



UTV SOFTWARE COMMUNICATIONS LIMITED

Registered Office: 1181-1182, 8th Floor, Solitaire Corporate Park, Guru Hargovindji Marg,
Chakala, Andheri (E), Mumbai 400 093.

POSTAL BALLOT NOTICE

To
The Member(s),

NOTICE PURSUANT TO SECTION 192A(2)

OF THE COMPANIES ACT, 1956 read with the applicable rules framed thereunder relating to passing of the resolution by postal ballot read with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009

NOTICE is hereby given pursuant to Section 192A(2) of the Companies Act, 1956, and all other applicable provisions, if any, read with applicable rules framed under the Companies Act, 1956 relating to passing of resolution by postal ballot and Regulation 8(1)(b) of the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("**Delisting Regulations**") or any other applicable regulation of Delisting Regulations, as amended from time to time, to the members of UTV Software Communications Limited (the "**Company**") and pursuant to the requisition letter dated July 25, 2011 received from The Walt Disney Company (Southeast Asia) Pte. Limited, the consent letter dated July 25, 2011 received from Mr. Rohinton Screwvala, Unilazer Exports and Management Consultants Limited, Unilazer (Hong Kong) Limited and Mrs. Zarina Mehta ("**RS Promoters**"), being the promoters of the Company and the board resolution dated July 25, 2011, to consider and if thought fit, to pass the following resolution as a special resolution ("**Special Resolution**") through a postal ballot ("**Postal Ballot**").

The Special Resolution, the explanatory statement ("**Explanatory Statement**") containing all material facts and a postal ballot form (the "**Postal Ballot Form**") are enclosed with this Notice.

The Special Resolution and the Explanatory Statement are being sent to you along with the Postal Ballot Form and self addressed, postage pre-paid envelope for your consideration and voting.

The Board of Directors has appointed Mr. Sanjay Parab, a practicing Company Secretary as the scrutinizer (the "**Scrutinizer**") for conducting the Postal Ballot process in a fair and transparent manner. The Board of Directors has appointed the Company Secretary of the Company as the person responsible for the entire Postal Ballot process.

You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Postal Ballot Form (no other form or photocopy is permitted) duly completed in the attached self-addressed, postage pre-paid envelope so as to reach the Scrutinizer by no later than the close of working hours at 1700 hrs on September 3, 2011. Postal Ballot Forms received after this date will be strictly treated as if the reply from the concerned member has not been received. The postage will be borne and paid by the Company. It is, however, clarified that Members desiring to exercise their vote from outside of India will have to arrange for postage from the country where the ballot papers are despatched to the Scrutinizer.

The Scrutinizer will submit his report to the Chairman of the Company or in his absence to any other designated Director or Company Secretary of the Company after completion of scrutiny of Postal Ballot Forms received. The result of voting by Postal Ballot will be announced at 1700 hrs on September 5, 2011 at the Registered Office of the Company at 1181-1182, 8th Floor, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (E), Mumbai 400 093. Additionally, the result will be communicated to the Bombay Stock Exchange Limited and National Stock Exchange of India Limited where the Equity Shares of the Company are listed and will be published in newspaper(s).

PROPOSED RESOLUTION

Voluntary Delisting of the Equity Shares of Company from the Bombay Stock Exchange Limited and the National Stock Exchange of India Limited

To consider and if thought fit, to pass with or without modification(s), the following Resolution as a "**Special Resolution**":

"RESOLVED THAT pursuant to (i) the letter dated July 25, 2011 received from The Walt Disney Company (Southeast Asia) Pte. Limited, holding 50.44 % of the paid up equity share capital in the Company, conveying its intention to voluntarily delist the Equity Shares ("**Equity Shares**") of the Company from the Bombay Stock Exchange Limited and National Stock Exchange of India Limited ("**Stock Exchanges**") and in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("**Delisting Regulations**") and the consent letter dated July 25, 2011 received from Mr. Rohinton Screwvala, Unilazer Exports and Management Consultants Limited, Unilazer (Hong Kong) Limited and Mrs. Zarina Mehta ("**RS Promoters**"), being the promoters of the Company, for consent to the voluntary delisting of Equity Shares in accordance with the Delisting Regulations, (ii) the approval of the Board of Directors of the Company ("**Board**" which term shall be deemed to include any person(s) authorized by the Board to exercise the powers conferred on the Board by this resolution) dated July 25, 2011, to the voluntary delisting of the Equity Shares of the Company from the Stock Exchanges, and (iii) Regulation 8(1)(b) of the Delisting Regulations and subject to all the applicable provisions of the Companies Act, 1956 (including any statutory modification(s) or re-enactment thereof for the time being in force and as may be enacted hereinafter), and subject to receipt of the requisite approvals to the satisfaction of The Walt Disney Company (Southeast Asia) Pte. Limited, from the Stock Exchanges, Reserve Bank of India, Foreign Investment Promotion Board and the Competition Commission of India and such other regulatory authorities or otherwise as may be required, the voluntary delisting of the Equity Shares of the Company from the Stock Exchanges in accordance with Delisting Regulations be and is hereby approved and that the Company (which term shall be deemed to include the Board and any person(s) authorized by the Board thereof) shall take all necessary actions and make all necessary filings to facilitate such delisting in accordance with the conditions specified in the Delisting Regulations and the applicable provisions of the Companies Act, 1956."

"RESOLVED FURTHER THAT, for the purpose of giving effect to the voluntary delisting of the Equity Shares as described herein, any one of the following persons viz., any independent director and/or Company Secretary of the Company be and are hereby authorized jointly or severally on behalf of the Company to do all such acts, deeds, matters and things as they may at their discretion deem necessary or desirable for such purpose including making applications to the Stock Exchanges to seek their in-principle and final approval for the proposed voluntary delisting of the Equity Shares of the Company,

and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard as they may in their absolute discretion deem fit."

"RESOLVED FURTHER THAT, the Board be and is hereby authorized to delegate all or any of the powers conferred by this resolution on it to any Director(s) or Officer(s) of the Company to give effect to the aforesaid resolutions."

By Order of the Board
For **UTV Software Communications Limited**

Mohd. Sajid Ali
Company Secretary

Dated: July 25, 2011

Registered Office:
1181-1182, 8th Floor,
Solitaire Corporate Park,
Guru Hargovindji Marg, Chakala,
Andheri (E), Mumbai 400 093

Notes:

1. Explanatory Statement pursuant to Section 173 (2) of the Companies Act, 1956 in respect of the business specified above is annexed hereto.
2. In terms of Regulation 8(1)(b) of the Regulations read with Section 192A of the Companies Act, 1956 read with applicable rules framed under the Companies Act, 1956 relating to passing of the resolution by postal ballot, the item of business set out in the Notice above is sought to be passed through Postal Ballot.
3. Only a member who is entitled to vote is entitled to exercise his/her vote through Postal Ballot. Voting Rights of every member shall be reckoned on the paid-up value of shares whose names shall appear in the Register of Members as on 22nd July, 2011. The date of dispatch of notice will be announced through advertisement in newspaper(s) and any recipient of this notice who has no voting rights as on the aforesaid date should treat the same as intimation only.
4. Each member's voting rights shall be in proportion to his/her share of the paid up equity share capital of the Company.
5. The members 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.
6. Postal Ballot Form and self-addressed postage prepaid envelope are enclosed.

**EXPLANATORY STATEMENT REQUIRED BY SECTION 173 (2) OF THE COMPANIES ACT, 1956
RELATING TO THE AFORESAID RESOLUTION**

Delisting of the Equity Shares of Company from the Bombay Stock Exchange Limited and National Stock Exchange of India Limited

The equity shares ("**Shares**") of UTV Software Communications Limited ("**Company**") are at present listed on the Bombay Stock Exchange Limited (Scrip Code: 532619) and National Stock Exchange of India Limited (Scrip Code: UTVSOF,EQ) [the "**Stock Exchanges**"].

The Walt Disney Company (Southeast Asia) Pte. Limited , ("**Acquirer**") is one of the promoters of the Company. The Acquirer owns 20,497,994 Shares of the Company representing 50.44% of the issued and paid up share capital of the Company. The other promoters of the Company, namely, Mr. Rohinton Screwvala, Unilazer Exports and Management Consultants Limited, Unilazer (Hong Kong) Limited and Mrs. Zarina Mehta are collectively referred to as the "**RS Promoters**" and cumulatively own 8,053,480 Shares of the Company representing 19.82 % of the issued and paid up Share capital of the Company.

The Company has received a letter dated July 25, 2011 from the Acquirer, expressing its intention to acquire the Shares held by the public shareholders of the Company ("**Public Shareholders**") by providing an exit opportunity in accordance with the Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 ("**Delisting Regulations**") in order to voluntarily delist the Company's Shares from the Stock Exchanges ("**Delisting Offer**").

The Company has also received a letter dated July 25, 2011 from RS Promoters, whereby the RS Promoters have given their consent to the Delisting Offer in terms of Clause 9(r) of the Shareholders Agreement dated February 16, 2008 executed amongst the Acquirer, Mr. Rohinton Screwvala, Unilazer Exports and Management Consultants Limited, Unilazer (Hong Kong) Limited and the Company and Article 105(r) of the Articles of Association of the Company. By the said letter dated July 25, 2011, the RS Promoters have confirmed to the Company that (a) they consent to this Delisting Offer being made by the Acquirer, (b) the Shares owned by them shall be aggregated with the Shares owned by the Acquirer for purposes of determining whether the Delisting Offer is successful under the Delisting Regulations; and (c) they or their affiliates and family members shall not tender their Shares, directly or indirectly, influence the Discovered Price (defined below) or the Exit Price (defined below), as the case may be, or otherwise participate in the Delisting Offer.

The objective of the Acquirer in making the Delisting Offer is to obtain full ownership of the Company, which will provide enhanced operational flexibility to the Acquirer's business in India while providing an attractive exit opportunity to the Public Shareholders of the Company. Additionally, the Acquirer believes that given the low liquidity in the Company's shares, the Delisting Offer would provide the public investors of the Company with ability to exit fully at an attractive price.

The price at which shares will be acquired in the Delisting Offer is required to be determined in accordance with a reverse book building process set out in the Delisting Regulations, subject to a Floor Price (as defined below).

In terms of the Delisting Regulations and the reverse book building process, the minimum price payable by the Acquirer for acquiring Shares in the Delisting Offer shall be the price at which the maximum number of Shares are tendered (the "**Discovered Price**") pursuant to the reverse book building process. The Discovered Price will not be lower than the Floor Price of Rs. 835.03 (Rupees Eight Hundred and Thirty Five and Three Paise Only) per share. Such price at which the Delisting Offer is accepted by the Acquirer (which price shall be equal to or more than the Discovered Price) is hereinafter referred to as the "**Exit Price**".

Public Shareholders are free to tender their shares in the reverse book building process and quote any price higher than the Floor Price.

The Board of Directors of the Acquirer has approved the Delisting Offer and has resolved that an acquisition of shares from the Public Shareholders pursuant to the Delisting Offer may be made at a price not exceeding Rs. 1000 (Rupees One Thousand Only) per Share. The Acquirer is of the view that a price of Rs. 1000 (Rupees One Thousand Only) per share is an attractive price for the Public Shareholders of the Company in the present circumstances. However, this should in no way be construed as:

- (i) a ceiling or maximum price for the purposes of the reverse book building process under the Delisting Regulations, and the Public Shareholders are free to tender their Shares at any price higher than the Floor Price; or
- (ii) a commitment by the Acquirer to acquire all or any Shares tendered in the Delisting Offer if the Discovered Price is equal to or less than Rs. 1000 (Rupees One Thousand Only); or
- (iii) a commitment by the Acquirer that the Acquirer will acquire Shares of the Company at a price of Rs. 1000 (Rupees One Thousand Only) per Share despite the Discovered Price being less than Rs. 1000 (Rupees One Thousand Only) per share; or
- (iv) a restriction on the board of directors of the Acquirer to subsequently approve an acquisition of shares from the Public Shareholders at a price in excess of Rs. 1000 (Rupees One Thousand Only) per Share.

If for any reason, the Delisting Offer is not successful, the Acquirer shall evaluate all potential strategies and opportunities in relation to the Acquirer's investment in Company.

In terms of Regulation 8(1)(b) of the Delisting Regulations, the Delisting Offer requires approval of the members of the Company by way of a special resolution passed through a Postal Ballot in accordance with the Delisting Regulations.

As per Regulation 8(1)(b) of the Delisting Regulations, the special resolution passed by the members shall be acted upon only if the votes cast by the Public Shareholders in favour of the Delisting Offer amount to at least two times the number of votes cast by the Public Shareholders against it.

In the event that this Special Resolution is passed by the members as set out above, subject to receipt of the in-principle approval of Stock Exchanges and applicable statutory approvals, a public announcement ("**Public Announcement**") of the Delisting Offer may be made by the Acquirer in accordance with the Delisting Regulations followed by dispatch of Letter of Offer to all Public Shareholders. Thereafter, the Delisting Offer will be conducted in accordance with the Delisting Regulations.

The Delisting Offer has been approved by the Board of Directors of the Company on July 25, 2011. The Stock Exchanges were informed of such approval on the same date. Since the Shares of the Company are frequently traded on the Stock Exchanges, the floor price ("**Floor Price**") as computed under the Delisting Regulations is Rs. 835.03 (Rupees Eight Hundred and Thirty Five and Three Paise Only) per share. The Floor Price has been calculated as the higher of the average of the weekly high and low of the closing prices of the Shares, as quoted on the Stock Exchanges during the 26 weeks or 2 weeks preceding July 25, 2011, being the date on which the Stock Exchanges were notified of the approval of the Delisting Offer by the Board of Directors of the Company.

The shareholders may tender their Shares during the reverse book building process at such price as they deem fit, independent of the Floor Price. The Floor Price is not a ceiling or maximum price.

The Acquirer shall not proceed with the Delisting Offer unless:

- a. the Acquirer accepts the Discovered Price;
- b. the number of Shares validly tendered in the Delisting Offer are sufficient to result in the Delisting Offer being successful as per the Delisting Regulations; and
- c. the Acquirer has obtained necessary regulatory and statutory approvals required under the applicable laws including the Delisting Regulations.

On July 25, 2011, the Acquirer and the RS Promoters have entered into a Share Purchase Agreement ("**SPA**"). Pursuant to and subject to certain conditions set forth in the SPA, only in the event that the Delisting Offer is successful, the Acquirer has agreed to acquire 8,053,480 Shares ("**RS Shares**") representing 19.82 % of the paid-up Share capital of the Company from the RS Promoters. Prior to completion of the transactions in the SPA, Unilazer (Hong Kong) Limited may transfer certain Shares held by it in the Company to Unilazer Exports and Management Consultants Limited. Similarly, prior to completion of the transactions in the SPA, Mrs. Zarina Mehta may transfer Shares held by her in the Company to Mr. Rohinton Screwvala.

In addition to the foregoing, the SPA contains the following salient features:

- (a) The Acquirer has agreed to acquire the RS Shares from the RS Promoters only in the event that the Delisting Offer is successful i.e. only in the event that the Acquirer, in its sole discretion, accepts the Discovered Price and announces the Exit Price ("**Successful Delisting Announcement**"). In the event that the Acquirer issues the Successful Delisting Announcement, the Acquirer has agreed to acquire the RS Shares from the RS Promoters either simultaneously with the making of the Successful Delisting Announcement under an exemption available under Regulation 3(1)(e) of the SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 or after the Shares of the Company have ceased to trade on the Stock Exchanges pursuant to the Delisting Offer;
- (b) Accordingly, in the event that the Delisting Offer is not successful for any reason whatsoever, the SPA shall terminate and the Acquirer shall not acquire the RS Shares from the RS Promoters;
- (c) The Acquirer and the RS Promoters have agreed that their respective Shareholding in the Company shall be aggregated for the purpose of determining whether or not the Delisting Offer is successful in term of Regulation 17 of the Delisting Regulations;
- (d) The Acquirer and the RS Promoters, not being Public Shareholders, shall not participate in the reverse book building process for discovering the Discovered Price;
- (e) The SPA contains representations, warranties, covenants and indemnities provided by the Acquirer and the RS Promoters which are customary to transactions of such nature;
- (f) The Public Announcement in terms of Regulation 10(1) of the Delisting Regulations may be made by the Acquirer, and the letter of offer ("**Letter of**

Offer") in terms of Regulation 12(1) of the Delisting Regulations shall be dispatched by the Acquirer to all Public Shareholders if the Public Announcement is made, only after the receipt of all requisite approvals ("**Required Approvals**") to the satisfaction of the Acquirer for acquiring all Shares in the Delisting Offer and acquiring the RS Shares from the RS Promoters, including approvals from the Stock Exchanges, Reserve Bank of India, Foreign Investment Promotion Board, the Competition Commission of India, and such other regulatory authorities or otherwise as may be necessary;

- (g) If all the Required Approvals are not obtained or if any of the Required Approvals are not obtained to the satisfaction of the Acquirer, the Acquirer shall not make the Public Announcement and shall abandon all actions in connection with the delisting and the SPA; and
- (h) If the Required Approvals are amended at anytime after the Public Announcement has been made, the Acquirer reserves the right to withdraw the Public Announcement and abandon all actions in connection with the delisting and the SPA.

Upon consummation of the transactions contained in the SPA, the RS Promoters shall cease to be Shareholders of the Company.

Upon completion of the Acquirer's acquisition of the Shares tendered by Public Shareholders in the Delisting Offer, Mr. Rohinton Screwvala shall be employed with The Walt Disney Company (India) Pvt. Limited ("**TWDC India**") as the Managing Director of TWDC India. The roles and responsibilities of Rohinton Screwvala as Managing Director of TWDC India shall include responsibility for overseeing the Indian businesses of companies owned and managed by the Disney Group, including those of the Company (the "**Disney Businesses**"). Mr. Rohinton Screwvala and TWDC India shall enter into an employment agreement in this regard. Some of the salient features of Mr. Rohinton Screwvala's employment with TWDC India are as follows:

- (a) Mr. Rohinton Screwvala shall be employed with TWDC India for an initial term of five years;
- (b) During such term of employment, Mr. Rohinton Screwvala shall be paid a remuneration package comprising of two components (i) a fixed salary and (ii) performance based incentive compensation. The performance based incentive is linked to improvement in the value of the Disney Businesses structured as follows:
 - i. At two separate times being expiry of two (2) years and expiry of five (5) years from the acquisition of Shares pursuant to the Delisting Offer and the SPA, the value of the Disney Businesses will be computed as of the date of acquisition of Shares pursuant to the Delisting Offer. The valuation will include historical performance and expected future performance.
 - ii. TWDC India would pay Mr. Rohinton Screwvala 3.5% of value created, if any, in excess of the baseline value of Disney Businesses determined prior to the acquisition of Shares pursuant to the Delisting Offer and under the SPA. Such baseline value shall include the enterprise value of the current business of the Disney Group in India, the enterprise value of the Company as implied by the delisting price, and the value of any anticipated synergies of a future combined operation.
 - iii. Each payout, if any, due upon expiry of the two year and the five year period, as the case may be, will be paid in three equal instalments. In the event that there is a payout due upon expiry of the said two year period, the first instalment for such payout will be paid immediately upon the completion of the said two year period and the next two instalments will be paid on the first and second anniversaries thereafter (i.e in the third and fourth year).
 - iv. Similarly, in the event that there is a payout due upon expiry of the said five year period, the first instalment for such payout will be paid immediately upon the completion of the said five year period and the next two instalments will be paid on the first and second anniversaries thereafter (i.e. in the sixth and seventh year).
 - v. Mr. Rohinton Screwvala must continue to be an employee to receive the aforementioned payouts, unless Mr. Rohinton Screwvala leaves at the end of his initial term of five years, in which case the instalments for payout due, if any, upon expiry of the five year period will continue to be paid in the sixth and seventh year as set out above.
- (c) The employment agreement to be executed between Mr. Rohinton Screwvala and TWDC India shall also contain other provisions customary in the employment of senior management personnel such as the ability of Mr. Rohinton Screwvala and TWDC India to terminate the employment under specific circumstances and also certain employee related obligations on Mr. Rohinton Screwvala such as non-compete and non-solicitation of customers and employees.

Approval of the members is sought for the aforesaid Special Resolution, after which, the Acquirer will proceed, subject to receipt of Required Approvals to make the Delisting Offer to the members of the Company in accordance with the provisions of the Delisting Regulations.

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

Mr. Andy Bird, Mr. Kevin Mayer, Mr. Robert Gilby, Mr. Rohinton Screwvala, Mr. Deven Khote and Mrs. Zarina Mehta, are Directors of the Company representing the Acquirer and the RS Promoters. As such they may be deemed to be concerned or interested in the proposed resolution directly or indirectly set out in the notice.

By order of the Board of Directors
For **UTV Software Communications Limited**

Mohd. Sajid Ali
Company Secretary

July 25, 2011

Registered Office:
1181-1182, 8th Floor,
Solitaire Corporate Park,
Guru Hargovindji Marg, Chakala,
Andheri (E),
Mumbai 400 093.