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 Website: www.utvgroup.com

POSTAL BALLOT NOTICE

[Pursuant to Section 110 of the Companies Act, 2013 read with the Companies (Management and Administration) Rule, 2014]

Dear Member,

Notice is hereby given that pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") read with Rule 22 of the Companies (Management and Administration) Rules, 2014, the Company seeks approval of Members, through Postal Ballot in respect of the following resolution appended below. The explanatory statement pursuant to Section 102 of the Act and pertaining to the said resolution setting out the material facts and the reasons thereof is annexed hereto along with a Postal Ballot Form.

The Company is also pleased to offer e-voting facility as an alternate for the members which would enable the members to cast their votes electronically, instead of physical postal ballot form. E-voting is optional. Members desiring to opt for e-voting as per facilities arranged by the Company are requested to read the instructions in the notes to the Postal Ballot Notice.

Members desiring to exercise their vote by postal ballot are requested to carefully read and follow the instructions printed in the Postal Ballot Form, record your assent (for) or dissent (against) therein and return the same, duly completed, in original in the attached self-addressed, pre-paid postage envelope (if posted in India) so as to reach the Scrutinizer not later than 5:00 p.m. on Thursday, March 10, 2016 to be eligible for being considered, failing which, it will be considered that no reply has been received from the Member.

Upon completion of the e-voting process and the scrutiny of Postal Ballot Forms, the Scrutinizer will submit his report to the Whole-time Director. The result of the Postal Ballot would be announced by the Whole-time Director or the Company Secretary of the Company on Monday, March 14, 2016 at the Registered Office of the Company. The said results will be displayed at the Registered Office of the Company and on the Company's website viz. www.utvgroup.com along with the Scrutinizer's report.

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

Puneet Juneja
Company Secretary
A.C.S.:- A17151
Registered Office:
1st Floor, Building No. 14
Solitaire Corporate Park,
Guru Hargovindji Marg, Chakala,
Andheri (E), Mumbai -400 093.

January 29, 2016

SPECIAL BUSINESS:

1. To consider and if thought fit, to pass 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 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, 45,14,672 equity shares of Rs.10/- ("Equity Shares") each at a premium of Rs. 433/- per equity shares thereby not exceeding a sum of Rs. 200 Crores on Preferential basis to TWDC (SEA).

RESOLVED FURTHER THAT the equity shares to be issued and allotted shall rank pari passu with the existing equity shares of the Company in all respects;

RESOLVED FURTHER THAT the offer, issue and allotment of the aforesaid equity shares 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, any of the directors of the company namely Mr. Sujit Vaidya, Mr. Nimish Shah, Ms. Parul Tevatia and/ or Mr. Puneet Juneja, Company secretary of the Company be and is hereby severally authorized to do all such acts, deeds, matters and things, as it may in its absolute discretion deem necessary, proper or desirable including receipt of the amount against the issue and allotment of Equity 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 allotment of Equity Shares 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 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"

NOTES:

1. The Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013 setting out material facts concerning the special resolution and the reasons there of is annexed hereto.
2. The Board of Directors on January 29, 2016 have appointed Mr. Sanjay Parab, Proprietor, M/s. Sanjay Parab & Co., Practicing Company Secretaries (Membership No. 6613, Certificate of Practice No. 7093), as Scrutinizer for conducting the Postal Ballot process in a fair and transparent manner.

3. The Notice is being sent to all the members whose names appear in the Register of members/list of beneficial owners maintained by the Depositories i.e. National Securities Depository Limited ("NSDL") and Central Depository Services (India) Limited ("CDSL") as on January 22, 2016. The Notice along with requisite annexure/s, Postal Ballot Form and postage-prepaid self-addressed Business Reply Envelope are being sent in physical form by permitted mode to all members.

4. You are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed with assent (for) or dissent (against), in the attached pre-paid envelope, so as to reach the Scrutinizer on or before March 10, 2016 **(5.00 pm I.S.T)** to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member.

5. In compliance with Sections 108, 110 and other applicable provisions of the Companies Act, 2013, if any, the Company is pleased to offer the option of e-voting facility to all the Shareholders of the Company. For this purpose, the Company has entered into an agreement with M/s. Karvy Computershare Private Limited ("Karvy") for facilitating e-voting to enable the Members to cast their votes electronically instead of by physical mode. E-voting is optional for the shareholders. The members who wish to vote by Postal Ballot Form (instead of e-voting), can download the Postal Ballot Form from the link www.utvgroup.com or from https://evoting.karvy.com or seek duplicate Postal Ballot Form from M/s. Karvy Computershare Private Limited, the Registrar and Transfer Agents of the Company.

6. The Postal Ballot Notice is placed in the 'Investor's Relations' section on the Company's website: www.utvgroup.com and on the e-voting website of Karvy, i.e. https://evoting.karvy.com.

7. Members can opt for only one mode of voting, i.e. either by Physical Ballot or e-voting. If the member is opting for e-voting, then they must not vote by Ballot Form and vice versa. However, in case the Members cast their vote by Ballot Form and e-voting, then the voting done through e-voting shall prevail and voting done through Ballot Form will be treated as invalid.

8. A Member cannot exercise his vote by proxy on Postal Ballot.

9. In case a Member is desirous of obtaining a printed duplicate Postal Ballot Form, he or she may send an e-mail to evoting@karvy.com. The Registrar and Transfer Agent / Company shall forward the same along with postage-prepaid self-addressed Business Reply Envelope to the Member.

10. Members desiring to exercise vote by physical Postal Ballot Form are requested to carefully read the instructions printed in the Postal Ballot Form and return the Form duly completed and signed in the enclosed self-addressed business reply envelope to the Scrutinizer. The postage cost will be borne by the Company. However, envelopes containing Postal Ballot, if sent by courier or registered / speed post at the expense of the Member will also be accepted. Assent / Dissent received after 5.00 p.m. on Thursday, March 10, 2016 would be strictly treated as if reply from the Member(s) has not been received. No other Form or photocopy thereof is permitted.

11. Voting rights shall be reckoned on the paid-up value of the shares registered in the name(s) of the members on the cut-off date, i.e. January 22, 2016.

12. The particulars as required by Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014, including the date of completion of dispatch of notices of the 'Postal Ballot Notice' and 'Explanatory Statement' along with the postal ballot papers shall be published through an advertisement in the following newspapers: (i) Free Press Journal in English, (ii) Navshakti in Marathi in their Mumbai editions.

13. The e-voting period will commence on Wednesday, February 10, 2016 (9.00 a.m. IST) and end on Thursday, March 10, 2016 (5.00 p.m. IST) (both days inclusive). During this period, members of the Company holding shares either in physical form or in dematerialized form may cast their vote electronically. The e-voting module will be disabled for voting on Thursday, March 10, 2016 at 05.00 p.m. IST. Once the vote on a resolution is cast by the member, he / she shall not be allowed to change it subsequently.

14. Resolutions passed by the Members through Postal Ballot are deemed to have been passed as if they have been passed at a General Meeting of the Members.

15. The Scrutinizer will submit his report to the Chairman of the Company after the completion of the scrutiny of the Postal Ballot Forms and the results of the Postal Ballot will be announced at 11.00 a.m. at the Registered Office of the Company situated at 1st Floor, Building No. 14, Solitaire Corporate Park, Guru Hargovindji Marg, Chakala, Andheri East, Mumbai – 400 093 on Monday, March 14, 2016 and the same will be placed on the website of the Company www.utvgroup.com and on Karvy's website https://evoting.karvy.com. In the event, the draft resolution is assented to by the requisite majority of members by means of Postal Ballot, the date of declaration of Postal ballot result shall be deemed to be the date of passing of the said resolution. The result of the Postal Ballot shall also be announced at the next Annual General Meeting of the Company.

16. The Board of Directors has appointed the Company Secretary as the person responsible for the entire postal ballot process.

17. All documents proposed for approval, if any, in the above Notice and documents specifically stated to be open for inspection in the Explanatory Statement are open for inspection at the Registered Office of the Company during working hours on all working days (except Saturdays, Sundays and Holidays) up to the date of announcement of the results of this Postal Ballot.

18. The instructions for members for e-voting are as under:

(a) In case of Shareholders receiving e-mail from Karvy:

i. Launch internet browser by typing the URL: https://evoting.karvy.com.
ii. Enter the login credentials (i.e. User ID and password). In case of physical folio, User ID will be **EVEN number** followed by folio number. In case of Demat account, User ID will be your DP ID and Client ID. However, if you are already registered with Karvy for e-voting, you can use your existing User ID and password for casting your vote.
iii. After entering these details appropriately, click on "LOGIN".
iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.
v. You need to login again with the new credentials.
vi. On successful login, the system will prompt you to select the "EVENT" i.e., UTV Software Communications Limited.
vii. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR / AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR / AGAINST" taken together not exceeding your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the shareholder does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.
viii. Shareholders holding multiple folios / demat accounts shall choose the voting process separately for each folio / demat accounts.
ix. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item it will be treated as abstained.
x. You may then cast your vote by selecting an appropriate option and click on "Submit".
xi. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution, you will not be allowed to modify your vote. During the voting period, Members can login any number of times till they have voted on the Resolution(s).

xii. Corporate / Institutional Members (i.e. other than Individuals, HUF, NRI etc.,) are also required to send scanned certified true copy (PDF Format) of the Board Resolution / Authority Letter etc., together with attested specimen signature(s) of the duly authorised representative(s), to the Scrutinizer at email: sanjay.parabcs@gmail.com with a copy marked to evoting@karvy.com. The scanned image of the above mentioned documents should be in the naming format "UTV Software Communications Limited".

(b) (I) In case of Members receiving physical copy of Notice [for members whose email IDs are not registered with the Company / Depository Participants (s)]

i. E-Voting **Event Number** (EVEN), User ID and Password is provided in the Ballot Form.
ii. Please follow all steps from Sl. No. (i) to (xii) above to cast your vote by electronic means.

(c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting User Manual for Shareholders available at the download section of https://evoting.karvy.com or contact Mr. Varghese P. A. of Karvy Computershare Private Limited at 040-44655000 or at 1800-3454-001 (toll free).

(d) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

19. In case of any query or grievance pertaining to e-voting, please visit the website https://evoting.karvy.com or contact Karvy Computershare Pvt. Ltd. on 1800 345 4001 (toll free) or contact:

Mr. Rajendra Prasad V
Manager – Corporate Registry
Karvy Computershare Pvt. Ltd.
Karvy Selenium Tower B, Plot No. 31 & 32 Gachibowli,
Financial District, Nanakramguda, Serilingampally,
Hyderabad – 500 032
Email: rajendra.v@karvy.com
Phone: +91 040 6716 1510 / 1512

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

Puneet Juneja
Company Secretary
A.C.S.:- A17151
Registered Office:
1st Floor, Building No. 14
Solitaire Corporate Park,
Guru Hargovindji Marg, Chakala,
Andheri (E), Mumbai 400 093.

January 29, 2016

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

ITEM No. 01

The Walt Disney Company (Southeast Asia) Pte. Limited ("TWDC (SEA)") is the promoter of the Company and is its single largest shareholder. As on 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 equity share capital of the Company.

Members are informed that the Company proposes to issue and allot 45,14,672 number of equity shares of Rs.10/- ("Equity Shares") each at a premium of Rs. 433 /- per equity shares 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 equity shares to be issued and allotted shall rank pari passu with the existing equity shares of the Company in all respects. The new Equity Shares shall be allotted in accordance with pricing guidelines of the Reserve Bank of India.

Members are also informed that allotment of shares to TWDC (SEA) shall be made only after the approval is received from the shareholders.

Pursuant to Section 110 of the Act read with the Rules, the consent of the shareholders for the above purpose is proposed to be obtained by means of a postal ballot.

Your Directors recommend the resolution at item no.1 for your approval. Your approval is sought by voting in postal ballot in terms of the provisions of the section 110 of the Companies Act, 2013 read with Rule 22 of the Companies (Management and Administration) Rules, 2014.The postal Ballot form and self-addressed envelope bearing the name of scrutinizer are attached.

None of the Directors, Key Managerial Personnel of the Company and their relatives except to the extent of their shareholding are, in any way, concerned or interested in the said resolution as set out in Resolution No. 1 above.

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

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

45,14,672 number of equity shares of Rs.10/- ("Equity Shares") each at a premium of Rs. 433/- per equity shares are proposed to be issued to TWDC (SEA) and post preferential offer, TWDC (SEA) will hold 99.72 % of the total equity 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 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.

(d) The manner of issue of shares;

Equity Shares will be issued on preferential basis to TWDC (SEA)

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

Issue of Equity Shares of Rs.10/- each at a premium of Rs.433 /- per equity on preferential basis to TWDC (SEA).

(f) <u>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;</u>

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.

(g) <u>Relevant date with reference to which the price has been arrived at</u>

The relevant date for the purpose of determination of price of proposed allotment of the equity shares is January 29, 2016, which is the day the Board approved the issue of shares to TWDC SEA and is based on the valuation report dated January 27, 2016 of M/s. Deloitte Haskins & Sells, Chartered Accountants.

(h) <u>The terms of issue including terms and rate of dividend on each share etc.;</u>

That the equity shares to be issued and allotted shall rank paripassu with the existing equity shares of the Company in all respects.

(i) <u>The class or classes of persons to whom the allotment is proposed to be made;</u>

The allotment of equity shares referred to in resolution No. 1 above is proposed to be issued and allotted exclusively to to The Walt Disney Company (Southeast Asia) Pte. Ltd., a parent company of the Company incorporated under the laws of Singapore and having its registered office at One Marina Boulevard # 28-00, Singapore 018989.

(j) <u>Intention of promoters, directors or key managerial personnel to subscribe to the offer;</u>

TWDC (SEA), the existing promoter and shareholder of the Company shall subscribe to the entire issue of equity shares as stated in resolution No. 1 above.

(k) <u>The proposed time within which the allotment shall be completed;</u>

The allotment of equity shares 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.

(l) <u>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;</u>

During the year ended March 31, 2015, the allotment on preferential basis has been made to TWDC (SEA) only whereby 16,66,000 Non-Cumulative Compulsorily Convertible Preference Shares ("CCPS") of a face value of Rs. 1500/- each has been allotted.

(m) <u>The justification for the allotment proposed to be made for consideration other than cash together with valuation report of the registered valuer.</u>

N. A.

(n) <u>The current shareholding pattern of the company; / the pre issue and post issue shareholding pattern of the company in the following format-</u>

Sr. No.	Category	Pre Issue		Post Issue (before conversion of existing issued CCPS)		Post Issue (after conversion of existing issued CCPS into equity shares)*	
		No. of Shares held	**% of share holding**	**No. of Shares held**	**% of share holding**	**No. of Shares held**	**% of share holding**
A	**Promoters' holding :**						
1	**Indian :**						
	Individual	-	-	-	-	-	-
	Bodies Corporate	-	-	-	-	-	-
	Sub Total	-	-	-	-	-	-
2	**Foreign Promoters**	**51506659**	**99.70**	**56021331**	**99.72**	**61080035**	**99.74**
	Sub Total (A)	**51506659**	**99.70**	**56021331**	**99.72**	**61080035**	**99.74**
B	**Non-Promoters' holding :**						
1	Institutional Investors	-	-	-	-	-	-
2	**Non-Institution :**						
	Private Corporate Bodies	**3924**	**0.01**	**3924**	**0.01**	**3924**	**0.01**
	Directors and Relatives	**1**	**0.00**	**1**	**0.00**	**1**	**0.00**
	Indian Public	**144004**	**0.27**	**144004**	**0.25**	**144004**	**0.24**
	HUF	**3805**	**0.01**	**3805**	**0.01**	**3805**	**0.00**
	Others (Including NRIs)	**5266**	**0.01**	**5266**	**0.01**	**5266**	**0.01**
	Sub Total(B)	**157000**	**0.30**	**157000**	**0.28**	**157000**	**0.26**
	GRAND TOTAL	**51663659**	**100**	**56178331**	**100**	**79166467**	**100**

* The Post Issue shareholding is arrived after considering the conversion of exiting 16,66,000 CCPS on the basis of 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.

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

Puneet Juneja
Company Secretary
A.C.S.:- A17151
Registered Office:
1st Floor, Building No. 14
Solitaire Corporate Park,
Guru Hargovindji Marg, Chakala,
Andheri (E), Mumbai 400 093.

January 29, 2016

Annexure – A
STRICTLY PRIVATE AND CONFIDENTIAL

Ref: DHS/G-200/189 27th January 2016

To Board of Directors
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 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 equity shares to TWDC on a preferential basis ("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.

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, on a going concern basis, as at 30thSeptember 2015, being the valuation date, to determine 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 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. Standalone profit and loss accounts and balance sheets of the Company for the year ended 31stMarch 2015 and six months ended 30thSeptember 2015.
2. Consolidated profit and loss accounts and balance sheets of the Studio business (defined herein after) for two year ended 31stMarch 2015 and six months ended 30thSeptember 2015.
3. Consolidated profit and loss accounts and balance sheets of Media Networks business (defined herein after) for two years ended 31stMarch 2015 and six months ended 30thSeptember 2015.
4. Profit and loss accounts and balance sheets of Interactive business carried on by IG (defined herein after) for two year ended 31stMarch 2015 and six months ended 30thSeptember 2015.
5. Projected cash flows for Studio business, Media Networks business and the Interactive business for the next 9 years starting 1stOctober 2015 and ending 30thSeptember 2024 as approved by the management of the Company.
6. Other relevant details such as shareholding pattern, present activities, future plans and prospects, surplus assets, discontinued operations, 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 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. In accordance with the terms of our engagement, we have assumed and relied upon, without independently verifying the accuracy of the information that was publicly available and formed a basis for this report. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information.

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 differfrom 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 carries on the following businesses (“Businesses”) -

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

The Company holds about 89.61 % equity stake in DEIL and about 56% equity stake in IG. All other subsidiaries are wholly owned subsidiaries.

As at 30th September 2015, the Company had a paid up equity share capital of INR 516.64 million consisting of 51,663,659 equity shares of INR 10/-each fully paid up and paid up preference share capital of INR 2,499 million consisting of 1,666,000 9% compulsory convertible preference shares of INR 1,500 each, fully paid-up. Based on discussions with the management of the Company and having regard to the terms of the compulsorily convertible preference shares, we have carried out the current valuation analysis based on the fully diluted number of equity shares of UTV which works out to 56,722,363 equity shares assuming that the aforesaid compulsorily convertible preference shares are converted into 5,058,704 equity shares of UTV 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.

APPROACH

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 (carried on by DEIL and its 100% subsidiaries) and the Interactive business (carried on by the Company and IG) (taking into account the % stake held by the Company in the 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 offoperating 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 between unrelated parties, in respect of which complete details of the deal structure, profitability, etc are available in public domain, and hence the CTM Method, in the present case, could not be applied.

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 operating in businesses similar to the Businesses of the Company.

Accordingly, we have considered the CCM methodology to arrive at the value of the Businesses of the Company. An appropriate operating enterprise value to Earnings Before Interest, Taxes, Depreciation and Amortization ("EBITDA") multiple has been applied to the maintainable operating EBITDA of each of the Businesses. The operating enterprise value of the Studio business and the Interactive Business carried on by the Company so arrived at has been adjusted for debt, surplus assets, cash and bank balances, value of investments in the subsidiaries carrying on Media Networks and Interactive businesses as at 30thSeptember 2015 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, on a fully diluted basis, works out to INR 22,427 million and the value per equity share of the Company of INR 10/-each fully paid up works out to INR 395/-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 Businesses as furnished to us by the management of the Company. We have considered the projections for the next 9 years starting 1stOctober 2015 and ending 30th September 2024 as provided to us by the management of the Company, as projections for the explicit forecast period. Terminal value of cash flows beyond 30thSeptember 2024 (post the explicit forecast period) is based on the perpetuity formula on the maintainable free cash flows.

The operating enterprise value of the Studio business and the Interactive Business carried on by the Company 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 30th September 2015 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, on a fully diluted basis, works out to INR 26,447 million and the value per equity share of the Company of INR 10/-each fully paid up works out to INR 466/-under the DCF methodology.

CONCLUSION
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.

	INR Million	**INR**	
Methods	**Equity Value**	**Value Per Equity Share**	**Weightages**
CCM	22,427	395	33%
DCF	26,447	466	67%
Weighted Equity Value	**25,107**	**443**	

Accordingly, in the present case, the value of 100% of the equity share capital of the Company works out to INR 25,107 million and the value per equity share of the Company of INR 10/-each fully paid up works out to INR 443/-.

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, on a fully diluted basis, as at 30th September 2015 works out to INR 443/- (Indian Rupees Four Hundred and Forty Three only).
We trust the above meets with your requirements.

Thanking you,

Yours faithfully,

For Deloitte Haskins & Sells
Chartered Accountants
(Registration No. 11736510)

Joe pretto
Partner
(Membership No. 077491)
Date:27th January 2016