UTV SOFTWARE COMMUNICATIONS LIMITED
CIN: U72200MH1990PLC056987
Registered Office: 1st Floor, Building No. 14, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala,
Andheri (E), Mumbai 400 093. Phone: +91 (022) 61091000 Fax: +91 (022) 67421930
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NOTICE

NOTICE is hereby given that the Twenty-fourth Annual General Meeting of the Members of UTV Software Communications Limited will be held at 11.00 a.m. on Tuesday, September 23, 2014 at The Hall of Culture, Discovery of India Building, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai - 400 018 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet as at March 31, 2014 and the Profit and Loss Account for the financial year ended on that date and Reports of Directors and Auditors thereon.

2. To appoint a Director in place of Mr. Charles Jacob, who retires by rotation and being eligible, offers himself for reappointment.

3. To appoint statutory auditors and fix their remuneration and in this regard to consider and if thought fit, to pass, with or without modification(s), the following resolution as an ordinary resolution.

   "**RESOLVED THAT** M/s. Price Waterhouse & Co., Bangalore (Registration No. 007567S) Chartered Accountants, be and are hereby appointed as Statutory Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company."

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** Mr. Sujit Vaidya who was appointed as an Additional Director by the Board of Directors pursuant to the provisions of Section 161 (1) of the Companies Act, 2013 and who holds office up to the date of ensuing Annual General Meeting and in respect of whom the Company has received a notice under Section 160 of the Companies Act, 2013 be and is hereby appointed as a Director of the Company whose period of office shall be liable to determination by retirement of Directors by rotation."

5. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT** pursuant to the provisions of Section 61 and all other applicable provisions, if any, of the Companies Act, 2013, read with the relevant Rules thereof (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to the provisions of the Memorandum and Articles of Association of the Company, the existing Authorised Share Capital of the Company is ₹ 1,06,96,69,000 (Rupees One Hundred and Six Crores Ninety Six Lakh Sixty Nine Thousand only) divided into 10,69,66,900 (Ten Crore Sixty Nine Lakh Sixty Six Thousand Nine Hundred only) Equity Shares of ₹ 10/- each (Rupees Ten only), be and is hereby increased to ₹ 12,069,919,000 (Rupees One Thousand Two Hundred and Six Crore Ninety Nine Lakh Nineteen Thousand only) comprising of 10,69,66,900 (Ten crore Sixty Nine Lakh Sixty Six thousand Nine hundred only) Equity Shares of ₹ 10/- each (Rupees Ten only) and 73,33,500 (Seventy Three Lakh Thirty Three Thousand Five Hundred only) Compulsory Convertible Preference Shares of ₹ 1500/- each (Rupees One Thousand Five Hundred only).

   RESOLVED FURTHER THAT any one of the Directors of the Company and/or Mr. Pawan Jaggi, Company Secretary of the Company be and is hereby authorised to take all necessary action for giving effect to the above resolution and file relevant forms with the Registrar of Companies, as required under the provisions of the Companies Act, 2013."

6. To consider and, if thought fit, to pass the following resolution as an **Ordinary Resolution**:

   "**RESOLVED THAT**, pursuant to the provisions of Section 13 and 61 and other applicable provisions of the Companies Act, 2013, the existing Clause V of the Memorandum of Association of the Company relating to the Authorised Share Capital be amended and read as under:

   V. The Share Capital of the Company is ₹ 12,069,919,000 (Rupees One Thousand Two Hundred and Six Crore Ninety Nine Lakh Nineteen Thousand only) comprising of 10,69,66,900 (Ten crore Sixty Nine Lakh Sixty Six thousand Nine hundred only) Equity Shares of ₹ 10/- each (Rupees Ten only) and 73,33,500 (Seventy Three Lakh Thirty Three Thousand Five hundred only) Compulsory Convertible Preference Shares of ₹ 1500/- each (Rupees One Thousand Five Hundred only)."

   RESOLVED FURTHER THAT any one of the Directors of the Company or Mr. Pawan Jaggi, Company Secretary of the Company be and is hereby severally authorised to take all necessary action for giving effect to the above resolution and file relevant forms with the Registrar of Companies, as required under the provisions of the Companies Act, 2013."

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

   "**RESOLVED THAT** in accordance with the provisions of Section 42 and 62(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, ("the Act") (including any amendment thereto or re-enactment(s) thereof), for the time being in force and

Companies (Share Capital and Debentures) Rules, 2014 and provisions of all other applicable laws and regulations applicable thereunder including the pricing guidelines of the Reserve Bank of India relating to allotment of shares, provisions in the Memorandum of Association and Articles of Association of the Company and subject to all concerned approvals from the statutory and other authorities including approval from the Foreign Investment Promotion Board ("FIPB") and to the extent necessary and such other approvals, consents, permissions sanctions and the like, as may be necessary, and subject to such conditions and modifications as may be prescribed, stipulated or imposed by any of them while granting such approvals, consents, permissions, sanctions and the like, which may be agreed to by the proposed allottee i.e. The Walt Disney Company (Southeast Asia) Pte Limited (hereinafter referred as "TWDC (SEA)") the holding company incorporated under the laws of Singapore, having its registered office at One Marina Boulevard # 28-00, Singapore – 018989 and the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers), the consent, permission and approval of the Company be and is hereby accorded to the Board to create, offer, issue and allot, in one or more tranches, in accordance with applicable law, 73,33,333 non-cumulative Compulsorily Convertible Preference shares of a face value of ₹ 1,500/-each ("CCPS") thereby not exceeding a sum of ₹ 1,100 crores on preferential basis to TWDC (SEA) on the following terms and conditions:

a) Coupon: 9% per annum or such other rate as may be determined by the APA authorities (i.e tax authorities), subject to the limitation under the exchange control regulations.

   Date of payment of dividend on CCPS: 30th day of September of 2015 for the first dividend, if any, and at a twelve monthly interval thereafter.

b) Terms of Conversion:-

   (i) After having given due cognizance to the terms of the issuance, the CCPS will be compulsorily convertible into equity shares of face value of ₹ 10/- each, (Rupees Ten Only per share), with such premium as necessary, based on the value per equity share as determined basis (a) the valuation report dated August 26, 2014 by Deloitte Haskins & Sells, Chartered Accountants, being the floor price as determined under the provisions of the Foreign Exchange Management Act, 1999 or (b) at the value agreed in this regard in the Advance Pricing Agreement (APA), if any, entered into by the Company, with the Government of India in the Ministry of Finance; whichever of (a) or (b) is higher.

   (ii) The date of conversion of the CCPS into equity share shall be 30th day of September of 2015, or within 180 days of issuance of the draft APA order, or such earlier date at the sole discretion of the Issuer Company; whichever is earlier in time.For the purpose of conversion, the CCPS shall be aggregated to reduce fractions as much as such that, maximum number of equity shares can be issued at the conversion price adopted as explained above. Any money standing less than the allotment value of one equity share would stand forfeited.

   (iii) The CCPS and Equity Shares (upon conversion of CCPS) to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company. The Equity Shares arising on conversion of CCPS shall rank pari passu with the then existing Equity Shares of the Company in all aspects, including dividend.

RESOLVED FURTHER THAT where an Advance Pricing Agreement (APA) is not signed by the Company on or before the 1st August of 2015, the Board of the Company be and is hereby authorized to change at its sole discretion, the date of conversion of CCPS into equity shares, to any other date(s), from time to time, subject however to the condition that once the APA is signed, the conversion shall compulsorily happen within 180 days from the date of such signing of the APA.

RESOLVED FURTHER THAT the Preference Shares shall rank in priority to Equity Shares of the Company with respect to payment of dividend and repayment of capital and shall be entitled to participate in surplus fund, surplus assets and profits on winding up, which may remain after the entire capital has been repaid.

RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid CCPS shall be made at such time or times as the Board may in its absolute discretion decide, subject however to the applicable laws, the Board is authorised to agree to such terms as may be mutually agreed between the Board and TWDC (SEA).

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable in regard to the offer, issue and allotment of the CCPS and Equity Shares (upon conversion of CCPS) including receipt of the amount against the issue of such shares, appointment of Legal Advisors, Investment Bankers and such other agencies / intermediaries as may be required; and to settle any question, difficulty or doubt that may arise in regard to the offer/issue, allotment and utilization of the proceeds of issue and to do all such other acts, deeds, matters and things and to finalise and execute all such deeds documents and writings as may be necessary, desirable or expedient as the Board may deem fit".

RESOLVED FURTHER THAT the Board be and is hereby authorised to delegate all or any of the powers conferred by the aforesaid resolution on it to any committee of directors or any director (s) or officer(s) of the Company to give effect to the above resolution"

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

   "RESOLVED THAT pursuant to the provisions of Section 188 and other applicable provisions, if any, of the Companies Act, 2013 ("Act") and all other applicable rules, regulations, guidelines (including any statutory modifications or re-enactment thereof for the time being in force) and subject to all applicable approvals, permissions and such conditions as may be prescribed by any of the concerned authorities while granting such approvals, which may be agreed to by the Board of Directors of the Company, approval of the members of the company be and is hereby accorded for entering into contract or arrangement with related parties as defined under the Act and the Rules made thereunder, as per details and on the terms and conditions as set out under item no.8 of the Explanatory Statement annexed to this Notice.

RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board of Directors of the Company (hereinafter referred to as the "Board" which term shall be deemed to include any committee which the Board may constitute to exercise its powers) be and is hereby authorized to agree, make, accept and finalize all such terms, condition(s), modification(s) and alteration(s) as it may deem fit and the Board is also hereby authorized to resolve and settle all questions, difficulties or doubts that may arise with regard to such payment and to finalize and execute all agreements, documents and writings and to do all acts, deeds and things in this connection and incidental as the Board in its absolute discretion may deem fit without being required to seek any further consent or approval of the members or otherwise to the end and intent that they shall be deemed to have been given approval thereto expressly by the authority of this resolution."

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

   "RESOLVED THAT pursuant to the applicable provisions of the Companies Act, 2013 (erstwhile Companies Act, 1956) and subject to such consent/s, permission/s and approvals as may be required, the excess remuneration of ₹ 42,53,886/- (Rupees Forty Two Lakh Fifty Three Thousand Eight Hundred and Eighty Six only) paid to Mr. Siddharth Roy Kapur, Managing Director of the Company for the period from April 1, 2013 to December 31, 2013 be and is hereby approved and ratified.

   RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to take such steps and do all such act/s, deed/s, matter/s and thing/s as may be necessary, expedient or desirable to give effect to the above resolution."

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

Pawan Jaggi
Company Secretary

Registered Office:
1st Floor, Building No. 14,
Solitaire Corporate Park
Guru Hargovindji Marg, Chakala,
Andheri (E), Mumbai 400 093.
Mumbai, August 26, 2014

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY. The proxies in order to be valid shall be deposited at the registered office not less than 48 hours before the commencement of the meeting.
2. Explanatory Statement pursuant to Section 102 (1) of the Companies Act, 2013, relating to the Special business to be transacted at the meeting is annexed hereto.
3. Members are requested to bring their copy of the Annual report to the meeting.
4. Members/Proxies should fill in the attendance slip for attending the meeting.
5. In case of joint holders attending the meeting, only such joint holder whose name appears first in the order of names will be entitled to vote.
6. Members who hold shares in demateralised form are requested to write their Client ID and DP ID numbers and members who hold shares in physical form are requested to write their folio numbers in the attendance slip for attending the meeting.
7. The Register of Members and the Share Transfer books in respect of equity shares will remain closed from Monday September 15, 2014 to Tuesday September 23, 2014 (both days inclusive).
8. Members are requested to notify any change of their address to the Company's Registrar's and share transfer agents, M/s. Karvy Computer Share Private Limited, Plot No. 17 to 24, Near Image Hospital, Vittalrao Nagar, Madhapur, Hyderabad - 500 081.
9. Corporate members are requested to send a duly certified copy of the Board resolution authorizing their representative to attend and vote at the meeting.
10. Queries on the Annual Report and operations of the Company, if any, may write to the Company so as to reach us seven days prior to the date of the meeting so that the answers may be made available at the meeting.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT PURSUANT TO THE PROVISIONS OF SECTION 102(1) OF THE COMPANIES ACT, 2013

Item No. 4

Mr. Sujit Vaidya was appointed as an Additional Director by the Board of Director w.e.f. December 11, 2013 in accordance with the provisions of Section 161 of the Companies Act, 2013, and holds office up to the date of the ensuing Annual General Meeting. Your company has received a notice under Section 160 of the Companies Act, 2013 from a shareholder signifying his intension to propose the name of Mr. Sujit Vaidya for appointment as director of your company.

The Board feels that presence of Mr. Sujit Vaidya on the Board is desirable and would be beneficial to the Company and hence recommend resolution No. 4 for approval.

None of the Directors, except Mr. Sujit Vaidya and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item No. 4 of the Notice.

The Board recommends resolution under Item No. 4 to be passed as ordinary resolution.

Item No. 5 & 6

Members are informed that upon sanction of the Scheme of arrangement of UTV TV Content Limited, UTV Tele Talkies Limited, UTV Sunlit Content Limited (Previously known as Vikatan UTV Content Limited), RB Entertainment Limited, Screenshot Television Limited and First Future Agri & Developers Limited ("the Transferor Companies") with your Company vide Bombay High Court Order dated April 11, 2014, the Authorised Share Capital of the Company shall automatically stand increased without any further act, instrument or deed, from ₹ 70,00,00,000/- (Rupees Seventy Crores only) consisting 7,00,00,000 equity shares of ₹ 10/- each to ₹ 1,06,96,69,000/- (Rupees One Hundred and Six Crore Ninety Six Lakh Sixty Nine Thousand only) consisting 10,69,66,900 (Ten Crore Sixty Nine Lakh Sixty Six Thousand Nine Hundred) Equity Shares of ₹ 10/- each and Memorandum of Association of your Company shall, without any further act, instrument or deed, be stand altered, modified and amended to give effect to the aforesaid.

Further, The Walt Disney Company (Southeast Asia) Pte. Limited, parent company of your Company has received approval from Foreign Investment Promotion Board ('FIPB') on July 30, 2014 to infuse further funds of ₹ 1100 crores into your Company by way of subscription of new shares. Hence, in order to augment further capital raise, it is necessary to increase the Authorised Share Capital to ₹ 12,069,919,000 (Rupees One Thousand Two Hundred and Six Crore Ninety Nine Lakh Nineteen Thousand only) comprising of 10,69,66,900 (Ten Crore Sixty Nine Lakh Sixty Six Thousand Nine Hundred only) Equity Shares of ₹ 10/- each (Rupees Ten only) and 73,33,500 (Seventy Three Lakh Thirty Three Thousand Five Hundred) Compulsory Convertible Preference Shares of ₹ 1500/- each (One Thousand Five Hundred only).

The alteration to the Capital Clause of Memorandum of Association of the Company is consequent upon increase in the Authorised Share Capital. In order to accommodate the increased paid-up capital consequent to the proposed Issue of preference shares, the Authorised Share Capital of the Company needs to be increased. A change to the Authorised Share Capital of the Company necessitates an amendment to Clause V of the Memorandum of Association of your Company.

As per the provisions of the Companies Act, 2013, any increase in Authorised Capital and consequent amendment to the Memorandum of Association of the Company requires consent and approval of the Members of the Company.

The Memorandum of Association referred herein above shall be open for inspection at the Registered Office of the Company on all working days except Saturday between 10.00 a.m. to 4.00 p.m. up to September 23, 2014.

The Board of Directors recommends the resolutions in Item Nos.5 & 6 of the Notice for approval by the Members. None of the Directors and Key Managerial Personnel of the Company or their respective relatives is concerned or interested in the Resolution mentioned at Item Nos. 5 & 6 of the Notice.

Item no. 7

The Walt Disney Company (Southeast Asia) Pte. Limited ("TWDC (SEA)")is the promoter of the Company and is its single largest shareholder. As of the date of this notice, TWDC (SEA) owns 5,15,06,659 Equity Shares of the Company representing 99.70% of the issued and paid up share capital of the Company.

Members are informed that the Company proposes to issue and allot 73,33,333 CCPS of ₹ 1500/- each at par to TWDC (SEA), on preferential basis so as to utilise the issue proceeds for expansion of business and general corporate purposes including repayment of debt of the Company and its subsidiaries and meet working capital and capex requirement and making downstream investments in other companies and its subsidiaries. The new Equity Shares arising from their conversion shall be allotted in accordance with pricing guidelines of the Reserve Bank of India.

At the time of conversion of these CCPS into equity shares, basis either (a) the price of equity share determined in the valuation report of Deloitte Haskins & Sells, Chartered Accountants, dated August 26,2014 or (b) the price agreed upon in the Advance Pricing Agreement (APA), whichever of (a) or (b) is higher the number of equity shares to be issued at the time of conversion would be determined in such a manner that the total number of equity shares of face value of ₹ 10/- per share together with the share premium on such share, would not exceed a sum of ₹ 1100 crores. If there is any fraction amount for which an equity share cannot be allotted, the same would be retained by the Issuer Company as part and parcel of the Securities Premium and would not be refunded back to the CCPS holder.

None of the Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in the said resolution as set out in Resolution No. 7 above.

Your Directors recommend the resolution at item no.7 for your approval.

Additional Information required to be given under the Companies (Share Capital and Debentures) Rules, 2014.

(a) The size of the issue and number of preference shares to be issued and nominal value of each share along with the names of the proposed allottees and the percentage of post preferential offer capital that may be held by them;

73,33,333 CCPS of ₹ 1500/- each are proposed to be issued to TWDC (SEA) at Par Value and post preferential offer, TWDC (SEA) will hold 100% of the total preference share capital of the Company.

(b) The change in control, if any, in the company that would occur consequent to the preferential offer;

There will be no change in control consequent to the preferential offer.

(c) The nature of such shares i.e. cumulative or non - cumulative, participating or non - participating, Convertible or non – convertible;

Non-Cumulative Compulsorily Convertible Preference Shares

(d) The objectives of the issue/ the object/s of the issue through preferential offer;

For expansion of the business and for general corporate purposes including repayment of debts of the Company, its affiliate companies and its subsidiaries, meeting working capital and capex requirements, and making downstream investments in other companies and all subsidiaries and affiliates of the Company.

(e) The manner of issue of shares;

CCPS will be issued on preferential basis to TWDC (SEA)

(f) The price at which such shares are proposed to be issued/ the price or price band at/within which the allotment is proposed;

Issue of CCPS of ₹ 1500/- each at par value on preferential basis to TWDC (SEA).

(g) The basis on which the price has been arrived at/ basis on which the price has been arrived at along with report of the registered valuer;

The price has been arrived basis the valuation report obtained by the Company from M/s. Deloitte Haskins & Sells, Chartered Accountants. A copy of the valuation report has been annexed to this notice as **Annexure A**.

(h) relevant date with reference to which the price has been arrived at

The relevant date for the purpose of determination of price of proposed allotment of the CCPS is August 26, 2014, which is the day the Board approved the issue of shares to TWDC SEA and is based on the valuation report dated August 26, 2014 M/s. Deloitte Haskins & Sells, Chartered Accountants.

(i) The terms of issue, including terms and rate of dividend on each share, etc.;

i. CCPS shall carry coupon rate of 9% per annum or such other rate of dividend as may be determined by the APA authorities subject to the limitation under the exchange control regulations.

ii. The CCPS shall rank in priority to Equity Shares of the Company with respect to payment of dividend and repayment of capital

iii. CCPS shall be entitled to participate in surplus funds, surplus assets and profits of the Company on winding–up, which may remain after the entire capital has been repaid

(j) The terms of redemption, including the tenure of redemption, redemption of shares at premium and if the preference shares are convertible, the terms of conversion;

73,33,333 CCPS will be compulsorily convertible into equity shares at any time at the option of the Issuer Company, within a period of twenty years from the date of issue of CCPS, basis either (a) the value specified in the valuation report dated August 26, 2014 by Deloitte Haskins & Sells, Chartered Accountants or (b) at the value, if any, agreed in this regard in the Advance Pricing Agreement (APA), if any, entered into by the Company, with the Government of India in the Ministry of Finance, - (a) or (b) whichever is higher;

(k) The manner and modes of redemption;

By conversion into equity shares basis the terms hereinabove at point (j)

(l) The class or classes of persons to whom the allotment is proposed to be made;

The allotment of CCPS referred to in resolution No. 7 above is proposed to be issued and allotted exclusively to The Walt Disney Company (Southeast Asia) Pte. Ltd., the parent company of the Company incorporated under the laws of Singapore and having its registered office at One Marina Boulevard # 28-00, Singapore 018989

(m) Intention of promoters, directors or key managerial personnel to subscribe to the offer;

TWDC (SEA), the existing promoter and shareholder of the Company shall subscribe to the entire issue of CCPS as stated in resolution No. 7 above.

(n) the proposed time within which the allotment shall be completed;

The allotment of CCPS shall be completed within sixty days from the receipt of application money and in any case the special resolution will be acted upon within a period of twelve months.

(o) The number of persons to whom allotment on preferential basis have already been made during the year, in terms of number of securities as well as price;

During the year ended March 31,2014, the allotment on preferential basis has been made to TWDC (SEA) only whereby 15,90,909 equity shares of ₹ 10/- each had been allotted at a premium of ₹ 1,090 per share.

(p) The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.

N. A.

(q) The current shareholding pattern of the Company;/The pre issue and post issue shareholding pattern of the Company in the following format-

Sr. No.	Category	Pre Issue		Post Issue (after conversion of CCPS)*	
		No. of Shares held	% of Shareholding	No. of Shares held	% of Shareholding
A	**Promoters' holding :**				
1	Indian :				
	Individual	Nil	Nil	Nil	Nil
	Bodies Corporate	Nil	Nil	Nil	Nil
	Sub Total				
2	Foreign Promoters	5,15,06,659	99.70	7,37,73,865	99.79
	Sub Total (A)	**5,15,06,659**	**99.70**	**7,37,73,865**	**99.79**
B	**Non-Promoters' holding :**				
1	Institutional Investors	Nil	Nil	Nil	Nil
2	Non-Institution :				
	Private Corporate Bodies	3,815	0.00	3,815	0.00
	Directors and Relatives	Nil	Nil	Nil	Nil
	Indian Public	1,42,593	0.28	1,42,593	0.19
	Others (Including NRIs)	10,592	0.02	10,592	0.02
	Sub Total(B)	**1,57,000**	**0.30**	**1,57,000**	**0.21**
	GRAND TOTAL	**5,16,63,659**	**100**	**73,930,865**	**100**

* The Post Issue shareholding is arrived considering the conversion basis the value specified in the valuation report dated August 26, 2014 by Deloitte Haskins & Sells, Chartered Accountants. However, the same may vary if the conversion is at the value agreed in this regard in the Advance Pricing Agreement (APA) entered into by the Company, with the Government of India in the Ministry of Finance.

(k) The expected dilution in equity share capital upon conversion of preference shares.

As referred to in table above at point (q)

Item No. 8

The provisions of Section 188 of the Companies Act, 2013 ("Act") governs the Related Party Transactions ("RPTs"), requiring a Company to obtain prior approval of the Board and in certain cases, the prior approval of shareholders by way of special resolution.

Further third proviso of Section 188 (1) provides that nothing in this sub-section shall apply to any transactions entered into by the Company in its ordinary course of business other than the transactions which are not on arm's length basis.

In light of these provisions, the Board of Directors of the Company have approved the RPTs with such annual limits as given in the below table. These limits will apply for FY 2014-15 and four subsequent financial years.

Particulars of Proposed transactions for the purpose of approval under Section 188 of the Companies Act, 2013 (₹ in millions)

AGGREGATE AMOUNT OF CONTRACT/TRANSACTION (PER ANNUM) WITH EFFECT FROM APRIL 1, 2014		
Transactions covered under Section 188(1) of the Companies Act, 2013		
Name of Related Parties	**Nature of Transaction**	**Amount**
The Walt Disney Company (Asia Pacific) Limited	Availing or rendering of any services	300
UTV Global Broadcasting Limited		25
UTV Entertainment Television Limited		70
The Walt Disney Company (India) Private Limited		450
Genx Entertainment Limited		60
Indiagames Limited		20
UTV New Media Limited		1
UTV Communications (USA) LLC		25
IG Interactive Entertainment Limited		45
The Walt Disney Company		10
The Walt Disney Company (Australia)		25
	Total Amount of Transactions	**1031**

The attention of the members is drawn to the following –

(a) Name of the related party: As provided in the table above.

(b) Name of the director or key managerial personnel who is related, if any: N.A.

(c) Nature of relationship: Holding Company/Subsidiary Company/Fellow Subsidiary/Common Control Entities.

(d) Nature, material terms, monetary value and particulars of the contract or arrangement: Company and Related Party amongst themselves provide and receive central support on an on-going basis for carrying its business operations including but not limited to the use and sharing of office premises and services to be provided at the premises such as electricity, cafeteria facilities, communication facilities, housekeeping services, water facilities, security personnel, administration and information technology support services amongst others. Further, your Company in its normal course of business also incurs expenses on behalf of Related Party and also reimburse various expenses paid by Related Party on behalf of your Company. The nature and monetary value as provided in table above.

(e) Any other information relevant or important for the members to take a decision on the proposed resolution: NIL

Members are also informed that in terms of the said Section, no member of the Company shall vote on such special resolution to approve any contract or arrangement which may be entered into, by the Company, if such member is a related party.

Considering the nature of the support being provided/received and the value obtained as a result of such support, the Board of Directors have evaluated the said arrangement and found it to be reasonable.

As per the provision of Section 188 of the Companies Act, 2013, no such contract or arrangement with a related party can be entered without obtaining the prior approval of the shareholders by way of Special Resolution.

It is, therefore, necessary to authorise the Board by the Members for such purpose, namely for availing or rendering of services, for the period of five years i.e. April 1, 2014 to March 31, 2019.

The Board recommends the resolution as set out in the accompanying notice for the approval and ratification by members of the Company as Special Resolution.

None of the other Directors, Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested financially or otherwise in the said resolution as set out in Resolution No. 8 above.

Item No. 9

The Members are informed that the Board at their meeting held on March 16, 2012 appointed Mr. Siddharth Roy Kapur as the Whole time Director of the Company for the period of 5 years with effect from March 16, 2012. Further, on September 17, 2012, Mr. Siddharth Roy Kapur was re-designated as Managing Director of the Company and the Board approved his appointment and remuneration payable to him w.e.f. April 1, 2012 for a period of three years, which was also approved by the shareholders at their meeting held on November 27, 2012.

The members are now been informed that on account of the annual increment, as per the policy of the Company, an excess remuneration of ₹ 42,53,886/- (Rupees Forty Two Lakh Fifty Three Thousand Eight Hundred and Eighty Six only), over and above the remuneration approved earlier by the shareholders at their meeting held on November 27, 2012, had been paid to Mr. Siddharth Roy Kapur during the period between April 1, 2013 to December 31, 2013 for which approval of members is sought. Members are further informed that with effect from January 1, 2014, Mr. Siddharth Roy Kapur's employment has been transferred from the Company to The Walt Disney Company (India) Private Limited ("TWDCI"), an affiliate Company of the Company, pursuant to which he has been drawing remuneration from TWDCI. However, he continues to be a Managing Director of the Company without remuneration.

Hence, the consent of the shareholders is sought to approve and ratify the excess remuneration paid to Mr. Siddharth Roy Kapur amounting to ₹ 42,53,886/- (Rupees Forty Two Lakh Fifty Three Thousand Eight Hundred and Eighty Six only) during the period between April 1, 2013 to December 31, 2013.

The aforesaid has been approved by the Audit cum Nomination and Remuneration Committee.

I. GENERAL INFORMATION (As required under Section II of Part II of Schedule V of the Companies Act, 2013 in respect of Mr. Siddharth Roy Kapur)

(1) Nature of Industry: Media & Entertainment.

(2) Date or expected date of commencement of commercial production: The Company was incorporated on June 22, 1990 and has started business since then.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus: Not Applicable.

(4) Financial performance based on given indicators – As per audited financial results for the accounting year ended March 31, 2013 and March 31, 2014

Particulars (Rupees in Million)

Turnover and other income: 6,756.58 for March 31, 2013 and 6,362.41 for March 31, 2014

Net Loss before tax as per Profit and Loss Account: 4,627.45 for March 31, 2013 and 2,249.85 for March 31, 2014

(5) Foreign investments or collaborators, if any: The Walt Disney Company (Southeast Asia) Pte. Ltd., existing promoter of the Company, holds 99.70% of the company as on August 26, 2014

II. INFORMATION ABOUT THE APPOINTEE

SIDDHARTH ROY KAPUR

(1) Background Details

Mr. Siddharth Roy Kapur has done Bachelor's degree in Commerce from Sydenham College and a Masters in Management Studies from the Jamnalal Bajaj Institute. He started his career with the Procter and Gamble Company ("P & G") in Mumbai and worked in brand management team on the Vicks and Ariel brand. From P & G, Siddharth moved to STAR TV in strategic planning division. He worked as Director (Marketing) at STAR headquarters in Hong Kong and was promoted to Vice President in 2003.

In 2005, Siddharth joined UTV. He was heading the Marketing & Communications division across motion pictures, Broadcasting, Television, Animation and Corporate. He led the marketing efforts for Hungama TV and Classic movies like Rang De Basanti. He also led many successful projects like Parineeta, Taxi 9211 and Bluff Master. In his next role, he took revenue function at UTV Motion Pictures and was responsible for distribution & syndication worldwide, in addition to his marketing responsibilities. In 2008, he took over as CEO of UTV Motion Pictures, responsible for all aspects of Development, Production, Marketing, Distribution and Syndication.

(2) Past remuneration

During the financial year 2012-13, Mr. Siddharth Roy Kapur was paid a remuneration of ₹ 42.86 million. p.a. (excluding perquisite value on the Employee Stock Option Plan exercised by him)

(3) Recognition or awards: As given under the Explanatory Statement at item No. 9 under the heading "Information about the Appointee"

(4) Job profile and his suitability

Siddharth Roy Kapur is designated as Managing Director of the Company and he is responsible for overall business of the Company. He is also responsible to perform such other duties as may from time to time be entrusted by the Board.

Taking into consideration the qualifications and expertise, he was best suited for the responsibilities assigned to him by the Board of Directors.

(5) Remuneration proposed: As stated in the proposed resolution.

(6) Comparative remuneration profile with respect to industry, size of the Company, profile and position of the person (in case of expatriates the relevant details would be w.r.t. the country of his origin):

Taking into consideration the size of the Company, the profile of Mr. Siddharth Roy Kapur, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar top/senior level managerial personnel in other companies.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any:

Besides the remuneration proposed, he does not have any other pecuniary relationship with the Company.

III. OTHER INFORMATION:

(1) Reason for loss or inadequate profit, steps taken or proposed to be taken for improvement and expected increase in productivity and profits in measurable terms:

During the year ended March 31, 2013, the Company has curtailed the operations of its overseas step-down gaming subsidiaries. As a result of which your Company had further invested amount in the parent Company of such gaming Companies for repayment of external borrowing. Further, the Company had also recognized provisions for the diminution in value of investments w.r.t. its investment in its foreign subsidiaries.

However, during the year ended March 31, 2014, the losses primarily operational losses.

However, in the subsequent years, the Company shall take adequate steps for improvement of production and profit.

Your Directors recommend the resolution at item No. 9 for your approval.

None of the Directors, except Mr. Siddharth Roy Kapur, or any Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 9 of the Notice.

ANNEXURE - A

STRICTLY PRIVATE AND CONFIDENTIAL

Ref: DHS/G-200/647 August 26, 2014

UTV Software Communications Limited
1st Floor, Building No. 14, Solitaire Corporate Park,
Guru Hargovindji Marg, Chakala, Andheri (E),
Mumbai – 400 093.

Dear Sir,

Re: Valuation of the Equity Shares and Compulsorily Convertible Preference Shares of UTV Software Communications Limited.

This has reference to our engagement letter, the discussions that we had with and the information that we have received from the management of UTV Software Communications Limited (hereinafter referred to as "UTV" or the "Company") from time to time in the above matter.

SCOPE AND PURPOSE OF THIS REPORT

We have been informed as under:

UTV is an integrated media and entertainment company. The Walt Disney Company (Southeast Asia) Pte. Limited ("TWDC") currently holds 99.70% of the equity shares of UTV.

UTV is proposing to issue Compulsorily Convertible Preference Shares ("CCPS") to TWDC on a preferential basis (the "Proposed Issue"). We understand that the Proposed Issue will require adherence to, inter alia, the provisions of Section 62 of the Companies Act 2013 (the "Act") read with Companies (Share Capital and Debentures) Rules, 2014 (the "Rules"). In terms of the provisions of Section 62 of the Act read with the Rules, when companies issue shares and securities on a preferential basis, the price of shares or other securities to be issued shall not be less than the price determined on the basis of a valuation report. Further, when convertible securities are offered on a preferential basis with an option to apply for and get equity shares allotted, the price of the resultant shares has to be determined beforehand on the basis of a valuation report.

It is in this connection that we have been requested by the Company, for its internal purposes pursuant to the provisions of the Act read with the Rules, to carry out a valuation of the equity shares and the CCPS, on a going concern basis, as at June 30, 2014, being the valuation date, to determine the minimum price of the CCPS and the minimum price of the equity shares for the purpose of the Proposed Issue and provide a report thereon to the Board of Directors of the Company.

It should also be understood that the value at which investments are made / price paid in a transaction may differ from the value computed in this report due to factors such as the motivation of parties, negotiation skills of the parties, the structure of the transaction (i.e. financing structure, transition of control, etc.) or other factors unique to the transaction.

This report and the information contained herein is absolutely confidential. It is intended only for the sole use and information of the Board of Directors of the Company. We understand that our report containing our opinion on the value of the equity shares of the Company and CCPS will be required to be furnished by the Company to the existing shareholders of the Company and the requisite regulatory authority, pursuant to the applicable provisions of the Act in connection with the Proposed Issue. We hereby give consent to such disclosure of our report to them on the basis that i) we owe responsibility to only the Board of Directors of the Company that have engaged us and no other person; ii) to the fullest extent permitted by law, we accept no responsibility or liability to any other party including shareholders of the Company, in connection with this report.

The results of our valuation are not permitted to be used or relied by the Company for any other purpose or by any other party for any purpose whatsoever. We will not be responsible or liable to any other person / party, including any shareholders of the Company, for any decision of such person / party based on our valuation. If any person / party (other than the Company) chooses to place reliance upon any matters included in the report, they shall do so at their own risk and without recourse to us. Any person / party intending to provide finance / invest in the shares / business of the Company / its subsidiaries / TWDC, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. It is hereby notified that reproduction, copying or otherwise quoting of our valuation report or any part thereof, except for the purpose and in the circumstances as set out earlier in this report, is not permitted.

SOURCES OF INFORMATION

Valuation analysis was undertaken on the basis of the following information relating to the Company and its subsidiaries, furnished to us by the management of the Company and information available in public domain:

1. Unaudited consolidated profit and loss account and balance sheet and audited standalone financial statements of the Company for the year ended March 31, 2014.

2. Unaudited consolidated and standalone profit and loss account and balance sheet of the Company for the quarter ended June 30, 2014.
3. Unaudited consolidated profit and loss account and balance sheet of the Studio business (defined herein after) for the year ended March 31, 2014 and quarter ended June 30, 2014.
4. Unaudited consolidated profit and loss account and balance sheet of Media Networks business (defined herein after) for year ended March 31, 2014 and quarter ended June 30, 2014.
5. Unaudited profit and loss account and balance sheet of Interactive business (defined herein after) for year ended March 31, 2014 and quarter ended June 30, 2014.
6. Projected cash flows for Studio business, Media Networks business and the Interactive business for the next 3 months and 9 years starting 1st July 2014 and ending 30th September 2023 as approved by the management of the Company.
7. Other relevant details such as shareholding pattern, its present activities, future plans and prospects, surplus assets, discontinued operations, proposed key terms of the CCPS and other relevant information and data.

We have also received the necessary explanations and information and representations, which we believed were relevant to the present valuation exercise from the management of the Company.

SCOPE LIMITATIONS

Our report is subject to the terms of our engagement letter and the scope limitations detailed hereinafter. As such the report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to in this report.

Our work does not constitute an audit, due diligence or certification of the historical financial statements and projections of the Company / its subsidiaries / their businesses referred to in this report. Accordingly, we are unable to and do not express an opinion on the accuracy of any financial information referred to in this report. Valuation analysis and result are specific to the purpose of valuation and the valuation date mentioned in the report is as agreed per terms of our engagement. The valuation analysis may not be valid for any other purpose or as at any other date.

A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular. This report is issued on the understanding that the management of the Company have drawn our attention to all the matters, which it is aware of concerning the financial position of the Company / its subsidiaries / their businesses and any other matter, which may have an impact on the valuation analysis of the equity shares / CCPS of the Company, including any significant changes that have taken place or are likely to take place in the financial position of the Company / its subsidiaries / their businesses. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

In the course of the valuation, we were provided with both written and verbal information, including financial data. We have evaluated the information provided to us by the management of the Company through broad inquiry and analysis (but have not carried out a due diligence, audit or review of the Company / its subsidiaries / their businesses for the purpose of this engagement, nor have we independently investigated or otherwise verified the data provided). Also, we have been given to understand by the management of the Company that it has not omitted any relevant and material factors. Accordingly, we do not express any opinion or offer any form of assurance regarding its accuracy and completeness. We assume no responsibility for any errors in the above information furnished by the management of the Company and their impact on the present exercise.

We express no opinion on the achievability of the forecasts relating to the Company / its subsidiaries / their businesses given to us. The said projected working results of the Company / its subsidiaries / their businesses are the responsibility of the management of the Company. The assumptions used in their preparation, as we have been explained, are based on the Company's management's present expectation of both - the most likely set of future business events and circumstances and the management's course of action related to them. It is usually the case that some events and circumstances do not occur as expected or are not anticipated. Therefore, actual results during the forecast period may differ from the forecast and such differences may be material.

No investigation of the Company's / its subsidiary's claim to title of assets has been made for the purpose of this valuation and the Company's / its subsidiary's claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

Our report is not nor should it be construed as our opining or certifying the compliance with the provisions of any law / standards including company, foreign exchange regulatory, accounting and taxation (including transfer pricing) laws / standards or as regards any legal, accounting or taxation implications or issues.

Our report is not nor should it be construed as our recommending the Proposed Issue. This report does not address the relative merits of the Proposed Issue as compared with any other alternatives or whether or not such alternatives could be achieved or are available. Any decision by the Company regarding the Proposed Issue shall rest solely with the Company. We express no opinion or recommendation as to how the shareholders of the Company should vote at any shareholders' meeting(s) to be held in connection with the Proposed Issue. Our report and the opinion / valuation analysis contained therein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities. This report does not in any manner address, opine on or recommend the prices at which the securities of the Company could or should transact at following the Proposed Issue.

We have not conducted or provided an analysis or prepared a model for any asset valuation and have wholly relied on information provided by the management of the Company in that regard.

The fee for our valuation analysis and the report is not contingent upon the results reported.

Any discrepancies in any table between the total and the sums of the amounts listed are due to rounding-off.

BACKGROUND

UTV is an integrated media and entertainment company and directly and through its subsidiaries operates under the following key verticals

Line of business	Entities	Business description
Studio business	Company and its subsidiaries other than those carrying on the Media Networks business and the Interactive business	Production, distribution and syndication of movies
Media Networks business	UTV Global Broadcasting Limited (“UGBL”) and its 100% subsidiaries Genx Entertainment Limited and UTV Entertainment Television Limited	Broadcast of television channels, live entertainment
Interactive business	Indiagames Limited (“IG”)	Creation and distribution of mobile, online & embedded gaming content

The Company holds 88.65% equity stake in UGBL and 56% equity stake in IG. All other subsidiaries are wholly owned subsidiaries.

As at June 30, 2014, the Company had a paid up capital of INR 516.64 million consisting of 51,663,659 equity shares of INR 10/- each fully paid up. As informed to us, there is no change in the paid up share capital of the Company till date.

As discussed, the Company is proposing to issue CCPS to TWDC. The key terms of the CCPS are proposed to be as under:

- Face value and issue price: INR 1,500/- per CCPS.
- Compulsory conversion into equity shares of the Company - based on the relevant pricing regulations - at the option of the Company on 30th September 2015 or such other date determined at the discretion of the Board of Directors of the Company.
- Right to dividend: preferential right to dividend of 9% per annum, on a non-cumulative basis.

APPROACH

Valuation of equity shares

There are several internationally accepted and commonly used pricing methodologies for determining the value of the shares of a company, whose shares are not listed on a stock exchange such as:

1. Discounted Free Cash Flow (DCF) methodology
2. Comparable Companies Multiples (CCM) methodology.
3. Comparable Transaction Multiples (CTM) methodology.
4. Net Asset value (NAV) methodology

In the present valuation exercise, we have considered and applied the aforesaid internationally accepted pricing methodologies, to the extent relevant and applicable, to arrive at the value of the Studio business, the Media Networks business and the Interactive business. The value of Media Networks business and the Interactive business (taking into account the % stake held by the Company in each of the two businesses) has been added to the value of the Studio business to arrive at the value of the equity shares of the Company as at the Valuation Date.

NAV methodology

The present valuation is on a going concern basis with no intention to dispose off operating assets. In the circumstances, the net asset value of the shares of the Company based on the value of its net assets is of relatively limited relevance. Hence, the NAV Method, in the present case, has not been considered.

CTM methodology

The CTM methodology involves applying derived transaction multiples of comparable transactions / transactions in the shares of the subject company to the maintainable earnings of the subject company. We have performed a search for suitable comparable transactions for valuing the equity shares of the Company under the CTM method.

However, we couldn’t find any recent comparable transaction, in respect of which complete details of the deal structure, profitability, etc are available in public domain. Further, in light of the fact that the Company and its subsidiaries have in the past few years incurred significant losses on account of discontinuance / curtailment of certain businesses, regulatory changes, with actual performance not being in line with the Company’s projections, coupled with material changes in business models of certain businesses we have not considered it appropriate to apply the CTM method based on the past transactions in the shares of the Company.

CCM methodology

Under the CCM Methodology, one attempts to measure the value of the shares of a company by applying the derived market revenue / earnings multiples based on the market quotations of comparable public / listed companies possessing attributes similar to the business of such company to the company's future maintainable revenues / profits (based on past and / or projected working results adjusted to reflect the future earnings potential) after making adjustments to the derived multiples on account of dissimilarities with the comparable companies and the strengths, weaknesses and other factors peculiar to the company being valued.

We have performed a search for listed companies in India engaged in a business similar to the businesses of the Company. We have been able to identity listed companies in the movies and television media industry with business similar to that of the Studio and Media Networks businesses of the Company.

Accordingly, we have considered the CCM methodology to arrive at the value of the Studio and Media Networks businesses only. Considering the past losses and the current business plan of these businesses, we have considered an operating enterprise value to revenue multiple based on the multiples of the comparable listed Indian companies for the purpose of our valuation analysis. The operating enterprise value to revenue multiple has been applied to the maintainable operating revenue of the Media Networks and the Studio businesses respectively. The operating enterprise value of the Media Networks business so arrived at has been adjusted for debt and cash and bank balances as at June 30, 2014. The operating enterprise value of the Studio business so arrived at has been adjusted for debt, surplus assets, cash and bank balances and the value of investments in the subsidiaries carrying on Media Networks and Interactive businesses as at June 30, 2014 to arrive at the 100% equity value of the Company.

Accordingly, in the present case, the value of 100% of the equity share capital of the Company, works out to INR 26,267 million and the value per equity share of the Company of INR 10/- each fully paid up works out to INR 508/- under the CCM Methodology.

DCF methodology

The DCF methodology is considered the most theoretically sound approach and scientific and acceptable methodology for determination of the value of a company. Under this technique the projected free cash flows from business operations are discounted at the weighted average cost of capital to the providers of capital to the company, and the sum of the present discounted value of such free cash flows is the value of the company.

The future free cash flows are derived considering, inter alia, the changes in the working capital and investments in capital expenditure. They are an aggregation of the free cash flows during the explicit forecast period - prepared based on the business plan - and during the post explicit forecast period, estimated using an appropriate method, and are available to all providers of the company's capital - both debt and equity.

The discount rate i.e. weighted average cost of capital ("WACC"), which is applied to the free cash flows should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company. Determining the WACC, involves determining the Debt Equity ratio, Cost of Debt and the Cost of Equity.

To the value of the operating business so arrived, the value of surplus / non-operating assets, debt and contingent liabilities / assets, if any, and other assets / liabilities as appropriate have to be adjusted to arrive at the total value of the business for the equity shareholders of the company.

In the present case, we have applied the DCF methodology to the projected working results of the Media Networks, Interactive and Studio businesses as furnished to us by the management of the Company. We have considered the projections for the next 3 months and 9 years starting 1st July 2014 and ending 30th September 2023 as provided to us by the management of the Company, as projections for the explicit forecast period. Terminal value of cash flows beyond 30th September 2023 (post the explicit forecast period) is based on the perpetuity formula on the maintainable free cash flows.

To arrive at the value of Media Networks business, its operating enterprise value has been adjusted for debt and cash and bank balances at June 30, 2014. To arrive at the value of Interactive business, its operating enterprise value has been adjusted for cash and bank balances at June 30, 2014. The operating enterprise value of the Studio business has been adjusted for debt, surplus assets, cash and bank balances and the value of investments in the subsidiaries carrying on Media Networks and Interactive businesses as at June 30, 2014 to arrive at the 100% equity value of the Company.

Accordingly, in the present case, the value of 100% of the equity share capital of the Company works out to INR 25,116 million and the value per equity share of the Company of INR 10/- each fully paid up works out to INR 486/- under the DCF methodology.

Value of equity shares of the Company

It would be in the light of the aforesaid, and after taking into consideration the principles of valuation as propounded by various authorities, that one would have to consider the value of the equity shares of the Company.

For the reasons set out earlier in this report, we have valued the equity shares of the Company using the CCM and DCF methodologies.

Further, since the DCF takes into account the specific strengths of the various businesses of the Company and represents their expected performance based on the business projections, we have considered it appropriate to give a higher weightage to the value arrived at under the DCF methodology and a lower weightage to the value arrived at under the CCM methodology in order to determine the value of the equity shares of the Company.

Methods	INR Million Equity Value	INR Value Per Equity Share	Weightages
CCM	26,267	508	33%
DCF	25,116	486	67%
Weighted Equity Value	25,499	494	

Accordingly, in the present case, the value of 100% of the equity share capital of the Company works out to INR 25,499 million and the value per equity share of the Company of INR 10/- each fully paid up works out to INR 494/- .

Valuation of CCPS

In valuing the CCPS proposed to be issued by the Company, the terms at which the CCPS are proposed to be issued are relevant. While the CCPS are compulsorily convertible into equity shares on or before the conversion date, the option is with the Company as regards the timing of the conversion and the holder has no right in this regard. Till such conversion happens, the CCPS holder only has the rights of a preference shareholder viz right to a preferential dividend and preferential right to repayment of capital on winding up, and not those of an equity shareholder.

Thus the value of a CCPS in the hands of the CCPS holder has two components, viz;

- dividend on the preference share. This has been arrived at as the present value, as at the valuation date, of the cash flows expected to accrue from the preference share by way of a non-cumulative preference dividend upto the conversion date
- estimated value accruing to the holder as on the conversion date on account of the compulsory conversion of the CCPS into equity shares. The present value, as at the valuation date, of such estimated value of the equity shares of the Company as on the conversion date has been determined using a quantitative binomial tree based pricing model, which inter alia takes into account the value per equity share of the Company as at the valuation date determined above and any expected dividend yield on equity shares.

In light of the above, the value per CCPS of face value INR 1,500/- each fully paid up as at June 30, 2014 works out to INR 1,500/-.

CONCLUSION

In the ultimate analysis, valuation will have to be tempered by the exercise of judicious discretion and judgment taking into account all the relevant factors. There will always be several factors, e.g. quality of the management, present and prospective competition, yield on comparable securities and market sentiment etc. which are not evident from the face of the balance sheets but which will strongly influence the worth of a share. This concept is also recognized in judicial decisions. For example, Viscount Simon said in Gold Coast Selection Trust Ltd. Vs. Humphrey reported in 30 TC 209 (House of Lords) and quoted with approval by the Supreme Court of India in the case reported in 176 ITR 417 as under:

"If the asset takes the form of fully paid shares, the valuation will take into account not only the terms of the agreement but a number of other factors, such as prospective yield, marketability, the general outlook for the type of business of the company which has allotted the shares, the result of a contemporary prospectus offering similar shares for subscription, the capital position of the company, so forth. There may also be an element of value in the fact that the holding of the shares gives control of the company. If the asset is difficult to value, but is nonetheless of a money value, the best valuation possible must be made. Valuation is an art, not an exact science. Mathematical certainty is not demanded, nor indeed is it possible."

On a consideration of all the relevant factors and issues discussed herein, in our analysis, for the purpose of the Proposed Issue, the value per equity share of the Company of INR 10/- each fully paid up as at June 30, 2014 works out to INR 494/- (Indian Rupees Four Hundred and Ninety Four only) and, based on such value per equity share, the consequent value per CCPS of the Company of INR 1,500/- each fully paid up as at June 30, 2014, works out to INR 1,500/- (Indian Rupees One Thousand and Five Hundred only).

We trust the above meets with your requirements.

Thanking you,

Yours faithfully,

For Deloitte Haskins & Sells
Chartered Accountants
[Registration No. 117365W]

Z. F. Billimoria
Partner
[Membership No. 42791]

UTV SOFTWARE COMMUNICATIONS LIMITED

CIN: U72200MH1990PLC056987
Registered Office: 1st Floor, Building No. 14, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (E), Mumbai 400 093. Phone: +91 (022) 61091000 Fax: +91 (022) 67421930
Email: utvinvestors@disney.in www.utvgroup.com

PROXY FORM

I/We ____

of ____

being the member of the above named Company, hereby appoint ________________________

or failing him/her ____________________________________

of ____

as my/our proxy to vote for me/us on my/our behalf at the ANNUAL GENERAL MEETING of the Company to be held at 11.00 a.m. on Tuesday the 23rd day of September, 2014 at the Hall of Culture, Discovery of India Building, Nehru Centre, Dr. Annie Besant Road, Worli, Mumbai - 400 018 and at any adjournment thereof.

Membership Folio No. ____________________

DPID No. __________________________

Client ID No. ________________________

No. of Shares held ____________________

Signed this __________day of ______2014

Affix
₹ 1/-
Revenue
Stamp

Important:

a) Revenue Stamp of ₹ 1/- is to affixed on this form.

b) The form should be signed across the stamp as per specimen signature registered with the Company/Depository participant

c) The Companies Act, 1956 lays down that an instrument appointing a proxy shall be deposited not less than that FORTY EIGHT HOURS before the time for holding the meeting at the Registered office of the Company at 1st Floor, Building No. 14, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (E), Mumbai 400 093.

UTV SOFTWARE COMMUNICATIONS LIMITED

CIN: U72200MH1990PLC056987
Registered Office: 1st Floor, Building No. 14, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri (E), Mumbai 400 093. Phone: +91 (022) 61091000 Fax: +91 (022) 67421930
Email: utvinvestors@disney.in www.utvgroup.com

ATTENDANCE SLIP

To be handed over at the entrance of the Meeting Hall.

Name of the attending	Membership Folio No.
	DPID No.
	Client ID No.
	Number of Shares held

I hereby record my presence at the Annual General Meeting of the Company being held at 11.00 a.m. on Tuesday, the 23rd day of September, 2014 at the Hall of Culture, Discovery of India Building, Nehru Center, Dr. Annie Besant Road, Worli, Mumbai - 400 018.

____

Members/Proxy's Signatures
(To be signed at the time of handling over the slip)