Bank's branch at Moti Mahal Building, Dr. A. B. Road, Worli, Mumbai – 400 018. Further, the Escrow Bank acting through its Chanakya Puri branch located at New Delhi, on behalf of the

Acquirer, has issued an unconditional, irrevocable, and on demand bank guarantee dated July 5, 2014 aggregating to an amount of Rs. 1,01,05,00,000 in favor of Manager to the Offer (“**Bank Guarantee**”) which is in excess of 25% of the Offer Consideration as security for performance of the Acquirer and PAC’s obligations under the Offer. The Manager to the Offer has been duly authorised to realize the value of the aforesaid Bank Guarantee in terms of the Regulations. The Bank Guarantee is valid up to March 5, 2015. The Acquirer undertakes that in case the offer process is not completed within the validity of Bank Guarantee, then the Bank Guarantee will be renewed for such further period such that the Bank Guarantee is valid until the expiry of a period of 30 days from the date of payment of consideration to the Shareholders who have validly tendered the Equity Shares in the Offer, as required under Regulation 17(6) of Regulations.

- 5.2.5 The Acquirer has authorized the Manager to the Offer to realize the value of the Escrow Account in terms of the Regulations.
- 5.2.6 Mr. Sandeep Shah, Membership no. 123076, partner of Sandeep S. Shah & Associates, Chartered Accountants having its office at B-105, Shivalaya, S.V. Patel Road, Opp. M.C.F. Sports Club, Borivali (West) – Mumbai – 400 092, Tel: +9122 2890 2085, has vide its letter dated July 2, 2014 certified that the Acquirer has sufficient resources to make the fund requirement for fulfilling all the obligations under the Offer.
- 5.2.7 Mr. Sandeep Shah, Membership no. 123076, partner of Sandeep S. Shah & Associates, Chartered Accountants having its office at B-105, Shivalaya, S.V. Patel Road, Opp. M.C.F. Sports Club, Borivali (West) – Mumbai – 400 092, Tel: +9122 2890 2085, has vide its letter dated July 2, 2014 certified that the PAC 1 has sufficient resources to make the fund requirement for fulfilling all the obligations under the Offer.
- 5.2.8 Mr. V. Shivkumar, Membership no 42673, partner of V. Shivkumar & Associates, Chartered Accountants having its office at having office at 120, Damji Shamji Udyog Bhavan, First Floor, Veera Desai Road, Andheri (West) – Mumbai – 400 053, Telfax no. +91 22 2673 4852 has vide its letter dated July 8, 2014 certified that the PAC 4 has sufficient resources to make the fund requirement for fulfilling all the obligations under the Offer.
- 5.2.9 Based on the above, the Manager to the Offer is satisfied that firm financial arrangements through verifiable means have been put in place by the Acquirer and PAC to fulfill their obligations in relation to the Offer in accordance with the Regulations.
- 5.2.10 In case of revision of the Offer Price, the Acquirer and the PAC will make further deposits into the Escrow Account to ensure compliance with Regulation 17(2) of the Regulations.

6. TERMS AND CONDITIONS OF THE OFFER

- 6.1 The Acquirer shall accept the Offer subject to the following:
- 6.1.1 Applications in respect of Equity Shares that are the subject matter of litigation, wherein the Shareholders of the Target Company may be prohibited from transferring the Equity Shares during the pendency of the said litigation, are liable to be rejected if the directions or orders regarding these Equity Shares are not received together with the Equity Shares tendered under the Offer. The applications in some of these cases, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities. Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer.
- 6.1.2 The Acquirer and PAC 4, as the case may be, will acquire the Equity Shares which are free from all liens, charges and encumbrances and together with all rights attached thereto, including the right to all dividends, bonus and rights declared hereafter.
- 6.2 The acceptance of locked-in Equity Shares by the Acquirer and PAC 4, as the case may be, is subject to applicable law and the continuation of the residual lock-in period in the hands of the Acquirer. As per the filings made by the Target Company with the Stock Exchanges, except 1,00,00,000 locked-in Equity Shares held by Namit Malhotra (PAC 2), there are no Equity Shares which are under lock-in.
- 6.3 The Offer is not subject to any minimum level of acceptance. The acceptance of the Offer is entirely at the discretion of the Shareholders of the Target Company. Each Shareholder of the Target Company to whom the Offer is being made, is free to offer his Shares, in whole or in part while accepting the Offer.
- 6.4 The acceptance of the Offer must be unconditional and should be on the enclosed Form of Acceptance / transfer form and sent along with the other documents duly filled in and signed by the applicant Shareholder(s).
- 6.5 In terms of the Regulation 18(9) of the Regulations, Shareholders who tender the Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance.
- 6.6 The instructions, authorizations and provisions contained in the Form of Acceptance constitute an integral part of the terms of this Offer.
- 6.7 Neither the Acquirer nor any member of the PAC will be responsible in any manner for any loss of Share certificate(s) and other documents during transit. The Shareholders of the Target Company are therefore advised to adequately safeguard their interest in this regard.
- 6.8 All Shareholders are eligible to participate in the Offer any time before the closure of the Tendering Period.
- 6.9 Each Shareholder to whom this Offer is being made is free to offer the Equity Shares in whole or in part while accepting this Offer.
- 6.10 Statutory and other approvals
- 6.10.1 To the best of the knowledge of the Acquirer and PAC, as on the date of the LOF, other than the CCI approval for the Proposed Transactions there are no other statutory approvals required to implement the Offer. If any additional statutory approvals are required or become applicable prior to completion of the Offer, the Offer would also be subject to the receipt of such statutory approvals. The Acquirer and PAC will not proceed with the Offer in the event that the CCI approval or any other statutory approvals that are required are refused in terms of Regulation 23 of the Regulations. Application for CCI approval has been filed with Competition Commission of India on August 1, 2014. As on date of this LOF, the CCI approval is currently awaited..
- 6.10.2 The Target Company had made an application to BSE and NSE for an in-principle approval under Clause 24(a) of the Listing Agreement, for the Equity Shares to be allotted through the Preferential Allotment as mentioned in paragraph 2.1.1 of this LOF, the same has been obtained on September 5, 2014 and September 23, 2014, respectively.
- 6.10.3 The Offer may be withdrawn under Regulation 23(1)(c) of Regulations only in case CCI refuses to give its approval. However, if CCI grants its approval with an adverse condition(s) and/or remark(s) which makes the proposed transaction(s) commercially unsustainable for the Acquirer and / or

PAC, the Offer may be withdrawn only pursuant to an application to SEBI made under Regulation 23(1)(d) of Regulations. In the event of withdrawal, a public announcement will be made within 2 Working Days of such withdrawal, in the same newspapers in which the DPS has appeared.

- 6.10.4 In case of delay in receipt of CCI approval or any other statutory approval, if applicable, SEBI has the power to grant extension of time to Acquirer and PAC for payment of consideration to the shareholders of the Target Company who have accepted the Offer within such period, subject to the Acquirer and PAC agreeing to pay interest for the delayed period if directed by SEBI in terms of Regulation 18(11) of the Regulations.
- 6.10.5 NRI and OCB Shareholders, if any, must obtain all requisite approvals required to tender such Equity Shares held by them, in this Offer including without limitation, the approval from the RBI or FIPB and submit such approvals along with the documents required to accept this Offer. In the event such approvals are not submitted by NRI and OCB Shareholders, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer. Further, Shareholders who are not persons resident in India (including NRIs, OCBs and foreign institutional investors) had obtained any approvals (including from the RBI or the FIPB or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Equity Shares, along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and PAC reserve the right to reject such Equity Shares tendered in this Offer.
- 6.10.6 The Acquirer does not require any approvals from financial institutions or banks for this Offer.

7. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

- 7.1 A tender of Equity Shares pursuant to any of the procedures described in this LOF will constitute a binding agreement between the Acquirer, PAC and the tendering Shareholder, including the tendering Shareholder's acceptance of the terms and conditions of this LOF. The acceptance of this Offer is entirely at the discretion of the Shareholders. The acceptance of this Offer by the Shareholders must be absolute and unqualified. In the event any change or modification is made to the Form of Acceptance or if any acceptance to this Offer which is conditional and incomplete in any respect, the Manager to the Offer, the Acquirer and the PAC reserve the right to reject the acceptance of the Offer by such Shareholder.
- 7.2 The instructions, authorizations and provisions contained in the Form of Acceptance constitute part of the terms of this LOF.
- 7.3 This LOF together with the Form of Acceptance, will be mailed on or before December 12, 2014 to all the Shareholders of the Target Company whose names appear in the register of members of the Target Company and the beneficial owners of the Equity Shares, whose names appear on the beneficial records of the respective depositories, in each case at the close of business hours on December 5, 2014 i.e., the Identified Date. Accidental omission to dispatch this LOF to any Shareholder to whom this Offer has been made or non-receipt of this LOF by any such Shareholder shall not invalidate this Offer in any way.
- 7.4 The Registrar to the Offer has opened a special depository account with Ventura Securities Limited at the NSDL, called "LIPL PRIME FOCUS ESCROW DEMAT ACCOUNT" ("**Special Account**"). The DP ID is IN303116 and the Client ID is 11415559. Shareholders having their beneficiary account in CDSL have to use the inter-depository Delivery Instruction slip for the purpose of crediting their Equity Shares in favor of the Special Account with NSDL.
- 7.5 The Offer shall open on December 19, 2014 and will remain open until January 2, 2015. All owners (registered or unregistered) of Equity Shares, regardless of whether he/she/it held Equity Shares on the Identified Date, are eligible to participate in the Offer any time before the closure of the Tendering Period.
- 7.6 Shareholders can also download this LOF and Form of Acceptance placed on the SEBI website www.sebi.gov.in and send in their acceptance by completing the same.
- 7.7 **Procedure for Acceptance**

- 7.7.1 The Shareholders who wish to avail themselves of and accept the Offer can deliver the Form of Acceptance, along with all the relevant documents, to any of the collection centres specified below in accordance with the procedure as set out in this LOF and the Form of Acceptance on or before the closure of the Tendering Period, i.e., no later than January 2, 2015. Shareholders holding Equity Shares in dematerialized form who wish to tender their Equity Shares will also be required to send a photocopy of the delivery instruction in "Off-market" mode, or counterfoil of the delivery instructions in "Off-market" mode, duly acknowledged by the DP, in favour of the Special Account ("**Delivery Instruction**"). The credit for the delivered Equity Shares should be received in the Special Account on or before the closure of the Tendering Period (i.e., no later than January 2, 2015). Should there be any addition to the collection centres mentioned below, the same will be published by way of a corrigendum to this LOF. All the centres mentioned herein below would be open as follows:

Timings: Weekdays, Monday to Friday (except public holidays): 10:00 A.M. to 1:00 P.M., 2:00 P.M. to 5:00 P.M.

Sr. No.	Collection Centres	Address of Collection Centres	Contact Person	Phone No.	Fax	Email ID	Mode of delivery
1.	Mumbai	Link Intime India Pvt. Ltd, C-13, Panalal Silk Mills Compound, L B S Marg, Bhandup (W), Mumbai -400078.	Ganesh Mhatre	022-61715400	022-25960329	pfl.offer@linkintime.co.in	Hand Delivery & Registered Post
2.	Ahmedabad	Link Intime India Pvt. Ltd, 303, 3rd Floor, Shoppers Plaza V, Opp. Municipal Market, Behind	Hitesh Patel	079-26465179	079-26465179 (Telefax)	ahmedabad@linkintime.co.in	Hand Delivery

Sr. No.	Collection Centres	Address of Collection Centres	Contact Person	Phone No.	Fax	Email ID	Mode of delivery
		Shoppers Plaza II, Off C G Road, Navrangpura, Ahmedabad - 380009					
3.	Bangalore	Link Intime India Pvt. Ltd., 543/A, 7TH Main, 3rd Cross, Hanumanthanagar, Bangalore - 560 019	Nagendra Rao	080-26509004	080-26509004 (Telefax)	bangalore@linkintime.co.in ; linkblbr@gmail.com	Hand Delivery
4.	Baroda	Link Intime India Pvt. Ltd., B Tower, 102 B & 103, Sangrila Complex, First Floor, Radhakrishna Char Rasta, Akota, Vadodara - 390020	Alpesh Gandhi	0265-2356573 / 2356796 / 2356794	0265-2356791	vadodara@linkintime.co.in	Hand Delivery
5.	Coimbatore	Link Intime India Pvt. Ltd., Surya 35, Mayflower Avenue, Behind Senthil Nagar, Sowripalayam Road, Coimbatore 641 028	S. Dhanalaks hmi	0422-2314792 / 2315792	0422-2314792 (Telefax)	coimbatore@linkintime.co.in	Hand Delivery
6.	Kolkata	Link Intime India Pvt. Ltd., 59C, Chowringhee Road, 3rd Floor, Kolkata -700020	S.P. Guha	033-22890539/40	033-22890539/40 (Telefax)	kolkata@linkintime.co.in	Hand Delivery
7.	New Delhi	Link Intime India Pvt. Ltd., 44 Community Centre 2nd Floor, Nariana Industrial Area Phase I, Near PVR, Nariana, New Delhi 110 028	Swapan Naskar	011-41410592/93/94	011-41410591	delhi@linkintime.co.in	Hand Delivery
8.	Pune	Link Intime India Pvt. Ltd., Block No 202 2nd Floor, Akshay Complex, Near Ganesh Temple, Off Dhole Patil Road, Pune 411 001.	Rajeeva Koteswar	020-26160084, 26161629	020 - 26163503 (Telefax)	pune@linkintime.co.in	Hand Delivery
9.	Chennai	C/o SGS Corporate Solutions India Pvt. Ltd., Indira Devi Complex, II Floor, No.20, Gopalakrishna Street, Pondy Bazaar, T. Nagar, Chennai-600 017	Mrs. Solly Soy	044- 2815 2672, 044-4207 0906	044- 2815 2672 (Telefax)	chennai@aspartners.com	Hand Delivery

Applicants who do not live in any of cities referred to above, may send the Form of Acceptance, along with all the relevant documents, by registered post with acknowledgement due or by courier, at their own risk and cost, to the Registrar to the Offer at its address: c/o Mr. Ganesh Mhatre, Link Intime India Private Limited, Unit: C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078, (Contact nos.: +91 22 61715400, Email: pfl.offer@linkintime.co.in) so as to reach the Registrar to the Offer on or before January 2, 2015, i.e., closure of the Tendering Period.

7.7.2 Documents to be delivered by all Shareholders:

- (a) For Equity Shares held in the dematerialized form:

- (i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Equity Shares, as per the records of the DP.
- (ii) Photocopy of the Delivery Instruction in “Off-market” mode or counterfoil of the delivery instruction slip in “Off-market” mode, duly acknowledged by the DP.
- (iii) Photocopy of the Inter-Depository Instruction Slip if the beneficiary holders having an account with Central Depository Services Ltd.

Please note the following:

- (i) For each Delivery Instruction, the beneficial owner should submit a separate Form of Acceptance.
- (ii) The Registrar to the Offer is not bound to accept those acceptances, for which corresponding Equity Shares have not been credited to the Special Account or for Equity Shares that are credited in the Special Account but the corresponding Form of Acceptance has not been received as on the closure of the Tendering Period.

In the case of registered resident Shareholders, non-receipt of the Form of Acceptance, but credit of the Equity Share to the Special Account, may be deemed to be acceptance of the Offer by such Shareholders.

(b) In case of Equity Shares held in the physical mode by Shareholders:

- (i) Form of Acceptance should be duly completed and signed, in accordance with the instructions contained therein, by all Shareholders. In case of Equity Shares held in joint names, names should be filled up in the same order in which they hold Equity Shares in the Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer;
- (ii) Original Equity Share certificate(s);
- (iii) Valid Share transfer form(s) duly signed by transferor (by all the Shareholders in case the Equity Shares are in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s). The transfer form(s) should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the transfer form(s)) (for example, thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under its seal of office and membership number or manager of the transferor’s bank. Notwithstanding that the signature(s) of the transferor(s) has been attested as aforesaid, if the signature(s) of the transferor(s) differs from the specimen signature(s) recorded with the Target Company or are not in the same order, such Equity Shares are liable to be rejected in this Offer; and
- (iv) For Equity Shares held in physical mode by resident Shareholders, in case of non-receipt of the duly completed Form of Acceptance, but receipt of other documents including the original share certificates, valid share transfer deeds and permanent account number prior to the closure of the Tendering Period, the Acquirer may, in its sole discretion, deem the Equity Shares to have been accepted under the Offer.

(c) Non-resident Shareholders should enclose a copy of the permission received from RBI or other regulatory authority for the Equity Shares held by them. If the Equity Shares are held under the general permission of RBI, the non-resident Shareholder should furnish a copy of the relevant notification/circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis. In case the above approvals from the RBI are not submitted, the Acquirer and the PAC reserve the right to reject such Equity Shares tendered.

- (d) The Shareholders should also provide all relevant documents which are necessary to ensure transferability of the Equity Shares in respect of which the application is being sent. Such documents may include, but are not limited to:
 - (i) Duly attested death certificate and succession certificate/probate/letter of administration (in case of single Shareholder) if the original Shareholder has expired;
 - (ii) Duly attested power of attorney if any person apart from the Shareholder has signed the Form of Acceptance and/or transfer deed(s);
 - (iii) No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance;
 - (iv) In case of companies, the necessary corporate authorization (including certified copy of board of directors and/or general meeting resolution(s)); and
 - (v) Any other relevant documents including those listed in this paragraph 7 of this LOF.

7.7.3 EQUITY SHARES SHOULD NOT BE SUBMITTED OR TENDERED TO THE MANAGER TO THE OFFER, THE ACQUIRER, THE PAC OR THE TARGET COMPANY.

7.8 Procedure for acceptance of the Offer by unregistered Shareholders, owners of Equity Shares who have sent them for transfer or those who did not receive this LOF

- 7.8.1 The unregistered Shareholders holding Equity Shares in physical form may send the Form of Acceptance along with the required documents to the Registrar to the Offer on a plain sheet of paper stating the name, address, number of Equity Shares held, distinctive numbers, number of Equity Shares offered, number of Equity Shares tendered, distinctive numbers, folio number, together with the original Equity Share certificate(s), valid transfer deeds and the original contract notes issued by the broker through whom they acquired their Equity Shares and valid share transfer forms as received from the market, so as to reach the Registrar to the Offer on or before the closure of the Tendering Period, i.e., no later than 05:00 P.M. on January 2, 2015. Unregistered Shareholders holding Equity Shares in dematerialized form may send the application in writing to the Registrar to the Offer, on a plain sheet of paper stating the name, address, number of Equity Shares held, number of Equity Shares offered, DP name, DP ID, beneficiary account number and a photocopy of the Delivery Instruction, so as to reach the Registrar to the Offer, on or before the closure of the Tendering Period, i.e., no later than January 2, 2015.
- 7.8.2 Alternatively, Shareholders can also download the LOF and Form of Acceptance placed on the SEBI website www.sebi.gov.in and send in their acceptance by completing the same.
- 7.8.3 In case of Equity Shares held in the physical mode by unregistered Shareholders who have sent their share certificates and transfer deeds for transfer to the Target Company/its transfer agents, the acceptance shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and the transfer deed(s).
- 7.8.4 No indemnity will be required from unregistered Shareholders.
- 7.9 If the aggregate of the valid responses to the Offer exceeds the size of the Offer, then the Acquirer shall accept the valid applications received on a proportionate basis in accordance with the Regulations in consultation with the Manager to the Offer in a fair and equitable manner.
- 7.10 The unaccepted share certificates, transfer forms and other documents, if any, would be returned by registered post at the Shareholders' sole risk. Unaccepted Equity Shares held in dematerialized form will be credited back to the beneficial owners' depository account with the respective DP as per details received from their DP. It will be the responsibility of the Shareholders to ensure that the unaccepted Equity Shares are accepted by their respective DPs when transferred by the Registrar to the Offer. Shareholders holding Equity Shares in dematerialized form are requested to issue the necessary standing instruction for the receipt of the credit, if any, in their DP account. Shareholders should ensure that their depository account is maintained until the Offer formalities are completed.

- 7.11 The Registrar to the Offer will hold in trust the Equity Shares/share certificates, held in credit of the Special Account and transfer form(s) and the Form of Acceptance if any, on behalf of the Shareholders who have accepted the Offer, until the Acquirer and the PAC complete their obligations under the Offer in accordance with the Regulations.
- 7.12 Shareholders who have sent their Equity Shares for dematerialization need to ensure that the process of getting their Equity Shares dematerialized is completed well in time so that the credit in the Special Account is received on or before the closure of the Tendering Period (i.e., no later than January 2, 2015), else their application would be rejected. It is the sole responsibility of the Shareholders to ensure credit of their Equity Shares in the depository account above, prior to the closure of the Tendering Period.
- 7.13 Pursuant to Regulation 18(9) of the Regulations, Shareholders who have accepted the Offer by tendering the requisite documents in terms of the LOF are not allowed to withdraw the same.

7.14 Compliance with tax and other regulatory requirements

7.14.1 General

- (a) As per the provisions of Section 195(1) of the IT Act, any person responsible for paying to a non-resident any sum chargeable to tax is required to deduct tax at source (including surcharge and education cess as applicable). Since the consideration payable under the Offer would be chargeable to capital gains under Section 45 of the IT Act or as business profits or interest income (if any) as the case may be, the Acquirer and the PAC is required to deduct taxes at source (including surcharge and education cess).
- (b) Resident and non-resident Shareholders (including FII) are required to submit their Permanent Account Number (“**PAN**”) for income-tax purposes. In case a PAN is not submitted or is invalid or does not belong to the Shareholder, the Acquirer and the PAC will arrange to deduct tax at the rate of 20% (twenty percent) or at the rate in force or at the rate specified in the relevant provisions of the IT Act, whichever is higher.
- (c) In case of ambiguity, incomplete or conflicting information or the information (including any additional information or documents which may be requested by the Acquirer and PAC from a Shareholder for ascertaining the taxes to be deducted) not being provided to the Acquirer and PAC, it would be assumed that the Shareholder is a non-resident Shareholder and taxes shall be deducted at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the IT Act, on the entire consideration and interest if any, payable to such Shareholder.
- (d) In the event the Acquirer and/or the PAC, on the basis of any misrepresentation, inaccuracy or omission of information provided by a Shareholder, fail to withhold/deduct the required tax, and as a result of such failure the Acquirer and/or PAC are called upon by the Income-tax authorities (by way of a demand notice or otherwise) for recovery of the shortfall in the taxes withheld/deducted by the Acquirer and/or PAC, the Acquirer and/or PAC shall be entitled to seek indemnification from such Shareholder towards any payments made by the Acquirer and/or PAC to the Income-tax authorities towards such shortfall, together with any interest, penalties, costs and expenses payable or incurred or to be incurred by the Acquirer and/or PAC in connection therewith.
- (e) Securities transaction tax will not be applicable to the Equity Shares accepted in this Offer.

7.14.2 Withholding tax implications for Non-resident Shareholders (other than FII)

- (a) While tendering Equity Shares under the offer, non-resident shareholders shall be required to submit a No Objection Certificate (“**NOC**”)/Tax Clearance Certificate (“**TCC**”) from the Income-tax authorities under Section 195(3) or Section 197 of the IT Act along with the Form of Acceptance, indicating the amount of tax to be deducted by the Acquirer and the PAC before remitting the consideration. The Acquirer and the PAC will arrange to deduct taxes at source in accordance with such NOC/TCC. The non-resident shareholders have to submit Tax Residency Certificate (TRC) and No Permanent Establishment (No PE) Certificate to avail benefit of treaty & for non-deduction of tax at source.
- (b) In case the aforesaid NOC or TCC is not submitted, the Acquirer and PAC will arrange to deduct tax at the maximum rate as may be applicable to the relevant category to which the

Shareholder belongs under the IT Act, on the entire consideration and interest if any, payable to such Shareholder.

- (c) As per a press release by the Government of India (*Ref: Notification No. 86/2013 dated 01 November 2013*) Cyprus has been notified as a notified jurisdictional area under Section 94A of the IT Act. Pursuant to the said notification, any transfer of Equity Shares from any non-resident shareholder to the Acquirer and PAC shall be deemed as an international transaction and accordingly, transfer pricing provisions shall apply, including maintenance of documentation. In order to comply with the said notification and the related requirements thereof, the Acquirer and PAC reserve the right to request the following information from any Shareholder who is a tax resident of Cyprus and any other jurisdiction which may be notified by the Government of India:
- (i) description of the ownership structure, including name and address of individuals or other entities, holding more than 10% shareholding or ownership interests, either directly or indirectly;
 - (ii) profile of the multinational group to which the seller belongs to, along with name, address, legal status and country of tax residence of each of the group entities which are tendering shares in the open offer along with its relationship with the selling entity;
 - (iii) broad description of the business of the seller and the industry it operates in; and
 - (iv) any other information, data or document, which may be relevant for the transaction.

7.14.3 Withholding tax implications for FII

- (a) As per provisions of Section 196D(2) of the IT Act, no deduction of tax at source will be made from any income by way of capital gains arising from transfer of securities referred to in Section 115AD of the IT Act to a FII as defined in Section 115AD of the IT Act.
- (b) A FII should certify ("**FII Certificate**") the nature of its income arising from the sale of Equity Shares as per the IT Act (whether capital gains or otherwise). In the absence of a FII Certificate to the effect that their income from sale of shares is in the nature of capital gains, the Acquirer and PAC will deduct tax at the maximum rate applicable to the category to which such FII belongs on the entire consideration payable to such FII. In the event that the FII submits a NOC or TCC from the Income-tax authorities under Section 195(3) or Section 197 of the IT Act along with the Form of Acceptance, indicating the amount of tax to be deducted by the Acquirer before remitting consideration, the Acquirer and PAC will deduct tax in accordance with the NOC/TCC.
- (c) As mentioned in Para 7.14.2(c) above, Cyprus has been notified as a notified jurisdictional area under Section 94A of the IT Act. Pursuant to the said notification, any transfer of Equity Shares from an FII which does not certify that the nature of its income arising from the sale of Equity Shares to the Acquirer and PAC is in the nature of capital gains shall be deemed as an international transaction and accordingly, transfer pricing provisions shall apply, including maintenance of documentation. In order to comply with the said notification and the related requirements thereof, the Acquirer and PAC reserve the right to request the following information from any FII who is a tax resident of Cyprus and any other jurisdiction which may be notified by the Government of India:
- (i) description of the ownership structure, including name and address of individuals or other entities, holding more than 10% (ten percent) shareholding or ownership interests; either directly or indirectly;
 - (ii) profile of the multinational group to which the seller belongs to, along with name, address, legal status and country of tax residence of each of the group entities which are tendering shares in the open offer along with its relationship with the selling entity;
 - (iii) broad description of the business of the seller and the industry it operates in; and
 - (iv) any other information, data or document, which may be relevant for the transaction.
- (d) In respect of interest income, in the event that the FII submits a NOC or TCC from the Income-

tax authorities indicating the amount of tax to be deducted by the Acquirer and PAC under the IT Act, the Acquirer and PAC will deduct tax in accordance with the NOC/TCC so submitted. In absence of such NOC/TCC, the Acquirer and PAC will arrange to deduct tax at the maximum rate applicable to the category to which such FII belongs.

7.14.4 Tax to be deducted in case of resident Shareholders

- (a) In the absence of any specific provision under the IT Act, the Acquirer and PAC will not deduct tax on the consideration payable to resident Shareholders in respect of gains arising on transfer of Equity Shares under this Offer.
- (b) The Acquirer and PAC will deduct the tax at the stipulated rates (including surcharge and education cess, if applicable) on interest, if any, payable to resident Shareholders, if the amount of interest payable is in excess of Rs. 5,000.
- (c) The resident Shareholder claiming no tax is to be deducted or tax to be deducted at a lower rate on interest amount, should submit along with the Form of Acceptance a NOC or TCC from the Income-tax authorities indicating the amount of tax to be deducted by the Acquirer or, in the case of resident Shareholder not being a company or firm, a self declaration in form 15G or form 15H, as may be applicable. The self declaration in form 15G or form 15H would not be valid unless the resident Shareholder furnishes PAN in such declaration. In case the aforesaid NOC or TCC or form 15G or 15H, if applicable, is not submitted, the Acquirer and PAC will arrange to deduct tax at the stipulated rate (including surcharge and education cess, if applicable) on interest, if any, payable to resident Shareholders, if the amount of interest payable is in excess of Rs. 5,000. Also, no tax is to be deducted on the interest amount in the case of resident Shareholder being a mutual fund as per Section 10(23D) of the IT Act or a bank/an entity specified under Section 194A(3)(iii) of the IT Act if it submits a copy of the relevant registration or notification along with the Form of Acceptance.

7.14.5 Notwithstanding anything contrary contained in paragraphs 7.14.2 to 7.14.4 of this LOF and in case the PAN of the Shareholder is not submitted or is invalid or does not belong to the Shareholder or in case of any ambiguity, incomplete or conflicting information or the information not being provided to the Acquirer and PAC, the provisions contained under clause (b) and (c) of paragraph 7.14.1 of this LOF, respectively, shall be applicable.

7.14.6 Issue of withholding tax certificate

The Acquirer and PAC will issue a certificate in the prescribed form to the Shareholders (resident and non-resident) who have been paid the consideration and interest, if any, after deduction of tax on the same certifying the amount of tax deducted and other prescribed particulars.

7.14.7 Withholding taxes in respect of overseas jurisdictions

- (a) Apart from the above, the Acquirer and the PAC will be entitled to withhold tax in accordance with the tax laws applicable in the overseas jurisdiction where the non-resident Shareholder is a resident for tax purposes (“**Overseas tax**”).
- (b) For this purpose, the non-resident Shareholder shall duly represent in the Form of Acceptance the quantum of the Overseas tax to be withheld as per the relevant tax laws of the country in which the non-resident Shareholder is a tax resident, and the Acquirer and the PAC will be entitled to rely on this representation at their/its sole discretion.

7.15 The tax rates and other provisions may undergo changes. Tax will be withheld as per the laws/rates prevailing at the time of making payment to the Shareholders.

7.16 Shareholders who wish to tender their Equity Shares must submit the information all at once as given in the Form of Acceptance and those that may be additionally requested for by the Acquirer and PAC. The documents submitted by the Shareholders along with the Form of Acceptance will be considered as final. Any further/delayed submission of additional documents, unless specifically requested by the Acquirer will be accepted at the sole discretion of the Acquirer and PAC.

7.17 The final decision to withhold tax or not, or the quantum of taxes to be withheld rests solely with the Acquirer and PAC.

- 7.18 Taxes once withheld will not be refunded by the Acquirer and PAC under any circumstances. The tax withheld under this Offer is not the final liability of the Shareholders or in no way discharges the obligation of Shareholders to disclose the amount received pursuant to this Offer.
- 7.19 All Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer, the PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.
- 7.20 Shareholders who wish to tender their Equity Shares must submit the following tax related information along with the Form of Acceptance:
- (a) For non-resident Shareholders (other than FII)
 - (i) Self-attested copy of PAN card;
 - (ii) NOC or TCC from the Income-tax authorities;
 - (iii) Declaration in respect of residential status, status of Shareholders (e.g. individual, firm, company, FII, trust or any other - please specify); and
 - (iv) Any previous RBI Approval (specific or general) that they may have been required to obtain prior to acquiring the Equity Shares.
 - (b) For FIIs
 - (i) Self-attested copy of PAN card;
 - (ii) NOC or TCC from the Income-tax authorities (to the extent applicable);
 - (iii) Declaration in respect of residential status, status of Shareholders (e.g., individual, firm, company, FII, trust or any other - please specify);
 - (iv) FII Certificate (i.e., self-attested declaration certifying the nature of income arising from the sale of Equity Shares, whether capital gains or otherwise);
 - (v) SEBI registration certificate; and
 - (c) For resident Shareholders
 - (i) Self-attested copy of PAN card;
 - (ii) Declaration in respect of residential status, status of Shareholders (e.g., individual, firm, company, institutional investor, trust or any other - please specify);
 - (iii) If applicable, self-declaration form in form 15G or form 15H (in duplicate), as applicable;
 - (iv) NOC or TCC from the Income-tax authorities (applicable only for the interest payment, if any); and
 - (v) For mutual funds/banks/other specified entities under Section 10(23D)/194A(3)(iii), as applicable, of the IT Act – Copy of relevant registration or notification (applicable only for interest payment, if any).
 - (d) In case of any non-resident Shareholder (including FII) who is a tax resident of Cyprus or any other jurisdiction which may be notified by the Government of India in this regard, the Acquirer and PAC reserve the right to request the following information:
 - (i) description of the ownership structure, including name and address of individuals or other entities, holding more than 10% (ten percent) shareholding or ownership interests; either directly or indirectly;
 - (ii) profile of the multinational group to which the seller belongs to, along with name, address, legal status and country of tax residence of each of the group entities which are tendering

shares in the open offer along with its relationship with the selling entity;

- (iii) broad description of the business of the seller and the industry it operates in; and
- (iv) any other information, data or document, which may be relevant for the transaction.

7.21 All cheques/demand drafts/pay orders will be drawn in the name of the first holder, in case of joint holder(s). In case of unregistered owners of Equity Shares, payment will be made in the name of the person stated in the contract note. It will be desirable if the Shareholders provide bank account details in the Form of Acceptance for incorporation in the cheque/demand draft/pay order.

7.22 The payment to the Shareholders would be made, within 10 working days from the closure of the Tendering Period (i.e., January 2, 2015) through various modes as follows:

Payment to those Shareholders whose Equity Share are validly accepted, will be by way of a crossed account payee cheque / demand draft / pay order / through Direct Credit (“**DC**”) / National Electronic Clearance System (“**NECS**”) / National Electronic Funds Transfer (“**NEFT**”) / Real Time Gross Settlement (“**RTGS**”). The Shareholders who opt for receiving consideration through NECS/NEFT/RTGS are requested to give the authorization for the same in the Form of Acceptance and enclose a photocopy of cheque along with the Form of Acceptance. In case of the Shareholder(s) holding the Equity Shares in physical form, if the bank account details are not provided, then the consideration will be dispatched in the name of the sole/first named holder at his registered address (at its own risk). The decision regarding the acquisition (in part or full), or rejection of, the Equity Shares tendered in this Offer and (i) any corresponding payment for the acquired Equity Shares and/or (ii) the Equity Share certificates for any rejected Equity Shares, will be dispatched to the Shareholders by registered post / speed post, at the Shareholder’s sole risk. The Equity Shares held in dematerialized form to the extent not acquired will be credited back to the same account from which they were tendered.

For Shareholders who do not opt for electronic mode of transfer or whose payment consideration is rejected / not credited through DC / NECS / NEFT / RTGS, due to technical errors or incomplete / incorrect bank account details, payment consideration will be dispatched through registered / speed post at the Shareholder's sole risk.

7.23 Neither the Acquirer nor any member of the PAC will be responsible in any manner for any loss of share certificate(s) and/or offer acceptance documents during transit and the Shareholders of the Target Company are advised to adequately safeguard their interest in this regard. In case of any lacunae or defect or modifications in the documents or forms submitted, the acceptance is liable to be rejected.

8. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection to the Shareholders at the office of the Manager to the Offer situated at Centrum House, Vidyanagari Marg, CST Road, Kalina, Santacruz (E), Mumbai - 400 098; Tel: +91-22-42159000, Fax: +91-22-42159707 on all working days (i.e., Monday to Friday) between 10:00 A.M. to 04:00 P.M. during the Tendering Period:

- 8.1 Certificate of incorporation, memorandum and articles of association of the Acquirer, PAC 1, and PAC 4;
- 8.2 Chartered Accountant certificate certifying the adequacy of financial resources with the Acquirer to fulfill the Offer obligations;
- 8.3 Chartered Accountant certificate certifying the adequacy of financial resources with the PAC 1 to fulfill the Offer obligations;
- 8.4 Chartered Accountant certificate certifying the adequacy of financial resources with the PAC 4 to fulfill the Offer obligations;
- 8.5 Chartered Accountant certificate, certifying the net worth of PAC 2;
- 8.6 Chartered Accountant certificate, certifying the net worth of PAC 3;
- 8.7 The Term Sheet, BTA and SSSA;
- 8.8 Audited annual reports of the Acquirer for the financial years ended March 31, 2011 and 18 months period ended September 30, 2012 and for 18 months period ended March 31, 2014;
- 8.9 Audited annual reports of the PAC 1, and PAC 4 for the financial years ended March 31, 2012, 2013 and 2014;
- 8.10 Audited annual reports of the Target Company for the financial years ended March 31, 2012, 2013 and 15 months period ended June 30, 2014. Unaudited financial statements for the three months period ended September 30, 2014 of Target Company;
- 8.11 A letter from the Escrow Bank confirming the amount kept in the Escrow Account and a lien in favour of the Manager to the Offer;
- 8.12 A copy of PA, published copy of the DPS, issue opening public announcement to be issued and any corrigendum to these;
- 8.13 A copy of the recommendation made by the Target Company's committee of independent directors constituted by the Board of Directors;
- 8.14 A copy of the SEBI observation letter dated December 3, 2014;
- 8.15 Report of M/s. BDO India LLP dated July 2, 2014;
- 8.16 A copy of the agreement entered into with the DP for opening a special depository account for the purpose of the Offer;
- 8.17 Bank guarantee dated July 5, 2014 issued by Yes Bank in favour of Manager to the Offer. Renewal of bank guarantee dated December 6, 2014;and
- 8.18 Escrow Agreement dated July 4, 2014 between the Acquirer, the Manager to the Offer and Escrow Bank.

9. DECLARATION BY THE ACQUIRER AND PAC

The Acquirer, the PAC and the respective board of directors of the Acquirer and each of the PAC, as applicable, accept full responsibility for the information contained in this LOF and also accept responsibility for the obligations of the Acquirer and the PAC as laid down in the Regulations. The Acquirer and the PAC shall be severally and jointly responsible for ensuring compliance with the Regulations. All information pertaining to the Target Company has been obtained from publicly available sources (except where expressly stated otherwise in this LOF).

The person(s) signing this LOF are duly and legally authorized by the Acquirer and the PAC.

Signed by

Sd-

For Reliance MediaWorks Limited

Name : Mohan Umrotkar
Designation : Authorized Signatory
Date : December 8, 2014
Place : Mumbai

Sd-

Reliance Land Private Limited

Name : Parul Jain
Designation : Authorized Signatory
Date : December 8, 2014
Place : Mumbai

Signed by

Sd-

For Namit Malhotra, Naresh Malhotra, & Monsoon Studio Private Limited

Name : Naresh Malhotra
Designation : Authorized Signatory/Attorney Holder
Date : December 8, 2014
Place : Mumbai

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT**PRIME FOCUS LIMITED – OPEN OFFER****THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION**

(Please send this Form of Acceptance with enclosures to Registrar to the Offer at any of the Collection Centres as mentioned in the Letter of Offer)
(All terms and expressions used herein shall have the same meaning as ascribed thereto in the Letter of Offer)

From,
Folio No./DP ID No./Client ID No.:

Name:
Address:

OFFER SCHEDULE		
OPENS ON	:	December 19, 2014
CLOSES ON	:	January 2, 2015

Tel No. Email: Fax:

To,
The Acquirer- **Reliance MediaWorks Limited**
C/o Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup West,
Mumbai - 400 078, India
Contact person: Mr. Ganesh Mhatre
Tel: +91 22 6171 5400;
Fax: +91 22 2596 0329
Email: pfl.offer@linkintime.co.in

Dear Sir,

Sub: Open Offer for acquisition of up to 7,77,08,534 Equity Shares at a price of Rs. 52 per Equity Share from shareholders of Prime Focus Limited ("PFL" or "Target Company") by Reliance MediaWorks Limited ("Acquirer") along with Reliance Land Private Limited ("PAC 1"), Mr. Namit Malhotra ("PAC 2"), Mr. Naresh Malhotra ("PAC 3") and Monsoon Studio Private Limited ("PAC 4") (collectively referred to as "PAC") as Persons Acting in Concert with the Acquirer.

I/We refer to the Public Announcement dated July 2, 2014, Detailed Public Statement dated July 8, 2014 and Letter of Offer dated December 8, 2014 for acquiring the equity shares held by me/us in PFL. I/We, the undersigned have read the Public Announcement, Detailed Public Statement and Letter of Offer and understood their contents and unconditionally accept the terms and conditions as mentioned therein.

I/We acknowledge and confirm that all the particulars/statements given herein are true and correct.

☐ SHARES HELD IN PHYSICAL FORM

I/We, accept the Offer and enclose the original share certificate(s) and duly signed transfer deed(s) in respect of my/our shares as detailed below:

Sr. No.	Folio No.	Certificate No.	Distinctive Nos.		No. of shares
			From	To	
Total number of equity shares					

(In case the space provided is inadequate, please attach a separate sheet with details)

I/We note and understand that the Registrar to the Offer will hold the original share certificate(s) and valid share transfer deed in trust for me/us until the time the Acquirers dispatch the purchase consideration as mentioned in the Letter of Offer. I/We also note and understand that the Acquirers will pay the purchase consideration only after (i) verification of the documents and signatures; (ii) obtaining the necessary approvals and as mentioned in the Letter of Offer. In case of shares tendered in physical form, where the original share certificates are required to be split, all the documents will be returned only upon receipt of share certificates from the Target Company.

☐ SHARES HELD IN DEMATERIALIZED FORM

I/We, holding shares in the dematerialized form, accept the Offer and enclose the photocopy of the Delivery Instruction in "Off-market" mode duly acknowledged by my/our Depository Participant ("DP") in respect of my/our shares as detailed below:

DP Name	DP ID	Client ID	Name of Beneficiary	No. of shares

I/We have executed an off-market transaction for crediting the shares to the special depository account as per the details below:

- ☐ via a delivery instruction from my account in NSDL
☐ via an inter-depository delivery instruction from my account with CDSL

Depository Name	NSDL
DP Name	Ventura Securities Limited
Account Name	LIPL PRIME FOCUS ESCROW DEMAT ACCOUNT
DP ID	IN303116
Client ID	11415559
ISIN	INE367G01038
Market	Off-market

Date of credit	On or before January 2, 2015
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Public shareholders should ensure that the Equity Shares are credited in the aforementioned account, prior to the closure of the Tendering Period.

I/We note and understand that the shares would lie in the special depository account by the Registrar till the completion of the formalities relating to this Open Offer as mentioned in the Letter of Offer. I/We also note and understand that the consideration will be paid only to those Shareholders who have validly tendered their shares in this Open Offer, in accordance with the terms of the Letter of Offer.

Enclosures (Please tick as appropriate, if applicable)

- ☐ Photocopy or counterfoil of the delivery instructions in “off market” mode duly acknowledged by the Shareholders DP, in favour of the special depository account.
- ☐ Duly attested Power of Attorney, if any person apart from the shareholder, has signed the acceptance form or transfer deed(s).
- ☐ Corporate authorization in case of Companies along with Board Resolution and Specimen Signatures of Authorised Signatories.
- ☐ Duly attested Death Certificate and Succession Certificate (in case of single shareholder) in case the original shareholder has expired.
- ☐ RBI or any other regulatory body approval required to tender Shares in the Offer by NRIs and OCBs
- ☐ Others (please specify):

I/We confirm that the equity shares of PFL, which are being tendered herewith by me/us under the Offer, are free from liens, charges and encumbrances of any kind whatsoever. I/We are not debarred from dealing in shares.

I/We also note and understand that the Acquirer and PAC will pay the purchase consideration only after verification of the documents and signatures.

I/We authorize the Acquirer and PAC, the Registrar to the Offer and the Manager to the Offer to send by Speed Post/Registered Post or through electronic mode as may be applicable at my/our risk, crossed account payee cheques/ demand drafts/pay order or electronic transfer of funds, in full and final settlement of the amount due to me/us and/or other documents or papers or correspondence to the sole/first holder at the address mentioned above.

In case I/We have tendered my Shares in dematerialized form, I/We authorize the Acquirer and PAC, Registrar to the Offer and the Manager to the Offer to use my details regarding my address and bank account details as obtained from my depository participant for the purpose of mailing the aforementioned instruments.

I/We authorize the Acquirer and PAC to accept the shares so offered which it may decide to accept in consultation with the Manager to the Offer and in terms of the Letter of Offer and I/we further authorize the Acquirer and PAC to return to me/us, share certificate(s)/shares in respect of which the offer is not found valid/not accepted without specifying the reasons thereof.

I/We authorize the Acquirer and PACs to accept the Equity Shares so offered or such lesser number of Equity Shares that it may decide to accept in terms of the Letter of Offer and I/We authorize the Acquirer and PAC to split / consolidate the share certificates comprising the shares that are not acquired to be returned to me/us and for the aforesaid purposes the Acquirer and PAC are hereby authorized to do all such things and execute such documents as may be found necessary and expedient for the purpose.

The Permanent Account No. (PAN) Allotted under the Income Tax Act, 1961 is as under.

	First/Sole Holder	Joint Holder 1	Joint Holder 2
PAN			

Bank Details

So as to avoid fraudulent encashment in transit, the shareholder(s) holding shares in physical form should provide details of bank account of the first/sole shareholder and the consideration cheque or demand draft will be drawn accordingly. For shares that are tendered in demat form, the bank account details as obtained from the beneficiary position download to be provided by the depositories will be considered and the consideration payment will be issued with the said Bank particulars. Please indicate the preferred mode of receiving the payment consideration.

(Please tick)

- ☐ Electronic Mode
- ☐ Physical Mode

Shareholders who opt for receiving consideration through DC/NEFT/RTGS/NECS are requested to enclose a photocopy of a cancelled cheque along with the Form of Acceptance.

Particulars Required	Details
Bank Name	
Complete Address of the Bank	
Account Type (CA/SB/NRE/NRO/Others – Please Mention)	
Account No.	
9 Digit MICR Code	
IFSC Code (for RTGS/NEFT/NECS transfers)	

Tax related information

For all Shareholders

I / We, confirm that our residential status -under the Income-tax Act, 1961 (“IT Act”) is:

- ☐ Resident
- ☐ Non-resident. If yes, please state country of tax residency - _____

I / We, confirm that our status is:

- ☐ Individual
- ☐ HUF
- ☐ Partnership Firm
- ☐ Company
- ☐ Association of Person / Body of Individual
- ☐ Trust
- ☐ Foreign Trust
- ☐ NRI – Repatriable
- ☐ NRI – Non Repatriable
- ☐ FII/FPI – Corporate
- ☐ FII/FPI – Others
- ☐ QFI
- ☐ Foreign Venture Capital Investor (FVCI)
- ☐ Foreign Company
- ☐ Overseas Corporate Bodies (OCB)
- ☐ Pension/Provident Fund
- ☐ Financial institutions
- ☐ Insurance companies
- ☐ Banks
- ☐ Any other - please specify below:

For FII and FII Sub-Account / FPI Shareholders:

I / We, confirm that the Equity Shares of PFL held by me / us on (select *whichever is applicable*):

- ☐ Investment/Capital Account and income arising from sale of the Equity Shares is in the nature of Capital gains
- ☐ Trade Account and income arising from sale of the Equity Shares is in the nature of business income.

(Note: In case the Equity Shares are held on Trade Account, kindly enclose a certificate obtained from Indian tax authorities under section 195(3) or 197 of the Income Tax Act, specifying the rate at which tax shall be deducted. In the absence of such a certificate tax will be deducted at the maximum marginal rate, applicable to the category to which such FII/ FPI belongs, on the entire consideration payable)

Declaration for Treaty Benefits (please tick the box if applicable):

- ☐ I/We confirm that there I/we am/are tax resident/s of _____ and satisfy all conditions to claim benefits under DTAA entered into by India and the country of which I am/we are tax resident/s.

(Note: If this box is not ticked, tax will be deducted without considering Treaty Benefits at the maximum marginal rate applicable to the category to which such FII/ FPI belongs)

In order to avail benefit of lower rate of tax deduction under the DTAA, if any, kindly enclose a Tax Residence Certificate stating that you are a tax resident of your country of residence / incorporation and that you do not have a permanent establishment in India in terms of the DTAA entered into between India and your country of residence, along with such other documents and information as prescribed in terms of Section 90(5) of the Income Tax Act. In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted.

I / We, have enclosed the following documents:

- ☐ Self attested copy of PAN Card
- ☐ Tax Residency Certificate issued by the tax authorities of country of which you are a tax resident.
- ☐ No objection certificate / Tax clearance certificate from the Income tax authorities under Section 195(3) or Section 197 under the IT Act
- ☐ SEBI registration certificate for FIIs/FPI
- ☐ Self declaration for no permanent establishment in India
- ☐ Copy of any statutory approvals including approvals from the RBI or the FIPB, if any, for acquiring Equity Shares hereby tendered in the Offer
- ☐ FII/FPI certificate (self-attested declaration certifying the nature of income arising from the sale of shares, whether capital gains or otherwise)

For non-resident Shareholders (other than FII and FII sub-accounts / FPI)

I / We, confirm that the Equity Shares tendered by me / us are held on (select *whichever is applicable*):

- ☐ Repatriable basis
- ☐ Non-repatriable basis

I/We confirm that the tax deduction on account of Equity Shares held by me/us is to be deducted on (please tick applicable box(es)):

- ☐ Long-term capital gains (Equity Shares are held by me/us for more than 12 (twelve) months).
- ☐ Short-term capital gains (Equity Shares are held by me/us for 12 (twelve) months or less).
- ☐ Trade Account.

(For determination of the nature and period of holding, kindly enclose a proof for date of purchase such as demat account statement or brokers note. In case the shares are held on trade account, kindly enclose a certificate obtained from Indian tax authorities under section 195(3) or 197 of the Income Tax Act, specifying the rate at which tax shall be deducted. In the absence of such a certificate tax will be deducted at the maximum marginal rate applicable to the category to which such Equity Shareholders belong on the entire consideration payable).

Declaration for Treaty Benefits (please tick if applicable):

- ☐ I/We confirm that I/we am/are tax resident/s of _____ and satisfy all conditions to claim benefits under DTAA entered into by India and the country of which I am/we are tax resident/s.

(Note: If this box is not ticked, tax will be deducted without considering Treaty Benefits at the maximum marginal rate applicable to the category to which such Equity Shareholder belongs.)

In case there is a permanent establishment in India, kindly enclose a certificate from Indian tax authorities, specifying the rate of tax to be deducted failing which tax will be deducted at the maximum marginal rate.

I/We have enclosed the following documents:

- ☐ Self attested copy of PAN card
- ☐ Tax Residency Certificate issued by the tax authorities of country of which you are a tax resident.
- ☐ NOC / TCC from the Indian Income tax authorities under Section 195(3) or Section 197 under the IT Act
- ☐ Self declaration for no permanent establishment in India
- ☐ Copy of any statutory approvals including approvals from the RBI or the FIPB, if any, for acquiring Equity Shares hereby tendered in the Offer.
If the Equity Shares are held under the general permission of the RBI, non-resident Equity Shareholders should furnish a copy of the relevant notification/circular pursuant to which the shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis.
- ☐ In case of OCB Equity Shareholders, copy of the RBI approval for tendering Equity Shares under the Offer, the source of funds for initial acquisition of Equity Shares and the nature of the holding of Equity Shares (repatriable/non-repatriable basis).

I/We confirm that _____ [Please specify the amount / rate of Overseas tax to be withheld] is deductible on the entire consideration towards Overseas tax as per the relevant tax laws of the country in which I/we am/are a tax resident.

For resident Shareholders

I / We, have enclosed the following documents:

- ☐ Self-attested copy of PAN card
- ☐ NOC / TCC from the Indian Income-tax authorities under Section 195(3) or Section 197 under the IT Act (applicable only for interest, if any)
- ☐ Self-declaration form in Form 15G / Form 15H, if applicable
- ☐ For Mutual fund/Banks/Notified Institution under Section 194A (3)(iii)(f) of the IT Act, copy of relevant Registration or notification (applicable only for interest payment, if any)

Yours faithfully,

Signed and Delivered,

Signed & Delivered by	Full Name(s) of the Shareholder	Signature
First/Sole Holder		
Second Holder		
Third Holder		

Note: In case of joint holdings all must sign. In case of body corporate, the company seal should be affixed

Place:

Date:

SHAREHOLDERS ARE REQUESTED TO NOTE THAT THE ACCEPTANCE FORMS / SHARES THAT ARE RECEIVED BY THE REGISTRAR TO THE OFFER AFTER THE CLOSURE OF THE TENDERING PERIOD i.e. AFTER 5.00 P.M. ON JANUARY 2, 2015 SHALL NOT BE ACCEPTED UNDER ANY CIRCUMSTANCES AND HENCE ARE LIABLE TO BE REJECTED.

-----Tear along this line-----

Acknowledgement Slip

Prime Focus Limited – Open Offer

Sr. No. _____

(To be filled in by the shareholders) (Subject to verification)

Received from Mr./Ms. _____ a Form of Acceptance for _____ Shares along with:

Physical Shares: Folio No. _____ / Demat Shares: DP ID: _____; Client ID : _____

Form of Acceptance along with:

☐ Copy of depository instruction slip for [_____] number of Shares from DP ID _____ Client ID _____

☐ _____ Share certificate(s) _____ transfer deed(s) under folio number(s) _____

(Tick whichever is applicable)

for accepting the Offer made by the Acquirer and PAC.

Stamp of Collection Centre:		Signature of Official:		Date of Receipt:	
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- In case of physical shares, verify the number of share certificates / number of shares.
- In case of dematerialized Equity Shares, ensure that copy of the delivery instruction to the DP and duly acknowledged by the DP is submitted with the tender / offer form.

-----Tear along this line-----

Note: All future correspondence, if any, should be addressed to Registrar to the Offer

Link Intime India Private Limited

Unit: Prime Focus – Open Offer

C-13, Pannalal Silk Mills Compound

LBS Marg, Bhandup (West)

Mumbai 400 078

Tel: +91 22 61715400

Fax: +91 22 25960329

Email: pfl.offer@linkintime.co.in

Contact Person: Mr. Ganesh Mhatre

SEBI Registration No: INR000004058

INSTRUCTIONS:

PLEASE NOTE THAT NO SHARES / FORMS SHOULD BE SENT DIRECTLY TO THE ACQUIRER AND PAC, THE TARGET COMPANY OR TO THE MANAGER TO THE OFFER

(1) All queries pertaining to the Offer may be directed to the Registrar to the Offer.

(2) Shareholders are required to deliver the following documents:

(a) For Equity Shares held in dematerialized form:

- (i) Form of Acceptance duly completed and signed in accordance with the instructions contained therein by all the beneficial holders of the Equity Shares, as per the records of the DP.
- (ii) Photocopy of the delivery instruction in “Off-market” mode or counterfoil of the delivery instruction slip in “Off-market” mode, duly acknowledged by the DP.
- (iii) Photocopy of the Inter-Depository Instruction Slip if the beneficiary holders having an account with Central Depository Services Ltd.

Further, please note the following:

- (i) For each delivery instruction, the beneficial owner should submit a separate Form of Acceptance.
- (ii) The Registrar to the Offer is not bound to accept those acceptances, for which corresponding shares have not been credited to the special depository account or for shares that are credited in the special depository account but the corresponding Form of Acceptance has not been received as on the closure of the Tendering Period. However, in the later case, the Acquirer may, in its sole discretion, deem the shares to be accepted under the Offer.

(b) For Equity Shares held in physical mode by registered Shareholders:

- (i) Form of Acceptance should be duly completed and signed, in accordance with the instructions contained therein, by all Shareholders. In case of Equity Shares held in joint names, names should be filled up in the same order in which they hold Equity Shares in the Target Company. This order cannot be changed or altered nor can any new name be added for the purpose of accepting the Offer;
- (ii) Original Equity Share certificate(s); and
- (iii) Valid share transfer form(s) duly signed by transferor (by all the Shareholders in case the shares are in joint names) as per the specimen signatures lodged with the Target Company and duly witnessed at the appropriate place(s). Please do not fill in any details in the transfer deed.

Please do not fill in any other details in the share transfer form except name, signature and witness.

(iv) In case where the signature is subscribed by thumb impression, the same shall be verified and attested by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a Public Office and authorized to use the seal of his office.

(v) **Persons who own physical Equity Shares (as on the Identified Date or otherwise) but are not the registered holders** of such Equity Shares and who desire to accept the Offer, will have to communicate their acceptance in writing to the Registrar to the Offer at the collection centers as mentioned in the Letter of Offer. The application should enclose: (a) Form of Acceptance duly completed and signed in accordance with the instructions contained therein; (b) Original Share certificate(s); (c) Original broker contract note; (d) Valid Share transfer form(s) duly executed in favour of the unregistered owner as the proposed transferee(s) along with self-attested copy of PAN Card of all the proposed transferee(s). All other requirements for valid transfer (including matching of signatures) will be preconditions for acceptance; (e) An additional valid Share transfer form(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer form should be left blank, except for the signatures and witness details as mentioned above. Attestation, where required (as indicated in the Share transfer deed) (thumb impressions, signature difference, etc.) should be done by a Magistrate, Notary Public or Special Executive Magistrate or a similar authority holding a public office and authorized to use the seal of his office or a member of a recognized stock exchange under their seal of office and membership number or manager of the transferor's bank.

In case the share certificate(s) and transfer deed(s) are lodged with the Target Company/its transfer agents for transfer, then the Form shall be accompanied by the acknowledgment of lodgment with, or receipt by, the Target Company/its transfer agents, of the share certificate(s) and transfer deed(s). Persons under this clause should submit their acceptance and necessary documents by registered post or in person to the Registrar at their offices as mentioned above.

The sole/first holder may also mention particulars relating to savings/current account number and the name of the bank and branch with whom such account is held in the respective spaces allotted in the Form, to enable the Registrar to print the said details in the cheques after the name of the payee.

If the Registrar to the Offer does not receive the documents listed above but receives the original share certificates and valid share transfer form from a registered Shareholder, then the Offer will be deemed to have been accepted by such Shareholders.

(3) **Non-resident Shareholders (including NRIs, OCBs, FIIs and FPIs)** should enclose copy(ies) of permission received from the RBI or FIPB to acquire shares held by them in the Target Company, if applicable. If the Equity Shares are held pursuant to a general permission of RBI, the Non-Resident Shareholder should submit a copy of the relevant notification / circular pursuant to which the Equity Shares are held and state whether the Equity Shares are held on repatriable or non-repatriable basis. In the event that such specific approvals are not furnished, the Equity Shares tendered by such non-resident shareholders would be rejected.

(4) **Shareholders are also advised** to refer to Section 7.14 of the Letter of Offer regarding important disclosures on taxation of the consideration to be received by them and the tax related information to be provided with the Form of Acceptance.

(5) **NRIs, OCBs and foreign Public Shareholders** are required to furnish Banker's Certificate certifying inward remittances of funds for acquisition of Shares. Further, the OCB Public Shareholders are also required to submit the RBI approval for tendering shares under the Offer.

(6) **In case of bodies corporate**, certified copies of appropriate authorization (including Board/shareholder resolutions, as applicable) authorizing the sale of shares along with specimen signatures duly attested by a bank must be annexed. The common seal should also be affixed.

(7) All the Shareholders should provide all relevant documents which are necessary to ensure transferability of the shares in respect of which the acceptance is being sent. Such documents may include (but not be limited to):

- (a) Duly attested death certificate and succession certificate (in case of single shareholder) in case the original shareholder has expired.
 - (b) Duly attested power of attorney if any person apart from the shareholder has signed acceptance form or transfer deed(s).
 - (c) No objection certificate from any lender, if the Equity Shares in respect of which the acceptance is sent, were under any charge, lien or encumbrance.
- (8) **Shareholders who wish to tender their Equity Shares** must submit the information as requested for in the Letter of Offer and/or this Form of Acceptance all at once. The documents submitted by the shareholders along with the Form of Acceptance will be considered as final. Any further / delayed submission of additional documents, unless specifically requested by the Acquirer will be accepted at the sole discretion of the Acquirer.
- (9) **Shareholders who have accepted the Offer** by tendering the requisite documents in terms of the PA and LoF are not allowed to withdraw the same as per Regulation 18(9) of the Regulations.
- (10) **In case of ambiguity, incomplete or conflicting information** or the information (including any additional information or documents which may be requested by the Acquirer and PAC from a Shareholder for ascertaining the taxes to be deducted) not being provided to the Acquirer and PAC, it would be assumed that the Shareholder is a non-resident Shareholder and taxes shall be deducted at the maximum rate as may be applicable to the relevant category to which the Shareholder belongs under the IT Act, on the entire consideration and interest if any, payable to such Shareholder.
- (11) For the purpose of determining as to whether the capital gains are short-term or long-term in nature, the Acquirer shall take actions based on the certification submitted along with this Form of Acceptance by the Shareholders. In case the Acquirer is of the view that the information / documents provided by the Shareholder is inaccurate or incomplete or insufficient, then tax may be deducted at source at the applicable maximum marginal rate on the entire consideration paid to the Shareholders.
- (12) Taxes once withheld will not be refunded by the Acquirer under any circumstances. The tax withheld under this Offer is not the final liability of the Shareholders or in no way discharges the obligation of Shareholders to disclose the amount received pursuant to this Offer.
- (13) Shareholders are advised to consult their tax advisors for the treatment that may be given by their respective assessing officers in their case, and the appropriate course of action that they should take. The Acquirer/PAC and the Manager to the Offer do not accept any responsibility for the accuracy or otherwise of such advice. The aforesaid treatment of tax deduction at source may not necessarily be the treatment also for filing the return of income.

The Shares and all other relevant documents should be sent only to the **Registrar to the Offer**, and NOT to the Manager to the Offer, the Acquirers, the PACs or the Target Company.

Public Shareholders who wish to accept the Offer and tender their Shares, can **hand deliver** the Form of Acceptance and other related documents, at any of the collection centers of Registrar to the Offer mentioned in paragraph 7.7 of the Letter of Offer, anytime between 10:00 am to 1:00 pm, 2.00 pm to 5.00 pm from Monday to Friday. The collection centers will be closed on Sundays, Saturdays and public holidays.

Public Shareholders **who cannot hand deliver** their documents at any of the collection centers, may send the same by **registered post with acknowledgement due, at their own risk and cost**, to the Registrar to the Offer at its address: Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078, so as to reach the Registrar to the Offer on or before 5:00 pm on Friday, January 2, 2015, i.e., closure of the Tendering Period, clearly marking the envelop "Prime Focus Ltd – Open offer".

FOR TERMS AND CONDITIONS OF THE OFFER AND DETAILED PROCEDURE FOR TENDERING THE SHARES IN THIS OFFER REFER TO THE LETTER OF OFFER