

Public Announcement under Regulations 3(1) and 4 read with Regulations 13(1) and 15 (1) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

FOR THE ATTENTION OF THE SHAREHOLDERS OF PRIME FOCUS LIMITED

Open Offer for acquisition of up to 7,77,08,534 equity shares of Re. 1 each of Prime Focus Limited (“Target Company”) from the public shareholders of the 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”) (PAC 1, PAC 2, PAC 3 and PAC 4 collectively being, the “PAC”), in their capacity as persons acting in concert with the Acquirer, pursuant to and in accordance with Regulation 3(1) and Regulation 4 of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations 2011, as amended (“Regulations”).

This public announcement (“Public Announcement”) is being issued by Centrum Capital Limited (“Manager to the Offer”) for and on behalf of the Acquirer and PAC, to the public shareholders of the Target Company pursuant to and in compliance with, amongst others, Regulations 3(1) and (4) of the Regulations. For the purpose of this Public Announcement, “Public Shareholders” shall mean all the public shareholders of the Target Company excluding the parties to Term Sheet (as defined below) and persons acting in concert or deemed to be acting in concert with such parties.

1) Definitions:

- a. “**Emerging Voting Capital**” shall mean the paid-up equity share capital of 29,88,78,974 equity shares of Re. 1 (*Rupee One only*) each of the Target Company being the paid-up equity share capital after allotment of 11,34,61,538 equity shares to the Acquirer and PAC 4 on a preferential allotment basis.
- b. “**Open Offer / Offer**” shall mean the open offer made by the Acquirer and PAC to the public shareholders of the Target Company for the acquisition of 26% of the Emerging Voting Capital in accordance with the Regulations.

2) Offer details

- a) **Size:** Up to 7,77,08,534 fully paid-up equity shares of a face value of Re. 1 (*Rupee One only*) each of the Target Company (each an “**Equity Share**”), representing 26% of the Emerging Voting Capital. The offer size is in accordance with Regulation 7(1) of the Regulations.
- b) **Price/ consideration:** An offer price of Rs. 52 (*Rupees Fifty Two only*) per Equity Share (hereinafter referred to as “**Offer Price**”) will be offered for the equity shares tendered in the Offer. Assuming full acceptance, the total consideration payable by the Acquirer and PAC will be Rs. 4,04,08,43,768 (*Rupees Four Hundred and Four Crores Eight Lakhs Forty Three Thousand Seven Hundred and Sixty Eight Only*) (hereinafter referred to as “**Offer Consideration**”).

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c) **Mode of payment:** The Offer Price will be paid in cash, in accordance with the Regulation 9(1)(a) of the Regulations.

d) **Type of offer:** This Offer is a mandatory offer in compliance with Regulations 3(1) and 4 of the Regulations.

3) **Transaction which has triggered the Open Offer obligations (Underlying Transaction)**

Details of underlying transaction						
Type of Transaction (direct/ indirect)	Mode of Transaction (Agreement/ Allotment/ market purchase)	Shares / Voting rights acquired/ proposed to be Acquired		Total Consideration for shares /Voting Rights acquired (Rs. in Crores)	Mode of payment (Cash/ securities)	Regulation which has triggered
		Number	% vis a vis total Equity / voting Capital.			
Direct	Preferential allotment of 2,30,76,923 Equity Shares to the Acquirer.	2,30,76,923 Equity Shares	7.72% of the Emerging Voting Capital	120.00	Cash	3(1) and 4 of the Regulations
Direct	Preferential allotment of 6,73,07,692 Equity Shares to Acquirer.	6,73,07,692 Equity Shares	22.52% of the Emerging Voting Capital	350.00	Net consideration for transfer by Acquirer of its film and media services business	3(1) and 4 of the Regulations

Note: On July 2, 2014, the board of directors of the Target Company approved a preferential allotment of 9,03,84,615 Equity Shares to the Acquirer as set out above. The board of directors also approved a preferential allotment of 2,30,76,923 Equity Shares to PAC 4. PAC 4 is wholly owned by PAC 2 and PAC 3, who are the current promoters of the Target Company. The Acquirer and PAC 1 belong to the Reliance Group. PAC 1 has agreed to provide financing to PAC 4 to subscribe to 2,30,76,923 Equity Shares by way of preferential allotment as set out above. Upon completion of the aforementioned preferential allotment of equity shares to the Acquirer, their aggregate holding in the Target Company would exceed 25% of the total voting rights of the Target Company being the threshold set out in Regulation 3(1) of the Regulations. As such this Offer is being made under Regulation 3(1) of the Takeover Regulations.

The Acquirer has also entered into a binding term sheet dated July 2, 2014 (“**Term Sheet**”) with the promoters of the Target Company (“**Promoters**”) and the Target Company whereby the Acquirer and PAC 1 on the one hand and Promoters on the other hand have agreed to certain *inter-se* rights and obligations as shareholders of the Target Company. Pursuant to the Term Sheet, while the Promoters 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, this offer is also being made pursuant to Regulations 4 of the Regulations.

Pursuant to the Term Sheet, the PAC 4 may acquire such number of shares tendered in the Offer as may be required to increase the total holding of the Promoters of the Target Company to 35% of the Emerging Voting Capital. Since (1) PAC 4 is acquiring 2,30,76,923 equity shares of the Target Company by way of preferential allotment along with the Acquirer, (2) PAC 4 may also acquire certain shares tendered in this Offer, and (3) 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 Acquirer and PAC 1.

4) Acquirer / PAC

Details	Acquirer	PAC 1	PAC 2	PAC 3	PAC 4	Total
Name of Acquirer/PAC	Reliance MediaWorks Limited	Reliance Land Private Limited	Namit Malhotra	Naresh Malhotra	Monsoon Studio Private Limited	5
Address	Film City Complex, Goregaon (East), Mumbai – 400 065	H Block, 1 st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai – 400 710	201, Priyanka Apartment, JVPD Scheme, N. S. Road No. 6, Juhu, Mumbai – 400 049	201, Priyanka Apartment, JVPD Scheme, N. S. Road No. 6, Juhu, Mumbai – 400 049	120, Damji Shamji Udyog Bhavan, Veera Desai Road, Andheri (West), Mumbai – 400 053	-
Name(s) of persons in control /promoters of Acquirer/ PAC where Acquirer/ PAC are companies	Reliance Land Private Limited	Reliance Capital Limited	Not Applicable	Not Applicable	Namit Malhotra and Naresh Malhotra	-
Name of the Group, if any, to which the Acquirer/PAC belongs to	Reliance Group	Reliance Group	Not Applicable	Not Applicable	Not Applicable	-
Pre Transaction shareholding • Number	Nil	Nil	1,49,00,000	6,22,01,546	Nil	7,71,01,546

Details	Acquirer	PAC 1	PAC 2	PAC 3	PAC 4	Total
% of total share capital	Nil%	Nil%	8.04%	33.54%	Nil%	41.58% (being the aggregate holding of the current Promoters of the Target Company)
Proposed shareholding after the acquisition of shares which triggered the Open Offer - Number % of total share capital (Emerging Voting Capital)	9,03,84,615 30.24%	Nil Nil%	1,49,00,000 4.99%	62,201,546 20.81%	2,30,76,923 7.72%	19,05,63,084 63.76%
Any other interest in the TC	Nil	Nil	PAC 2 is one of the promoters of the Target Company.	PAC 3 is one of the promoters of the Target Company.	PAC 4 is wholly owned by PAC 2 and PAC 3	-

5) **Details of selling shareholders-**

Not applicable as the Offer is being made as a result of a preferential allotment of equity shares of the Target Company.

6) **Target Company:**

- Name:** Prime Focus Limited. The Target Company has its registered office at Prime Focus House, Linking Road, Opp. CITI Bank, Khar (West), Mumbai, Maharashtra - 400052.
- Exchanges where listed:** The Target Company is listed on the BSE Limited (Scrip Code: 532748) and National Stock Exchange of India Limited (Scrip Symbol: PFOCUS)

7) Other details

- a) The detailed public statement pursuant to this Public Announcement, including the reasons and background to the Offer, detailed information on the Offer Price, details of the Term Sheet for the underlying transaction including the conditions precedent thereunder, detailed information on the Acquirer, the PAC, and the Target Company and statutory approvals, if any, for the Offer shall be published in the newspapers on or before July 9, 2014 in compliance with Regulation 13(4) of the Regulations.
- b) The Acquirer and PAC have each given an undertaking that they are aware of and will comply with their obligations (including the payment obligations) under the Regulations. The Acquirer and PAC 1 have given an undertaking that they have adequate financial resources to meet the Offer obligations. On the basis of the above, the Merchant Banker is satisfied that the Acquirer and PAC have adequate financial resources to meet the Offer obligations and have made firm financial arrangements for financing the acquisition of the Equity Shares under the Offer, in terms of Regulation 25(1) under the Regulations.
- c) This Offer is not conditional upon any minimum level of acceptance in terms of Regulation 19(1) of the Regulations and is not a competitive bid in terms of Regulation 20 of the Regulations.
- d) Completion of the Offer and the underlying transaction, as envisaged in the Term Sheet, is subject to the satisfaction of the conditions precedent set out in the Term Sheet and receipt of statutory approvals, if any. In the event that any of the conditions precedent is not met for any reason outside the control of the Acquirer, the transactions contemplated in the Term Sheet shall stand terminated and the Open Offer shall be withdrawn in compliance with the Regulations.

Issued by Manager to the Offer on behalf of the Acquirer and PAC

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Place: Mumbai

Date: July 2, 2014