

Public Announcement

To The Equity Shareholders of Fame India Limited

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Cash Offer For Acquisition Of Equity Shares From Shareholders of Fame India Limited

This Public Announcement (the “PA”) is being issued by ICICI Securities Limited (the “Manager to the Offer”), on behalf of Reliance MediaWorks Limited (“RMW” or the “Acquirer”), along with the Persons Acting in Concert, Reliance Capital Partners (“RCP” or “PAC1”) and Reliance Capital Limited (“RCL” or “PAC2”) to the equity shareholders of Fame India Limited (“FIL” or the “Target Company”) pursuant to and in compliance with Regulations 10 and 12 and other applicable provisions of the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 and subsequent amendments thereto (“Regulations” or the “SEBI Takeover Code”).

In terms of Regulations 25(1) and 25(3) of the Regulations, this PA is for a competitive bid. Enam Securities Private Limited issued a public announcement on February 6, 2010 on behalf of Inox Leisure Limited, along with Gujarat Fluorochemicals Limited, for the acquisition of up to 20% of the Emerging Equity Share and Voting Capital (as defined in paragraph 56 below) of the Target Company (the “First PA”).

I. Background to the Offer

1. The Acquirer, Reliance MediaWorks Limited, a company, limited by shares, incorporated under the Companies Act, 1956, having its registered office at Film City Complex, Goregaon (East), Mumbai – 400065, Maharashtra, India is making a voluntary open offer, as a competitive bid to the First PA, along with the persons acting in concert, Reliance Capital Partners, a partnership firm registered under the Indian Partnership Act, 1932 having its offices at 3rd Floor, Reliance Energy Centre, Santa Cruz (East), Mumbai – 400055, Maharashtra, India (hereinafter referred to as “PAC1”) and Reliance Capital Limited, a company, limited by shares, incorporated under the Companies Act, 1956, having its registered office at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai – 400710, Maharashtra, India (hereinafter referred to as “PAC2”) to the equity shareholders of Fame India Limited (the “Target Company”) to acquire up to 2,16,00,000 fully paid up equity shares of face value Rs. 10 (Rupees Ten only) each from the equity shareholders of the Target Company, representing 62.08% of the fully paid up and issued equity share capital of the Target Company and 52.48% of the Emerging Equity Share and Voting Capital of the Target Company (as defined in paragraph 56).

2. Enam Securities Private Limited issued the First PA on February 6, 2010 on behalf of Inox Leisure Limited and Gujarat Fluorochemicals Limited (collectively referred to as the “First Bidder”), for an open offer to acquire up to 82,31,759 fully paid up equity shares of face value of Rs. 10 (Rupees Ten only) each of the Target Company (representing 23.66% of the fully paid up issued equity share capital and 20% of the Emerging Equity Share and Voting Capital at a price of Rs. 51 (Rupees Fifty One only) per fully paid up issued equity share to be paid in cash. The First PA was made pursuant to a mandatory open offer triggered by Inox Leisure Limited under Regulations 10 and 12 of the Regulations upon the acquisition of:

(a) 1,50,57,751 equity shares constituting 43.28% of the fully paid up issued equity share capital of the Target Company (the “Promoter Shares”) from the promoters of the Target Company (i.e., Mr. Shrawan Shyam Shroff (on behalf of South Yarra Holdings) (together with Mr. Shrawan Shyam Shroff in his individual capacity, Mr. Balkrishna G. Shroff and Mr. Shyam G. Shroff, the “Promoter Shareholders”), for a consideration of Rs. 44 (Rupees Forty only) per equity share and an aggregate consideration of Rs. 66,25,41,044 (Rupees Sixty Six Crores Twenty Five Lakhs Forty One Thousand Forty Four only) by carrying out a block deal on February 3, 2010 on the Bombay Stock Exchange (the “BSE”); and

(b) 25,07,537 equity shares, constituting 7.21% of the fully paid up issued equity share capital of the Target Company from certain other sellers who were not identified in the First PA (the “Other Sellers”), for a consideration of Rs. 50.75 (Rupees Fifty and Seventy Five Paise only) per equity share and an aggregate consideration of Rs. 12,72,57,502 (Rupees Twelve Crores Seventy Two Lakhs Fifty Seven Thousand Five Hundred and Two only) by carrying out a block deal on February 5, 2010 on the BSE (collectively the “First PA Transactions”).

3. The First PA was published on February 6, 2010 (including in Mumbai edition of Business Standard as per the information available to the Acquirer and the PACs). The First PA is also available on the website of the Securities and Exchange Board of India (the “SEBI”) (www.sebi.gov.in).

4. By a letter dated February 16, 2010, the Acquirer has made a reference before the SEBI alleging that the First PA Transactions and the First PA are in violation of the Regulations, the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations 2003, the FEMA, the Income Tax Act and corporate governance norms on fairness, transparency and disclosures, *inter alia*, in relation to: (a) the fraudulent and underpinned open offer under the First PA (b) the non-disclosure of certain pre-existing financial arrangements between the First Bidder and the Promoter Shareholders, pursuant to which the Promoter Shares had been transferred, more than a year ago, to a separate account, where a director of the First Bidder had been made a joint holder and an authorized signatory with respect to the Promoter Shares together with the Promoter Shareholders and (c) the suspected violation of the FEMA in relation to certain security arrangements made in relation to the Foreign Currency Convertible Bonds issued by the Target Company.

5. In this regard, the Acquirer has requested the SEBI for appropriate investigation in the matters set forth in the said reference and for exercise of its powers under Sections 11 (4) and 11B of the SEBI Act and other applicable regulations against the parties involved in the issuance of the First PA, as it deems fit, including directing the reversal of the First PA Transactions and to take any other appropriate action to protect the interests of the minority shareholders of the Target Company and the securities market in general.

6. The aforesaid reference has been made by the Acquirer to the SEBI pursuant to the information discovered during discussions between the Promoter Shareholders and the Acquirer between January 19, 2010 and February 2, 2010 when the Acquirer and the Promoter Shareholders were in the process of reaching an agreement on the terms of the sale of the Promoter Shares to the Acquirer. A detailed description of the discussions between the Acquirer and the Promoter shareholders during the said period has been set out in the said reference to the SEBI.

7. PAC1 has, from February 3, 2010 and thereafter upto the date of this PA, acquired 42,24,435 equity shares of the Target Company (the “PAC Shares”) representing 12.14% of the fully paid up issued equity share capital of the Target Company. During the last 12 months, the maximum acquisition price per share was Rs. 83.40 (Rupees Eighty Three and Forty Paise only) and the average acquisition price per share was Rs. 58.83 (Rupees Fifty Eight and Eighty Three Paise only). During the last 12 months, PAC1 has not sold any shares of the Target Company.

II. The Offer

This voluntary open offer is being made by the Acquirer and the PACs to the equity shareholders of the Target Company as a competitive bid under Regulations 10, 12, 25(1) and 25(3) of the Regulations. This Offer is subject to the receipt of certain approvals as described below in Section VII titled ‘Statutory and Other Approvals required for the Offer’.

9. As per the First PA, the First Bidder owned 1,75,65,288 fully paid up issued equity shares of the Target Company as on the date of the First PA, which together with the shares which may be acquired by the First Bidder in the offer made by it assuming full acceptances, will result in it owning 2,57,97,047 fully paid up issued equity shares constituting 74.14 % of the fully paid up issued equity share capital of the Target Company.

10. Therefore, in compliance with Regulation 25(3) of the Regulations, the Acquirer, along with the PACs, proposes to acquire up to 2,16,00,000 fully paid up issued equity shares of face value Rs. 10 (Rupees Ten only) each from the equity shareholders of the Target Company (representing 62.08% of the fully paid up issued equity share capital of the Target Company and 52.48% of the Emerging Equity Share and Voting Capital of the Target Company), being together with the shares already held by the Acquirer and the PACs is not less than the holding of the First Bidder including the number of shares for which the offer has been made by the First Bidder (the “Offer Size”), at a price of Rs. 83.40 (Rupees Eighty Three and Forty Paise only) for each fully paid up issued equity share of the Target Company (hereinafter referred to as the “Offer Price”) payable in cash and in accordance with the Regulations, subject to the terms and conditions mentioned in the Letter of Offer and the form of acceptance-cum-acknowledgment to be disseminated to the shareholders of the Target Company in accordance with the schedule of activities contained herein or any revised schedule of activities that may be communicated by the Acquirer and/or the PACs from time to time (hereinafter collectively referred to as the “Offer”).

11. Based on the available information, the Offer Size has been calculated as follows:

Particulars	Number of equity shares	As a % of the issued equity share capital (34,795,262)	As a % of the Emerging Equity Share and Voting Capital of the Target Company (41,158,792)
Equity shares held by the First Bidder pursuant to the suspect First PA Transactions	1,75,65,288	50.48%	42.68%
Offer size of the First Bidder	82,31,759	23.66%	20.00%
Total	2,57,97,047	74.14%	62.68%
Shares held by the Acquirer / PACs on the date of this PA	42,24,435	12.14%	10.26%
Offer Size	2,16,00,000	62.08%	52.48%
Total	2,58,24,435	74.22%	62.74%

12. Upon completion of the Offer, assuming full acceptances in the Offer, the Acquirer, along with the PACs will hold at least 2,58,24,435 equity shares of the Target Company representing 74.22% of the fully paid up issued equity share capital of the Target Company and 62.74% of the Emerging Equity Share and Voting Capital of the Target Company.

13. Apart from the PAC Shares, there is no other person acting in concert with the Acquirer for the Offer within the meaning of Regulation 21(e)(1) of the Regulations. However, due to the applicability of Regulation 21(e)(2) of the Regulations, there could be certain entities deemed to be persons acting in concert with the Acquirer.

14. This Offer is subject to the receipt of certain approvals as described below in Section VII titled ‘Statutory and Other Approvals required for the Offer’.

15. As on the date of this PA, to the best of the knowledge of the Acquirer and the PACs, there are no partly paid-up equity shares in the Target Company.

16. The Offer is not as a result of global acquisition resulting in indirect acquisition of the Target Company.

17. As on the date of this PA, the Acquirer, PAC2 and their respective directors have neither acquired nor been allotted any equity shares of the Target Company in the last 12 months. As on the date of this PA, the Acquirer, PAC2 and their respective directors do not hold any equity shares of the Target Company.

18. PAC1 has, from February 3, 2010 and thereafter up to the date of this PA, acquired the PAC Shares, representing 12.14% of the fully paid up issued equity share capital of the Target Company. During the last 12 months, the maximum acquisition price per share was Rs. 83.40 (Rupees Eighty Three and Forty Paise only) and the average acquisition price per share was Rs. 58.83 (Rupees Fifty Eight and Eighty Three Paise only). During the last 12 months, PAC1 has not sold any shares of the Target Company.

19. The Offer is not subject to any minimum level of acceptance.

20. The Acquirer and/or the PACs will acquire all the shares that are validly tendered in the Offer up to 2,16,00,000 shares at the Offer Price. Up to 7 (seven) working days prior to the closure of the Offer, the Acquirer and/or the PACs may purchase additional shares of the Target Company in accordance with the Regulations. In the event the equity shares tendered in the Offer by the shareholders of the Target Company are more than the Offer Size, the Acquirer and/or the PACs shall accept the valid applications received on a proportionate basis in accordance with Regulation 21(6) of the Regulations.

21. As on the date of this PA, the Manager to the Offer does not hold any equity share of the Target Company.

III. Offer Price

22. The equity shares of the Target Company are presently listed in India on the BSE and the National Stock Exchange of India (“NSE”) and together with BSE, the “Stock Exchanges”. Based on the information available on the websites of the Stock Exchanges, the annualised trading turnover in the shares of the Target Company during the 6 (six) calendar months prior to the month of the PA is 174.82% and 93.14% of the number of shares of the Target Company listed on the NSE and the BSE respectively. Accordingly, the equity shares of the Target Company are frequently traded on both the NSE and BSE within the meaning of explanation (i) to Regulation 20(5) of the Regulations.

23. In the 6 (six) calendar months prior to the month of the PA, the shares of the Target Company were more frequently traded on the NSE.

24. The Offer Price of Rs. 83.40 (Rupees Eighty Three and Forty Paise only) per fully paid up equity share of the Target Company is justified in terms of Regulation 20(4) of the Regulations being the highest of the following:

a. Negotiated price	: Not Applicable
b. Highest price paid by the Acquirer / PACs for acquisition of equity shares of FIL (including by way of allotment in a public rights or preferential issue) during the 26 weeks period preceding the date of the PA	: Rs. 83.40
c. The average of the weekly high and low of the closing prices of the equity shares of FIL during the 26 weeks preceding the date of the PA, on the NSE	: Rs. 34.82
d. The average of the daily high and low prices of the equity shares of FIL, on the NSE, during the 2 weeks preceding the date of the PA	: Rs. 67.29

(Source of all FIL share price data: www.nseindia.com)

25. As per Regulation 25(6) of the Regulations, the Acquirer and the PACs are permitted to revise the Offer Price upwards up to 7 (seven) working days prior to the date of closure of the Offer and the mode of payment of consideration to the tendering shareholders following an upward revision in the Offer Price. In the event of such revision, a public announcement will be made in the same newspapers where this PA has appeared and the revised offer price and offer consideration would be paid by the Acquirer and/or the PACs for all the equity shares tendered anytime during the Offer and accepted under the terms of the Offer.

IV. Information about the Acquirer and the PACs

A. Information about the Acquirer:

26. Reliance MediaWorks Limited (“RMW” or the “Acquirer”) (www.reliancemediaworks.com) was incorporated under the Companies Act, 1956 on November 30, 1987 as Adlabs Films Private Limited. Its name was changed to Adlabs Films Limited on June 19, 2000 and was further changed to its present name, i.e., Reliance MediaWorks Limited on October 5, 2009.

27. RMW’s registered office is located at Film City Complex, Goregaon (East), Mumbai - 400 065, Tel No.: +91 22 39808900, Fax No.: +91 22 39808985.

28. RMW is part of the Reliance Anil Dhirubhai Ambani Group. The promoters of RMW are Reliance Land Private Limited (“RLPL”) and Reliance Capital Limited (“RCL”).

29. RMW’s main activities are film and entertainment services. RMW operates the cinema chain BIG Cinemas with currently 500 screens spread across India, United States, Malaysia and the Netherlands. Its film services include motion picture processing and Digital Intermediate processing, visual effects, film restoration and image enhancement, digital mastering studios and equipment rentals with facilities in India, United States and United Kingdom. RMW also has majority interest in a television programming venture, BIG Synergy Media Limited.

30. As on the date of the PA, the shares of RMW are listed on the NSE and the BSE. RMW’s share price on February 19, 2010 was Rs. 220.10 (Rupees Two Hundred Twenty and Ten Paise only) on the NSE and Rs. 220.05 (Rupees Two Hundred Twenty and Five Paise only) on the BSE. The shareholding pattern of RMW as of the date of the PA is as under:

S. No.	Shareholder Category	Number of Shares Held	% equity holding
1	Promoter and Promoter Group	2,87,05,000	62.23
2	FIs / Mutual Funds / FIs / Banks	67,89,128	14.72
3	Public	1,06,32,042	23.05
	Total Equity Shares	4,61,26,170	100.00

31. The board of directors of RMW comprises of the following 7 (seven) members: Mr. Gautam Doshi, Mr. Amit Khanna, Mr. Praseon Joshi, Mr. Darius Kakalia, Mr. Sujal Shah, Mr. Ajay Prasad and Mr. Anil Sekhri.

32. As on the date of this PA, RMW had issued and paid up equity share capital of Rs 23,06,30,850 (Rupees Twenty Three Crores Six Lakhs Thirty Thousand Eight Hundred Fifty only), comprising 4,61,26,170 fully paid-up equity shares of face value Rs. 5 (Rupees Five only) each.

33. As on the date of this PA, there are no partly paid-up equity shares or outstanding convertible instruments of RMW except for outstanding Foreign Currency Convertible Bonds issued by RMW aggregating Euro 20.65 million through issue of Zero percent Foreign Currency Convertible Bonds due in 2011. The conversion price of these bonds was originally fixed at Rs. 543.42 (Rupees Five Hundred and Forty Three and Forty Two Paise only) and is subject to revision pursuant to the de-merger of the Radio Division of the Company into a separate entity during the financial year 2008-2009. The Company is currently contemplating revision in the conversion price of the said bonds and hence the number of equity shares if these FCCBs get converted cannot be ascertained as of now.

34. As per the consolidated audited accounts of RMW, the financial performance highlights for the last 3 (three) audited financial years is as under:

Particulars	Financial Year 2006-07*	Financial Year 2007-08*	Financial Year 2008-09
Total Income	4,312.54	3,644.48	7,333.32
Profit After Tax	904.88	474.73	-513.78
Equity Capital	199.00	230.63	230.63
Reserves (after debit balance set-off in P&L Account)	13,153.53	6,665.52	5,011.43
Networth	3,351.01	6,895.57	5,241.55
No. of fully paid-up equity shares (in million)	39.80	46.13	46.13
Earnings Per Share (Rs.) (Basic)	22.74	11.28	-11.33
Earnings Per Share (Rs.) (Diluted)	19.13	9.85	-11.33
Book Value Per Share (Rs.)**	84.20	149.48	113.63
Return on Networth (%)***	27.00	6.88	NA

^ Fifteen months period

* Nine months period

** Book Value per Share calculated as Networth / Number of outstanding shares as at the end of the year

*** Return on Networth calculated as Profit After Tax / Networth as at the end of the year

Source: Annual Reports of RMW

35. As on the date of the PA, none of the Acquirer’s directors are on the board of FIL. Also, none of the directors of the Acquirer have acquired any share of FIL in the 12-month period prior to the date of this PA.

36. The Acquirer has complied with the requirements of the provisions of Chapter II of the Regulations as far as applicable in relation to the acquisition of shares in the Target Company.

37. The Acquirer and its promoters / directors have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the Securities and Exchange Board of India Act, 1992, as amended (the “SEBI Act”) or under any other regulation made under the SEBI Act.

B. Information about PAC1:

38. Reliance Capital Partners (“RCP” or “PAC1”), a partnership firm registered under the Indian Partnership Act, 1932, was formed on April 19, 2006 and carries on its business from 3rd Floor, Reliance Energy Centre, Santa Cruz (East), Mumbai - 400 055, Tel No.: +91 22 3009 9311, Fax No.: +91 22 3009 9763. RCP is mainly into the business of investment, trading and financing. RCP is part of the Reliance Anil Dhirubhai Ambani Group. The partners of RCP are RCL, RLPL and Mr. Surendra Pipara. As on the date of the PA, RCL holds 99.98% equity interest in RCP and the balance is held by RLPL (0.01%) and Mr. Surendra Pipara (0.01%).

39. As per the consolidated audited accounts of RCP, the financial performance highlights for the last 3 (three) audited financial years is as under:

Particulars	Financial Year 2006-07	Financial Year 2007-08	Financial Year 2008-09
Total Income	17.99	324.70	7.51
Profit After Tax	17.84	324.69	-44.00
Partner’s Capital	1,540.05	1,087.91	2,960.78
Networth	1,540.05	1,087.91	2,960.78
Return on Networth (%)	1.16	29.85	NA

* Return on Networth calculated as Profit After Tax / Networth as at the end of the year

Source: Annual Reports of RCP

Other financial data namely Dividend, Earnings per share, Return on Net Worth and Book value per share are not computable since RCP is a partnership firm.

40. As of the date of this PA, PAC1 holds 42,24,435 equity shares of the Target Company (the “PAC Shares”) representing 12.14% of the fully paid up issued equity share capital of the Target Company. During the last 12 months, the maximum acquisition price per share was Rs. 83.40 (Rupees Eighty Three and Forty Paise only) and the average acquisition price per share was Rs. 58.83 (Rupees Fifty Eight and Eighty Three Paise only). During the last 12 months, PAC1 has not sold any shares of the Target Company.

41. PAC1 has complied with the requirements of the provisions of Chapter II of the Regulations in relation to the acquisition of the PAC Shares in the Target Company.

42. As on the date of the PA, none of the partners of PAC1 have representation on the board of FIL. Also, none of the partners of PAC1 have acquired any share of FIL in the 12-month period prior to the date of this PA.

43. PAC1 / partners of PAC1 have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the SEBI Act or under any other Regulation made under the SEBI Act.

C. Information about PAC2:

44. Reliance Capital Limited (“RCL” or “PAC2”) (www.reliancecapital.co.in) was incorporated under the Companies Act, 1956 on March 5, 1986 as Reliance Capital and Finance Trust Limited. Its name was changed to Reliance Capital Limited on January 5, 1995. RCL’s registered office is located at H Block, 1st Floor, Dhirubhai Ambani Knowledge City, Navi Mumbai - 400 710, Tel No.: +91 22 447 9243, Fax No.: +91 22 3032 7202. RCL is a part of the Reliance Anil Dhirubhai Ambani Group. RCL has interests in asset management and mutual funds, life and general insurance, private equity and proprietary investments, stock broking, depository services, distribution of financial products, investment banking, wealth management services, consumer finance and other activities in financial services.

45. As on the date of the PA, the shares of RCL are listed on the NSE and the BSE. RCL’s share price on February 19, 2010 was Rs. 742.45 (Rupees Seven Hundred and Forty Two and Forty Five Paise only) on the NSE and Rs. 741.90 (Rupees Seven Hundred and Forty One and Ninety Paise only) on the BSE. The shareholding pattern of RCL as of the date of the PA is as under:

S. No.	Shareholder Category	Number of Shares Held	% equity holding
1	Promoter and Promoter Group	13,13,82,274	53.49
2	FIs / Mutual Funds / FIs / Banks	6,30,60,116	25.67
3	Public	5,11,90,410	20.84
	Total Equity Shares	24,56,32,800	100.00

46. The board of directors of RCL comprises of the following 5 (five) members: Mr. Anil D. Ambani, Mr. Amitabh Jhunjhunwala, Mr. Rajendra P. Chitale, Mr. C. P. Jain and Dr. Bidhubhusan Samal.

47. As on the date of this PA, RCL had issued and paid up equity share capital of Rs. 245,63,28,000 (Rupees Two Hundred and Forty Five Crores Sixty Three Lakhs and Twenty Eight Thousand only), comprising 24,56,32,800 fully paid-up equity shares of face value Rs. 10 (Rupees Ten only) each. As on the date of this PA, there are no partly paid-up equity shares or outstanding convertible instruments of RCL.

48. As per the consolidated audited accounts of RCL, the financial performance highlights for the last 3 (three) audited financial years is as under:

Particulars	Financial Year 2006-07	Financial Year 2007-08	Financial Year 2008-09
Total Income	21,578.60	49,191.90	60,191.40
Profit After Tax	7,029.90	10,090.60	10,156.70
Equity Capital	2,461.60	2,461.60	2,461.60
Reserves	50,562.20	63,635.30	72,072.00
Networth	52,973.50	65,079.20	73,403.40
No. of fully paid-up equity shares (in million)	245.63	245.63	245.63
Earnings Per Share (Rs.) (Basic)	30.88	41.08	41.35
Earnings Per Share (Rs.) (Diluted)	30.88	41.08	41.35
Book Value Per Share (Rs.)*	215.66	264.95	298.84
Return on Networth (%)**	13.27	15.51	13.84

* Book Value per Share calculated as Networth / Number of outstanding shares as at the end of the year

** Return on Networth calculated as Profit After Tax / Networth as at the end of the year

Source: Annual Reports of RCL

49. As on the date of the PA, none of the directors of RCL are on the board of FIL. Also, none of the directors of RCL have acquired any share of FIL in the 12-month period prior to the date of this PA.

50. PAC2 has complied with the requirements of the provisions of Chapter II of the Regulations as far as applicable in relation to the acquisition of shares in the Target Company.

51. PAC2 and its promoters / directors have not been prohibited by SEBI from dealing in securities, in terms of directions issued under Section 11B of the Securities and Exchange Board of India Act, 1992, as amended (the “SEBI Act”) or under any other regulation made under the SEBI Act.

V. Information about the Target Company

(The disclosures mentioned under this section have been obtained from information available in the public domain. Accordingly the Acquirer, the PACs and the board of directors of the Acquirer and PAC2 and the partners of PAC1 have not independently verified the accuracy of any information in relation to the Target Company.)

52. The Target Company was incorporated on October 26, 1999 as Shringar Cinemas Private Limited under the Companies Act, 1956. It was later converted into a public limited company on December 19, 2004 and its name was changed to Shringar Cinemas Limited on December 24, 2004. The name was further changed from Shringar Cinemas Limited to Fame India Limited on January 25, 2008. The registered office of FIL is situated at Fame Adlabs, 2nd Floor, Andheri Link Road, Oshiwara, Andheri (West), Mumbai - 400053.

53. The Target Company’s principal activity is exhibition of films in India including programming of theatres and owning/managing multiplexes under the brand “Fame”. As per the information on its website and filings with the Stock Exchanges, FIL operates 95 screens with 26,488 seats at 25 properties across 12 cities in India with presence in the states of Maharashtra, Gujarat, Haryana, West Bengal, Jharkhand and Karnataka. As per the Annual Report for the financial year ended 2009, FIL has 2 (two) subsidiaries namely, Shringar Films Limited, which is mainly into distribution of films, and Big Pictures Hospitality Services Private Limited, which is into food court business.

54. The equity shares of the Target Company are currently listed on the NSE and the BSE.

55. The present subscribed, issued and paid up share capital of the Target Company comprises of 3,47,95,262 fully paid up issued equity shares of Rs. 10 (Rupees Ten only) each aggregating to Rs. 34,79,52,620 (Rupees Thirty Four Crores Seventy Nine Lakhs Fifty Two Thousand Six Hundred and Twenty only) and 1,000 (thousand) fully paid up 10% non-cumulative redeemable preference shares of Rs. 10 (Rupees Ten only) each held by its subsidiary Shringar Films Limited aggregating to Rs. 10,000 (Rupees Ten Thousand only). As on the date of this PA, to the best of knowledge of the Acquirer and the PACs, there are no partly paid-up equity shares in the Target Company.

56. As per the information in the First PA, the Emerging Equity Share and Voting Capital of the Target Company is calculated below based on the outstanding FCCBs and the vested Employee Stock Options (“ESOP”):

Particulars	Number of equity shares
Issued and fully paid up equity shares outstanding as on the date of this PA (A)	34,795,262
Equity shares underlying possible conversion of FCCBs (B)	6,202,850
Total outstanding vested ESOPs for which equity shares may be issued (C)	160,680
Emerging Equity Share and Voting Capital (D = A + B + C)	41,158,792

57. As per the information available on the website of the BSE, as on December 31, 2009, the Promoter Shareholders of the Target Company held 1,52,04,907 equity shares in the Target Company constituting 43.70% of the fully paid up issued equity share capital. As per the First PA, on February 3, 2010, the First Bidder acquired the Promoter Shares, i.e 1,50,57,751 equity shares constituting 43.28% of the fully paid up issued equity share capital of the Target Company from the Promoter Shareholders. The Acquirer has submitted a reference to the SEBI for investigation of the fraudulent and illegal nature of the aforesaid transfer of the Promoter Shares from the Promoter Shareholders to the First Bidder.

58. As per the

- Working Hours: Monday to Friday 10 AM to 5 PM, Saturday 10 AM to 1 PM
Holidays: Sundays and Bank Holidays*
85. Shares which are locked-in as per the provisions of Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, can be tendered in the Offer. In such an event, the residual lock-in period shall continue in the hands of the Acquirer and/or the PACs as applicable.
86. In case any person has submitted his shares in physical form for dematerialisation and such dematerialisation has not yet been effected, the concerned shareholder may apply in the Offer as per instructions mentioned above, together with a photocopy of the completed dematerialisation request form acknowledged by shareholder's DP. Such shareholders should ensure that the process of getting the shares dematerialised is completed well in time so that the credit of the shares to the "KCPL A/c Fame Open Offer Escrow Account" is completed on or before 5 P.M. (Indian standard time) on the closing date of the Offer i.e. Tuesday, April 20, 2010 failing which such an acceptance would be rejected. A copy of the delivery instruction acknowledged by the DP in favour of the "KCPL A/c Fame Open Offer Escrow Account" should be forwarded to the collection centre where the Form of Acceptance and other documents were tendered, before the closing date of the Offer.
87. In case any person has lodged shares for transfer and such transfer has not yet been effected, the concerned person may apply as per instructions to be contained in the Letter of Offer, together with the acknowledgement of the lodgement of shares for transfer. Such persons should also instruct FIL and/or its registrar & transfer agents - Link Intime India Private Limited (R&T Agents of the Target Company) to send the transferred equity share certificate(s) directly to Karvy Computershare Private Limited, the Registrar to the Offer at the addresses given above. The person should ensure that the equity share certificate(s) reach the designated collection centre on or before 5 P.M. (Indian standard time) on the closing date of the Offer i.e. Tuesday, April 20, 2010 failing which such an acceptance would be rejected. No indemnity is required from unregistered equity shareholders.
88. The Registrar to the Offer will hold in trust the shares/share certificates, shares lying in the credit of the "KCPLA/c Fame Open Offer Escrow Account", Form of Acceptance cum Acknowledgment, if any, and the transfer form(s) on behalf of the shareholders of the Target Company who have accepted the Offer, till the cheques / drafts for the consideration and / or the unaccepted shares / share certificates are dispatched / returned.
89. The Acquirer and/or PACs shall purchase the shares from the shareholders who have validly tendered the shares under the Offer (i.e. shares and / or other documents are in order in terms of the Offer) and remit the consideration in respect thereof within 15 days from the closing date of the Offer i.e., Wednesday, May 5, 2010 in cash, by Electronic Credit / Account Payee Cheque / Demand Draft / Warrants etc. at the shareholders' sole risk. The information as to whether the shares tendered by them have been accepted (in full or in part) or rejected and the consideration payable would be sent by registered post / speed post. The payment instrument will be drawn in favour of the Sole/First named shareholder in case of joint registered holders.
90. Any shares that are subject matter of litigation or are held in abeyance due to pending court cases/ attachment order(s) / restriction from other statutory authorities, wherein the shareholder(s) may be precluded from transferring the shares during pendency of the said litigation are liable to be rejected in case directions/orders of the Court/relevant statutory authority permitting transfer of these shares are not received together with the shares tendered under the Offer. The Letter of Offer in some of these cases, wherever possible, would be forwarded to the concerned statutory authorities for further action at their end.
91. While tendering shares under the Offer, NRIs/ OCBs/ foreign and other non-resident shareholders will be also required to submit the RBI approvals, if any (specific or general) that they would have obtained for acquiring shares. **In case the previous RBI approvals are not submitted, the Acquirer reserves the right to reject the shares tendered.** While tendering their shares under the Offer, Non Resident Indians ("NRIs"), Overseas Corporate Bodies ("OCBs") and other non resident shareholders will be required to submit a No Objection Certificate ("NOC") / Tax Clearance Certificate ("TCC") / Certificate for Deduction of Tax at Lower Rate indicating the amount of tax to be deducted by the Acquirer and/or PACs before remitting the consideration, from the Income Tax authorities under the Income Tax Act. In case the aforesaid NOC / TCC / Certificate for Deduction of Tax at Lower Rate is not submitted, the Acquirer and/or PACs will arrange to deduct tax at the maximum marginal rate as may be applicable to the category of shareholder under the Income Tax Act, on the entire consideration amount payable to such shareholders. The Acquirer and/or PACs also reserves the right to reject such tenders from non-resident shareholder.
92. As per the provisions of Section 196D (2) of the Income Tax Act no deduction of tax at source will be made from any income by way of capital gains arising from the transfer of securities referred to in section 115AD of the Income Tax Act, 1961 payable to a Foreign Institutional Investor ("FI") as defined in section 115AD of the Income Tax Act. However the interest payment for delay in payment of consideration, if any, will not be governed by this provision. For interest payments, if any, FIs will also have to provide their TCC, indicating the amount of tax to be deducted. In absence of the same, the Acquirer and/or PACs will arrange to deduct tax on the interest component, at the rate as may be applicable to the category of

- shareholder under the Income Tax Act, 1961.
93. Securities transaction tax will not be applicable to the shares accepted in this Offer.
94. In case of resident shareholders of the Target Company, the Acquirer and/or PACs will deduct the tax on the interest component exceeding Rs. 5,000 (Rupees Five Thousand and only) at the applicable current prevailing rates, if applicable. If the resident shareholder of the Target Company requires that no tax is to be deducted or tax is to be deducted at a lower rate than the prescribed rate, he will be required to submit No Objection Certificate from the income tax authorities indicating the rate at which tax is to be deducted by the Acquirer and/or PACs or a self declaration in Form 15G or Form 15H as may be applicable. Shareholders of the Target Company eligible to receive interest component exceeding Rs. 5,000 (Rupees Five Thousand and only) would be required to submit their Permanent Account Number for income tax purposes. Clauses relating to payment of interest will become applicable only if the Acquirer and/or PACs become liable to pay interest for delay in release of purchase consideration.
95. If the aggregate of the valid responses to the Offer exceeds the Offer Size, then the Acquirer and/or PACs shall accept the valid acceptances received on a proportionate basis from each shareholder as per Regulation 21(6) of the Regulations, such that acquisition from each shareholder will not be less than the minimum marketable lot or the entire holding, if it is less than the marketable lot. The minimum marketable lot of the Target Company for the purposes of acceptance, for both physical and demat will be 1 (one) share.
96. Unaccepted Share Certificates, transfer forms and other documents, if any, will be returned by Registered Post / Speed Post at the shareholders'/unregistered owners' sole risk to the sole/first shareholder. Shares held in dematerialised form, to the extent not accepted, will be credited back to the beneficial owners' depository account with the respective DP as per the details furnished by the beneficial owner in the Form of Acceptance or otherwise. It will be the responsibility of the shareholders to ensure that the unaccepted shares are accepted by their respective DPs when transferred by the Registrar to the Offer.
97. A schedule of some of the key events in respect of the Offer is as follows:

Activity	Day & Date
Date of this Public Announcement	Sunday, February 21, 2010
Last date for a competitive bid as per the First PA	Saturday, February 27, 2010
Specified Date *	Friday, March 19, 2010
Date by which Letter of Offer is to be dispatched to shareholders of the Target Company	Friday, March 26, 2010
Date of opening of the Offer	Thursday, April 1, 2010
Last date for revising the Offer Price / number of shares	Thursday, April 8, 2010
Last date for withdrawing acceptance from the Offer	Thursday, April 15, 2010
Date of closure of the Offer	Tuesday, April 20, 2010
Last date of communicating rejection/ acceptance and payment of consideration for accepted shares and / or the share certificate / demat delivery instruction for rejected shares will be dispatched / issued	Wednesday, May 5, 2010

** Specified date is only for the purpose of determining the names of the shareholders as on such date to whom the Letter of Offer would be sent. All eligible owners (registered or unregistered including beneficial owners) of the equity shares of FIL can participate in the Offer any time before the date of closure of the Offer.*

XI. General

98. If there is any upward revision in the Offer Price or the Offer Size or a change in the mode of payment of consideration to the tendering shareholders following an upward revision in the Offer Price in accordance with Regulation 25(6) of the Regulations anytime up to 7 (seven) working days prior to the closure of the Offer, or if the Offer is withdrawn, the same would be informed by way of a public announcement in the same newspapers in which this PA has appeared. The Acquirer would pay such revised price for all the shares validly tendered any time during the Offer and accepted under the Offer.
99. The Acquirer and the PACs have not been prohibited by SEBI from dealing in securities, in terms of direction issued under section 11B or any other regulations made under the SEBI Act. Based on the information presently available in the public domain, the Target Company has not been prohibited by SEBI from dealing in securities, in terms of direction issued under section 11B or any other regulations made under the SEBI Act. However the Acquirer has submitted a reference to the SEBI for investigation inter alia against Mr. Shyam G. Shroff, Mr. Bakrishna G. Shroff and Mr. Shravan Shyam (the Promoter Shareholders and directors of the Target Company) for the fraudulent and illegal transfer of the Promoter

- Shares to the First Bidder and the SEBI may issue such directions under Section 11B of the SEBI Act or under any other regulation made under the SEBI Act as it deems fit in this regard.
100. Pursuant to Regulation 13 of the Regulations, the Acquirer and the PACs have appointed ICICI Securities Limited as the Manager to the Offer. Further, Karvy Computershare Private Limited has been appointed as the Registrar to the Offer.
101. For further details please refer to the Letter of Offer, the Form of Acceptance and the Form of Withdrawal which will be sent to the shareholders of the Target Company.
102. In terms of Regulation 22(5A) of the Regulations, shareholders desirous of withdrawing their acceptances tendered in the Offer, can do so up to 3 (three) working days prior to the Offer Closing Date. The withdrawal option can be exercised by submitting the documents, including the Form of Withdrawal, as per the instructions to be contained in the Letter of Offer, so as to reach the Registrar to the Offer at the collection center where the original tender was submitted, on or before the last date for withdrawing acceptance from the Offer.
103. **As this is a competitive bid:**
- (a) **The public offers under all the subsisting bids shall close on the same date.**
- (b) **The First Bidder would have the option to make an announcement revising the offer within fourteen (14) days of this PA.**
- (c) **As the Offer Price can not be revised during 7 (seven) working days prior to the closing date of the offers / bids, it would, therefore, be in the interest of shareholders to wait till the commencement of that period to know the final offer price of each bid and tender their equity shares accordingly.**
- (d) **Publicly available information has been relied on for the purposes of disclosures made in relation to the Target Company and the Acquirer and the PACs and the board of directors of the Acquirer and PAC2 and the partners of PAC1 have not independently verified the accuracy of any information in relation to the Target Company. On this basis, under Regulation 22(6) of the Regulations, the directors of the Acquirer and PAC2 and the partners of PAC1 have exempted themselves from and do not accept responsibility for the information in relation to the Target Company which is disclosed in the Public Announcement. Subject to the aforesaid, the Acquirer and PAC2 and their directors and PAC1 and its partners take responsibility for all other information contained in the Public Announcement to the extent required by the Regulations.**
104. This PA is issued by the Manager to the Offer on behalf of the Acquirer and the PACs.
105. This PA is expected to be available on SEBI's website at www.sebi.gov.in. Eligible shareholders may also download a copy of the Letter of Offer, Form of Acceptance and Form of Withdrawal, which is also expected to be available on SEBI's website from the Offer Opening Date.

Issued by the Manager to the Offer

For and on behalf of the Acquirer and the PACs



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Date : February 20, 2010