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Date: February 12, 2021

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street, Fort
Mumbai 400 001

E-mail: corp.relations@bseindia.com
(Scrip code: 532748)

National Stock Exchange of India Limited

Exchange Plaza,
Bandra-Kurla-Complex, Bandra (East)
Mumbai – 400 051

E-mail: takeover@nse.co.in
(Symbol: PFOCUS)

Dear Sir/Madam,

Sub: Intimation under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

This is in furtherance with the communication received from Keynote Financial Services Limited (Keynote) wherein they had filed the Public Announcement with the stock exchanges on December 24, 2020, published Detailed Public Statement in Newspapers in terms of Regulation 14(3) of SEBI (SAST) Regulations, 2011 on January 1, 2021 and had filed the Draft Letter of Offer with the stock exchanges and SEBI on January 8, 2021.

We hereby further inform you that the Company has received a communication dated February 12, 2021 from Keynote that the schedule of the open offer is as follows:

- Date of Opening of Offer – Tuesday, February 23, 2021
- Date of Closing of Offer – Monday, March 8, 2021

Further the copy of “Letter of Offer” received from Keynote is enclosed herewith for your information.

We request you to take the same on record.

Sincerely,

For Prime Focus Limited

Parina Shah



Parina Shah
Company Secretary & Compliance Officer

Encl: As above

LETTER OF OFFER

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

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

A2R HOLDINGS (“ACQUIRER”)

Registered office: C/o. Amicorp (Mauritius) Limited, 6th Floor, Tower I, Nexteracom Building, Ebene, Mauritius
Tel. No.: +230 404-0200 **Fax:** +230 404-0201

along with

ARR STUDIO PRIVATE LIMITED (“PAC 1”)

Registered office: 201, Priyanka Apartments, N.S. 6th Road, J.V.P.D. Scheme, Juhu, Mumbai – 400 056, Maharashtra, India
Tel. No.: 91-22 67155000 **Fax:** 91-22-67155001 / 67155100

AND

MR. NAMIT MALHOTRA (“PAC 2”, AND TOGETHER WITH PAC 1, “PACS”)

Address: 16, Totteridge Common, London, N208NL, United Kingdom
Tel. No.: 91-22-67155000 **Fax:** 91-22-67155001 / 67155100

MAKES A CASH OFFER OF INR 44.15 (RUPEES FORTY FOUR AND FIFTEEN PAISE) PER FULLY PAID UP EQUITY SHARE OF FACE VALUE OF INR 1 (RUPEE ONE) EACH, TO ACQUIRE UP TO 8,23,71,046 (EIGHT CRORES TWENTY THREE LAKH SEVENTY ONE THOUSAND FORTY SIX) EQUITY SHARES REPRESENTING 26% OF THE EXPANDED VOTING SHARE CAPITAL (AS DEFINED BELOW), UNDER THE SEBI (SAST) REGULATIONS (AS DEFINED BELOW), FROM THE PUBLIC SHAREHOLDERS OF

PRIME FOCUS LIMITED (“TARGET COMPANY”)

A public limited company incorporated under the Companies Act, 1956

Registered Office: Prime Focus House, Linking Road, Opp. Citi Bank, Khar (West), Mumbai- 400 052, Maharashtra, India
(CIN: L92100MH1997PLC108981)

Tel. No: 022-67155000; **Fax No:** 022-67155001 / 67155100; **Website:** www.primefocus.com

Please Note:

1. This Offer (*as defined below*) is a mandatory offer made pursuant to Regulation 3(2) and other applicable regulations of the SEBI (SAST) Regulations.
2. This Offer is not a conditional offer in terms of Regulation 19 of SEBI (SAST) Regulations and is not subject to any minimum level of acceptance.
3. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
4. NRIs (*as defined below*), OCBs (*as defined below*) and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals / exemptions required to tender the Equity Shares held by them pursuant to this Offer (including, without limitation, approval from the RBI (*as defined below*) since the Equity Shares validly tendered in this Offer will be acquired by a non-resident entity) and submit such approvals along with the Form of Acceptance-cum-Acknowledgement and other documents required under this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FPIs (*as defined below*)) had required any approvals (including from the RBI, or any other regulatory body, if applicable) in respect of the Equity Shares held by them, they will be required to submit copies of such previous approvals along with the other documents required to be tendered to accept this Offer. In the event such approvals are not submitted, the Acquirer and/or the PACs reserve the right to reject such Equity Shares tendered in this Offer.
5. Where any statutory approval or exemption extends to some but not all of the Public Shareholders, the Acquirer shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals or exemptions are required in order to complete this Offer.
6. To the best of the knowledge of the Acquirer and the PACs, as on the date of this LOF (*as defined below*), there are no statutory approvals required by the Acquirer and the PACs to complete the acquisition of the Offer Shares (*as defined below*) under this Offer. However, in case any statutory approvals are required by the Acquirer and/or the PACs prior to

completion of the Offer, then this Offer shall be subject to such approvals being obtained. In the event that any statutory approvals required are not obtained or are finally refused or are otherwise not received for reasons outside the reasonable control of the Acquirer and/or the PACs, the Acquirer and the PACs may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations. In the event of withdrawal of the Offer, the Acquirer and the PACs (through the Manager) shall, within 2 (Two) Working Days of such withdrawal, make a public announcement of such withdrawal, in the same newspapers in which the DPS (*as defined below*) was published, stating grounds for such withdrawal in accordance with Regulation 23(2) of the SEBI (SAST) Regulations.

7. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Offer Shares, the Acquirer and/or the PACs shall accept those Equity Shares validly tendered by the Public Shareholders on a proportionate basis, in consultation with the Manager, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that the acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot.
8. The Offer Price (*as defined below*) is subject to revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer and the PACs at any time prior to 1 (One) Working Day before the commencement of the Tendering Period (*as defined below*) in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, the Acquirer shall (i) make corresponding increase to the escrow amounts, as more particularly set out in Part 6 (*Offer Price and Financial Arrangements*) of this LOF; (ii) make a public announcement in the same newspapers in which the DPS was published; and (iii) simultaneously with making such announcement, inform SEBI (*as defined below*), the Stock Exchanges (*as defined below*) and the Target Company at its registered office, of such revision. Such revised Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period. However, the Acquirer and/or the PACs shall not acquire any Equity Shares during the period commencing from 3 (Three) Working Days prior to the commencement of the Tendering Period and ending on the expiry of the Tendering Period.
9. **As per the information available with the Acquirer, the PACs and the Target Company, there has been no competing offer as on the date of this LOF. If there is a competing offer, the offers under all subsisting bids will open and close on the same date.**

A copy of each of the Public Announcement (*as defined below*), the DPS, the DLOF (*as defined below*), and this Letter of Offer (including the Form of Acceptance cum Acknowledgement) is also available, on the website of SEBI at www.sebi.gov.in.

| Manager to the Offer | Registrar to the Offer |
|---|--|
| <p>KEYNOTE</p> <p>Keynote Financial Services Limited <i>(formerly Keynote Corporate Services Limited)</i> The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, India Tel.: +91-22- 6826 6000-3 Fax: +91-22- 6826 6088 E-mail: mbd@keynoteindia.net Contact Person: Ms. Pooja Sanghvi/Mr. Shashank Pisat Website: www.keynoteindia.net SEBI Registration No.: INM 000003606 CIN: L67120MH1993PLC072407</p> | <p>LINK Intime</p> <p>Link Intime India Private Limited C 101, 247 Park, L.B.S. Marg, Vikhroli (West), Mumbai – 400 083, Maharashtra, India Tel: +91-22-4918 6200 Fax: +91-22-4918 6195 E-mail: primefocus.offer@linkintime.co.in Contact Person: Mr. Sumeet Deshpande Website: www.linkintime.co.in SEBI Registration No.: INR000004058 CIN: U67190MH1999PTC118368</p> |

The schedule of activities under the Offer is as follows:

| Activity | Original Schedule of Activities (Day and Date) | Revised Schedule of Activities (Day and Date) |
|--|---|--|
| Date of the Public Announcement | Thursday, December 24, 2020 | Thursday, December 24, 2020 |
| Date of publication of the DPS in the newspapers | Friday, January 1, 2021 | Friday, January 1, 2021 |
| Filing of the DLOF with SEBI | Friday, January 8, 2021 | Friday, January 8, 2021 |
| Last date for public announcement of a competing offer | Friday, January 22, 2021 | Friday, January 22, 2021* |
| Last date for receipt of SEBI observations on the DLOF (in the event SEBI has not sought clarifications and/or additional information from the Manager to the Offer) | Monday, February 1, 2021 | Thursday, February 04, 2021** |
| Identified Date*** (as defined below) | Wednesday, February 3, 2021 | Monday, February 8, 2021 |
| Last date by which the Letter of Offer is to be dispatched to Public Shareholders whose name appear in the register of members on the Identified Date | Wednesday, February 10, 2021 | Monday, February 15, 2021 |
| Last Date by which the committee of the independent directors of the Target Company shall give its recommendation | Monday, February 15, 2021 | Thursday, February 18, 2021 |
| Last date for the upward revision of the Offer Price / Offer Size | Tuesday, February 16, 2021 | Monday, February 22, 2021 |
| Date of publication of the Offer Opening Public Announcement (as defined below) in the newspapers in which the DPS has been published | Tuesday, February 16, 2021 | Monday, February 22, 2021 |
| Date of commencement of the Tendering Period (Offer Opening Date) | Wednesday, February 17, 2021 | Tuesday, February 23, 2021 |
| Date of expiry of the Tendering Period (Offer Closing Date) | Wednesday, March 3, 2021 | Monday, March 8, 2021 |
| Last date for communicating the rejection / acceptance, and completion of payment of consideration or refund of Equity Shares to the Public Shareholders of the Target Company | Thursday, March 18, 2021 | Tuesday, March 23, 2021 |
| Last date for filing the report with SEBI | Thursday, March 18, 2021 | Wednesday, March 31, 2021 |
| Last date for publication of post-offer Public Announcement in the newspapers in which the DPS has been published | Thursday, March 25, 2021 | Wednesday, March 31, 2021 |

* There has been no competing offer as of the date of this Letter of Offer.

**Actual date of receipt of SEBI's observations in relation to the DLOF.

***Date falling on the 10th Working Day prior to commencement of the Tendering Period. The Identified Date is only for the purpose of determining the Public Shareholders as on such date to whom the Letter of Offer would be posted. It is clarified that, subject to Part 6 (Terms and Conditions of the Offer), all the Public Shareholders of the Target Company (registered or unregistered) are eligible to participate in this Offer at any time prior on or prior to the Offer Closing Date.

RISK FACTORS

The risk factors set forth below are indicative only and are not intended to provide a complete analysis of all risks as perceived in relation to the Offer or associating with the Acquirer and the PACs. The risk factors set forth below do not relate to the present or future business or operations of the Target Company or any other related matters, and are neither exhaustive nor intended to constitute a complete or comprehensive analysis of the risks involved in or associated with the participation by a Public Shareholder in this Offer, but are merely indicative. The Public Shareholders are advised to consult their respective stock brokers, investment consultants, and legal, tax or other advisors of their choice, in order to analyse and understand all the risks with respect to their participation in this Offer.

A. Risks relating to the Underlying Transaction

1. The Underlying Transaction (*as defined below*) is subject to the terms and conditions (including fulfillment of conditions precedent agreed therein) in the SPA (*as defined below*), and if these conditions are not satisfied or waived, or any termination event occurs, the Underlying Transaction may be terminated, in accordance with the terms of the SPA. The Underlying Transaction is also subject to completion risks as would be applicable to similar transactions.

B. Risks relating to the Offer

1. To the best of the knowledge of the Acquirer and the PACs, as on the date of this LOF, there are no statutory approvals required by the Acquirer and the PACs to complete the acquisition of the Offer Shares under this Offer. However, in case any statutory approvals are required by the Acquirer and/or the PACs prior to completion of the Offer, this Offer shall be subject to such approvals being obtained. In the event that any statutory approvals required are not obtained or are finally refused or are otherwise not received for reasons outside the reasonable control of the Acquirer and/or the PACs, the Acquirer and the PACs may withdraw the Offer under Regulation 23 of the SEBI (SAST) Regulations.
2. In case of delay in receipt of any such statutory approvals, as per Regulation 18(11) of the SEBI (SAST) Regulations, SEBI may, if satisfied that non-receipt of such approvals was not attributable to any wilful default, failure or neglect on the part of the Acquirer or the PACs to diligently pursue such approvals, grant an extension of time for the purpose of completion of this Offer, subject to the Acquirer and the PACs agreeing to pay interest to the Public Shareholders for delay, at the rate of 10% as specified in Regulation 18(11A) of the SEBI (SAST) Regulations. Where the statutory approvals extend to some but not all the Public Shareholders, the Acquirer and the PACs will have the option to make payment of the consideration to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
3. NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation, the approval from the RBI, if applicable) and submit such approvals along with the Form of Acceptance cum-Acknowledgement and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and/or the PACs shall reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FPIs) had required any approvals (including from the RBI or any other regulatory body, if applicable) 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. If such previous approvals and/or relevant documents are not submitted, the Acquirer and/or the PACs shall reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that such Equity Shares are held under general permission, furnish a copy of the relevant notification / circular pursuant to which the Equity Shares are held and clarify whether the Equity Shares are held on repatriable basis or non-repatriable basis.
4. In the event that: (a) regulatory or statutory approvals required, if any, are not received in time, or (b) there is any litigation leading to a stay / injunction on the Offer or that restricts / restrains the Acquirer / PACs from performing their obligations hereunder, or (c) SEBI instructing the Acquirer / PACs not to proceed with the Offer, then the Offer process may be delayed beyond the schedule of activities indicated in this LOF. Consequently, the payment of consideration to the Public Shareholders whose Equity Shares are accepted under the Offer as well as the return of Equity Shares that have not been accepted under the Offer by the Acquirer / PACs may be delayed.

5. In the event of the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the Offer Size, the acquisition of valid shares from the shareholders shall be done on a proportionate basis, as detailed in Part 8 of this LOF, and hence there is no certainty that all the Equity Shares tendered by the Public Shareholders in the Offer will be accepted.
6. The Equity Shares tendered in the Offer will be held in trust by the Registrar to the Offer, on behalf of the Public Shareholders who have tendered their Equity Shares until the completion of the formalities of this Offer and the Public Shareholders who have tendered their Equity Shares will not be able to trade in such Equity Shares held in trust by the Registrar to the Offer during such period, even if the acceptance of the Equity Shares in this Offer and/or dispatch of payment consideration are delayed. Further, during such period, there could be fluctuations in the market price of the Equity Shares that may adversely impact the Public Shareholders who have tendered their Equity Shares in this Offer. Accordingly, the Acquirer and the PACs makes no assurance with respect to the market price of the Equity Shares (including during and after completion of, the Offer) and disclaims any responsibility with respect to any decision by any Public Shareholder on whether or not to participate in the Offer. It is understood that the Public Shareholders will be solely responsible for their decisions regarding their participation in this Offer.
7. The Public Shareholders who have tendered Equity Shares in acceptance of the Offer shall not be entitled to withdraw such acceptance during the Tendering Period, in terms of Regulation 18(9) of SEBI SAST Regulations, even if the acceptance of the Equity Shares in this Open Offer and/or dispatch of consideration is delayed.
8. The Acquirer, PACs and the Manager to the Offer accept no responsibility for the statements made otherwise than in the PA, the DPS, the DLOF, this Letter of Offer, the Offer Opening Public Announcement or in any corrigendum (if issued) and anyone placing reliance on any other source of information (not released by the Acquirer or the PACs or the Manager to the Offer) would be doing so at his/her/its or their own risk.
9. This LOF has not been and is not intended to be filed, registered or approved in any jurisdiction outside India. Recipients of this LOF who are resident in jurisdictions outside India should inform themselves of and comply with all applicable legal requirements. This Offer is not directed towards any person or entity in any jurisdiction or country where the same would be contrary to applicable laws or regulations or would subject the Acquirer and/or the PACs or the Manager to the Offer to any new or additional registration requirements. This is not an offer for sale, or a solicitation of an offer to buy, in the United States of America and cannot be accepted by any means or instrumentality from within the United States of America.
10. The Public Shareholders are advised to consult the stock broker, investment consultants, and legal, financial, tax, or other advisors and consultants of their choosing, for assessing further risks with respect to their participation in the Offer and related transfer of Equity Shares of the Target Company to the Acquirer. The Acquirer and the PACs do not accept any responsibility for the accuracy or otherwise of the tax provisions set forth in this LOF, and all shareholders should independently consult their respective tax advisors.
11. For the purpose of disclosures in the PA, the DPS, the DLOF or this LOF, in relation the Target Company and/or the Seller, the Acquirer, PACs and Manager have relied on the information published or provided by the Target Company and/or the Seller, as the case may be, or publicly available sources and have not independently verified the accuracy of details of the Target Company and/or the Seller. The Acquirer and the PACs do not accept any responsibility with respect to any misstatement by the Target Company and/or the Seller, as the case may be, in relation to such information.

C. Risks relating to the Acquirer and the PACs

1. The Acquirer and the PACs do not provide any assurance in respect of market price of Equity Shares before, during or after this Offer, and expressly disclaim its responsibility or obligation of any kind (except as required under applicable law) with respect to any decision by any shareholder on whether to participate or not participate in the Offer.
2. The Acquirer and the PACs make no assurance with respect to the financial performance or the future performance of the Target Company.

3. The Acquirer and the PACs make no assurance with respect to their investment / divestment decisions relating to their proposed shareholding in the Target Company.
4. As per Regulation 38 of the SEBI (LODR) Regulations (*as defined below*) read with Rule 19A of the SCRR (*as defined below*), the Target Company is required to maintain at least 25% (twenty five percent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Pursuant to completion of this Open Offer and the Underlying Transactions, in the event that the public shareholding of the Target Company falls below the minimum public shareholding requirement as per SCRR, and the SEBI (LODR) Regulations, the Acquirer and the PACs undertake to take necessary steps to bring down the non-public shareholding in the Target Company in accordance with the SCRR, the SEBI (LODR) Regulations, the SEBI (SAST) Regulations and other applicable SEBI guidelines / regulations. i.e. to bring down the non-public shareholding to 75% or lower within 12 (twelve) months from the date of such fall in the public shareholding to below 25%, through permitted routes and any other such routes as may be approved by SEBI from time to time. Any failure to comply with the conditions of aforesaid regulations could have an adverse effect on the price and tradability of the Equity Shares of the Target Company.
5. The information pertaining to the Target Company and/or the Seller contained in the PA, the DPS, the DLOF, this Letter of Offer and any other advertisement / publications made in connection with the Offer has been compiled from information published or provided by the Target Company or the Seller, as the case may be, or publicly available sources. The Acquirer and the PACs do not accept any responsibility with respect to any misstatement by the Target Company and/or the Seller in relation to such information.
6. The Acquirer, the PACs and the Manager cannot predict the impact of the lockdown (if any) and other restrictions / concerns on account of the COVID-19 pandemic, on the Offer process.

DISCLAIMER FOR U.S. PERSONS:

The information contained in this LOF is exclusively intended for persons who are not U.S. Persons as such term is defined in Regulation S under the US Securities Act of 1933, as amended, and who are not physically present in the USA. This LOF does not in any way constitute an offer to sell, or an invitation to sell, any securities in the USA or in any other jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this LOF are requested to inform themselves about and to observe any such restrictions.

DISCLAIMER FOR PERSONS IN OTHER FOREIGN COUNTRIES:

This LOF does not in any way constitute an offer to sell or an invitation to sell, any securities in any jurisdiction in which such offer or invitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Potential users of the information contained in this LOF are requested to inform themselves about and to observe any such restrictions.

CURRENCY OF PRESENTATION

1. In this LOF, all references to “Rs.” / “INR” are reference to Indian Rupee(s), the official currency of India. The references to “USD” and “\$” are to the United States Dollar, the lawful currency of the United States of America.
2. In this LOF, minor differences, if any in totals and sums of the amounts listed are due to rounding off and/or regrouping.

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1. DEFINITIONS / ABBREVIATIONS

| Particulars | Details / Definitions |
|--|--|
| Acquirer | A2R Holdings |
| Acquisition Window | Stock exchange mechanism made available by the Stock Exchanges in the form of a separate window to implement the Offer, as provided under the SEBI (SAST) Regulations and the SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016 |
| Board / Board of Directors | Board of directors of the Target Company |
| BSE | BSE Limited |
| Buying Broker | Keynote Capitals Limited, appointed by the Acquirer and the PACs as registered broker through whom the purchases and settlements on account of the Offer Shares tendered under the Offer shall be made |
| CDSL | Central Depository Services (India) Limited |
| Credit Suisse | Credit Suisse AG, Singapore Branch |
| Delisting Regulations | Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009, as amended from time to time |
| Depositories | CDSL and NSDL |
| Detailed Public Statement / DPS | The detailed public statement in connection with the Offer, published on behalf of the Acquirer and the PACs on Friday, January 1, 2021 in the following newspapers: Financial Express (English, all editions), Jansatta (Hindi, all editions), and Navshakti (Marathi, Mumbai edition) |
| DIN | Director Identification Number |
| Draft Letter of Offer/DLOF | This Draft Letter of Offer, dated January 8, 2021, filed with SEBI pursuant to Regulation 16(1) of the SEBI (SAST) Regulations |
| DP | Depository Participant |
| DTAA | Double Taxation Avoidance Agreement |
| EPS | Earnings per share |
| Equity Share(s) | Fully paid-up equity shares, having face value of INR 1 (Rupee One) each, of the Target Company. |
| Escrow Agreement | Escrow Agreement, dated December 21, 2020, entered into between the Acquirer, PAC 1, the Escrow Bank and the Manager to the Offer |
| Escrow Account | The escrow account with account number 041966200000522 and name 'PRIME FOCUS LIMITED - OPEN OFFER ESCROW ACCOUNT' opened by the Acquirer with the Escrow Bank, in accordance with the SEBI (SAST) Regulations |
| Escrow Amount | The amount aggregating to INR 99,95,89,200 (Rupees Ninety Nine Crore Ninety Five Lacs Eighty Nine Thousand Two Hundred) maintained by the Acquirer and PAC 1 with the Escrow Bank, in accordance with the Escrow Agreement |
| Escrow Bank | Yes Bank Limited, acting through its office at YES BANK Tower, One International Center – 2, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai 400 013, Maharashtra, India |
| Expanded Voting Share Capital | The total voting equity share capital of the Target Company on a fully diluted basis as of the 10 th (tenth) working day from the closure of the Tendering Period of the Open Offer. This includes all the 1,75,62,734 (One Crore Seventy Five Lakh Sixty Two Thousand Seven Hundred Thirty Four) outstanding employee stock options granted to the employees of the Target Company and its subsidiaries, as on March 31, 2020. There have been no employee stock options granted by the Target Company post financial year 2016-17 |
| FEMA | The Foreign Exchange Management Act, 1999, as amended or modified from time to time |
| FPI | Foreign Portfolio Investor(s), as defined under Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019, as amended. |

| Particulars | Details / Definitions |
|---|---|
| Form of Acceptance-cum-Acknowledgement | The form of acceptance-cum-acknowledgement, which will be part of this Letter of Offer |
| IDBI | IDBI Trusteeship Services Limited |
| Identified Date | The date falling on the 10 th (tenth) Working Day prior to the commencement of the Tendering Period. |
| Income Tax Act | The Income Tax Act, 1961, as amended or modified from time to time |
| INR | Indian Rupees |
| Letter of Offer/ LOF | This letter of offer in connection with the Offer, duly incorporating SEBI's comments on the DLOF, and including the Form of Acceptance-cum Acknowledgement |
| Manager to the Offer/Manager | Keynote Financial Services Limited (<i>formerly Keynote Corporate Services Limited</i>) |
| Maximum Open Offer Consideration | The maximum consideration payable under this Offer, assuming full acceptance of this Offer, being of INR 3,63,66,81,680.90 (Three Hundred Sixty Three Crore Sixty Six Lakh Eighty One Thousand Six Hundred Eighty and Ninety Paise) |
| NSDL | National Securities Depository Limited |
| NSE | National Stock Exchange of India Limited |
| NRI | Non-resident Indians, as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended |
| N.A. | Not Applicable |
| Offer or Open Offer | This open offer by the Acquirer and the PACs for acquisition of up to 8,23,71,046 (Eight Crores Twenty Three Lakh Seventy One Thousand Forty Six) fully paid up Equity Shares representing 26% of the Expanded Voting Share Capital of the Target Company, at a price of INR 44.15 (Rupees Forty Four And Fifteen Paise) per fully paid-up Equity Share. |
| Offer Opening Public Announcement | The announcement of the commencement of the Tendering Period to be made on behalf of the Acquirer and the PACs in accordance with Regulation 18(7) of the SEBI (SAST) Regulations |
| Offer Period | From Thursday, December 24, 2020 (i.e. date of the Public Announcement) to the date on which the payment of consideration to the Public Shareholders whose Equity Shares are accepted in this Open Offer is made, or the date on which this Open Offer is withdrawn, as the case may be |
| Offer Price | INR 44.15 (Rupees Forty Four and Fifteen Paise) per fully paid-up Equity Share |
| Offer Size | 8,23,71,046 (Eight Crores Twenty Three Lakh Seventy One Thousand Forty Six) fully paid up Equity Shares constituting 26% of the Expanded Voting Share Capital at a price of INR 44.15 (Rupees Forty Four And Fifteen Paise) per Equity Share, aggregating to INR 3,63,66,81,680.90 (Three Hundred Sixty Three Crore Sixty Six Lakh Eighty One Thousand Six Hundred Eighty and Ninety Paise) |
| Offer Shares | 8,23,71,046 (Eight Crores Twenty Three Lakh Seventy One Thousand Forty Six) fully paid up Equity Shares constituting 26% of the Expanded Voting Share Capital |
| OCBs | Overseas Corporate Body as defined under the Foreign Exchange Management (Deposit) Regulations, 2000, as amended |
| PA/Public Announcement | Public Announcement, dated December 24, 2020, issued in connection with the Offer by the Manager to the Offer |
| PAN | Permanent Account Number |
| PAT | Profit After Tax |
| PAC 1 | ARR Studio Private Limited |
| PAC 2 | Mr. Namit Malhotra |
| PACs | PAC 1 and PAC 2, collectively |
| Public Shareholders | All the public shareholders of the Target Company, and for the avoidance of doubt, excluding: (i) the members of the promoter and promoter group of the Target Company; (ii) the Acquirer and the PACs; (iii) the parties to the SPA (as |

| Particulars | Details / Definitions |
|-------------------------------------|---|
| | defined below); and (iv) any persons deemed to be acting in concert with any of them as at the time of the Offer |
| RBI | The Reserve Bank of India |
| Registrar to the Offer | Link Intime India Private Limited |
| RTGS | Real Time Gross Settlement |
| SCRR | The Securities Contracts (Regulation) Rules, 1957, as amended or modified from time to time |
| SEBI | The Securities and Exchange Board of India |
| SEBI (LODR) Regulations | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended or modified from time to time |
| SEBI (SAST) Regulations | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011, as amended and modified from time to time |
| SEBI Act | Securities and Exchange Board of India Act, 1992, as amended and modified from time to time |
| Seller | IDBI, acting in its capacity as debenture trustee on behalf of and for the benefit of Credit Suisse |
| Selling Broker(s) | The stock brokers registered with the Stock Exchanges, appointed by the respective Public Shareholders |
| Share Purchase Agreement/SPA | The share purchase agreement, dated December 24, 2020, entered into by the Acquirer and the Seller in relation to the Underlying Transaction |
| Stock Exchanges | BSE and NSE |
| Target Company | Prime Focus Limited |
| Tendering Period | Tuesday, February 23, 2021 to Monday, March 8, 2021 both days inclusive, based on schedule of activities. |
| Underlying Transaction | As defined in Paragraph 3.1.2 |
| Working Day(s) | A working day of SEBI, in Mumbai. |

Note: All capitalized terms used in this LOF, but not specifically defined herein, shall have the meanings ascribed to them under the SEBI (SAST) Regulations

2. DISCLAIMER CLAUSES

2.1 SEBI Disclaimer

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 FINANCIAL SOUNDNESS OF THE ACQUIRER AND THE PACS OR THE COMPANY WHOSE SHARES/CONTROL IS PROPOSED TO BE ACQUIRED OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS LETTER OF OFFER. IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE ACQUIRER AND THE PACS ARE PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS LETTER OF OFFER, THE MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT ACQUIRER DULY DISCHARGES ITS RESPONSIBILITY ADEQUATELY. IN THIS BEHALF, AND TOWARDS THIS PURPOSE, THE MERCHANT BANKER, KEYNOTE FINANCIAL SERVICES LIMITED HAS SUBMITTED A DUE DILIGENCE CERTIFICATE DATED JANUARY 8, 2021 TO SEBI IN ACCORDANCE WITH THE SEBI (SAST) REGULATIONS. THE FILING OF THIS LETTER OF OFFER DOES NOT, HOWEVER, ABSOLVE THE ACQUIRER AND THE PACS FROM THE

REQUIREMENT OF OBTAINING SUCH STATUTORY CLEARANCES AS MAYBE REQUIRED FOR THE PURPOSE OF THE OFFER.

2.2 General Disclaimer

- 2.2.1 This LOF, together with the DLOF, the DPS and the PA in connection with the Offer, has been prepared for the purposes of compliance with the SEBI (SAST) Regulations. Accordingly, the information disclosed may not be the same as that which would have been disclosed if this document had been prepared in accordance with the laws and regulations of any jurisdiction outside of India. The PA, the DPS, the DLOF, this Letter of Offer and/or any other advertisement / publications made or delivered in connection with the Offer under any circumstances, do not create any implication that there has been a change in the affairs of the Target Company, the Acquirer, the PACs and any persons deemed to be acting in concert with the Acquirer, since the date hereof or that the information contained therein is correct as at any time subsequent to the date thereof. Further, it is not to be implied that the Acquirer, the PACs, or any other persons deemed to act in concert with the Acquirer, are under any obligation to update the information contained therein at any time after the date thereof.
- 2.2.2 No action has been or will be taken to permit this Offer in any jurisdiction where action would be required for that purpose. This Letter of Offer is being dispatched by electronic means to all Public Shareholders whose name appears on the register of members of the Target Company, as of the Identified Date and who have registered their email ids with the Depositories and/or the Target Company. However, receipt of the PA, the DPS, the DLOF, this Letter of Offer or any other advertisement / publications made or delivered in connection with the Offer by any Public Shareholder in a jurisdiction in which it would be illegal to make this Offer, or where making this Offer would require any action to be taken (including, but not restricted to, registration of the PA, the DPS, the DLOF, this Letter of Offer and/or any other advertisement / publications made or delivered in connection with the Offer under any local securities laws), shall not be treated by such Public Shareholder as an offer being made to them and shall be construed by them as being sent for information purposes only. Accordingly, no Public Shareholder in such a jurisdiction may tender his, her or its Equity Shares in this Offer.
- 2.2.3 Persons in possession of the PA, the DPS, the DLOF, this Letter of Offer and/or any other advertisement / publications made or delivered in connection with the Offer, are required to inform themselves of any relevant restrictions. Any Public Shareholder who tenders his, her or its Equity Shares in this Offer shall be deemed to have declared, represented, warranted and agreed that he, she or it is authorized under the provisions of any applicable local laws, rules, regulations and statutes to participate in this Offer.

3. DETAILS OF THE OFFER

3.1 Background of the Offer

- 3.1.1 This Open Offer is a mandatory offer being made in compliance with Regulation 3(2) and other applicable provisions of the SEBI (SAST) Regulations, pursuant to execution of the SPA between the Acquirer and the Seller, on December 24, 2020.
- 3.1.2 The Acquirer has entered into the SPA with the Seller, on December 24, 2020, pursuant to which the Acquirer has agreed to acquire an aggregate of 10,49,39,361 (Ten Crore Forty Nine Lakh Thirty Nine Thousand Three Hundred and Sixty One) Equity Shares representing 33.12% of the Expanded Voting Share Capital of the Target Company, in 2 (two) tranches ("**Sale Shares**"), subject to terms and conditions of the SPA ("**Underlying Transaction**"), as follows:
- (a) 7,32,99,666 (Seven Crore Thirty Two Lakh Ninety Nine Thousand Six Hundred and Sixty Six) Equity Shares, constituting 23.14% of the Expanded Voting Share Capital ("**Tranche 1 Shares**"), upon completion of the Open Offer and other conditions precedents (unless waived) ("**Tranche 1 Sale**"). The Seller holds the Tranche 1 Shares pursuant to an invocation of pledge created by Reliance Mediaworks Financial Services Private Limited ("**Pledgor**"), in favour of the Seller; and
 - (b) 3,16,39,695 (Three Crore Sixteen Lakh Thirty Nine Thousand Six Hundred and Ninety Five) Equity Shares, constituting 9.99% of the Expanded Voting Share Capital ("**Tranche 2 Shares**"), upon completion of the Tranche 1 Sale. As on the date of this LOF, the Tranche 2 Shares are pledged in favour of the Seller, by the Pledgor. Such Tranche 2 Shares form part of the Sale Shares proposed

to be sold by the Seller to the Acquirer, under the SPA, and as per the terms of the SPA, the Seller shall exercise its rights as a pledgee to enable the sale of such Equity Shares to the Acquirer.

3.1.3 The SPA also sets forth the terms and conditions on which the Seller has agreed to sell, and the Acquirer has agreed to purchase, the Sale Shares, and the respective rights and obligations of the Seller and the Acquirer in this respect.

3.1.4 **Share Purchase Agreement (SPA) and its salient features:**

A. The salient features of SPA are as follows:

- (i) As on the date of execution of the SPA, the Seller held the Tranche 1 Shares, which have been acquired by the Seller pursuant to invocation of pledge (in calendar year 2019) over such Tranche 1 Shares, created by the Pledgor, in favour of the Seller as security (amongst other securities) for the listed, rated non-convertible debentures aggregating to INR 6,50,00,00,000 (Rupees Six Hundred Fifty Crore) issued by the Pledgor to Credit Suisse (“NCDs”).
- (ii) The consummation of the Tranche 1 Sale (i.e. sale of the Tranche 1 Shares by the Seller to the Acquirer) is proposed after the completion of the Open Offer, subject to satisfaction of the other conditions precedent set out in the SPA (unless waived in accordance with the provisions thereof) in this behalf, including:
 - (a) the Acquirer and the Seller having all requisite approvals in place for the Underlying Transaction;
 - (b) the Seller having obtained a letter of authorisation from Credit Suisse, authorising the Seller to transfer the First Tranche Sale Shares to the Purchaser;
 - (c) no material adverse effect shall have occurred;
 - (d) the Acquirer having obtained a valuation report certifying the fair value of the Sale Shares, from a reputable Chartered Accountant or the Manager to the Offer.
- (iii) The Seller holds a pledge over the Tranche 2 Shares, as security (among other securities) for the NCDs. Such Tranche 2 Shares form part of the Sale Shares proposed to be sold by the Seller to the Acquirer, under the SPA. As per the terms of the SPA, the Seller will be exercising its rights of a pledgee over the Tranche 2 Shares and acquire such Tranche 2 Shares, within 7 (Seven) business days of the Tranche 1 Sale, to enable the sale of such Equity Shares to the Acquirer. The Tranche 2 Shares are proposed to be sold by the Seller to the Acquirer, after completion of (a) the Tranche 1 Sale; and (b) the conditions set out in sub-paragraph (ii) above (unless waived in accordance with the provisions thereof), as applicable with respect to the Tranche 2 Shares, in terms of the SPA.
- (iv) The consideration payable by the Acquirer to the Seller for acquisition of the Sale Shares is INR 44.15 (Rupees Forty Four and Fifteen Paise) per Sale Share (“**Sale Share Price**”), aggregating to INR 463,30,00,000 (Rupees Four Hundred Sixty Three Crore Thirty Lakh), under the SPA. Such consideration is payable in cash. Further, in terms of the SPA, in the event the Offer Price is higher than the Sale Share Price, then difference between the Offer Price and the Sale Share Price shall be payable by the Acquirer to the Seller in respect of the Sale Shares, and the same shall form an integral part of the Sale Share Price.
- (v) The SPA may be terminated on account of the certain events, including:
 - (a) Failure of the Acquirer to remit the purchase consideration for acquisition of the Tranche 1 Shares and/or the Tranche 2 Shares, within the prescribed timelines;
 - (b) Upon mutual agreement between the Seller and the Acquirer;
 - (c) If the Tranche 1 Sale is not consummated within 9 (Nine) months from the date of execution of the SPA or such other extended period as the Seller and the Acquirer may mutually agree to in writing (“**Long Stop Date**”). The SPA however provides that if the Tranche 1 Sale is not completed by the Long Stop Date on account of the Open Offer process not being completed

owing to necessary approvals and clearances not having been issued by SEBI (for reasons which shall not be attributable to any act or omissions of the Acquirer), the Long Stop Date shall be automatically extended by a period of 4 (Four) months.

- (vi) The mode of payment of consideration for the acquisition of the Sale Shares by the Acquirer is cash.
- (vii) Pursuant to completion of the acquisition of the Sale Shares and the Offer Shares (assuming full tender), the Acquirer will be the largest shareholder the Target Company.
- (viii) The object and purpose of acquisition of Sale Shares by the Acquirer and/or the PACs is to expand and consolidate the shareholding and voting rights of the promoter and promoter group in the Target Company, in line with their strategic intent to have a sustained growth in the Target Company and its subsidiaries.

- 3.1.5 This Offer is a mandatory offer being made under Regulation 3(2) and other applicable provisions of the SEBI (SAST) Regulations and is not a conditional offer.
- 3.1.6 This Offer is not result of a global acquisition, an open market purchase, or a scheme of arrangement under the Indian laws.
- 3.1.7 The Acquirer and the PACs confirm that as on the date of this LOF they are not prohibited by SEBI from dealing in securities in terms of direction issued under section 11B of the SEBI Act or under any regulations made under the SEBI Act.
- 3.1.8 There may be changes in the composition of board of directors of the Target Company after the completion of Offer, in accordance with applicable laws (including without limitation, the Companies Act, 2013, the SEBI (LODR) Regulations and Regulation 24 of the SEBI (SAST) Regulations). No proposal in this regard has been finalized as on the date of this LOF.
- 3.1.9 As per Regulation 26(6) of the SEBI (SAST) Regulations, the Board of Directors of the Target Company have constituted a committee of independent directors to provide their written reasoned recommendation on the Offer to the Public Shareholders and such recommendations shall be published at least 2 (Two) Working Days before the commencement of the Tendering Period in the same newspapers where the DPS related to the Offer was published, in compliance with Regulation 26(7) of the SEBI (SAST) Regulations.

3.2 Details of the Offer

- 3.2.1. The Public Announcement in relation to the Offer was filed the Stock Exchanges on December 24, 2020 by the Manager to the Offer for and on behalf of the Acquirer and the PACs. The Public Announcement was filed with SEBI and sent to the Target Company, on December 24, 2020.
- 3.2.2. The DPS was published on Friday, January 1, 2021 in the following publications:

| Publications | Language | Edition(s) |
|-------------------|----------|----------------|
| Financial Express | English | All Editions |
| Jansatta | Hindi | All Editions |
| Navshakti | Marathi | Mumbai Edition |

- 3.2.3. A copy of the PA and DPS is available on the website of SEBI (www.sebi.gov.in).
- 3.2.4. The Offer is a mandatory offer being made in compliance with Regulation 3(2) and other applicable provisions of the SEBI (SAST) Regulations, pursuant to substantial acquisition of shares and voting rights over the Target Company.
- 3.2.5. This Offer is being made by the Acquirer and the PACs to the Public Shareholders of the Target Company for the acquisition of up to 8,23,71,046 (Eight Crores Twenty Three Lakh Seventy One Thousand Forty Six) fully paid up Equity Shares of the Target Company, constituting 26% of the Expanded Voting Share Capital, at a price of INR 44.15 (Rupees Forty Four and Fifteen Paise) per Equity Share, subject to the terms and

conditions set out in the PA, the DPS and this LOF, and to be set out in this Letter of Offer that is proposed to be issued in accordance with the SEBI (SAST) Regulations.

- 3.2.6. There are no partly paid up Equity Shares in the Target Company, and except the 1,75,62,734 (One Crore Seventy Five Lakh Sixty Two Thousand Seven Hundred Thirty Four) outstanding employee stock options, there are no other outstanding convertible instruments (including warrants, fully convertible securities, and partly convertible securities) issued by the Target Company.
- 3.2.7. The Offer Price has been arrived at in accordance with Regulation 8 of the SEBI (SAST) Regulations. Assuming full acceptance of the Open Offer, the total consideration payable by the Acquirer, in accordance with the SEBI (SAST) Regulations will be INR (i.e. INR 3,63,66,81,680.90 (Rupees Three Hundred Sixty Three Crore Sixty Six Lakh Eighty One Thousand Six Hundred Eighty and Ninety Paise)).
- 3.2.8. The Offer Price is payable in cash by the Acquirer and/or the PACs in accordance with Regulation 9(1)(a) of the SEBI (SAST) Regulations.
- 3.2.9. There is no differential pricing in this Offer.
- 3.2.10. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations
- 3.2.11. The Offer is not conditional on any minimum level of acceptance by the Public Shareholders in terms of Regulation 19 of the SEBI (SAST) Regulations.
- 3.2.12. The Acquirer and the PACs have not acquired any Equity Shares of the Target Company between the date of the PA (i.e. December 24, 2020) and the date of this LOF.
- 3.2.13. There has been no competing offer, as on the date of this LOF.
- 3.2.14. All the Equity Shares validly tendered by the Public Shareholders in this Open Offer, will be acquired by the Acquirer, fully paid-up, free from all liens, charges and encumbrances and together with the rights attached thereto, including all rights to dividend, and rights to participate in bonus and rights issues declared thereto, and in accordance with the terms and conditions set forth in the PA, the DPS, the DLOF and this LOF, and the tendering Public Shareholders shall have obtained all necessary consents for it to sell the Offer Shares on the foregoing basis.
- 3.2.15. The Equity Shares of the Target Company to be acquired, pursuant to the Offer, shall be free from all liens, charges and encumbrances and together with all rights attached thereto, including the rights to all dividends or other distributions hereinafter declared, made or paid. The Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in the Offer.
- 3.2.16. As on the date of this LOF, to the best of the knowledge of the Acquirer and the PACs, there are no statutory or other approvals required by the Acquirer or the PACs to complete this Open Offer. However, in case any further statutory approvals are required by the Acquirer or the PACs at a later date before closure of the Tendering Period, this Open Offer shall be subject to such statutory approvals and the Acquirer and/or the PACs, shall make the necessary applications for such statutory approvals. In the event that such statutory approvals are refused for any reason, or if the conditions precedent as specified in the SPA, are not satisfied, for reasons outside the reasonable control of the Acquirer or the PACs, the Acquirer and the PACs shall have the right to withdraw this Open Offer in terms of Regulation 23 of the SEBI (SAST) Regulations. 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 has been published and such public announcement will also be sent to the Stock Exchanges, SEBI and the Target Company at its registered office.
- 3.2.17. If Public Shareholders who are not persons resident in India (including NRI, OCB and FIIs / FPIs), had required any approvals (including from the RBI, or any other regulatory / statutory authority) in respect of the Equity Shares held by them, they will be required to submit such previous approvals, that they would have obtained for acquiring / holding the Equity Shares, in order to tender the Equity Shares held by them in this Open Offer, along with the other documents required to be tendered to accept this Open Offer. In the event such approvals are not submitted, the Acquirer and the PACs reserve their right to reject such Equity Shares tendered in this Open Offer.

- 3.2.18. Where any statutory or other approval extends to some but not all of the Public Shareholders, the Acquirer and the PACs shall have the option to make payment to such Public Shareholders in respect of whom no statutory or other approvals are required in order to complete this Open Offer in accordance with Regulation 18(11) of the SEBI (SAST) Regulations
- 3.2.19. If the aggregate number of Equity Shares validly tendered in this Open Offer by the Public Shareholders is more than the Offer Size, then the Equity Shares validly tendered by the Public Shareholders will be accepted on a proportionate basis, in consultation with the Manager to the Offer taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that the acquisition of Equity Shares from a Public Shareholder shall not be less than the minimum marketable lot, or the entire holding if it is less than the marketable lot. The marketable lot for the Equity Shares for the purpose of this Offer shall be 1 (One) only.
- 3.2.20. The Acquirer has appointed Keynote Financial Services Limited as the Manager to the Offer in terms of Regulation 12 of the SEBI (SAST) Regulations. The Manager to the Offer, does not hold any Equity Shares in the Target Company as on the date of this LOF and is not related to the Acquirer or the PACs and the Target Company in any manner whatsoever. The Manager to the Offer further declares and undertakes that they will not deal on their own account in the Equity Shares of the Target Company during the Offer Period.
- 3.2.21. As per Regulation 38 of the SEBI (LODR) Regulations read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (twenty five percent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Upon completion of the Offer and the Underlying Transaction, if public shareholding of the Target Company falls below the minimum level of public shareholding as required to be maintained by the Target Company as per the SCRR and the SEBI LODR Regulations, the Acquirer and the PACs undertake to take necessary steps to facilitate the compliance by the Target Company with the relevant provisions prescribed under the SCRR as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations and/or the SEBI LODR Regulations, within the time period stated therein, i.e., to bring down the non-public shareholding to 75% within 12 (Twelve) months from the date of such fall in the public shareholding to below 25%, through permitted routes and any other such routes as may be approved by SEBI from time to time.

3.3 **Object of the Acquisition**

- 3.3.1 The object and purpose of acquisition of Sale Shares by the Acquirer and/or the PACs is to expand and consolidate the shareholding and voting rights of the promoter and promoter group in the Target Company, in line with their strategic intent to have a sustained growth in the Target Company and its subsidiaries.
- 3.3.2 As on the date of this LOF, in terms of Regulation 25(2) of the SEBI (SAST) Regulations, the Acquirer and the PACs do not have any intention to alienate, whether by way of sale, lease, encumber or otherwise, any material assets of the Target Company or its subsidiaries, during the period of 2 (two) years from the completion of the Offer, except:
- (a) in the ordinary course of business;
 - (b) to the extent required for the purpose of restructuring, rationalization and/or streamlining their holding in the Target Company or the holding of the Target Company in its subsidiaries, and/or the operations, business, assets, investments, liabilities or otherwise of the Target Company or its subsidiaries through arrangements, reconstructions, mergers, demergers, sale of assets or undertakings, and/or negotiation or re-negotiation or termination of existing contractual arrangements, which decisions shall be taken as per the procedures set out in the applicable laws, pursuant to business requirements, and in line with opportunities or changes in economic circumstances from time to time;
 - (c) on account of regulatory approvals or conditions, or compliance with any law that is binding on or applicable to the operations of the Target Company or its subsidiaries; or
 - (d) as has already been disclosed in the public domain.
- 3.3.3 Other than the above, if the Acquirer and/or the PACs intend to alienate the material assets of Target Company or its subsidiaries, within a period of 2 (two) years from the completion of the Offer, a special

resolution of the shareholders of the Target Company or any of the entities controlled by it, as applicable, in accordance with proviso to Regulation 25(2) of the SEBI (SAST) Regulations would be taken, before undertaking alienation of such material assets.

4. BACKGROUND OF THE ACQUIRER AND THE PACs

4.1 Acquirer - A2R Holdings

4.1.1 The Acquirer is a private limited company incorporated on October 22, 2020, under the laws of Mauritius (company registration number: 176037). The name of the Acquirer has not changed since its incorporation.

4.1.2 The registered office of the Acquirer is situated at C/o. Amicorp (Mauritius) Limited, 6th Floor, Tower I, Nexteracom Building, Ebene, Mauritius. The PAN of the Acquirer is AAUCA5136G.

4.1.3 The Acquirer currently does not conduct any business activity and has been incorporated to act as an investment holding company.

4.1.4 The Acquirer is wholly owned by Mr. Namit Malhotra (PAC 2). Mr. Namit Malhotra (PAC 2) also holds 99.99% shares of PAC 1.

4.1.5 The share capital of the Acquirer is USD 100 (United State Dollars One Hundred) comprising of 100 (Hundred) ordinary shares.

4.1.6 The details of the board of directors of Acquirer as on date of this LOF, is tabled below:

| Name | DIN | Experience | Qualification | Date of Appointment / Re-Appointment |
|------------------------|----------|--|---|--------------------------------------|
| Mr. Namit Malhotra | 00004049 | As the founder of Prime Focus Group, Mr. Namit has been responsible for the strategy, growth and success of the Prime Focus Group from its modest beginnings in Mumbai in 1997 to its current position as the independent and integrated media services powerhouse. Mr. Namit has been delivering to his clients world-class creative and technical services, and intelligent financial solutions. He has also been actively involved in overseeing the business of the Prime Focus Group and thereby creating a global presence. | B.com | October 22, 2020 |
| Mr. Ashwanee Ramsurrun | N.A. | Mr. Ashwanee has been involved in the financial services sector for the past 11 years in structuring and administration of global entities and funds along launching of various funds. | MCSI, BSc (Hons), Dip. ICSA (Offshore Finance & Administration) | October 22, 2020 |
| Mr. Rajiv Mangar | N.A. | Mr. Rajiv has exposure on fund accounting as he has been involved in the financial services sector for more than 14 years. Mr. Rajiv has worked | BSC (hons) Finance Certificate in fund | October 22, 2020 |

| | | | | |
|--|--|--|----------------------------|--|
| | | on series of private equity funds and traded funds, where he has gained exposure on assessing financial affairs, forecasts and accounting. | administration – ICSA (UK) | |
|--|--|--|----------------------------|--|

4.1.7 Other than Mr. Namit Malhotra (i.e. PAC 2), there are no common directors on the board of the Acquirer and the Board of Directors.

4.1.8 The Acquirer is a newly incorporated company (incorporated on October 22, 2020), and this is its first year of operations. Accordingly, no financial statements of the Acquirer are available.

4.1.9 As on the date of this LOF, securities of the Acquirer are not listed on any stock exchange.

4.1.10 The Acquirer is part of the promoter and promoter group of the Target Company. As on the date of this LOF, the Acquirer holds 27,505,995 (Two Crores Seventy Five Lakhs and Five Thousand and Nine Hundred and Ninety Five) Equity Shares, representing 8.68% of the Expanded Voting Share Capital of the Target Company.

Further, as on the date of this LOF, Mr. Namit Malhotra (PAC 2), who is a director of the Acquirer and holds the entire shareholding of the Acquirer, is disclosed as one of the promoters of the Target Company and is also a non-executive director on the Board of Directors. In addition, Mr. Naresh Malhotra, father of Mr. Namit Malhotra (PAC 2), is Chairman Emeritus and one of the promoters of the Target Company and is also a whole-time director on the Board of Directors. Other than the above and the Underlying Transaction, the Acquirer, and its directors and key employees have no relationship with or interest in the Target Company.

4.1.11 Neither the Acquirer nor any of its directors or key managerial employees have been categorized or declared as: (i) a ‘wilful defaulter’ by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI; or (ii) a ‘fugitive economic offender’ under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

4.2 PAC 1 - ARR Studio Private Limited

4.2.1 PAC 1 is a private limited company incorporated on October 15, 2020, in India, under the Companies Act, 2013 (CIN No: U74999MH2020PTC348000). The name of PAC 1 has not changed since its incorporation.

4.2.2 The registered office of PAC 1 is situated at 201, Priyanka Apartments, N.S. 6th Road, J.V.P.D. Scheme, Juhu, Mumbai – 400 056, Maharashtra, India. The PAN of PAC 1 is AAUCA2209C.

4.2.3 PAC 1 has been incorporated to carry on the business of post-production services, camera rental and production services. PAC 1 has not commenced any business as on the date of this LOF.

4.2.4 Mr. Namit Malhotra (PAC 2) holds 99.99% shareholding of PAC 1 which he acquired from Mr. Naresh Malhotra on December 26, 2020. He also holds 100% shareholding of the Acquirer.

4.2.5 The authorised share capital of PAC 1 is INR 1,00,000 (Rupees One Lakh) divided into 10,000 (Ten Thousand) equity shares of INR 10 (Rupees Ten) each, and the paid-up share capital of PAC 1 is INR 100,000 (Rupees One Lakh) comprising of 10,000 (Ten Thousand) equity shares of INR 10 (Rupees Ten) each.

4.2.6 Mr. Naresh Malhotra (father of Mr. Namit Malhotra (PAC 2)) is on the board of directors of PAC 1 and on the Board of Directors. Ms. Neeta Malhotra (mother of Mr. Namit Malhotra (PAC 2)) is on the board of directors of PAC 1 and holds 0.01% shareholding of PAC 1.

4.2.7 The details of the board of directors of PAC 1, as on date of LOF, is tabled below:

| Name | DIN | Experience | Qualification | Date of Appointment |
|---------------------|----------|---|---------------|---------------------|
| Mr. Naresh Malhotra | 00004597 | Mr. Naresh Malhotra is a veteran in the Indian Media & Entertainment industry, best known for producing the Amitabh Bachchan starrer Shahenshah. He set up India's first digital audio studio in 90s and also started providing equipment rental services to TV and ad film makers. | B.Com | October 15, 2020 |
| Mrs. Neeta Malhotra | 02704375 | N.A | B.A | October 15, 2020 |

4.2.8 Other than Mr. Naresh Malhotra, there are no common directors on the board of PAC 1 and the Board of Directors.

4.2.9 PAC 1 is part of the promoter and promoter group of the Target Company, and as on the date of this LOF, does not hold any Equity Shares in the Target Company. Mr. Namit Malhotra (PAC 2) who holds 99.99% shareholding of PAC 1, is disclosed as one of the promoters of the Target Company and is also a non-executive director on the Board of Directors. Further, Mr. Naresh Malhotra (father of PAC 2) who is on the Board of PAC 1, is the Chairman Emeritus and one of the promoters of the Target Company and is also a whole-time director on the Board of Directors. Other than the above, PAC 1 and its directors and key employees have no relationship with or interest in the Target Company.

4.2.10 PAC 1 is a newly incorporated company (incorporated on October 15, 2020), and this is its first year of operations. Accordingly, no financial statements of PAC 1 are available.

4.2.11 As on the date of this LOF, the shares of PAC 1 are not listed on any stock exchange.

4.2.12 Neither PAC 1 nor any of its directors or key managerial employees have been categorized or declared as: (i) a 'wilful defaulter' by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI; or (ii) a 'fugitive economic offender' under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

4.3 PAC 2 - Mr. Namit Malhotra

4.3.1 Mr. Namit Malhotra aged 44 years, son of Mr. Naresh Malhotra, a non-resident Indian currently residing at 16, Totteridge Common, London, N208NL, United Kingdom and having permanent address at 201, Priyanka Apartments, J.V.P.D Scheme, 6th Road, Vile Parle West, Mumbai – 400 056, Maharashtra, India, is a commerce graduate with over 25 (Twenty Five) years of experience in the field of technology with a specialisation in post-production and visual effects. The PAN of PAC 2 is AACPM0384K.

4.3.2 As on the date of this LOF, PAC 2 is disclosed as one of the promoters of the Target Company and is also a non-executive director on the Board of Directors. In addition, Mr. Naresh Malhotra (who is the father of PAC 2) is Chairman Emeritus, and one of the promoters of the Target Company, and is also a whole-time director on the Board of Directors.

4.3.3 PAC 2 holds 100% shares of the Acquirer and 99.99% shares of PAC 1. PAC 2 is also a director on the board of directors of the Acquirer. Mr. Naresh Malhotra (father of Mr. Namit Malhotra PAC 2) is on the board of directors of PAC 1. Ms. Neeta Malhotra (mother of Mr. Namit Malhotra PAC 2) is on the board of directors of PAC 1, and holds 0.01% shareholding of PAC 1.

4.3.4 Apart from being a non-executive director on the Board of Directors, PAC 2 does not hold any position as a director on the board of directors of any listed company. Further, as on the date of this LOF, PAC 2 is not a whole time-director on the board of any company in India.

- 4.3.5 As on the date of this LOF, PAC 2 holds 1,49,00,000 (One Crore and Forty Nine Lakh) Equity Shares representing 4.70% of the Expanded Voting Share Capital of the Target Company. PAC 2 along with the other members of the promoter and promoter group (including the Acquirer) of the Target Company holds 10,46,07,641 (Ten Crore Forty Six Lakh Seven Thousand Six Hundred Forty One) Equity Shares representing 33.02% of the Expanded Voting Share Capital of the Target Company, as on the date of this LOF.
- 4.3.6 The net worth of PAC 2 as on December 21, 2020 is INR 5,03,00,000 (Rupees Five Crore Three Lakhs) as certified *vide* certificate dated December 23, 2020 by Mr. V. Shivkumar (Membership no. 042673) proprietor of V. Shivkumar and Associates, Chartered Accountants, (FRN 112781W) having its office at 120, Damji Shamji Udyog Bhavan, First Floor, Veera Desai Road, Andheri (West), Mumbai – 400 053, Maharashtra, India.
- 4.3.7 PAC 2 has not been categorized or declared as: (i) a ‘wilful defaulter’ by any bank or financial institution or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the RBI; or (ii) a ‘fugitive economic offender’ under Section 12 of the Fugitive Economic Offenders Act, 2018 (17 of 2018).

5. BACKGROUND OF THE TARGET COMPANY

- 5.1 Prime Focus Limited is a public limited company incorporated in India on June 24, 1997 as 'Prime Focus Private Limited' under the Companies Act, 1956. On April 24, 2000, the name of the Target Company was changed to ‘Prime Focus Limited’. There has been no change in the name of the Target Company in the last 3 (three) years.
- 5.2 The registered office of the Target Company is situated at Prime Focus House, Linking Road, Opp. Citi Bank, Khar (West), Mumbai – 400 052, Maharashtra, India. The corporate identification number of the Target Company is L92100MH1997PLC108981.
- 5.3 The principal business activity of the Target Company is providing end to end creative services, technology services, production services and post-production services to the media and entertainment industry.
- 5.4 As on the date of this LOF, the authorized share capital of the Target Company is INR 45,00,00,000 (Rupees Forty Five Crores) divided into 45,00,00,000 (Forty Five Crores) Equity Shares. As on the date of this LOF, the subscribed and fully paid-up equity share capital of the Target Company is INR 29,92,48,978 (Rupees Twenty Nine Crores Ninety Two Lakhs Forty Eight Thousand Nine Hundred Seventy Eight) comprising 29,92,48,978 (Twenty Nine Crores Ninety Two Lakhs Forty Eight Thousand Nine Hundred Seventy Eight) fully paid-up Equity Shares.
- 5.5 The details of the Expanded Voting Share Capital of the Target Company, as on the date of this LOF, is as follows:

| Paid up Equity Shares | No. of shares / voting rights | % of Expanded Voting Share Capital |
|-------------------------------|--------------------------------------|---|
| Fully paid up Equity Shares | 29,92,48,978 | 94.46 |
| Partly paid up Equity Shares | 0 | 0.00 |
| Employee Stock Options | 1,75,62,734 | 5.54 |
| Expanded Voting Share Capital | 31,68,11,712 | 100.00 |

- 5.6 There are no partly paid up Equity Shares in the Target Company and except the 1,75,62,734 (One Crore Seventy Five Lakh Sixty Two Thousand Seven Hundred Thirty Four) outstanding employee stock options, there are no other outstanding convertible instruments (including warrants, fully convertible securities, and partly convertible securities) issued by the Target Company.
- 5.7 The Expanded Voting Share Capital includes all the 1,75,62,734 (One Crore Seventy Five Lakh Sixty Two Thousand Seven Hundred Thirty Four) outstanding employee stock options granted to the employees of the Target Company and its subsidiaries, as on March 31, 2020. There have been no employee stock options granted by the Target Company post financial year 2016-17.

- 5.8 The Equity Shares of the Target Company are listed on BSE (SCRIP CODE: 532748) and NSE (Symbol: PFOCUS). The ISIN of the Target Company is INE367G01038.
- 5.9 The Equity Shares of the Target Company are infrequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.
- 5.10 Based on the information available on the website of the Stock Exchanges, (i) the entire issued, subscribed and paid up share capital of the Target Company is listed on the Stock Exchange; (ii) there are no outstanding equity shares of the Target Company that have been issued but not listed on the Stock Exchange; and (iii) the trading of the Equity Shares of the Target Company is currently not suspended on the Stock Exchanges.
- 5.11 The Equity Shares of the Target Company have not been delisted from any stock exchange in India.
- 5.12 The details of the Board of Directors of the Target Company, as on the date of this LOF, are as under:

| Name of the Director | Designation | DIN | Date of Appointment/ Re- Appointment |
|-----------------------------------|--|----------|---|
| Mr. Naresh Mahendranath Malhotra | Whole-Time Director - Chairperson | 00004597 | May 1, 2020 |
| Mr. Namit Naresh Malhotra | Non-Executive – Non-Independent Director | 00004049 | February 14, 2019 |
| Mr. Ramakrishnan Sankaranarayanan | Non-Executive – Non-Independent Director | 02696897 | June 25, 2020 |
| Mr. Kodi Raghavan Srinivasan | Non-Executive – Independent Director | 00012449 | September 30, 2019 |
| Mr. Rivkaran Singh Chadha | Non-Executive – Independent Director | 00308288 | September 30, 2019 |
| Mr. Padmanabha Gopal Aiyar | Non-Executive – Independent Director | 02722981 | September 30, 2019 |
| Mrs. Dr Hemalatha Thiagarajan | Non-Executive – Independent Director | 07144803 | March 31, 2020 |
| Mr. Udai Dhawan | Non-Executive – Non-Independent Director | 03048040 | September 27, 2017 |
| Mr. Samu Devarajan | Non-Executive – Independent Director | 00878956 | September 27, 2017 |

- 5.13 Mr. Namit Malhotra (PAC 2), who is a director of the Acquirer, is also a non-executive director on the Board of Directors. In addition, Mr. Naresh Malhotra, father of Mr. Namit Malhotra (PAC 2), is Chairman Emeritus of the Target Company, and is also a whole-time director on the Board of Directors.
- 5.14 The Target Company has not been involved in any merger/de-merger or spin off in last 3 (Three) years, except in relation to internal restructuring involving sale of shares (through share purchase agreements) held by the Target Company in 2 (Two) of its subsidiaries to another subsidiaries of the Target Company, and sale of its VFX business (on a slump sale basis, through a business transfer agreement) to one of its subsidiaries.
- 5.15 Brief financial information of Target Company is as below. This is based on its audited consolidated financial statements, as at and for the financial years ended March 31, 2020, March 31, 2019 and March 31, 2018 audited by Deloitte Haskins & Sells, the statutory auditors of the Target Company, and the unaudited consolidated financials as at and for the six month period ended September 30, 2020, which have been subject to limited review by Deloitte Haskins & Sells, the statutory auditors of the Target Company:

Profit and Loss statement*(INR in Crores)*

| Particulars | As at and for the six-month ended September 30, 2020 | Financial Year ended on March 31, 2020 | Financial Year ended on March 31, 2019 | Financial Year ended on March 31, 2018 |
|--|--|--|--|--|
| Income from operations | 1,248.89 | 2,929.24 | 2,540.25 | 2,257.48 |
| Other operating income | 8.05 | - | - | - |
| Other income | 7.64 | 17.44 | 43.18 | 22.86 |
| Exchange gain (net) | - | 66.56 | 80.31 | 11.58 |
| Total income | 1,264.58 | 3,013.24 | 2,663.74 | 2,291.92 |
| Total expenditure (excluding depreciation and interest) | 906.81 | 2528.80 | 2181.92 | 1841.08 |
| Profit/(Loss) before depreciation, interest and tax | 357.77 | 484.44 | 481.82 | 450.84 |
| Depreciation | 194.67 | 381.38 | 303.56 | 277.31 |
| Interest | 117.23 | 231.40 | 236.68 | 212.30 |
| Profit/ (Loss) before tax before exceptional item | 45.87 | (128.34) | (58.42) | (38.77) |
| Exceptional items - loss (net of tax) | 22.83 | 67.56 | - | - |
| Profit/ (Loss) before tax | 23.04 | (195.90) | (58.42) | (38.77) |
| Current Tax expense | 24.39 | 44.85 | 22.29 | 32.93 |
| Deferred tax credit | (7.06) | (86.87) | (47.76) | (27.30) |
| Profit/ (loss) after tax | 5.71 | (153.88) | (32.95) | (44.40) |
| Other comprehensive income | 0.69 | (88.72) | (55.62) | 3.52 |
| Total comprehensive profit/ (loss) | 6.39 | (242.60) | (88.57) | (40.88) |

Balance sheet statement:*(INR in Crores)*

| Particulars | As at and for the six-month ended September 30, 2020 | Financial Year ended on March 31, 2020 | Financial Year ended on March 31, 2019 | Financial Year ended on March 31, 2018 |
|--------------------------------|--|--|--|--|
| Sources of funds | | | | |
| Paid up share capital | 29.92 | 29.92 | 29.92 | 29.92 |
| Share warrant money received | - | - | 82.50 | 82.50 |
| Reserves and surplus | 379.79 | 362.50 | 415.95 | 463.17 |
| Non-controlling interest | 83.87 | 84.06 | 112.72 | 123.38 |
| Net-worth | 493.59 | 476.48 | 641.09 | 698.97 |
| Non-current liabilities | | | | |
| Borrowings | 1,017.68 | 1,073.92 | 1,189.00 | 926.86 |
| Lease liabilities | 704.32 | 744.99 | 195.23 | - |
| Other financial liabilities | 153.36 | 141.07 | 118.63 | 129.54 |
| Provisions | 28.13 | 25.91 | 17.03 | 13.29 |
| Deferred tax liability | 41.81 | 45.36 | 86.18 | 97.87 |

| Particulars | As at and for the six-month ended September 30, 2020 | Financial Year ended on March 31, 2020 | Financial Year ended on March 31, 2019 | Financial Year ended on March 31, 2018 |
|--------------------------------------|--|--|--|--|
| Sources of funds | | | | |
| Other non-current liabilities | 0.97 | 0.75 | 96.40 | 109.22 |
| Total non-current liabilities | 1946.27 | 2,032.00 | 1,702.47 | 1276.78 |
| Total sources of funds | 2,439.85 | 2,508.48 | 2,343.56 | 1,975.75 |
| Total | | | | |
| Uses of funds | | | | |
| Net fixed assets | 392.67 | 424.61 | 731.56 | 766.85 |
| Capital work in progress | 37.98 | 32.19 | 24.21 | 6.26 |
| Goodwill | 1,073.47 | 1,083.07 | 1,023.78 | 973.08 |
| Other intangible assets | 448.77 | 491.09 | 507.58 | 524.13 |
| Right to use assets | 860.43 | 927.04 | 181.71 | 0.00 |
| Intangible assets under development | 28.13 | 14.96 | 39.19 | 48.85 |
| Investment | 4.43 | 4.33 | 4.23 | 4.25 |
| Trade receivable | 1.61 | 1.64 | 17.97 | 0.00 |
| Other financial assets | 105.67 | 107.58 | 60.63 | 22.78 |
| Deferred tax asset(net) | 119.21 | 117.48 | 59.96 | 25.48 |
| Income tax asset | 125.13 | 125.61 | 94.87 | 77.47 |
| Other non-current assets | 59.24 | 49.05 | 48.62 | 34.50 |
| Total non-current assets | 3256.75 | 3378.65 | 2794.31 | 2483.65 |
| Net current assets | (816.90) | (870.17) | (450.75) | (507.90) |
| Total | 2,439.85 | 2,508.48 | 2,343.56 | 1,975.75 |

The other financial data is as follows:

| Particulars | As at and for the six-month ended September 30, 2020 | Financial Year ended on March 31, 2020 | Financial Year ended on March 31, 2019 | Financial Year ended on March 31, 2018 |
|---|--|--|--|--|
| Dividend (%) | N.A. | N.A. | N.A. | N.A. |
| Earnings per Equity Share - Basic & Diluted after exceptional items (INR) | 0.19 | (5.14) | (1.10) | (1.49) |
| Return on net worth (%) | 1.2 | N.A. | N.A. | N.A. |
| Book value per Equity Share (INR) | 16.49 | 15.93 | 21.43 | 23.36 |

Notes to financial statements:

- (1) Net worth = Equity share capital + reserves and surplus - misc. expenses
- (2) Earnings per Equity Share = profit after tax / no. of shares outstanding
- (3) Return on net worth = (profit after tax / net worth)*100
- (4) Book value per Equity Share = net worth / no. of shares outstanding

5.16 Pre and Post Offer shareholding pattern of the Target Company is as under:

| Shareholders' category | Shareholding & voting rights prior to the agreement / acquisition and offer | | Shares / voting rights agreed to be acquired/ (sold) which triggered off the Regulations (i.e. Underlying Transaction) | | Shares / voting rights to be acquired in Offer (Assuming full acceptances) | | Shareholding / voting rights after the acquisition in the Underlying Transaction and Offer | |
|--|---|---|--|---|--|------------------|--|------------------|
| | (A) | | (B) | | (C) | | (D)=(A)+(B)+(C) | |
| | No. | % ⁽⁷⁾ | No. | % ⁽⁷⁾ | No. | % ⁽⁷⁾ | No. | % ⁽⁷⁾ |
| (1) Promoter group | | | | | | | | |
| <i>a) Parties to agreement, if any</i> | | | | | | | | |
| (i) A2R Holdings (Acquirer) | 27,505,995 | 8.68 | 7,32,99,666 ⁽¹⁾ 3,16,39,695 ⁽¹⁾ | 23.14 ⁽¹⁾ 9.99 ⁽¹⁾ | 8,23,71,046 | 26.00 | 21,48,16,402 | 67.81 |
| <i>b) Promoters other than (a) above</i> | | | | | | | | |
| (i) Naresh Mahendranath Malhotra | 6,22,01,546 | 19.63 | NIL | N.A. | NIL | N.A. | 6,22,01,546 | 19.63 |
| (ii) Monsoon Studio Private Limited | 100 | Negligible | NIL | N.A. | NIL | N.A. | 100 | Negligible |
| (iii) Namit Malhotra (PAC 2) | 1,49,00,000 | 4.70 | NIL | N.A. | NIL | N.A. | 1,49,00,000 | 4.70 |
| Total (1) | 10,46,07,641 | 33.02 | 10,49,39,361 | 33.12 | 8,23,71,046 | 26.00 | 29,19,18,048 | 92.14 |
| (2) Acquirer & PACs⁽⁶⁾ | | | | | | | | |
| (3) Parties to agreement other than 1(a) & (2) above | | | | | | | | |
| Seller | 7,32,99,666 ⁽²⁾ 3,16,39,695 ⁽³⁾ | 23.14 ⁽²⁾ 9.99 ⁽³⁾ | (7,32,99,666) ⁽²⁾ (3,16,39,695) ⁽³⁾ | (23.14) ⁽²⁾ (9.99) ⁽³⁾ | NIL NIL | N.A. N.A. | NIL NIL | N.A. N.A. |
| Total (3) | 10,49,39,361⁽⁴⁾ | 33.12⁽⁴⁾ | (10,49,39,361)⁽⁴⁾ | (33.12)⁽⁴⁾ | NIL | N.A. | NIL | N.A. |
| (4) Public (other than parties to agreement, Acquirer & PACs)⁽⁸⁾ | | | | | | | | |
| a. Institutions ⁽⁵⁾ | 3,34,71,778 | 10.57 | NIL | N.A. | NIL | N.A. | 73,30,930 | 2.31 |
| b. Others | 5,62,30,198 | 17.75 | NIL | N.A. | | | | |
| Total (4) (a+b) | 8,97,01,976 | 28.32 | NIL | N.A. | NIL | N.A. | 73,30,930 | 2.31 |
| (5) Outstanding employee stock options | 1,75,62,734⁽⁹⁾ | 5.54⁽⁹⁾ | NIL | N.A. | NIL | N.A. | 1,75,62,734 | 5.54 |
| GRAND TOTAL (1+3+4+5) | 31,68,11,712 | 100.00 | 10,49,39,361 | 33.12 | 8,23,71,046 | 26.00 | 31,68,11,712 | 100.00 |

Notes:

⁽¹⁾ The Acquirer has entered into the SPA with the Seller, pursuant to which the Acquirer has agreed to acquire an aggregate of 10,49,39,361 (Ten Crore Forty Nine Lakh Thirty Nine Thousand Three Hundred and Sixty One) Equity Shares in 2 (two) tranches – Tranche 1 Shares (7,32,99,666 Equity Shares); and Tranche 2 Shares (3,16,39,695 Equity Shares), in accordance with the terms of the SPA.

⁽²⁾ The 7,32,99,666 Equity Shares (Tranche 1 Shares) are held by the Seller post invocation of a pledge which was created by Reliance Mediaworks Financial Services Private Limited.

⁽³⁾ As on the date of this LOF, the Seller holds a pledge (created by Reliance Mediaworks Financial Services Private Limited) over 3,16,39,695 Equity Shares (Tranche 2 Shares), representing 9.99% of the Expanded Voting Share Capital. Such Tranche 2 Shares form part of the Sale Shares proposed to be sold by the Seller to the Acquirer, under the SPA, and as per the terms of the SPA, the Seller shall exercise its rights as a pledgee to enable the sale of such Equity Shares to the Acquirer.

⁽⁴⁾ The post-Underlying Transaction shareholding of the Seller reflects the shareholding post the Tranche 1 Sale and the Tranche 2 Sale, under the SPA. For the purpose of the SPA, IDBI is acting in its capacity as the debenture trustee for the benefit of and on behalf of Credit Suisse. IDBI, in its own capacity, or acting for any person other than Credit Suisse, does not hold any Equity Shares of the Target Company, whether as a pledgee or otherwise.

⁽⁵⁾ Based on the shareholding pattern for the quarter ended December 31, 2020, the majority of shares under the 'Institutions' category are held by Foreign Portfolio Investors.

⁽⁶⁾ The Acquirer and PAC 2 hold Equity Shares in the Target Company and are part of the promoter and promoter group of the Target Company. Accordingly, their shareholding in the Target Company has been disclosed already as part of shareholding of promoter and promoter group, in Point 1 of this shareholding pattern, and has accordingly not been disclosed again under the Acquirer and PAC category under Point 2 of this shareholding pattern. PAC 1 does not hold any Equity Shares.

⁽⁷⁾ %s calculated on the Expanded Voting Share Capital.

⁽⁸⁾ Based on the shareholding pattern for the quarter ended December 31, 2020, the total number of shareholders in the 'Public' category in Target Company, as on such date, were 11,174.

⁽⁹⁾ Assuming conversion of all outstanding employee stock options into Equity Shares.

As per Regulation 38 of the SEBI (LODR) Regulations read with Rule 19A of the SCRR, the Target Company is required to maintain at least 25% (twenty five percent) public shareholding, as determined in accordance with SCRR, on a continuous basis for listing. Upon completion of the Offer and the Underlying Transaction, if public shareholding of the Target Company falls below the minimum level of public shareholding as required to be maintained by the Target Company as per the SCRR and the SEBI LODR Regulations, the Acquirer and the PACs undertake to take necessary steps to facilitate the compliance by the Target Company with the relevant provisions prescribed under the SCRR as per the requirements of Regulation 7(4) of the SEBI (SAST) Regulations and/or the SEBI LODR Regulations, within the time period stated therein, i.e., to bring down the non-public shareholding to 75% within 12 (Twelve) months from the date of such fall in the public shareholding to below 25%, through permitted routes and any other such routes as may be approved by SEBI from time to time.

6. OFFER PRICE AND FINANCIAL ARRANGEMENTS

6.1. Justification of Offer Price

6.1.1. All the Equity Shares of the Target Company are listed on the Stock Exchanges.

6.1.2. The trading turnover in the Equity Shares, based on the trading volume on the Stock Exchanges, during the period from December 1, 2019 to November 30, 2020 (i.e. during the 12 (Twelve) calendar months prior to calendar month preceding the calendar month in which PA is issued) is as set out below

| Name of Stock Exchange | Total Number of Equity Shares traded during 12 (twelve) calendar months prior to the PA (A) | Total Number of Equity Shares Listed (B) | Annualised trading turnover % (A/B) |
|------------------------|---|--|-------------------------------------|
| BSE | 37,85,990 | 29,92,48,978 | 1.27 |
| NSE | 1,60,79,180 | | 5.37 |

(Source: www.bseindia.com and www.nseindia.com)

6.1.3. Based on the above, the Equity Shares of the Target Company are infrequently traded in terms of Regulation 2(1)(j) of the SEBI (SAST) Regulations.

6.1.4. The Offer Price of INR 44.15 (Rupees Forty Four and Fifteen Paise) per Offer Share has been determined as per provision of Regulation 8(1) read with Regulation 8(2) of the SEBI (SAST) Regulations taking into account the following parameters:

| | | | |
|-------|---|---|----------------------------|
| (i) | the highest negotiated price per Equity Share of the Target Company for any acquisition under the agreements attracting the obligation to make a public announcement of the Open Offer | : | INR 44.15 per Equity Share |
| (ii) | the volume-weighted average price paid or payable for acquisitions, whether by the Acquirer or by any person acting in concert with it, during the 52 (Fifty Two) weeks immediately preceding the date of the public announcement | : | INR 44 per Equity Share |
| (iii) | the highest price paid or payable for any acquisition, whether by the acquirer or by any person acting in concert with it, during the 26 (Twenty Six) weeks immediately preceding the date of the public announcement | : | INR 44 per Equity Share |

| (iv) | the volume-weighted average market price of shares for a period of 60 (Sixty) trading days immediately preceding the date of the public announcement as traded on the stock exchange where the maximum volume of trading in the shares of the target company are recorded during such period, provided such shares are frequently traded | : | Not Applicable | | | | | | | | |
|--|---|---|---|-------------|--------------------------|-------------------------------|-----------|---------------------|----------|------------------|----------------|
| (v) | where the Equity Shares are not frequently traded, the price determined by the Acquirer and the Manager to the Offer taking into account valuation parameters including, book value, comparable trading multiples, and such other parameters as are customary for valuation of shares of such companies. Financial information as on September 30, 2020, on a standalone basis | : | INR 40.50 per Equity Share (as at December 23, 2020)* | | | | | | | | |
| <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: center;">Particulars</th> <th style="text-align: center;">As on September 30, 2020</th> </tr> </thead> <tbody> <tr> <td>Book value (per Equity Share)</td> <td style="text-align: center;">INR 19.70</td> </tr> <tr> <td>Return on net worth</td> <td style="text-align: center;">Negative</td> </tr> <tr> <td>Trading multiple</td> <td style="text-align: center;">Not Applicable</td> </tr> </tbody> </table> | | | | Particulars | As on September 30, 2020 | Book value (per Equity Share) | INR 19.70 | Return on net worth | Negative | Trading multiple | Not Applicable |
| Particulars | As on September 30, 2020 | | | | | | | | | | |
| Book value (per Equity Share) | INR 19.70 | | | | | | | | | | |
| Return on net worth | Negative | | | | | | | | | | |
| Trading multiple | Not Applicable | | | | | | | | | | |
| (vi) | the per share value computed under Regulation 8(5), if applicable. | : | Not Applicable | | | | | | | | |

* R. B. Pandya & Co, Chartered Accountant (Address: 308, Venkatesh Chambers, Behind Khadi Emporium, Fort, Mumbai - 400 001, Maharashtra, India, Tel.: +91 22 22070840 and Firm Registration No.:107331W) has vide its valuation report dated December 23, 2020 arrived at the fair value of INR 40.50 per Equity Share.

- 6.1.5. In view of the above parameters considered and presented in the table in Paragraph 6.1.4 above, the Offer Price, under Regulation 8(2) of the SEBI (SAST) Regulations, is INR 44.15 (Rupees Forty Four and Fifteen Paise). Accordingly, the Offer Price is justified in terms of the SEBI (SAST) Regulations.
- 6.1.6. Since the date of the PA, there has been no corporate action in the Target Company warranting adjustment of relevant price parameters under Regulation 8(9) of the SEBI (SAST) Regulations. The Offer Price may be revised in the event of any corporate actions like bonus, rights, split, etc. where the record date for effecting such corporate actions falls within 3 (Three) Working Days prior to the commencement of Tendering Period of the Offer.
- 6.1.7. As on date of this LOF, there has been no revision in the Offer Price or Offer Size. The Offer Price may be subject to upward revision, if any, pursuant to the SEBI (SAST) Regulations or at the discretion of the Acquirer at any time prior to 1 (One) Working Day before the commencement of the tendering period in accordance with Regulation 18(4) of the SEBI (SAST) Regulations. In the event of such revision, (i) the Acquirer and/or PACs shall make corresponding increases to the Escrow Amount; (ii) make a public announcement in the same newspapers in which the DPS has been published; and (iii) simultaneously with the issue of such public announcement, inform SEBI, the Stock Exchanges and the Target Company, of such revision.
- 6.1.8. If the Acquirer and the PACs acquire or agree to acquire any Equity Shares or voting rights in the Target Company during the Offer Period, whether by subscription or purchase, at a price higher than the Offer Price, the Offer Price shall stand revised to the highest price paid or payable for any such acquisition in terms of Regulation 8(8) of the SEBI (SAST) Regulations. Provided that no such acquisition shall be made after the 3rd (Third) Working Day prior to the commencement of the Tendering Period and until the expiry of the Tendering Period of this Offer.
- 6.1.9. If the Acquirer or the PACs acquire Equity Shares of the Target Company during the period of 26 (Twenty Six) weeks after the Tendering Period at a price higher than the Offer Price per Equity Share, then the Acquirer shall pay the difference between the highest acquisition price and the Offer Price, to all Public Shareholders whose shares have been accepted in the Offer, within 60 (Sixty) days from the date of such acquisition. However, no such difference shall be paid in the event that such acquisition is made under an open offer under the SEBI (SAST) Regulations, or pursuant to the Delisting Regulations, 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.

6.2. Financial Arrangements

- 6.2.1. The total funding requirement for the Offer, assuming full acceptance, is the Maximum Open Offer Consideration (i.e. INR 3,63,66,81,680.90 (Rupees Three Hundred Sixty Three Crore Sixty Six Lakh Eighty One Thousand Six Hundred Eighty and Ninety Paise)).
- 6.2.2. In accordance with Regulation 17 of the SEBI (SAST) Regulations, as a security for the performance, the Acquirer, PAC 1 and the Manager to the Offer have entered into the Escrow Agreement with Yes Bank Limited (acting through its office at YES BANK Tower, One International Center – 2, 15th Floor, Senapati Bapat Marg, Elphinstone (W), Mumbai 400 013) on December 21, 2020 and by way of security for performance by the Acquirer and the PACs of their obligations under the SEBI (SAST) Regulations, the Acquirer and PAC 1 have created an escrow account in the name and the style '**PRIME FOCUS LIMITED - OPEN OFFER ESCROW ACCOUNT**' ("**Escrow Account**") with Account No. 041966200000522, with the Escrow Bank. The Acquirer has deposited an amount of INR 99,95,89,200 (Rupees Ninety Nine Crore Ninety Five Lacs Eighty Nine Thousand Two Hundred), being more than 25% of the Maximum Open Offer Consideration (assuming full acceptance in the Open Offer), in the Escrow Account.
- 6.2.3. The Manager to the Offer has been authorised by the Acquirer and PAC 1 to operate and realize monies lying to the credit of the Escrow Account, in terms of the Regulation 17 of the SEBI (SAST) Regulations.
- 6.2.4. Further, in order to ensure that the funds that are payable to the Public Shareholders who validly tender in the Offer are managed more efficiently, the Acquirer has opened a special escrow account with the Escrow Bank under the Escrow Agreement, for the purpose of Regulation 21 of the SEBI (SAST) Regulations ("**Special Escrow Account**"). The Manager to the Offer has been authorized by the Acquirer to operate and realize the monies lying to the credit of the Special Escrow Account, in accordance with the SEBI (SAST) Regulations.
- 6.2.5. In case of any upward revision in the Offer Price or the size of this Offer, the value in cash of the Escrow Amount shall be computed on the revised consideration calculated at such revised offer price or offer size and any additional amounts required will be funded by the Acquirer and/or the PACs, prior to effecting such revision, in terms of Regulation 17(2) of the SEBI (SAST) Regulations.
- 6.2.6. The Acquirer and the PACs have confirmed that they have adequate and firm financial arrangements to fulfil the payment obligations in the Offer in accordance with the SEBI (SAST) Regulations. The Acquirer has access to undrawn credit facilities from a third party overseas corporate body for this purpose, for which security (including pledge of shares of the Acquirer) has been provided by PAC 2, and if required, PAC 1 proposes to fund a part of the Maximum Open Offer Consideration through internal sources of funds and/or the funds received from the Acquirer.
- 6.2.7. M/s. V. Shivkumar and Associates, Chartered Accountants, (FRN 112781W) having its office at 120, Damji Shamji Udyog Bhavan, First Floor, Veera Desai Road, Andheri (West), Mumbai 400 053, Maharashtra, India. Phone No.: 022 26734852/4928, Email: vsk@vsaca.com, have vide their certificate dated December 23, 2020 certified that the Acquirer has made firm financial arrangements for financing the acquisition of Equity Shares under the Offer.
- 6.2.8. Based on the aforesaid financial arrangement, the confirmation received from the Escrow Bank and the certificate dated December 23, 2020 received from M/s V. Shivkumar and Associates, Chartered Accountant, the Manager to the Offer is satisfied about the ability of the Acquirer and the PACs to implement the Offer in accordance with the SEBI (SAST) Regulations. The Manager to the Offer confirms that the firm arrangement for the funds for payment through verifiable means are in place to fulfil the Offer obligations in terms of the SEBI (SAST) Regulations.

7. TERMS AND CONDITIONS OF THE OFFER

7.1. Operational Terms and Conditions

- 7.1.1. This Offer is being made by the Acquirer and the PACs to (i) all the Public Shareholders, whose names appear in the register of members of the Target Company as of the close of business on the Identified Date; (ii) the beneficial owners of the Equity Shares whose names appear as beneficiaries on the records of the respective Depositories, as of the close of business on the Identified Date; (iii) those Public Shareholders

who acquire the Equity Shares any time prior to the date of the closure of the Tendering Period for this Offer i.e. March 8, 2021, but who are not the registered Public Shareholders.

- 7.1.2. In terms of the schedule of activities, the Tendering Period for the Offer shall commence on February 23, 2021 (Tuesday) and close on March 8, 2021 (Monday). The Identified Date for this Offer, as per schedule of activities is February 8, 2021.
- 7.1.3. The Equity Shares tendered under this Offer shall be fully paid-up, free from all pledges, liens, charges, equitable interests, non-disposal undertakings and any other form of encumbrances and shall be tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter, and the tendering Public Shareholder shall have obtained all necessary consents for it to sell the Equity Shares on the foregoing basis. The Acquirer and / or the PACs shall acquire the Equity Shares from the Public Shareholders who have validly tendered their Equity Shares in this Offer, together with all rights attached thereto, including all rights to dividend, bonus and rights offer declared thereof.
- 7.1.4. This Offer is not conditional upon any minimum level of acceptances from shareholders in terms of Regulation 19 of SEBI (SAST) Regulations, 2011.
- 7.1.5. This Offer is not a competing offer in terms of Regulation 20 of the SEBI (SAST) Regulations.
- 7.1.6. The marketable lot for Equity Shares for the purpose of this Offer shall be 1 (One) only.
- 7.1.7. Accidental omission to dispatch this Letter of Offer to any Equity Shareholder entitled under this Open Offer or non- receipt of the Letter of Offer by any Equity Shareholder entitled under this Open Offer shall not invalidate the Open Offer in any manner whatsoever. The Equity Shareholders can write to the Registrar to the Offer/Manager to the Offer requesting for the Letter of Offer. Alternatively, this Letter of Offer will also be available at SEBI's website, www.sebi.gov.in.
- 7.1.8. The acceptance of the Offer must be unconditional. In terms of Regulation 18(9) of the SEBI (SAST) Regulations, the Public Shareholders who tender their Equity Shares in acceptance of this Offer shall not be entitled to withdraw such acceptance during the Tendering Period.

7.2. Locked in shares:

The locked-in Equity Shares, if any, may be transferred to the Acquirer subject to the continuation of the residual lock -in period in the hands of the Acquirer and/or the PACs, as may be permitted under applicable law. It is the sole responsibility of the Public Shareholder tendering their Equity Shares, to ensure that the locked-in Equity Shares are free from lock-in before such transfer to Acquirer and/or the PACs. The Manager to the Offer shall ensure that there shall be no discrimination in the acceptance of locked-in and non locked-in Equity Shares.

7.3. Eligibility for Accepting the Offer

- 7.3.1. This Letter of Offer specifying the detailed terms and conditions of this Offer, along with the Form of Acceptance-cum-Acknowledgement, is being sent to all the Public Shareholders, whose names appear on the register of members of the Target Company, at the close of business hours on the Identified Date, being registered equity Public Shareholders as per the records of NSDL and CSDL, and registered Public Shareholders holding Equity Shares in physical form as per the records of the Target Company, as on the Identified Date. Accidental omission to dispatch this Letter of Offer to any person to whom the Offer is made or the non-receipt or delayed receipt of this Letter of Offer by any such person will not invalidate the Offer in any way. The last date by which the individual Letter of Offer would be dispatched to each of the Public Shareholders of the Target Company is February 15, 2021.
- 7.3.2. All Public Shareholders, registered or unregistered, who own Equity Shares and are able to tender such Equity Shares in this Offer at any time before the closure of the Tendering Period are eligible to participate in this Offer.
- 7.3.3. The PA, the DPS, the DLOF, this Letter of Offer and the Form of Acceptance-cum-Acknowledgement are also available on the website of SEBI (www.sebi.gov.in). In case of non-receipt of this Letter of Offer, the Public Shareholders, including those who have acquired Equity Shares after the Identified Date, if they so

desire, may download this Letter of Offer or the Form of Acceptance-cum-Acknowledgement from the website of SEBI.

- 7.3.4. This Offer is also open to persons who own Equity Shares in Target Company but are not registered Shareholders as on the Identified date.
- 7.3.5. In the event any change or modification is made to the Form of Acceptance-cum- Acknowledgement or if any condition is inserted therein by the Public Shareholder, then the Manager, the Acquirer and the PACs shall reject the acceptance of this Offer by such Public Shareholder.
- 7.3.6. The acceptance of this Offer by Public Shareholders must be unconditional, absolute and unqualified. Any acceptance of this Offer which is conditional or incomplete in any respect will be rejected without assigning any reason whatsoever.
- 7.3.7. The acceptance of this Offer is entirely at the discretion of the Public Shareholder(s) of the Target Company. By accepting this Offer, the Public Shareholder(s) confirm that they are not persons acting in concert with the Acquirer or the PACs for the purpose of this Offer.
- 7.3.8. None of the Acquirer, the PACs, the Manager or the Registrar to the Offer accept any responsibility for any loss of equity share certificates, Offer acceptance forms, share transfer forms etc. during transit and Public Shareholders are advised to adequately safeguard their interest in this regard.
- 7.3.9. The acceptance of Equity Shares tendered in the Offer will be made by the Acquirer and the PACs in consultation with the Manager.
- 7.3.10. The Acquirer and the PACs reserve the right to revise the Offer Price and/or the Offer Size upwards prior to the commencement of the last 1 (One) Working Day prior to the commencement of the Tendering Period, in accordance with the SEBI (SAST) Regulations. In the event of such revision, the Acquirer and the PACs shall (i) make corresponding increases to the amount kept in the Escrow Account under Regulation 17 of the SEBI (SAST) Regulations; (ii) make a public announcement in the same 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 of such revision. Such revised Offer Price would be payable for all the Equity Shares validly tendered during the Tendering Period of the Offer.
- 7.3.11. The instructions, authorizations and provisions contained in the Form of Acceptance-cum-Acknowledgement constitute part of the terms of the Offer.
- 7.3.12. In accordance with the Frequently Asked Questions issued by SEBI, “*FAQs – Tendering of physical shares in buyback offer /open offer/exit offer/delisting*” dated February 20, 2020 and SEBI circular dated July 31, 2020 in this respect, the public shareholders holding securities in physical form are allowed to tender shares in an open offer. Such tendering shall be as per the provisions of the SEBI (SAST) Regulations. The procedure for tendering to be followed by the Public Shareholders holding Equity Shares in the physical form is detailed in paragraph 8.3 of Part 8 (*Procedure for Acceptance and Settlement of the Offer*) below.

7.4. Statutory and Other Approvals

- 7.4.1 To the best of the knowledge of the Acquirer and the PACs, as on the date of this LOF, there are no statutory or other approvals required to complete this Offer. Further, the consummation of the Underlying Transaction is subject to satisfaction of the conditions precedent specified in the SPA (unless waived in accordance with the provisions thereof).
- 7.4.2 If any statutory approvals are required or become applicable prior to completion of the Offer, the Offer would be subject to the receipt of such statutory approvals. The Acquirer and the PACs may withdraw the Offer in the event that such statutory approvals becoming applicable prior to completion of the Offer are refused or otherwise not received for reasons outside the reasonable control of the Acquirer and/or the PACs, in terms of Regulation 23(1) of SEBI (SAST) Regulations. In the event of withdrawal, the Acquirer and the PACs (through the Manager to the Offer) shall within 2 (Two) Working Days of such withdrawal, make an announcement of such withdrawal stating the grounds for the withdrawal in accordance with Regulation

23(2) of SEBI (SAST) Regulations, and shall also send such announcement to the Stock Exchanges, SEBI and the Target Company at its registered office.

- 7.4.3 NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all requisite approvals / exemptions required to tender the Equity Shares held by them, in this Offer, and submit such approvals / exemptions along with the documents required to accept this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FPIs) had required any approvals / exemptions (including from the RBI or any other regulatory body) in respect of the Equity Shares held by them, they will be required to submit such previous approvals/exemptions 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 / exemptions are not submitted, the Acquirer and /or the PACs reserve the right to reject such Equity Shares tendered in this Offer.
- 7.4.4 Where any statutory approval extends to some but not all of the Public Shareholders, the Acquirer and the PACs shall have the option to make payment to such Public Shareholders in respect of whom no statutory approvals are required in order to complete this Offer.
- 7.4.5 Subject to the receipt of statutory and other approvals, if any, the Acquirer and the PACs shall complete all procedures relating to payment of consideration under this Offer within 10 (Ten) Working Days from the date of expiry of the Tendering Period to those Public Shareholders whose documents are found valid and are in order and are accepted for acquisition by the Acquirer and the PACs.
- 7.4.6 In case of delay in receipt of any statutory approval, the SEBI may, if satisfied that delayed receipt of the requisite approvals was not due to any willful default or neglect of the Acquirer and the PACs or the failure of the Acquirer and the PACs to diligently pursue the application for the approval, grant extension of time for the purpose, subject to the Acquirer and the PACs agreeing to pay interest to the Public Shareholders as directed by the SEBI, in terms of Regulation 18(11) and 18(11A) of the SEBI (SAST) Regulations. Further, in event of non-fulfillment of obligations under the SEBI (SAST) Regulation by the Acquirer or the PACs, Regulation 17(9) of SEBI (SAST) Regulations will also become applicable and the amount lying in the Escrow Account shall become liable for forfeiture.

8. PROCEDURE FOR ACCEPTANCE AND SETTLEMENT OF THE OFFER

8.1 Acquisition Window Facility or Offer to Buy (OTB)

- 8.1.1 The Offer will be implemented by the Acquirer and/or the PACs, subject to applicable laws, through an Acquisition Window, i.e., 'stock exchange mechanism' made available by the Stock Exchanges in the form of a separate window as provided under the SEBI (SAST) Regulations and the SEBI circular CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the SEBI circular CFD/DCR2/CIR/P/2016/131 dated December 9, 2016. The facility for acquisition of Equity Shares through the stock exchange mechanism pursuant to the Offer shall be available on the Stock Exchanges in the form of the Acquisition Window.
- 8.1.2 NSE shall be the 'Designated Stock Exchange' for the purpose of tendering Offer Shares in the Offer.
- 8.1.3 All Public Shareholders who desire to tender their Equity Shares under the Offer will have to intimate the Selling Brokers, being their respective stock brokers, within the normal trading hours of the secondary market, during the Tendering Period. The Acquisition Window will be provided by the Stock Exchanges to facilitate placing of sell orders.
- 8.1.4 The Selling Broker can enter orders for physical and dematerialised Equity Shares. The cumulative quantity tendered shall be displayed on the Stock Exchanges' website throughout the trading session at specific intervals by the Stock Exchange during the Tendering Period.
- 8.1.5 Public Shareholders can tender their shares only through a broker with whom the shareholder is registered as client (KYC Compliant). In the event Seller Broker(s) are not registered with NSE or if the Public Shareholder does not have any stock broker then that Public Shareholder can approach any NSE registered stock broker and can make a bid by using quick UCC facility through that NSE registered stock broker after submitting the details as may be required by the stock broker to be in compliance with applicable law and

regulations. The Public Shareholder approaching NSE registered stock broker (with whom he does not have an account) may have to submit following details:

8.1.7.(1). In case of Public Shareholder being an individual

a) If Public Shareholder is registered with KRA: Forms required:

- (i) Central know your client (CKYC) form including Foreign Account Tax Compliance Act (FATCA), In Person Verification (IPV), Original Seen and Verified (OSV), if applicable
- (ii) Know Your Client (KYC) form documents required (all documents self-attested): Bank details (cancelled cheque)
- (iii) Demat details (demat master/latest demat statement)

b) If Public Shareholder is not registered with KRA: Forms required:

- (i) CKYC form including FATCA, IPV, OSV, if applicable
- (ii) KRA form
- (iii) KYC form Documents required (all documents self-attested): PAN card copy, address proof, bank details (cancelled cheque)
- (iv) Demat details (demat master/latest demat statement) It may be noted that other than submission of above forms and documents in person verification may be required.

8.1.7.(2). In case of Public Shareholder is HUF:

a) If Public Shareholder is registered with KRA: Forms required:

- (i) CKYC form of KARTA including FATCA, IPV, OSV, if applicable
- (ii) KYC form documents required (all documents self-attested): bank details (cancelled cheque)
- (iii) Demat details (demat master/latest demat statement)

b) If Shareholder is not registered with KRA: Forms required:

- (i) CKYC form of KARTA including FATCA, IPV, OSV, if applicable
- (ii) KRA form
- (iii) Know your client (KYC) form documents required (all documents self-attested): PAN card copy of HUF & KARTA Address proof of HUF & KARTA HUF declaration bank details (cancelled cheque)
- (iv) Demat details (demat master/latest demat statement) It may be noted that other than submission of above forms and documents in person verification may be required.

8.1.7.(3). In case of Public Shareholder other than Individual and HUF:

a) If Public Shareholder is KRA registered: Form required

- (i) Know Your Client (KYC) form documents required (all documents certified true copy), bank details (cancelled cheque)
- (ii) Demat details (demat master/latest demat statement)
- (iii) FATCA, IPV, OSV, if applicable

- (iv) Latest list of directors / authorised signatories / partners / trustees
- (v) Latest shareholding pattern
- (vi) Board resolution
- (vii) Details of ultimate beneficial owner along with PAN card and address proof
- (viii) Last 2 years financial statements
- b) If Public Shareholder is not KRA registered: Forms required:
 - (i) KRA form
 - (ii) Know Your Client (KYC) form documents required (all documents certified true copy): PAN card copy of company / firm / trust, address proof of company / firm / trust, bank details (cancelled cheque)
 - (iii) Demat details (demat master/latest demat statement)
 - (iv) FATCA, IPV, OSV, if applicable
 - (v) Latest list of directors / authorised signatories / partners / trustees
 - (vi) PAN card copies & address proof of directors / authorised signatories / partners / trustees
 - (vii) Latest shareholding pattern
 - (viii) Board resolution / partnership declaration
 - (ix) Details of ultimate beneficial owner along with PAN card and address proof
 - (x) Last 2 years financial statements
 - (xi) MOA / Partnership deed / trust deed

It may be noted that, other than submission of above forms and documents, in person verification may be required.

It may be noted that above mentioned list of documents is an indicative list. The requirement of documents and procedures may vary from broker to broker.

8.2 Procedure to be followed by Public Shareholders in respect of Equity Shares held in dematerialised form:

- 8.2.1 Public Shareholders who desire to tender their Equity Shares in the electronic form under the Offer would have to do so through their respective Seller Broker by indicating the details of the Equity Shares they intend to tender under the Offer. Public Shareholders should tender their Equity Shares through stock brokers registered with NSE only. **Public Shareholders should not place orders through the Target Company, the Acquirer, the PACs, the Manager to the Offer or the Registrar to the Offer.** In the event, the Selling Broker of any Public Shareholder is not registered with NSE as a trading member / stock broker, then that Shareholder can approach any NSE registered stock broker and can register himself by using quick unique client code (“UCC”) facility through that NSE registered stock broker (after submitting all details as may be required by such NSE registered stock broker, in compliance with applicable law).
- 8.2.2 The Seller Broker would be required to place an order on behalf of such Public Shareholder(s) who wish to tender its Equity Shares in the Offer, using the Acquisition Window of NSE. Before placing the order, the Public Shareholder would need to transfer the Equity Shares to the respective Seller Broker’s pool account, who will in-turn tender the Equity Shares to the early pay-in mechanism / special account of the Clearing Corporation of India Limited (“**Clearing Corporation**”), by using the settlement number and the procedure prescribed by the Clearing Corporation. This shall be validated at the time of order / bid entry.

- 8.2.3 After the orders have been placed by the Public Shareholders through their Selling Brokers, using the Acquisition Window of NSE, the bids will be transferred to the respective Seller Broker's pool account, who will in-turn tender the Equity Shares to the early pay-in mechanism of the Clearing Corporation.
- 8.2.4 The details of settlement number shall be informed in the offer opening circular / notice that will be issued by NSE / Clearing Corporation, before the Offer Opening Date.
- 8.2.5 For custodian participant orders for Equity Shares in dematerialised form, early pay-in is mandatory prior to confirmation of the relevant order by the custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the Offer Closing Date. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, any modification to an order shall be deemed to revoke the custodian confirmation relating to such order and the revised order shall be sent to the custodian again for confirmation.
- 8.2.6 Upon placing the order, the Seller Broker shall provide a Transaction Registration Slip (“TRS”) generated by the exchange bidding system to the respective Public Shareholder. The TRS will contain the details of the order submitted such as Order/ Bid ID No., Depository Participant ID, Client ID, No. of Equity Shares tendered, etc.
- 8.2.7 *Please note that submission of Form of Acceptance-cum-Acknowledgement and TRS is not mandatorily required in case of Offer Shares held in dematerialised form.*
- 8.2.8 The Clearing Corporation will hold the Equity Shares until the Acquirer and / or PACs completes their obligations under the Offer, in accordance with SEBI (SAST) Regulations.
- 8.2.9 In case of non-receipt of this Letter of Offer / Form of Acceptance-cum-Acknowledgement, a copy may be obtained by writing (on plain paper, signed by the respective Public Shareholder, stating name and address, client ID number, Depository Participant name / ID, beneficiary account number to the Registrar to the Offer / Manager to the Offer, clearly marking the envelope “Prime Focus Limited - Open Offer”). Alternatively, such Public Shareholder may download the Form of Acceptance cum-Acknowledgement from the websites of SEBI, Stock Exchanges, the Target Company, Keynote Financial Services Limited and Link Intime India Private Limited at www.sebi.gov.in, www.bseindia.com, www.nseindia.com, www.primefocus.com, www.keynoteindia.net and www.linkintime.co.in, respectively.
- 8.2.10 Public Shareholders will be required to approach their respective Seller Broker and have to ensure that their order is entered by their Seller Broker in the electronic platform to be made available by NSE before the Offer Closing Date.
- 8.2.11 The Shareholders will have to ensure that they keep the depository participant account active and unblocked to receive credit in case of return of Equity Shares due to rejection / non acceptance in the Offer.

8.3 Procedure to be followed by Public Shareholders in respect of shares held in physical form:

SEBI *vide* its Circular SEBI/HO/CFD/CMD1/CIR/P/2020/144 dated July 31, 2020 has allowed shareholders holding shares in physical form to tender their shares in the Open Offer. The procedure for the same is as mentioned below

- 8.3.1 Public Shareholders who hold shares in physical form and intend to participate in the Offer will be required to do so through Seller Broker. Public Shareholders should submit their orders through Selling Broker registered with NSE only. In the event the Selling Broker of any Public Shareholder is not registered with NSE as trading member / stock broker, then that Public Shareholder can approach any NSE registered stock broker and can register himself / herself by using quick unique client code (UCC) facility through that NSE registered stock broker (after submitting all details as may be required by such BSE registered stock broker in compliance with applicable laws). Public Shareholders holding Shares in physical form and intending to participate in the Offer should approach their Seller Broker along with the following complete set of documents to allow for verification procedure to be carried out:

- i. Original share certificate(s);
- ii. Valid share transfer form(s) duly filled and signed by the transferors (i.e. by all registered shareholders in the same order and as per the specimen signatures registered with the Target Company and Registrar to the Offer) and duly witnessed at the appropriate place authorizing the transfer. Attestation, where required, (thumb impressions, signature difference, etc.) should be done by a magistrate / notary public / bank manager under their official seal;
- iii. Self-attested PAN card copy (in case of joint holders, PAN card copies of all transferors);
- iv. Form of Acceptance-cum-Acknowledgement duly signed (by all Public Shareholders in cases where shares are held in joint names) in the same order in which they hold the shares;
- v. Any other relevant documents such as power of attorney, corporate authorization (including board resolution / specimen signature), notarized copy of death certificate and succession certificate or probated will, if the original shareholder has deceased, etc., as applicable. In addition, if the address of the Public Shareholder has undergone a change from the address registered in the register of members of the Target Company, the Public Shareholder would be required to submit a self-attested copy of proof of address consisting of any one of the following documents: valid Aadhar card, voter identity card or passport.
- vi. Declaration by joint holders consenting to tender Equity Shares in the Offer, if applicable, and upon placing the order, the Seller Broker shall provide a TRS generated by the Exchange bidding system to the Public Shareholder. The TRS will contain the details of the order submitted such as Folio No., Certificate No., Distinctive No., No. of Offer Shares tendered, etc.

8.3.2 The Seller Broker / Public Shareholder should ensure the documents are delivered along with TRS either by registered post or courier or by hand delivery to the Registrar to the Offer at the address given in this LOF within 2 (Two) days of bidding by the Seller Broker. The envelope should be marked as “*Prime Focus Limited - Open Offer*”.

8.3.3 Public Shareholders holding shares in physical form should note that the Equity Shares will not be accepted unless the complete set of documents is submitted. Acceptance of the shares by the Acquirer shall be subject to verification of documents. The Registrar to the Offer will verify such orders based on the documents submitted on a daily basis and until such time as the BSE shall display such orders as ‘unconfirmed physical orders’. Once, the Registrar to the Offer confirms the orders it will be treated as ‘confirmed orders’. Orders of Public Shareholders whose original share certificate(s) and other documents along with TRS are not received by the Registrar to the Offer 2 (Two) days after the Offer Closing Date shall be liable to get rejected.

8.3.4 In case of non-receipt of this Letter of Offer / Form of Acceptance-cum-Acknowledgement, the Public Shareholders holding Equity Shares in physical form can make an application in writing on plain paper, signed by the respective Public Shareholder, stating name and address, folio number, share certificate number, distinctive number and number of Equity shares tendered for the Offer thereof, enclosing the original share certificates and other documents. Public Shareholders will be required to approach their respective Seller Broker and have to ensure that their order is entered by their Seller Broker in the electronic platform to be made available by the NSE before the Offer Closing Date.

8.3.5 The Registrar to the Offer will hold the share certificate(s) and other documents until the Acquirer and /or the PACs complete their obligations under the Offer in accordance with the SEBI (SAST) Regulations.

8.3.6 **The Public Shareholders holding Equity Shares in physical mode will be required to fill the respective Form of Acceptance-cum-Acknowledgement. Detailed procedure for tendering Equity Shares has been included in the Form of Acceptance-cum-Acknowledgement.**

8.4 Mode of Settlement

Upon finalization of the basis of acceptance as per the SEBI (SAST) Regulations:

- 8.4.1 The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- 8.4.2 The Acquirer / PACs will pay the consideration payable towards purchase of the Equity Shares to the Buyer Broker who in turn will transfer the funds to the Clearing Corporation, on or before the pay-in date for settlement as per the secondary market mechanism. For the dematerialised Equity Shares acquired in the Offer, the Public Shareholders will receive the consideration in their bank account attached to the depository account from the Clearing Corporation. If bank account details of any Public Shareholder are not available or if the fund transfer instruction is rejected by the RBI or relevant bank, due to any reasons, then the amount payable to the relevant Public Shareholder will be transferred to the concerned Seller Brokers for onward transfer to such Public Shareholder. In case of physical shares, the Clearing Corporation will release the funds to the Seller Broker as per the secondary market mechanism for onward transfer to Public Shareholders.
- 8.4.3 In case of certain client types viz. NRIs, non-resident clients etc. (where there are specific RBI and other regulatory requirements pertaining to funds pay-out) who do not opt to settle through custodians, the funds pay-out will be given to their respective Seller Broker's settlement accounts for releasing the same to their respective Public Shareholder's account onward. For this purpose, the client type details will be collected from the depositories whereas funds payout pertaining to the orders settled through custodians will be transferred to the settlement bank account of the custodian, each in accordance with the applicable mechanism prescribed by the Stock Exchange and the Clearing Corporation from time to time.
- 8.4.4 The Equity Shares acquired in dematerialised form shall be transferred by the Buyer Broker to the accounts of the Acquirer / PACs on receipt of the Equity Shares pursuant to the clearing and settlement mechanism of the Stock Exchange. Offer Shares acquired in physical form will be transferred directly to the Acquirer by the Registrar to the Offer.
- 8.4.5 In case of rejected dematerialised offer shares, if any, tendered by the Public Shareholders, the same would be transferred by the Clearing Corporation directly to the respective Shareholder's Depository Participant account, as part of the exchange payout process. If the securities transfer instruction is rejected in the depository system, due to any issue then such securities will be transferred to the Seller Broker's depository pool account for onward transfer to the respective Shareholder. The Seller Broker/ custodian participants would return these unaccepted Offer Shares to their respective clients (i.e. the relevant Public Shareholder(s)) on whose behalf the orders have been placed. Equity Shares tendered in physical form will be returned to the respective Public Shareholders directly by Registrar to the Offer.
- 8.4.6 The Seller Broker would issue a contract note and pay the consideration to the respective Public Shareholder whose Equity Shares are accepted under the Offer. The Buyer Broker would also issue a contract note to the Acquirer / PACs for the Equity Shares accepted under the Offer.
- 8.4.7 Public Shareholders who intend to participate in the Offer should consult their respective Seller Broker for payment of any cost, charges and expenses (including brokerage) that may be levied by the Seller Broker upon the Public Shareholders for tendering their Equity Shares in the Offer (secondary market transaction).
- 8.4.8 In case of delay / non-receipt of any approval, SEBI may, if satisfied that non receipt of the requisite approvals was not attributable to any willful default, failure or neglect on the part of the Acquirer to diligently pursue such approval, grant extension of time for the purpose, subject to the Acquirer agreeing to pay interest to the Shareholders as directed by SEBI, in terms of Regulation 18(11) and 18(11A) of the SEBI (SAST) Regulations.
- 8.4.9 NRIs, OCBs and other non-resident holders of the Equity Shares, if any, must obtain all approvals required to tender the Equity Shares held by them in this Offer (including without limitation, the approval from the RBI, if applicable) and submit such approvals along with the Form of Acceptance cum-Acknowledgement and other documents required to accept this Offer. In the event such approvals are not submitted, the Acquirer and/or the PACs shall reject such Equity Shares tendered in this Offer. Further, if holders of the Equity Shares who are not persons resident in India (including NRIs, OCBs and FPIs) had required any approvals (including from the RBI or any other regulatory body, if applicable) 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. If such previous approvals and/or relevant documents are not submitted, the Acquirer and/or the PACs shall reject such Equity Shares tendered in this Offer. If the Equity Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that such Equity Shares are held under general permission, furnish a copy of the relevant notification / circular pursuant to which the Equity Shares are held and clarify whether the Equity Shares are held on repatriable basis or non repatriable basis.

- 8.4.10 While tendering the Equity Shares under the Offer, NRIs/OCBs/foreign shareholders will also be required to submit a tax clearance certificate from the Income Tax Authorities, indicating the amount of tax to be deducted by the Acquirer under the Income Tax Act, before remitting the consideration. In case the aforesaid tax clearance certificate is not submitted, the Acquirer will deduct tax at the rate as may be applicable to the category of the Public Shareholder under the Income Tax Act, on the entire consideration amount payable to such Shareholder.

8.5 Other Details

- 8.5.1 Persons who have acquired the Equity Shares of the Target Company but whose names do not appear in the register of members of the Target Company on the Identified Date or unregistered owners or those who have acquired the Equity Shares of the Target Company after the Identified Date or those who have not received this Letter of Offer, may also participate in this Offer.
- 8.5.2 The Acquirer and the PACs have appointed Keynote Capitals Limited as the Buying Broker for the Offer through whom the purchases and settlement of Offer shall be made during the Tendering Period. The contact details of the Buying Broker are as mentioned below:

KEYNOTE

Keynote Capitals Limited

Address: The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (W), Mumbai – 400 028, Maharashtra, India

Contact Person: Mr. Alpesh Mehta.

Email: alpesh@keynoteindia.net

Tel.: +91-22-6826 6000

- 8.5.3 Modification/ Cancellation of orders will not be allowed during the Tendering Period of the Open Offer.
- 8.5.4 Registrar to the Offer shall provide details of order acceptance to Clearing Corporation within specified timelines. In the event that the number of Equity Shares validly tendered by the Public Shareholders under this Offer is more than the number of Equity Shares offered, the Acquirer shall accept those Equity Shares validly tendered by the Shareholders on a proportionate basis in consultation with the Manager to the Offer, taking care to ensure that the basis of acceptance is decided in a fair and equitable manner and does not result in non-marketable lots, provided that acquisition of Equity Shares from a Shareholder shall not be less than the minimum marketable lot.
- 8.5.5 Equity Shares that are subject to any charge, lien or encumbrance are liable to be rejected in this Offer. Equity Shares that are the subject of litigation, wherein the Public Shareholders may be prohibited from transferring their Equity Shares during the pendency of the said litigation, are liable to be rejected, if the directions/orders regarding these Equity Shares are not received together with the Equity Shares tendered in this Offer. The Letter of Offer, wherever possible, will be forwarded to the concerned statutory authorities for further action by such authorities.
- 8.5.6 The Letter of Offer will be mailed/dispatched to all the eligible shareholders of the Target Company. In case of non-receipt of this Letter of Offer, such eligible shareholders of the Target Company may download the same from the SEBI website (www.sebi.gov.in) or obtain a copy of the same from the Registrar to the Offer on providing suitable documentary evidence of holding of the Equity Shares of the Target Company. This Letter of Offer would also be available at SEBI's website, www.sebi.gov.in.

9. NOTE ON TAXATION

THE SUMMARY OF THE TAX CONSIDERATIONS IN THIS SECTION ARE BASED ON THE CURRENT PROVISIONS OF THE INCOME-TAX ACT AND THE REGULATIONS THEREUNDER. THE LEGISLATIONS, THEIR JUDICIAL INTERPRETATION AND THE POLICIES OF THE REGULATORY AUTHORITIES ARE SUBJECT TO CHANGE FROM TIME

TO TIME, AND THESE MAY HAVE A BEARING ON THE IMPLICATIONS LISTED BELOW. ACCORDINGLY, ANY CHANGE OR AMENDMENTS IN THE LAW OR RELEVANT REGULATIONS WOULD NECESSITATE A REVIEW OF THE BELOW.

THE JUDICIAL AND THE ADMINISTRATIVE INTERPRETATIONS THEREOF, ARE SUBJECT TO CHANGE OR MODIFICATION BY SUBSEQUENT LEGISLATIVE, REGULATORY, ADMINISTRATIVE OR JUDICIAL DECISIONS. ANY SUCH CHANGES COULD HAVE DIFFERENT INCOME-TAX IMPLICATIONS. THIS NOTE ON TAXATION SETS OUT THE PROVISIONS OF LAW IN A SUMMARY MANNER ONLY AND IS NOT A COMPLETE ANALYSIS OR LISTING OF ALL POTENTIAL TAX CONSEQUENCES OF THE DISPOSAL OF EQUITY SHARES.

THE IMPLICATIONS ARE ALSO DEPENDENT ON THE SHAREHOLDERS FULFILLING THE CONDITIONS PRESCRIBED UNDER THE PROVISIONS OF THE RELEVANT SECTIONS UNDER THE RELEVANT TAX LAWS AND THE DOUBLE TAXATION AVOIDANCE AGREEMENTS (“DTAA”) WITH RESPECTIVE COUNTRIES. IN VIEW OF THE PARTICULARISED NATURE OF INCOME-TAX CONSEQUENCES, SHAREHOLDERS ARE REQUIRED TO CONSULT THEIR TAX ADVISORS FOR THE APPLICABLE TAX PROVISIONS INCLUDING THE TREATMENT THAT MAY BE GIVEN BY THEIR RESPECTIVE TAX OFFICERS IN THEIR CASE AND THE APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE.

THE ACQUIRER AND THE PACs DO NOT ACCEPT ANY RESPONSIBILITY FOR THE ACCURACY OR OTHERWISE OF THIS SUMMARY. THEREFORE, PUBLIC SHAREHOLDERS CANNOT RELY ON THIS SUMMARY OF INCOME TAX IMPLICATIONS RELATING TO THE TREATMENT OF INCOME-TAX IN THE CASE OF TENDERING OF EQUITY SHARES IN THE OPEN OFFER ON THE RECOGNISED STOCK EXCHANGE IN INDIA AS SET OUT ABOVE AND THE SAME SHOULD BE TREATED AS INDICATIVE AND FOR GUIDANCE PURPOSES ONLY.

- 9.1 The basis of charge of Indian income-tax depends upon the residential status of the person subject to tax (“**Taxpayer**”) during a Financial Year and the taxpayer is assessed to tax in the following year (Assessment Year). The Financial Year for Indian residents starts from April 01 and ends on March 31. A person who is a resident in terms of the Income Tax Act, is liable to pay income-tax in India on his worldwide income, subject to certain tax exemptions, which are provided under the Income Tax Act itself. A person who is treated as a non-resident for the purpose of Indian income-tax purposes is generally subject to tax in India only on such person’s India sourced income (i.e. income which accrues or arises or deemed to be accrued or arise in India) or income received or deemed to be received by such persons in India. In case of shares of a company, the source of income from shares would depend on the “Situs” of such shares. “Situs” of the shares is generally where a company is “incorporated”.
- 9.2 Accordingly, since the Target Company is incorporated in India, the Target Company’s shares should be deemed to be “situated” in India and any gains arising to a non-resident on transfer of such shares should be taxable in India under Income Tax Act.
- 9.3 A Taxpayer who is non-resident for tax purpose under Income Tax Act may avail benefits of the DTAA, between India and the respective country of which the Taxpayer is a resident for tax purpose subject to satisfying relevant conditions including:
- a) those set out in limitation of benefits provisions present in the said DTAA (if any),
 - b) the non-applicability of General Anti-Avoidance Rules, and
 - c) providing and maintaining necessary information and documents as prescribed under the Income-tax Act.
- 9.4 A summary of income-tax implications on tendering of listed equity shares on the recognized stock exchange in India is set out below. All references to equity shares herein refer to listed equity shares unless stated otherwise.

- 9.5 Gains arising from the transfer of equity shares may be treated either as “Capital Gains” or as “Business Income” for income-tax purposes, depending upon whether such equity shares were held as a capital asset or business asset (i.e. stock-in-trade).
- 9.6 The Income Tax Act also provides for different income-tax regimes/ rates applicable to the gains arising from the tendering of Equity Shares under the Open Offer, based on the period of holding, residential status, classification of the shareholder and nature of the income earned, etc.
- 9.7 Based on the provisions of the Income Tax Act, the shareholders would be required to file an annual income-tax return, as may be applicable to different category of persons, with the Indian income tax authorities, reporting their income for the financial year. The summary of income tax implications on tendering of Equity Shares on the recognized stock exchange and chargeable to securities transaction tax (“STT”) is set out below.
- a) Under the current Indian tax laws and regulations, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain (in excess of RS. 1 lakh) realized on the sale of listed equity shares on a stock exchange held for more than 12 months will be subject to capital gains tax in India @ 10% if STT has been paid on the transaction.
 - b) Any gain realized on the sale of listed equity shares held for a period of 12 months or less which are sold, will be subject to short term capital gains tax @ 15% provided the transaction is chargeable to STT.
 - c) The above tax rates are subject to applicable rate of surcharge, health and education cess. The applicable rate of surcharge is dependent on the category of the shareholder and for individual shareholders, income slab rates is applicable. The health and education cess is levied at the rate of 4% of the income tax and surcharge. The tax rate and other provisions may undergo changes.
- 9.8 In case of resident shareholders: In absence of any specific provision under the Income Tax Act, the Acquirer shall not deduct tax on the consideration payable to resident shareholders pursuant to the Offer.
- 9.9 In case of Non-Resident Shareholders: Under the existing Indian tax laws, any gains paid to a non- resident is subject to deduction of tax at source, unless capital gains are realized by the FPIs or such gains which are exempt from tax. Since the offer is through the stock exchange mechanism, the Acquirer will not be able to withhold any taxes, and thus, the Acquirer believes that the responsibility of withholding / discharge of the taxes due on such gains (if any) is solely on the custodians / authorized dealers / non-resident shareholders – with no recourse to the Acquirer or the PACs.
- 9.10 It is therefore important that the non-resident shareholders consult their custodians / authorized dealers/ tax advisors appropriately and immediately pay taxes in India (either through deduction at source or otherwise). In the event the Acquirer or the PACs are held liable for the tax liability of the shareholder, the same shall be to the account of the shareholder and to that extent the Acquirer or the PACs are entitled to be indemnified.

PUBLIC SHAREHOLDERS ARE ADVISED TO CONSULT THEIR TAX ADVISORS FOR TAX TREATMENT ARISING OUT OF THE PROPOSED OFFER THROUGH TENDER OFFER AND APPROPRIATE COURSE OF ACTION THAT THEY SHOULD TAKE. THE ACQUIRER OR THE PACS DO NOT ACCEPT NOR HOLD ANY RESPONSIBILITY FOR ANY TAX LIABILITY ARISING TO ANY PUBLIC SHAREHOLDER AS A REASON OF THIS OFFER.

10. DOCUMENTS FOR INSPECTION

Copies of the following documents will be available for inspection by the Public Shareholders at the registered office of the Manager to the Offer situated at The Ruby, 9th Floor, Senapati Bapat Marg, Dadar (West), Mumbai – 400 028, Maharashtra, India on any working day between 10.00 a.m. and 5.00 p.m. during the period from the date of commencement of the Tendering Period (Tuesday, February 23, 2021) until the date of expiry of the Tendering Period (Monday, March 8, 2021).

- 10.1. Certificate of incorporation and constitutional documents of the Acquirer.
- 10.2. Certificate of incorporation and constitutional documents of PAC 1.

- 10.3. Copy of the letter, dated December 18, 2020, from the Manager to the Offer i.e. Keynote Financial Services Limited, duly accepted by Acquirer.
- 10.4. Copy of the letter, dated December 24, 2020, from the Registrar to the Offer i.e. Link Intime India Private Limited, duly accepted by Acquirer.
- 10.5. Copy of the SPA.
- 10.6. Copy of the Public Announcement submitted to the Stock Exchanges on December 24, 2020.
- 10.7. Copy of the Detailed Public Statement published by the Manager to the Offer on behalf of the Acquirer and the PACs, on January 1, 2021.
- 10.8. Copy of the Draft Letter of Offer, the Letter of Offer and the Offer Opening Public Announcement to be published by the Manager to the Offer on behalf of the Acquirer, along with corrigendum (if any);
- 10.9. Copy of the net-worth Certificate dated December 23, 2020, issued by M/s. V. Shivkumar and Associates, Chartered Accountants, (FRN 112781W) certifying net worth of PAC 2.
- 10.10. Copy of the certificate from M/s. V. Shivkumar and Associates, Chartered Accountants in relation to the Acquirer and the PACs having adequate financial means to fulfill their obligations under the Offer.
- 10.11. Copy of the Escrow Agreement dated December 21, 2020 executed between the Acquirer, PAC 1, Manager to the Offer and the Escrow Bank.
- 10.12. Copy of the confirmation Letter received from the Escrow Bank confirming the receipt of the cash deposit in the Escrow Account.
- 10.13. Copy of the audited financial statements of the Target Company, for the financial years ended March 31, 2020, 2019 and 2018.
- 10.14. Copy of the unaudited limited review financial results of the Target Company for the quarter ended September 30, 2020.
- 10.15. Copy of the published recommendation made by the committee of the independent directors of the Target Company in relation to the Offer (as and when available).
- 10.16. SEBI observation letter no. SEBI/HO/CFD/DCR-2/OW/P/2021/3042/1 dated February 4, 2021 on the Draft Letter of Offer.

11. DECLARATION BY THE ACQUIRER AND THE PACS

- 11.1. The Acquirer and the PACs and their respective directors accept full responsibility for the information contained in this LOF including the Form of Acceptance-cum-Acknowledgement, except for the information with respect to the Target Company which has been compiled from information published or provided by the Target Company, as the case may be, or information publicly available sources and which information has not been independently verified by the Acquirer, the PACs or the Manager, or information provided by the Seller, and shall be jointly and severally responsible for the fulfilment of obligations of the Acquirer and the PACs under the SEBI (SAST) Regulations in respect of this Offer.
- 11.2. The Manager to the Offer hereby states that the person signing this LOF on behalf of Acquirer and the PACs has been duly authorized by the Acquirer and the PACs to sign this LOF.

On behalf of the Acquirer and the PACs

| | | |
|---------------------|-----------------------------------|-----------------------|
| Sd/- | Sd/- | Sd/- |
| A2R Holdings | ARR Studio Private Limited | Namit Malhotra |

Date: February 9, 2021

Place: Mumbai

FORM OF ACCEPTANCE-CUM-ACKNOWLEDGEMENT

(Capitalized terms and expressions used herein but not defined shall have the same meaning as ascribed to them in the Letter of Offer)

PRIME FOCUS LIMITED

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION

[Public Shareholders holding shares in demat mode are not required to fill the Form of Acceptance, unless required by their respective Selling Broker. The Public Shareholders holding physical shares (resident and non-resident) are required to send this Form of Acceptance along with the enclosures to the Registrar to the Offer, at its registered office address provided in the Letter of Offer.]

| TENDERING PERIOD FOR THE OFFER | |
|---------------------------------------|----------------------------|
| OFFER OPENS ON: | Tuesday, February 23, 2021 |
| OFFER CLOSES ON: | Monday, March 8, 2021 |

To,
The Acquirer and the PACs
C/o Link Intime India Private Limited
Unit: Prime Focus Limited– Open Offer
C-101, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West),
Mumbai – 400 083
Tel: + 91 22 4918 6170/6171/6200
Email: primefocus.offer@linkintime.co.in

Dear Sir,

SUB: CASH OFFER OF INR 44.15 (RUPEES FORTY FOUR AND FIFTEEN PAISE) PER FULLY PAID UP EQUITY SHARE OF FACE VALUE OF INR 1 (RUPEE ONE) EACH, TO ACQUIRE UP TO 8,23,71,046 (EIGHT CRORES TWENTY THREE LAKH SEVENTY ONE THOUSAND FORTY SIX) EQUITY SHARES (THE “OFFER SHARES”) REPRESENTING 26% OF THE VOTING SHARE CAPITAL, UNDER THE SEBI (SAST) REGULATIONS, FROM THE PUBLIC SHAREHOLDERS OF PRIME FOCUS LIMITED.

I / We refer to the Letter of Offer dated February 9, 2021 for acquiring the Equity Shares held by me / us in Prime Focus Limited.

I / We, the undersigned, have read the PA, the DPS, the LOF and the Offer Opening Public Announcement, and understood its contents, including the terms and conditions mentioned therein and unconditionally agree to such terms and conditions.

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

Please read the Instructions overleaf before filling-in this Form of Acceptance

Details of Public Shareholder:

| Shareholder’s details. (Please use BLOCK CAPITALS) | | | |
|---|------------------|------------|------------------|
| Holder | Full Name | PAN | Signature |
| First/ Sole | | | |
| Second | | | |

| Shareholder's details. (Please use BLOCK CAPITALS) | | | |
|---|-------------|--|--|
| Third | | | |
| <i>Note: In case of joint holdings, full name of all the joint holders must appear in the same order as appearing in the demat account.</i> | | | |
| Contact details | Tel. No.: | | |
| | Mobile No.: | | |
| | Email Id.: | | |
| Full address of the First/Sole holder (with pin code) | | | |
| | | | |
| | | | |
| Date and place of incorporation of the holder (if applicable) | | | |

| FOR OFFICE USE ONLY | |
|-----------------------------------|--|
| Number of Equity Shares Offered | |
| Number of Equity Shares accepted | |
| Purchase Consideration (INR) | |
| Cheque/Demand Draft/Pay Order No. | |

FOR ALL PUBLIC SHAREHOLDERS

1. I/We refer to the Letter of Offer dated February 9, 2021 for acquiring the Equity Shares held by me/us of Prime Focus Limited. I / We, the undersigned, have read the PA, the DPS, the LOF and the Offer Opening Public Announcement, and understood its contents, including the terms and conditions mentioned therein and unconditionally agree to such terms and conditions.
2. I/We, unconditionally offer to sell to the Acquirer and the PACs the following Equity Shares in the Target Company held by me/ us at a price of INR 44.15 (Rupees Forty Four and Fifteen paisa) per Equity Share.
3. Details of the Equity Shares held and tendered/ offered under the Offer are:

| Particulars | In figures | In words |
|---|------------|----------|
| Equity Shares held as on Identified Date i.e. (February 8, 2021) | | |
| Number of Equity Shares Offered under the Open Offer | | |

| FOR SHAREHOLDERS HOLDING SHARES IN DEMATERIALISED FORM | | | | |
|--|----------------------|---------------------|-------------------------------|-------------------------------|
| Depository Participant's Name: | | | | |
| DP ID Number: | | | NSDL <input type="checkbox"/> | CDSL <input type="checkbox"/> |
| Client ID Number: | | | | |
| Number of Equity Shares offered: | | | | |
| FOR SHAREHOLDERS HOLDING SHARES IN PHYSICAL FORM | | | | |
| Certificate Numbers | Registered Folio No. | Distinctive Numbers | | No. of Equity Shares offered |
| | | From | To | |
| | | | | |
| Total No. of Equity Shares: <i>(If the space provided is inadequate please attach a separate continuation sheet)</i> | | | | |

4. I/We authorize the Acquirer and the PAC's to accept the Equity Shares so offered or such lesser number of Equity Shares that the Acquirer and the PACs 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 the PACs to apply and obtain certificate(s) as may be deemed necessary by them for the said purpose. I/We further authorize the Acquirer and the PACs to return to me/ us, the Equity Share(s) in respect of which the Offer is not found/ not accepted, without specifying the reasons thereof.
5. I/ We also note and understand that the shares/ original share certificate(s) and transfer deed(s) will be held by the Registrar to the Offer in trust for me / us till the date the Acquirer and the PAC's make payment of consideration or the date by which shares/ original share certificate(s), transfer deed(s) and other documents are dispatched to the shareholders, as the case may be.
6. I/ We hereby warrant that the Equity Shares comprised in this Offer are not locked- in and are offered free from all liens, equitable interest, charges and encumbrances, and are being tendered together with all rights attached thereto, including all rights to dividends, bonuses and rights offers, if any, declared hereafter.
7. I/We declare that there are no restraints/injunctions or other order(s) or covenants of any nature which limits/restricts in any manner my/ our right to tender Equity Shares under the Offer and that I am/ we are legally entitled to tender the Equity Shares in the Offer.

8. I/We declare that regulatory approvals, if applicable, for holding the Equity Shares and/or for tendering the Equity Shares in this Offer have been enclosed herewith.
9. I / We agree that the Acquirers and PACs will pay the consideration as per secondary market mechanism only after verification of the documents and signatures, as applicable submitted along with this Form of Acceptance. I / We undertake to return to the Acquirers and PACs any Open Offer consideration that may be wrongfully received by me / us.
10. I / We confirm that I am / we are not persons acting in concert with the Acquirer and/or the PACs.
11. I / We give my/our consent to the Acquirer and PACs to file any statutory documents on my/our behalf in relation to accepting the Equity Shares in this Offer. I / We undertake to execute any further documents and give any further assurances that may be required or expedient to give effect to my/our tender/offer and agree to abide by any decision that may be taken by the Acquirer and PACs to effectuate this Offer in accordance with the SEBI (SAST) Regulations.
12. I am / We are not debarred from dealing in shares or securities, including Equity Shares.
13. I / We confirm that there are no taxes or other claims pending against us which may affect the legality of the transfer of Equity Shares under the Income Tax Act, including but not limited to Section 281 of the Income Tax Act.
14. I / We confirm that in the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided / to be provided by me / us, or as a result of income tax (including any consequent interest and penalty) on the capital gains arising from tendering of the Offer Shares, I / we will indemnify the Acquirer and the PACs for such income tax demand (including interest, penalty, etc.) and provide the Acquirer and the PACs with all information / documents that may be necessary and co-operate in any proceedings before any income tax / appellate authority.
15. I / We note and understand that the Equity Shares would be kept in the pool account of my / our Selling Broker and the lien will be marked by Clearing Corporation until the settlement date whereby Acquirer makes payment of purchase consideration as mentioned in the Letter of Offer.
16. Details of the other documents (duly attested) (Please ✓ as appropriate, if applicable) enclosed:

| DEMAT SHAREHOLDERS | | | PHYSICAL SHAREHOLDERS | | |
|--------------------|---------------------------------------|--|-----------------------|--|--|
| 1. | Copy of acknowledged demat slip | | 1. | Original share certificate of Prime Focus Limited. | |
| 2. | Copy of Transaction Registration Slip | | 2. | Share transfer form (SH-4) | |
| 3. | Other documents, as applicable | | 3. | Copy of Transaction Registration Slip | |
| | | | 4. | Self-attested copy of PAN Corporate Authorizations | |
| | | | 5. | Other documents, as applicable | |

17. I/We, confirm that our residential status for the purposes of tax is:

Resident Non-resident, if yes please state country of tax residency: _____

(If none of the above box is ticked, the residential status of the Public Shareholder will be considered as non-resident, for withholding tax purposes).

18. I/We, confirm that my/our status as a shareholder is: (Please tick whichever is applicable)

| | | | | |
|-------------------------------------|---|--|--|---|
| <input type="checkbox"/> Individual | <input type="checkbox"/> Domestic Company | <input type="checkbox"/> Foreign Company | <input type="checkbox"/> FII/FPI - Corporate | <input type="checkbox"/> FII/FPI - Others |
|-------------------------------------|---|--|--|---|

| | | | | |
|---|---|--|---|---|
| <input type="checkbox"/> QFI | <input type="checkbox"/> FVCI | <input type="checkbox"/> Partnership/ Proprietorship firm/ LLP | <input type="checkbox"/> Private Equity Fund/AIF | <input type="checkbox"/> Pension/Provident Fund |
| <input type="checkbox"/> Sovereign Wealth Fund | <input type="checkbox"/> Foreign Trust | <input type="checkbox"/> Financial Institution | <input type="checkbox"/> NRIs/PIOs - repatriable | <input type="checkbox"/> NRIs/PIOs - non- repatriable |
| <input type="checkbox"/> Insurance Company | <input type="checkbox"/> OCB | <input type="checkbox"/> Domestic Trust | <input type="checkbox"/> Banks | <input type="checkbox"/> Association of person/Body of Individual |
| <input type="checkbox"/> Any others, please specify: | _____ | | | |

FOR NRIs /OCBs /FIIs, FPIs AND SUB-ACCOUNTS/OTHER NON-RESIDENT SHAREHOLDERS:

I/We, confirm that my/our investment status is: (Please provide supporting documents and tick whichever is applicable)

- FDI Route
- PIS Route
- Any other - please specify _____

I/We, confirm that the Offer Shares tendered by me/us are held on: (Please tick whichever is applicable)

- Repatriable basis
- Non-Repatriable basis

I/We, confirm that: (Please tick whichever is applicable)

- No RBI or other regulatory approval was required by me for holding Offer Shares that have been tendered in this Offer and the Offer Shares are held under the general permission of the RBI.
- Copies of all approvals required by me for holding Offer Shares that have been tendered in this Offer are enclosed herewith.
- Copy of RBI Registration letter taking on record the allotment of shares to me/us is enclosed herewith I/We, confirm that: (Please tick whichever is applicable).
- No RBI or other regulatory approval is required by me for tendering the Offer Shares in this Offer.
- Copies of all approvals required by me for tendering Offer Shares in this Offer are enclosed herewith.

ADDITIONAL CONFIRMATIONS AND ENCLOSURES FOR ALL PUBLIC SHAREHOLDERS, AS APPLICABLE:

I/We, have enclosed the following documents: (Please tick whichever is applicable)

- Self-attested copy of PAN card.
- Self-declaration form in Form 15G/Form 15H, if applicable to be obtained in duplicate copy (applicable only for interest payment, if any).

- Duly attested power of attorney if any person apart from the Public Shareholder has signed the Form-of-Acceptance-cum- Acknowledgement.
- Corporate authorization, in case of Companies along with certified copy of the Board Resolution and Specimen Signatures of Authorised Signatories.
- For Mutual funds/Banks/Notified Institutions under Section 194A(3)(iii) of the Income Tax Act, attested copy of relevant registration or notification.
- Declaration that the investment in the Equity Shares is in accordance with the applicable SEBI regulations (mandatory to be submitted by FIIs/FPIs)
- SEBI Registration Certificate for FIIs/FPIs (mandatory to be submitted by FIIs/FPIs).
- ‘Valid Tax Residency Certificate’ issued by the income tax authority of a foreign country of which he/it claims to be a tax resident, in case the Public Shareholder intends to claim benefit under the DTAA between India and that jurisdiction in which the Public Shareholder claims to be resident and a duly filled in ‘Form 10F’ as prescribed under the Income Tax Act. Such other information and documentation as may be required depending upon specific terms of the relevant DTAA, including but not limited to a declaration of not having a permanent establishment in India.
- NOC/Tax clearance certificate from income tax authorities, for deduction of tax at a lower rate/NIL rate on income from sale of shares and interest income, if any, wherever applicable.
- Other relevant documents (Please specify) _____

BANK DETAILS

In case of Public Shareholders holding Equity Shares in dematerialised form, the bank account details for the purpose of interest payment, if any, will be taken from the record of the depositories.

In case of interest payments, if any, by the Acquirer and the PACs for delay in payment of Offer consideration or a part thereof, the Acquirer the PACs will deduct taxes at source at the applicable rates as per the Income Tax Act.

Yours faithfully,

Signed and Delivered:

| | Full Name(s) of the Holders | Signature(s)* |
|-------------------------------|------------------------------------|----------------------|
| First/Sole Shareholder | | |
| Joint Holder 1 | | |
| Joint Holder 2 | | |

**Corporate must also affix rubber stamp and sign.*

INSTRUCTIONS:

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

1. This Offer will open on Tuesday, February 23, 2021 and close on Monday, March 8, 2021.
2. This Form of Acceptance has to be read along with the Letter of Offer and is subject to the terms and conditions mentioned in the Letter of Offer and this Form of Acceptance.
3. This Form must be legible and should be filled in English only.
4. All queries pertaining to this Offer may be directed to the Registrar to the Offer.
5. Eligible Public Shareholders who desire to tender their Equity Shares in the dematerialized form under the Open Offer would have to do so through their respective Selling Broker by indicating the details of Equity Shares they intend to tender under the Open Offer.
6. The Public Shareholders who are holding the Equity Shares in physical form and who wish to tender their Equity Shares in this Offer shall approach their respective Seller Brokers and submit the following set of documents for verification procedure as mentioned below:
 - a) The relevant Form of Acceptance duly signed (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares.
 - b) Original share certificates.
 - c) Self – attested copy of the Permanent Account Number (PAN) Card (in case of joint holders, the PAN card copy of the all the transferors).
 - d) Valid share transfer deed (Form SH-4) duly filled, stamped and signed by the transferor(s) (by all Equity Shareholders in case shares are in joint names) in the same order in which they hold the shares and as per the specimen signature lodged with the Target Company.
 - e) A self-attested copy of address proof consisting of any one of the following documents i.e., valid Aadhaar card, voter identity card, passport or driving license.
 - f) An original cancelled cheque (name should be printed on it).
 - g) Any other relevant document, such as (but not limited to) power of attorney, corporate authorization (including board resolution(s)/ specimen signature(s)), notarised copy/(ies) of death certificate(s) and succession certificate(s) or probated will(s), if the original shareholder is deceased, etc., as applicable.
7. Public Shareholders holding physical shares should note that such Equity Shares will not be accepted unless the complete set of documents is submitted.
8. In case of unregistered owners of Equity Shares in physical mode, the Public Shareholder should provide an additional valid share transfer deed(s) duly signed by the unregistered owner as transferor(s) by the sole/joint Public Shareholder(s) in the same order and duly witnessed at the appropriate place. The transfer deed should be left blank, except for the signatures and witness details. **PLEASE DO NOT FILL IN ANY OTHER DETAILS IN THE TRANSFER DEED.**
9. 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 issue 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.

10. In case the share certificate(s) and the transfer deed(s) are lodged with the Target Company/ its transfer agents for transfer, then the acceptance shall be accompanied by the acknowledgement of lodgment with, or receipt by, the Target Company / its transfer agents, of the share certificate(s) and the transfer deed(s).
11. The Public Shareholder should ensure that the certificate(s) and above documents should be sent only to the Registrar to the Offer either by registered post or courier or hand delivery so as to reach the Registrar to the Offer: i.e. Link Intime India Private Limited on or before the date of closure of the Tendering Period, at the following address: C 101, 1st Floor, 247 Park, Lal Bahadur Shastri Marg, Vikhroli (West), Mumbai-400083, Maharashtra, India.
12. All documents / remittances sent by or to Public Shareholders will be at their own risk and the Public Shareholders are advised to adequately safeguard their interests in this regard.
13. All documents as mentioned above shall be enclosed with the valid Form of Acceptance otherwise the Equity Shares will be liable for rejection. The Equity Shares shall be liable for rejection on the following grounds amongst others:
 - a) If share certificates of any other company are enclosed with the Form of Acceptance instead of the share certificate of the Target Company;
 - b) Non-submission of notarized copy of death certificate / succession certificate / probated/Will, as applicable in case any Public Shareholder has deceased;
 - c) If the Public Shareholder(s) bid the shares but the Registrar does not receive the share certificate; or
 - d) In case the signature in the Form of Acceptance and Form SH-4 doesn't match as per the specimen signature recorded with the Target Company /Registrar.
14. The Selling Broker should place bids on the Exchange Platform with relevant details as mentioned on physical share certificate(s). The Selling Broker(s) shall print the Transaction Registration Slip (**TRS**) generated by the Exchange Bidding System. The TRS will contain the details of order submitted including Folio No., Certificate No. Dist. Nos., number of Equity Shares, etc.
15. In case of Equity Shares held in joint names, names should be filled in the same order in this form as the order in which they hold the Equity Shares and should be duly witnessed. This order cannot be changed or altered nor can any new name be added for the purpose of accepting this Offer.
16. If the Equity Shares are rejected for any reason, the Equity Shares will be returned to the sole/first named Public Shareholder(s) along with all the documents received at the time of submission.
17. All Public Shareholders should provide all relevant documents, which are necessary to ensure transferability of the Offer Shares in respect of which the acceptance is being sent.
18. In case any person has submitted Equity Shares in physical mode for dematerialisation, such Public Shareholders should ensure that the process of getting the Equity Shares dematerialised is completed well in time so that they can participate in the Open Offer before close of Tendering Period.
19. The Procedure for Acceptance and Settlement of this Offer has been mentioned in the LOF at Part 8 (*Procedure for Acceptance and Settlement of the Offer*).
20. The Form of Acceptance or TRS is not required to be submitted to the Acquirer, the PACs, the Manager or the Registrar to the Offer. Public Shareholders holding shares in demat mode are not required to fill any Form of Acceptance-cum-Acknowledgment, unless required by their respective Selling Broker.

Equity Shares under lock-in will be required to fill the respective Forms of Acceptance-cum-Acknowledgment.

21. After the receipt of the demat Equity Shares by the Clearing Corporation and a valid bid in the exchange bidding system, the Offer shall be deemed to have been accepted for the eligible Public Shareholders holding Equity Shares in demat form.
22. Interest payment, if any: In case of interest payments by the Acquirer for delay in payment of Offer consideration or a part thereof, the Acquirer will deduct taxes at source at the applicable rates as per the Income Tax Act.
23. If non-resident Public Shareholders had required any approval from the RBI or any other regulatory body in respect of the Offer Shares held by them, they will be required to submit such previous approvals that they would have obtained for holding the Offer Shares, to tender the Offer Shares held by them pursuant to this Open Offer. Further, non-resident Public Shareholders must obtain all approvals required, if any, to tender the Offer Shares in this Open Offer (including without limitation, the approval from the RBI) and submit such approvals, along with the other documents required in terms of the LOF, and provide such other consents, documents and confirmations as may be required to enable the Acquirer to purchase the Offer Shares so tendered. In the event any such approvals are not submitted, the Acquirer reserves the right to reject such Offer Shares tendered in this Open Offer. If the Offer Shares are held under general permission of the RBI, the non-resident Public Shareholder should state that the Offer Shares are held under general permission and whether they are held on repatriable basis or non-repatriable basis.

FOR DETAILED PROCEDURE IN RESPECT OF TENDERING EQUITY SHARES IN THIS OFFER, PLEASE REFER TO THE LETTER OF OFFER.

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

Acknowledgement Slip

Sub.: Open offer for acquisition of up to 8,23,71,046 (Eight Crores Twenty Three Lakh Seventy One Thousand Forty Six) fully paid up equity shares of face value of INR 1 (Rupee One) each of Prime Focus Limited, representing 26% of the Expanded Voting Share Capital of the Target Company, from the Public Shareholders by A2R Holdings along with ARR Studio Private Limited and Mr. Namit Malhotra acting in their capacity as persons acting in concert with the Acquirer

Received from Mr./ Ms.

Address:

Form of Acceptance-cum-Acknowledgement for _____ Shares along with:

Physical Shares: Share Certificate(s) along with _____ number of Form SH 4- Securities Transfer Form(s) under Folio Number (s) _____

TRS No.: _____

Other Documents, please specify: _____

(Tick whichever is applicable)

| | | | | | |
|----------------------------------|--|----------------------------|--|------------------|--|
| Stamp of Registrar to the Offer: | | Signature of the Official: | | Date of Receipt: | |
|----------------------------------|--|----------------------------|--|------------------|--|

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

C/o Link Intime India Private Limited
C 101, 247 Park, L.B.S. Marg, Vikhroli (West),
Mumbai - 400083, Maharashtra, India
Tel: +91 22 4918 6200
Fax: +91 22 4918 6195
E-mail: primefocus.offer@linkintime.co.in
Contact Person: Mr. Sumeet Deshpande
Website: www.linkintime.co.in
SEBI Registration No.: INR000004058
CIN: U67190MH1999PTC118368

Business Hours (except public holidays): Monday to Friday: 9:30 a.m. to 5:30 p.m. and on Saturday: 9:30 a.m. to 1:30 p.m.

Form No. SH-4
SECURITIES TRANSFER FORM
[Pursuant to section 56 of the Companies Act, 2013 and sub-rule (1) of rule 11 of the
Companies (Share Capital and Debentures) Rules 2014]

Date of execution.....

FOR THE CONSIDERATION stated below the "Transferor(s)" named do hereby transfer to the "Transferee(s)" named the securities specified below subject to the conditions on which the said securities are now held by the Transferor(s) and the Transferee(s) do hereby agree to accept and hold the said securities subject to the conditions aforesaid.

CIN : L92100MH1997PLC108981

Name of the Company (in full) : PRIME FOCUS LIMITED

Name of the Stock Exchange where the company is listed, if any : BSE Limited & National Stock Exchange of India Limited

DESCRIPTION OF SECURITIES:

| Kind/Class of Securities (1) | Nominal Value of each unit of security (2) | Amount called up per unit of security (3) | Amount Paid up per unit of security (4) |
|-------------------------------------|---|--|--|
| Equity shares | INR 1/- | INR 1/- | INR 1/- |

| | | No. securities being transferred | | Consideration received (Rs.) | | | |
|--------------------------------|------|----------------------------------|----------|------------------------------|--|------------|--|
| | | In figures | In words | In words | | In figures | |
| Distinctive number | From | | | | | | |
| | To | | | | | | |
| Corresponding Certificate Nos. | | | | | | | |

| Transferor' Particulars | | | |
|--------------------------|------------------|-----|---------------|
| Registered Folio Number: | | | |
| S No | Name (s) in full | PAN | Signature (s) |
| 1. | | | |
| 2. | | | |
| 3. | | | |

I, hereby confirm that the Transferor has signed before me.

Signature of Witness _____

Name & Address _____

P.T.O

Transferee's Particulars

| Name in full | Father's/ mother's / Spouse Name | Address & E-mail id | Occupation | Existing folio No., if any. | Signature |
|--------------|--|---------------------|------------|--------------------------------|-----------|
| (1) | (2) | (3) | (4) | (5) | (6) |
| | | | | | |
| | | | | | |
| | | | | | |

Folio No. Transferee _____

Specimen Signature of Transferee _____

Value of stamp affixed: Rs. _____

Enclosures:

- (1) Certificate of shares or debentures or other securities
- (2) If no certificate is issued, letter of allotment.
- (3) Copy of PAN Card of all the transferees (for all listed companies)
- (4) Others, specify _____

Stamps

For office use only

Checked by _____

Signature tallied by _____

Entered in the Register of Transfer on _____ vide Transfer No _____

Approval Date _____

Power of attorney/Probate /Death Certificate/ Letter of Administration

Registered on _____ at No. _____

| On the reverse page of the certificate | | | |
|--|------------------------|---------------|---------------------------------------|
| Name of the Transferor | Name of the Transferee | No. of shares | Date of Transfer |
| _____ | _____ | _____ | _____ |
| | | | Signature of the authorized signatory |