

RELIANCE MEDIAWORKS LIMITED

Regd. Office: Film City Complex, Goregaon (East), Mumbai – 400 065

CIN: L29299MH1987PLCO45446, Tel: +91 22 39808900, Fax: +91 22 39808985

Email: investor.complaints@relianceada.com, Website: www.reliancemediaworks.com

Notice Pursuant to Section 110 of the Companies Act, 2013

Notice is hereby given, to the Members of Reliance MediaWorks Limited (the "Company") for passing the following resolutions through Postal Ballot pursuant to Section 110 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof for time being in force):

Special Business**1. Sale / Transfer of the Company's business pertaining to Film & Media Services to Prime Focus Limited as a going concern basis**

To consider and, if thought fit, to give your assent or dissent to the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company and subject to other applicable statutory provisions, rules, regulations, guidelines and also subject to necessary approvals, consents, permissions and sanctions from the concerned Authorities and such terms and conditions as may be imposed by them, consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as "the Board" which shall be deemed to include any Committee of Directors or Director(s) or official(s) of the Company for the time being authorized by the Board to exercise the powers conferred on the Board by this resolution) to transfer, sell, assign, deliver or otherwise dispose of the film and media services business ("**F&M Business**") of the Company on a slump sale basis as a going concern along with its assets, liabilities and debt of the F&M Business to Prime Focus Limited ("**PFL**") in consideration of issuance and allotment of 6,73,07,692 equity shares of a face value of Re. 1/- each of PFL on a preferential basis representing 22.52% of the post allotment equity share capital of PFL to the Company in accordance with the binding term sheet executed *inter-alia* between the Company and PFL as well as the definitive agreements proposed to be executed between the Company and PFL.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, and to settle and finalise all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, finalising and executing necessary agreements, memoranda, deeds of assignment/conveyance and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company, and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other official(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution."

2. Subscription to and acquisition of equity shares of Prime Focus Limited

To consider and, if thought fit, to give your assent or dissent to the following resolution as a **Special Resolution**:

"RESOLVED THAT pursuant to the execution of the binding term sheet on July 2, 2014 between the Company, Prime Focus Limited ("**Target Company**") and the Promoters of Target Company ("**Term Sheet**") whereby the Company has *inter-alia* agreed to acquire 9,03,84,615 equity shares of the Target Company constituting 30.24% of the expanded paid up share capital of the Target Company on a preferential allotment basis and pursuant to the provisions of Section 186(2)(c), 186(3) and Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014 and other applicable provisions, if any, of the Companies Act, 2013 and the Memorandum and Articles of Association of the Company, and other permissions and approvals, if any, as may be required under applicable law, consent of the Members of the Company be and is hereby granted:

- (i) for subscription by the Company to 2,30,76,923 equity shares of a face value of Re.1/- each of Target Company at a price of Rs.52/- (including a premium of Rs.51/-) per equity share or such other higher price as may be arrived at in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**") for cash in accordance with the Term Sheet as well as the definitive agreements proposed to be executed between the Company and the Target Company;
- (ii) for subscription by the Company to 6,73,07,692 equity shares of a face value of Re. 1/- each of Target Company in consideration of the transfer of the film and media services business ("**F&M Business**") of the

Company as a going concern along with the assets, liabilities and debt of the F&M Business on a slump sale basis to the Target Company in accordance with the Term Sheet as well as the definitive agreements proposed to be executed between the Company and the Target Company;

- (iii) to take necessary steps to implement the mandatory open offer triggered under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations**") for the acquisition of up to 7,77,08,534 fully paid-up equity shares of a face value of Re.1/- each from the public shareholders of the Target Company constituting 26.0% of the fully diluted voting equity share capital (the "**Offer**") which Offer shall be made by the Company ("**Acquirer**") together with the persons acting in concert with the Acquirer namely Reliance Land Private Limited, Mr. Namit Malhotra, Mr. Naresh Malhotra and Monsoon Studio Private Limited.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do and perform or cause to be done all such acts, deeds, matters and things, as may be required or deemed necessary or incidental thereto, and to settle and finalise all issues that may arise in this regard, without further referring to the Members of the Company, including without limitation, finalizing and executing necessary agreements, memoranda, and such other documents as may be necessary or expedient in its own discretion and in the best interest of the Company, and to delegate all or any of the powers or authorities herein conferred to any Director(s) or other official(s) of the Company, or to engage any advisor, consultant, agent or intermediary, as may be deemed necessary to give effect to this resolution."

By Order of the Board

For Reliance MediaWorks Limited

Ashish Agarwal

Company Secretary & Manager

Registered Office:

Film City Complex, Goregaon (East),
Mumbai - 400 065

Place : Mumbai

Date : July 2, 2014

Notes:

1. The relative Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting our material facts is annexed hereto.
2. In terms of Section 110 of the Companies Act, 2013 read with Companies (Management and Administration) Rules, 2014, the items of business set out in the Notice above is sought to be passed through Postal Ballot.
3. Postal Ballot Notice and Form is being sent through e-mail to the Members whose e-mail addresses are registered with the Company.
4. The Board of Directors at its meeting held on July 2, 2014 has appointed Shri Anil Lohia, Partner, M/s. Dayal & Lohia, Chartered Accountants as Scrutinizer to receive and scrutinize the completed ballot papers received from the Members in a fair and transparent manner. The postal ballot form is enclosed for use of the Members. Shareholders are requested to exercise their voting rights by using the attached Postal Ballot Form only. No other form or photocopy of the form is permitted.
5. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the said Postal Ballot Form duly completed with the assent (for) or dissent (against), so as to reach the Scrutinizer not later than close of working hours on Monday, August 11, 2014 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member. The Scrutinizer will submit his report after completion of the scrutiny and the results of postal ballot will be announced on or before Monday, August 18, 2014, at the registered office of the Company at Film City Complex, Goregaon (East), Mumbai - 400 065.
6. The resolutions shall be taken as passed effectively on the date of declaration of the result. The result of the Postal Ballot will be posted on the website of the Company.
7. Relevant documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection by the Members at the Registered Office of the Company on all working days, except Saturdays between 11:00 a.m. and 1:00 p.m. up to Monday, August 11, 2014.

Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 to the accompanying Notice dated July 2, 2014

Item No. 1

The Company proposes to transfer its film and media services business ("**F&M Business**") to Prime Focus Limited ("**PFL**"). PFL will acquire the F&M Business on a slump sale basis, as a going concern along with the assets, liabilities and debt, of the F&M Business ("**Business Transfer**"), primarily comprising of the following:

- (a) state-of-the-art studio facility in Film City Mumbai;
- (b) media back end facility in SEZ, Navi Mumbai, India;
- (c) facility for digital cinema services in Film City Mumbai;
- (d) 30% stake in Hollywood VFX house Digital Domain;
- (e) 100% ownership of Los Angeles-based digital film Restoration firm Lowry Digital;
- (f) Debt of Rs. 200,00,00,000/- (Rupees Two Hundred Crore Only);

The F&M Business also includes the fixed assets, current assets, and current liabilities of the Company's film and media services business division.

For this purpose, the Company has entered into a binding term sheet on July 2, 2014 with Mr. Namit Malhotra, Mr. Naresh Malhotra (Promoters of PFL) and PFL ("**Term Sheet**") setting out certain rights and obligations of the parties vis-à-vis the preferential allotment and the Business Transfer as contemplated above.

The F&M Business shall be transferred as a going concern on slump sale basis in consideration for issue and allotment by PFL of 6,73,07,692 equity shares of PFL representing 22.52 % of the post allotment equity share capital of PFL ("**PFL Shares**") to the Company. The transfer of the F&M Business to PFL in consideration of the PFL Shares has been approved by the Board of Directors on July 2, 2014. BDO India LLP, vide their report dated July 2, 2014 have independently valued the F&M Business.

In terms of the provisions of Section 180(1)(a) of the Companies Act, 2013 (the "**Act**"), consent of the Shareholders would be required in this regard to sell/ transfer the said F&M Business of the Company.

In terms of the provisions of Section 110 of the Act read with Companies (Management and Administration) Rules, 2014 the approval of the Members has to be obtained, mandatorily through Postal Ballot process.

The Board therefore, places the proposed resolution for your consideration and recommends that it be passed as a Special Resolution.

None of the Directors and/or Key Managerial personnel of the Company or their relatives are, in any way, deemed to be concerned or interested in the said resolution, except to the extent of their shareholding, if any, in the Company.

Item No. 2

The Company proposes to subscribe to 2,30,76,923 equity shares of a face value of Re.1/- each of Prime Focus Limited (the "**PFL**") at a price of Rs.52/- (including a premium of Rs.51/-) per equity share or such other higher price as may be arrived at in accordance with the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("**ICDR Regulations**") for cash and 6,73,07,692 equity shares of the PFL in consideration of the transfer of the film and media services business of the Company as a going concern along with the assets, liabilities and debt of the F&M Business on a slump sale basis to PFL ("**Proposed Preferential Allotment**").

The Board was informed that the Proposed Preferential Allotment would trigger a mandatory open offer under the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 ("**Takeover Regulations**") for the acquisition of up to 7,77,08,534 fully paid-up equity shares of face value of Re. 1/- each from the public shareholders of the PFL constituting 26.0% of the fully diluted voting equity share capital (the "**Offer**") which Offer shall be made by the Company together with the persons acting in concert with the Company namely Reliance Land Private Limited, Mr. Namit Malhotra, Mr. Naresh Malhotra and Monsoon Studio Private Limited.

Pursuant to the provisions of Sections 186(2)(c) and 186(3) of the Companies Act, 2013, consent of the Shareholders by way of special resolution would be required in this regard for subscription to the aforementioned equity shares of the PFL by the Company and acquisition of the aforementioned equity shares of the PFL by the Company from the public shareholders of the PFL since by subscribing to such equity shares of the PFL, the Company will exceed the prescribed ceiling of i) Sixty per cent of its paid up capital, free reserves and securities premium account or, ii) Hundred percent of its free reserves and securities premium account.

The Board therefore, places the proposed resolution for your consideration and recommends that it be passed as a Special Resolution.

None of the Directors and/or Key Managerial personnel of the Company or their relatives are, in any way, deemed to be concerned or interested in the said resolution, except to the extent of their shareholding, if any, in the Company.

By Order of the Board
For Reliance MediaWorks Limited

Ashish Agarwal
Company Secretary & Manager

Registered Office:

Film City Complex, Goregaon (East),
Mumbai - 400 065

Place : Mumbai
Date : July 2, 2014

RELIANCE

MediaWorks

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Email: investor.complaints@relianceada.com, Website: www.reliancemediaworks.com

POSTAL BALLOT FORM

Serial No.

1. Name and registered address of :
the sole / first named Member
(IN BLOCK LETTERS)

2. Name(s) of the joint Member(s), :
if any, (IN BLOCK LETTERS)

3. Registered Folio Number / DP ID :
No. / Client ID No.*

4. Number of shares held :

(*Applicable to investors holding shares in dematerialised form)

I / We, hereby exercise my/ our vote in respect of the 'Special Resolution(s)' to be passed through Postal Ballot for the Special Business stated in the Notice dated July 2, 2014 of the Company by sending my/ our assent (**FOR**) or dissent (**AGAINST**) to the said resolutions by placing the tick mark (✓) at the appropriate column below:

Item (Resolution No.)	Brief particulars of the item	No. of equity share(s) held	I/we assent to the special resolution (FOR)	I/we dissent to the special resolution (AGAINST)
1.	Special Resolution under Section 180(1)(a) of the Companies Act, 2013 for Sale/ transfer of Company's business pertaining to Film & Media Services.			
2.	Special Resolution under Sections 186(2)(c) and 186(3) of the Companies Act, 2013 for subscription to and acquisition of equity shares of Prime Focus Limited.			

Place :

Date :

Signature of the Member

Note: Please read the instructions printed overleaf carefully before exercising your vote.

P.T.O.

INSTRUCTIONS

1. A Member desirous of exercising her / his vote by Postal Ballot may complete this Postal Ballot Form and send it to the Scrutinizer by hand delivery or by registered post or by courier. The envelope containing the Postal Ballot Form should be addressed to The Scrutinizer, c/o. Link Intime India Private Limited (Unit : Reliance MediaWorks Limited) C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai - 400 078.
2. Please convey your assent/ dissent in this Postal Ballot Form. The assent or dissent received in any other form or on a photo copy of the Postal Ballot Form shall be considered invalid.
3. This Form must be completed and signed (as per specimen signature registered with the Company) by the Member. In case of Joint-holding, this Form must be completed and signed by the first named Member and in her / his absence, by the next named Member. Holders of Power of Attorney (POA) on behalf of Member may vote on the Postal Ballot mentioning the registration no. of the POA or enclosing an attested copy of POA.
4. Unsigned, incomplete or incorrectly ticked Postal Ballot Forms shall be rejected.
5. The Scrutinizer's decision on the validity of the Postal Ballot shall be final.
6. The Postal Ballot shall not be exercised by a proxy.
7. Duly completed Postal Ballot Form should reach the Scrutinizer not later than the close of working hours on Monday, August 11, 2014. All Postal Ballot Forms received after this date will be strictly treated as if the reply from such shareholder has not been received.
8. In case of shares held by Companies, Trusts, Societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified copy of board resolution/ authorization together with the specimen signature(s) of the duly authorised signatories. (It is required only, in case the signatories are other than the signatories whose specimen signatures are registered with the Company/ R&T viz. - Link Intime India Private Limited, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078).
9. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the Member on the date of dispatch of the Notice.
10. Members are requested not to send any other paper along with the Postal Ballot Forms as all such envelopes will be sent to the Scrutinizer and any extraneous paper found in such envelope would be destroyed by the Scrutinizer.
11. There will be one Postal Ballot Form for every Folio / Client ID, irrespective of the number of joint holders.
12. In case of non-receipt of the Postal Ballot Form or any query related thereto, the Members may contact Link Intime India Private Limited ("Link Intime"), the Company's Registrar and Transfer Agents, C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078. The Postal Ballot Form will also be available at the Registered Office of the Company and at the Office of Link Intime as mentioned above and can also be downloaded from the website of the Company: www.reliancemediaworks.com.