

FILMCITY MEDIA LIMITED

Registered Office: Filmcity House 307, Raut Lane,
Near Iskcon Temple, Juhu, Mumbai, Maharashtra – 400 049

Court Convened Meeting of Equity Shareholders of Filmcity Media Limited

Day : Thursday

Date : 12th February, 2009

Time : 12.00 noon

Place : Madonna's Galleria, 19, Oshiwara, Link Plaza, Ground
Floor, Near Oshiwara Police Station, Mumbai – 400 053

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IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY APPLICATION NO. 20 OF 2009

In the matter of the Companies Act , 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Scheme of Amalgamation of FILMCITY COMMUNICATION
TECHNOLOGIES LIMITED with FILMCITY MEDIA LIMITED

FILMCITY MEDIA LIMITED, a Company Incorporated under)
the Companies Act, 1956 having its Registered Office at)
Filmcity House 307, Raut Lane, Near Iskcon Temple,)
Juhu, Mumbai, Maharashtra – 400 049) ...Applicant Company

NOTICE CONVENING MEETING OF THE EQUITY SHAREHOLDERS

To,

The Equity Shareholders of **FILMCITY MEDIA LIMITED (“Applicant Company”)**

Take Notice that by an Order made on the 9th day of January, 2009 the Hon'ble High Court of Judicature at Bombay has directed that a meeting of the Equity Shareholders of Filmcity Media Limited, the Applicant Company, be convened and held at Madonna's Galleria, 19 Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai 400053 on Thursday, the 12th day of February, 2009 at 12.00 noon to transact the following special business:

1. To consider and if thought fit, to pass with or without modification(s) the following resolution under Section 391 to 394 of the Companies Act, 1956, for approval of arrangement embodied in the SCHEME OF AMALGAMATION proposed to be made between Filmcity Communication Technologies Limited, the Transferor Company and Filmcity Media Limited, the Transferee Company

"RESOLVED THAT pursuant to the provisions of Sections 391 to 394 and other applicable provisions of the Companies Act, 1956 ("Act") and subject to approval of the Hon'ble Bombay High Court, the SCHEME OF AMALGAMATION made between Filmcity Communication Technologies Limited, the Transferor Company and Filmcity Media Limited, the Transferee Company, as circulated along with the notice of the meeting, a copy of which is placed before the meeting and for the purpose of identification signed by the Chairperson thereof, be and is hereby approved and agreed to.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall deem to include any committee or any person(s) which the Board may nominate or constitute to exercise its powers, including the powers conferred under this Resolution), be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any questions or difficulties that may arise with regard to the implementation of the above reduction, including passing of such accounting entries and/or making such adjustments in the books of account as considered necessary to give effect to the above Resolution or to carry out such modifications/directions as may be ordered by the Hon'ble High Court of Judicature at Bombay to implement the aforesaid Resolution."

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

"RESOLVED THAT pursuant to the Scheme of Amalgamation ("Scheme") between Filmcity Communication Technologies Limited with the Applicant Company and Section 100 to 103 of the Companies Act, 1956 ("Act"), and Article 8 of the Articles of Association of the Applicant Company and other applicable provisions, if any, of the Act, and subject to the sanction of the Scheme by the Hon'ble High Court of Judicature at Bombay and subject to such requisite and other approvals, consents, permission and/or sanction of any appropriate authority, body or institution (hereinafter collectively referred to as "the concerned authority") and subject to such conditions or guidelines, if any, as may be prescribed, stipulated in this regard by the concerned authority or any of them, from time to time, while granting such approvals, consents, permissions and or sanctions, the issued, subscribed and paid up equity share capital of the Applicant Company held by the Filmcity Communication Technologies Limited as on the Effective Date as defined in the Scheme, shall stand cancelled.

RESOLVED FURTHER THAT for the purpose of giving effect to the above resolution and for removal of any difficulties or doubts, the Board of Directors of the Company (hereinafter referred to as "the Board", which term shall deem to include any committee or any person(s) which the Board may nominate or constitute to exercise its powers, including the powers conferred under this Resolution), be and is hereby authorised to do all such acts, deeds, matters and things as it may, in its absolute discretion, deem necessary, expedient, usual or proper and to settle any questions or difficulties that may arise with regard to the implementation of the above reduction, including passing of such accounting entries and/or making such adjustments in the books of account as considered necessary to give effect to the above Resolution or to carry out such modifications/directions as may be ordered by the Hon'ble High Court of Judicature at Bombay to implement the aforesaid Resolution."

In pursuance of said order and as directed therein, further notice is hereby given that a meeting of Equity Shareholders of the Applicant Company will be held at Madonna's Galleria, 19, Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai 400053 on Thursday, the 12th day of February, 2009 at 12.00 noon at which time and place the said members are requested to attend.

Take further notice that you may attend and vote at the said meeting in person or by proxy, provided that a proxy in the prescribed form duly signed is deposited at the Registered Office of the Company at Filmcity House, 307, Raut Lane, Opp. ISKCON, Juhu, Mumbai 400 049 , not later than 48 hours before the meeting.

The Hon'ble High Court has appointed Mr. Surendra Gupta Chairman and Managing Director of the Applicant Company as the Chairman of the said meeting.

A copy of the said Scheme of Amalgamation and Explanatory Statement under section 393 of the Companies Act, 1956 and the form of proxy are enclosed.

Place: Mumbai
Date: 12th January, 2009

Sd/-
Surendra Gupta
(Chairman Appointed for the Meeting)

(Note : All alterations made in the Form of Proxy should be initialed)

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY APPLICATION NO. 20 OF 2009

In the matter of the Companies Act , 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 (1 of 1956);

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In the matter of Scheme of Amalgamation of FILMCITY COMMUNICATION TECHNOLOGIES LIMITED with FILMCITY MEDIA LIMITED

FILMCITY MEDIA LIMITED, a Company Incorporated under)
the Companies Act, 1956 having its Registered Office at)
Filmcity House 307, Raut Lane, Near Iskcon Temple,)
Juhu, Mumbai, Maharashtra – 400 049) ...Applicant Company

EXPLANATORY STATEMENT UNDER SECTION 393 and 173 OF THE COMPANIES ACT, 1956.

Pursuant to the Order dated 9th January, 2009 passed by the High Court of Judicature at Mumbai in the Company Application referred to herein above, a meeting of the Equity Shareholders of Filmcity Media Limited, the Applicant Company (hereinafter referred to as “the Transferee Company”), is being convened on Thursday 12th February, 2009 at 12.00 noon for the purpose of considering and, if thought fit, approving, with or without modification, the proposed Scheme of Amalgamation (hereinafter referred to as “the Scheme”) of Filmcity Communication Technologies Limited (hereinafter referred to as “the Transferor Company”) with Filmcity Media Limited, the Applicant Company (hereinafter referred to as “the Transferee Company”) including reduction of paid up share capital of Filmcity Media Limited to the extent of 5000000 equity shares held by Filmcity Communication Technologies Limited (Transferor Company) as provided in the Scheme, which is annexed to the Notice. A Certified Copy of the said Order will be available for inspection at the Administrative Office of the Company at A-9, Shree Siddhivinayak Plaza, 3rd Floor, Plot No. B-31, Off Link Road, Oshiwara, Andheri (West), Mumbai-400053 during office hours on any working day (except Saturday) of the Company from 11.00 a.m. to 2.00 p.m.

1. In this Statement, Filmcity Communication Technologies Limited is hereinafter referred to as “the Transferor Company” and Filmcity Media Limited is hereinafter referred to as “the Transferee Company.” Expressions used in this Explanatory Statement, if defined in the Scheme, shall have the same meaning as those defined in the Scheme. In the event, under the provisions of Sections 391 to 394 of the Companies Act, 1956 applications and petitions for amalgamation are required to be filed before the High Court.
2. The Boards of Directors of Filmcity Media Limited and Filmcity Communication Technologies Limited have approved the Scheme of Amalgamation at their respective meetings, both held on APRIL 10TH, 2008 and the Directors of the Applicant Company recommend the same for the approval of the Equity Shareholders of the Applicant Company.
3. a) Filmcity Communication Technologies Limited was incorporated on 3rd August ,1987 under the provisions of the Companies Act, 1956.
b) The Registered Office of Filmcity Communication Technologies Limited is situated at A-9, Shree Siddhivinayak Plaza, 3rd Floor, Plot No. B-31, Off Link Road, Oshiwara, Andheri (West), Mumbai, Maharashtra – 400 053. INDIA.
c) The Authorised Share Capital of Filmcity Communication Technologies Limited is Rs. 8, 00, 00,000 (Rupees Eight Crore only) divided into 8, 00, 00,000 Equity Shares of Re.1/- each. The issued, subscribed and paid-up share capital is Rs. 8, 00, 00,000 (Rupees Eight Crore only) divided into 8, 00, 00,000 Equity shares of Re. 1/-each fully paid up.
d) The objects of the Transferor Company are set out in the Memorandum of Association. They are briefly as under:

Main objects of the Company to be pursued by the Company on its Incorporation:

To carry on the business of Communication Technologies of printer, publisher, Distributor, editor, creator of Magazines in different languages as proprietor or in partnership with firm, Companies and also to carry on the business of advertising and media agency in India and abroad and to acquire the necessary interest, rights, licenses quotas, benefits, permission, patent rights, secrets for these business and also to carry on business of Media, Communication and entertainment and to Produce or exhibits in India or abroad through satellite or by way of any other mode of communication or through buy, sell, run, import, export, and to act as brokers, agents, distributors, proprietors of all kinds of cinematography motion pictures, Television Software, Print Media, advertisement, product promotion, telefilms, Documentary films, advertisement films, video films, publicity, Marketing Facilities and other activities relating to multiple entertainment television serials, cine films, slides and other entertainment software in all languages prevailing in India and abroad.

4. a) Filmcity Media Limited was Incorporated on the 22nd April, 1994 under the provisions of the Companies Act, 1956.
- b) The Registered Office of Filmcity Media Limited is situated at Filmcity House 307, Raut Lane, near Iskcon Temple, Juhu, Mumbai, Maharashtra-400049. INDIA.
- c) The Authorised Share Capital of the Transferee Company is Rs. 30,00,00,000/- (Rupees Thirty Crore only) divided into 30,00,00,000 Equity Shares of Re.1/- each. The issued, subscribed and paid-up share capital of the Transferee Company is Rs. 7,24,17,909/- (Rupees Seven Crore Twenty Four Lac Seventeen Thousand Nine Hundred and Nine only) divided into 7,24,17,909 Equity Shares of Re. 1/- each fully paid up.
- d) The objects of the Transferee Company are set out in the Memorandum of Association. They are briefly as under:

The main objects to be pursued by the Company on its Incorporation:

- i) To carry on the business of Printer, Publisher, Distributors, Editors, Creator of Magazines, Newspapers, Periodicals, Books, Bulletins, Literatures in different languages.
 - ii) To carry on business of Communication Technologies of Printer, Publisher, Distributor, Editor, Creator of Magazines in different languages as proprietor or in partnership with firm, Companies and also to carry on the business of advertising and media agency in India and abroad and to acquire the necessary interest, rights, licenses quotas, benefits, permission, patent rights, secrets for these business and also to carry on business of Media, Communication and Entertainment and to Produce or Exhibit in India or abroad through satellite or by way of any other mode of communication or through buy, sell, run, import, export, and to act as brokers, agents, distributors, proprietors of all kinds of cinematography Motion Pictures, Television Software, Print Media, Advertisement, Product Promotion, Telefilms, Documentary films, Advertisement films, Video films, Publicity, Marketing Facilities and other activities relating to multiple entertainment television serials, cine films, slides and other entertainment software in all languages prevailing in India and abroad.
5. The amalgamation of Filmcity Communication Technologies Limited with Filmcity Media Limited will be effected by the Scheme of Amalgamation under Sections 391 and 394 of the Companies Act, 1956 (hereinafter referred to as "the said Act").
 6. Fairness Report on the valuation done by the valuers, as directed by Bombay Stock Exchange, the Designated Stock Exchange under the Clause 24 of the Listing Agreement, has been obtained from the Independent Merchant Banker, M/s. Vivro Financial Services Private Limited, dated 5th December 2008.

BACKGROUND TO THE AMALGAMATION/ RATIONALE FOR THE AMALGAMATION

7. The Amalgamated Companies will have the benefit of the combined reserves, common business and other assets, and cash flows of the two companies. The combined resources of the amalgamated Company will be conducive to enhance its capabilities to face competition in the market place more effectively.
8. If the two Companies are merged there will be greater cost benefits and economies, which will accrue in the amalgamated company. The arrangement under the Scheme will be conducive to the economical control and conduct of the Companies.
9. The Board of Directors of Filmcity Media Limited and Filmcity Communication Technologies Limited believe the following factors among others prompted them to approve the amalgamation of the two companies :
 - a. The Integration of the facilities of Filmcity Media Limited and Filmcity Communication Technologies Limited will contribute to enhance the competitiveness for the amalgamated entity, thereby increasing its ability to compete with its peer group in the market.
 - b. The combination of upstream and downstream operations of Filmcity Media Limited and Filmcity Communication Technologies Limited will create a unique level of integration for the amalgamated entity, spanning the entire value chain in the media business. This will enable the amalgamated entity to achieve substantial savings in costs, significantly enhancing its earnings potential. The estimated cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, productivity improvements, improved procurement, and the elimination of duplication.

- c. The amalgamation is expected to be beneficial to the shareholders of both, Filmcity Media Limited and Filmcity Communication Technologies Limited. The amalgamation will enhance value for shareholders of both companies through the amalgamated entity's access to greater market resources. The amalgamation will enhance value for shareholders of Filmcity Communication Technologies Limited through the resulting large asset base and scale of operations.
- d. An integrated and synergistic approach will be essential to function more effectively in an increasingly competitive environment. Therefore, the Board of Directors of Filmcity Media Limited and Filmcity Communication Technologies Limited believed that amalgamation of the two companies was desirable.

The Salient Features of the Scheme of Amalgamation ("the Scheme") of the Transferor Company with the Transferee Company are as follows:

1. The "Appointed Date" for the Scheme shall be 31st July, 2008

"Effective date", or becoming into effect of the Scheme" or "effectiveness of the Scheme", means the last of the dates on which all the orders, approvals, consents, conditions, matters or filings referred in the Scheme.

2. Dissolution of Filmcity Communication Technologies Limited without winding up.
3. The Transferor Company is not a subsidiary of the Transferee Company in any manner whatsoever as provided in section 4 of the Companies Act, 1956.
4. Mr. Surendra Gupta and Mrs. Renu Gupta the Directors of the Transferor Company and Mr. Surendra Gupta and Ms. Ruchika Gupta the Director of the Transferee Company may be deemed to be concerned and/or interested in the Scheme to the extent of their shareholding in the Companies, or to the extent the said Directors are common Directors in both the Companies.

Name of Directors	No. of Shares in Filmcity Communication Technologies Ltd.	No. of Shares in Filmcity Media Ltd.
Mr. Surendra Gupta	1,33,21,470	12,73,602
Mrs. Renu Gupta	4,01,000	12,03,723
Ms. Ruchika Gupta	1,000	_____

5. **Shareholding Pattern** of the Transferor Company (Filmcity Communication Technologies Ltd.) as on 30th September, 2008 is as follows:-

Sr. No.	Category	No. of shares held	%
1.	Promoters	7,98,97,000	99.87
2.	Public Shareholding – Institutions	0	0
3.	Public Shareholding – Non Institutions	1,03,000	0.13
	TOTAL	8,00,00,000	100

6. The Pre and Post Amalgamation **Shareholding Pattern** of Applicant Company (Filmcity Media Ltd.) as on 30th September, 2008 is as follows :-

Sr. No.	Category	Pre Amalgamation		Post Amalgamation	
		No. of shares held	%	No. of shares held	%
1.	Promoters	75,37,325	10.41	20,22,79,825	75.64
2.	Public Shareholding – Institutions	0		0	0
3.	Public Shareholding – Non Institutions	6,48,80,584	89.59	6,51,38,084	24.36
	TOTAL	7,24,17,909	100	26,74,17,909	100

7. The Pre Amalgamation **Capital Structure** of Applicant Company (Filmcity Media Ltd.) as on 30th September 2008 is as follows:

Particular	Amount (Rs.)
Authorised Capital	
30,00,00,000 Equity Shares of Re.1/- each	30,00,00,000
Issued, Subscribed and Paid-up Capital	
7,24,17,909 Equity Shares of Re.1/- each	7,24,17,909

8. The Post Amalgamation **Capital Structure** of Applicant Company (Filmcity Media Ltd.) is as follows:

Particular	Amount (Rs.)
Authorised Capital	
30,00,00,000 Equity Shares of Re.1/- each	30,00,00,000
Issued, Subscribed and Paid-up Capital	
26,74,17,909 Equity Shares of Re.1/- each	26,74,17,909

9. No investigation proceedings have been instituted or are pending under Sections 235 and 250A of the Companies Act, 1956, against the Applicant Company.
10. Inspection of the following documents may be done at the Administrative Office of the Applicant Company on any working day (except Saturday) prior to the date of the meeting, during office hours.
- The Order dated 9th January, 2009, of the High Court of Bombay at Bombay passed in Company Application No. 20 of 2009 directing the convening of the meeting of the equity shareholders of the Applicant Company.
 - The Scheme of Amalgamation.
 - The Memorandum and Articles of Association of the Transferor Company and the Transferee Company.
 - The Annual Report of the Transferor Company and the Transferee Company for the year ended 2007-08.
 - The Valuation Report of Messrs. Filmcity Media Limited and Filmcity Communication Technologies Ltd. on the Fair Share Exchange Ratio.
 - NOC Certificate from Bombay Stock Exchange dated 6th October 2008.
 - Fairness Report from the Independent Merchant Banker.
 - This statement may be treated as the statement under Section 173 and also Section 393 of the Companies Act, 1956. A copy of the Scheme and this statement may be obtained from the Registered Office of the Applicant Company.

Dated this 12th January, 2009

Registered Office:

Filmcity House 307, Raut Lane, near Iskcon Temple,
Juhu, Mumbai, Maharashtra – 400 049

Sd/-
Surendra Gupta
Chairman appointed for the meeting.

SCHEME OF AMALGAMATION
OF
FILMCITY COMMUNICATION TECHNOLOGIES LIMITED
WITH
FILMCITY MEDIA LIMITED

1. DEFINITIONS

In this Scheme, unless inconsistent with the subject or context, the following expressions shall have the following meanings:

- 1.1 FILMCITY COMMUNICATION TECHNOLOGIES LIMITED, (hereinafter referred to as “The Transferor Company” or “FCTL”) means a Company incorporated on 3rd August, 1987 under the Company Act, 1956, whose Registered Office is at A-9, Shree Siddivinayak Plaza, 3rd Floor Plot No. B-31, Off Link Road, Oshiwara Andheri (West), Mumbai -400053, Maharashtra INDIA
- 1.2 FILMCITY MEDIA LIMITED, (hereinafter referred to as “The Transferee Company” or “FML”) a Company incorporated on 22nd April, 1994 under the Company Act, 1956 whose Registered Office is situated at Filmcity House 307, Raut Lane, near Iskon Temple, Juhu, Mumbai -400049, Maharashtra INDIA
- 1.3 “The said Act” means the Company Act, 1956 or any statutory modification or re – enactment thereof for the time being in force.
- 1.4 “The Appointed Date” means 31st July 2008 or such other date as the High Court at Bombay may direct.
- 1.5 “The Effective Date” means the dates on which certified copies of the Order(s) of the High Court at Bombay vesting the assets, property, liabilities, rights, duties, obligations and the like of the Transferor Company in the Transferee Company are filed with the Registrar of Company, Maharashtra after obtaining the consents, approvals, permissions, resolutions, agreements, sanction and orders necessary therefore.
- 1.6 “High Court” shall, for the purpose of this Scheme, mean the High Court of Judicature at Bombay and the expression shall include, all the powers of the High Court under the Chapter V of the Act being vested on the National Company Law Tribunal constituted under section 10 FB of the Act, the National Company Law Tribunal and the provisions of the Act as applicable to the Scheme shall be construed accordingly.
- 1.7 “Undertaking” shall mean and include:
- a. All the assets and properties and the entire business of the Transferor Company as on the Appointed Date, (hereinafter referred to as “the said assets”)
 - b. All the debts, liabilities, contingent liabilities, duties, obligations and guarantees of the Transferor Company as on the Appointed Date (hereinafter referred to as “the said liabilities”)
 - c. Without prejudice to the generality of sub-clause (a) above, the undertaking of the Transferor Company shall include all the Transferor Company reserves, all the movable and the immovable properties, all other assets including investments in shares, debentures, bonds and other securities, claims, loans and advances, deposits, ownership rights, lease-hold rights, tenancy rights, hire purchase contracts, leased assets, lending contracts, revisions, powers, permits, authorities, licenses, consents, approvals, municipal permissions, industrial and other licenses, permits, authorizations, quota rights, registrations, import export licenses, bids, tenders, letter of intent, connections for water, electricity and drainage, sanctions, consents, product registrations, quota rights, allotments, approvals, freehold land, buildings, factory building, plant & machinery, electrical installations and equipments, furniture and fittings, laboratory equipments, office equipment, effluent treatment plant, vehicle, tube well, capital expenditure on scientific research, software package, vehicles and contracts, engagements, titles, interest, benefits, allocations exemptions, concessions, remissions, subsidies, tax deferrals, easement, tenancy rights, authorizations, trademarks, patents and other industrial and intellectual properties, import quotas, telephones, telex, facsimile and other communication facilities and equipments, investment, rights and benefits of all agreements and all other interests, rights and power of every kind, nature and description whatsoever, privileges, liberties, easements, advantages, benefits and approvals

and all necessary records, files papers, process information, data catalogues and all books of accounts, document and records relating thereof.

- 1.8 "The Scheme" means this Scheme of Amalgamation in its present form or with any modification(s) approved or imposed or directed by the High Court at Bombay.

2. SHARE CAPITAL

- 2.1 The Authorised Share Capital of the Transferor Company is Rs. 8,00,00,000 comprising of 8,00,00,000 Equity Shares of Re. 1/- each. The Issued, Subscribed and Paid up Equity Share Capital is Rs. 8,00,00,000 comprising of 8,00,00,000 Equity Shares of Re.1/- each fully paid up.
- 2.2 The Authorised Share Capital of the Transferee Company is Rs. 30,00,00,000/- comprising of 30,00,00,000 Equity Shares of Re. 1/- each. The Issued, Subscribed and Paid up Equity Share Capital is Rs. 7,24,17,909/- comprising of 7,24,17,909 Equity Shares of Re. 1/- each fully paid up.

3. TRANSFER OF UNDERTAKING

- 3.1 With effect from 31st July 2008 ("the Appointed Date") and subject to the provisions to this entire Scheme, the entire undertaking of the Transferor Company including the assets and liabilities as on the appointed date shall pursuant to Section 394(2) of the Act, without any further act, instrument or deed, be and shall stand transferred to and vested in and/or be deemed to have been and stood transferred to and vested in the Transferee Company as a going concern so as to become as and from the Appointed Date, the estate, assets, rights, title and interests and authorities of the Transferee Company, subject, however, to all charges, liens, mortgages, if any then affecting the same or any part thereof.

Provided always that except as provided herein, the Scheme shall not operate to enlarge the security for any loan, deposit or facility created by or available to the Transferor Company and which shall vest in the Transferee Company by virtues of the amalgamation and the Transferee Company shall not be obliged to create any further or additional security after the amalgamation has become effective or otherwise unless specifically provided hereinafter.

- 3.2 The entire business of the Transferor Company as going concern and all the properties whether movable or immovable, real or personal, corporeal or incorporeal, present or contingent including but without being limited to all assets, fixed assets, capital work-in-progress, current assets and debtors, investments, rights, claims and powers, authorities, allotments, approvals and consents, reserves, provisions, permits, ownerships rights, lease, tenancy right, incentives, claims, rehabilitation Schemes, funds, quota rights, import quotas, licenses, registrations, contracts, engagements, arrangements, brand, logos, patents, trade names, trade marks, copy rights, all other intellectual property rights, other intangibles of the Transferor Company whether registered or unregistered or any variation thereof as a part of its name or in a style of business otherwise other industrial rights and licenses in respect thereof, lease, tenancy rights, flats, telephones, telexes, facsimile connections, e-mail connections, internet connections, installations and utilities, benefits of agreements and arrangements, power, authorities, permits, allotments, approvals, permissions, sanctions, consents, privileges, liberties, easements, other assets, special status and other benefits that have accrued or which may accrue to the Transferor Company on and from the Appointed Date and prior to the Effective Date in connection with or in relation to the operation of the undertaking and all the rights, titles, interests, benefits and advantages of whatsoever nature and wheresoever situated belonging to or in the possession of or granted in favour of or enjoyed by the Transferor Company as on the Appointed Date and prior to the Effective Date shall, pursuant to the provision of Section 394(2) of the Act, without any further act, instrument or deed, be and stand transferred to and vested in or deemed to be transferred to and vested in the Transferee Company

- a. With effect from the Appointed Date, all the equity shares, debentures, bonds, notes or other securities held by the Transferor Company, whether convertible into equity or not and whether Quoted or not shall, without any further act or deed, be and stand transferred to the Transferee Company as also all the movable assets including cash in hand, if any, of the Transferor Company shall be capable of passing by manual delivery or by endorsement and delivery as the case may be to the

Transferee Company to the end and intent that the property therein passes to the Transferee Company on such delivery or endorsement and delivery.

- b. In respect of movable properties of the Transferor Company other than specified in clause 3(2) (a) above, including sundry debtors, outstanding loans and advances, if any recoverable in cash or in kind or for value to be received, bank balances and deposits, if any, with government, semi government, local and other authorities and bodies the Transferee Company may, at any time after the coming into effect of this Scheme in accordance with the provisions hereof, if so required, under any law or otherwise, give notice in such form as it may deem fit and proper to each person debtor or depositor, as the case may be that pursuant to the High Court having sanctioned the Scheme, the said debt, loan, advance or deposit be paid or made good or held on account of the Transferee Company as the person entitled thereto to the end intent that the right of the Transferor Company to recover or realize all such debts (including the debts payable by such person or depositor to the Transferor Company) stand transferred and assigned to the Transferee Company and that appropriate entries should be passed in its books to record the aforesaid changes.
- 3.3 With effect from the Appointed Date, all the debts, unsecured debts, liabilities, contingent liabilities, duties and obligations of every kind, nature and description of the Transferor Company shall also under the provision of sections 391 to 394 of the Act, without any further act or deed be transferred to or be deemed to be transferred to the Transferee Company so as to become as and from the Appointed Date, the debts, liabilities, contingent liabilities, duties and obligations of the Transferee Company on the same terms and conditions as were applicable to the Transferor Company and further that it shall not be necessary to obtain the consent of any third party or other person who is a party to the contract or arrangement by virtue of which such debts, liabilities, contingent liabilities, duties and obligations have arisen, in order to give effect to the provision of this clause.
- 3.4 It is clarified that all debts, loans and liabilities, contingent, duties and obligations of the Transferor Company as on the Appointed Date whether provided for or not in the books of accounts of the Transferor Company and all other liabilities which may accrue or arise after the Appointed Date but which relate to the period on or upto the day of the Appointed Date shall be the debts, loans and liabilities, contingent liabilities, duties and obligations of the Transferee Company including any encumbrance on the assets of the Transferor Company or on any income earned from those assets.
- 3.5 It is further specifically clarify, admit, assure and declared by the Transferee Company that on this Scheme becoming effective it will take over, absorb and pay and discharge on due date all the liabilities including liabilities for income tax sale tax excise, if any, of the Transferor Company.
- 3.6 With effect from the Appointed Date all debts, liabilities, dues, duties and obligations including all income taxes, excise duty, customs duty, sales tax, value added tax, service tax and other Government and Semi-Government liabilities of the Transferor Company shall pursuant to the applicable provisions of the Act and without any further act or deed be also transferred or be deemed to be transferred to and vest in and be assumed by Transferee Company so as to become as from the Appointed Date the debts, liabilities, duties and obligations of Transferee Company on the same terms and conditions as were applicable to the Transferor Company.

4. CONTRACTS, DEEDS, BONDS AND OTHER INSTRUMENTS

Subject to other provisions contained in the Scheme, all contracts, deeds, bonds, debentures, agreements and other instruments of whatever nature to which the Transferor Company are a party subsisting or having effect immediately before the Effective Date shall remain in full force and effect against or in favour of the Transferee Company, as the case may be, and may be enforced as fully and as effectually as if, instead of the Transferor Company, the Transferee Company had been a party thereto.

5. LEGAL PROCEEDINGS

If any suit, writ petition, appeal, revision or other proceedings of whatever nature (hereinafter called "the Proceedings") by or against the Transferor Company are pending, the same shall not abate, be discontinued or be in any way prejudicially affected by reason of the transfer of the undertaking of the Transferor Company or of anything contained in the Scheme, but the

Proceedings may be continued, prosecuted and enforced by or against the Transferee Company in the same manner and to the same extent as it would be or might have been continued, prosecuted and enforced by or against the Transferor Company as if the Scheme had not been made. On and from the Effective Date, the Transferee Company shall and may initiate any legal proceedings for and on behalf of the Transferor Company.

6. OPERATIVE DATE OF THE SCHEME

The Scheme, although operative from the Appointed Date, shall become effective from the Effective Date.

7. TRANSFEROR COMPANY STAFF, WORKMEN AND EMPLOYEES

All the staff, workmen and other employees in the service of the Transferor Company immediately before the transfer of the Undertaking under the Scheme shall become the staff, workmen and employees of the Transferee Company on the basis that:

- 7.1 Their service shall have been continuous and shall not have been interrupted by reason of the transfer of the Undertaking;
- 7.2 The terms and conditions of service applicable to the said staff, workmen or employees after such transfer shall not in any way be less favorable to them than those applicable to them immediately before the transfer; and
- 7.3 It is provided that as far as Provident Fund, Gratuity Fund, Superannuation Fund or any other special fund created or existing for the benefit of the staff, workmen and other employees of the Transferor Company are concerned, upon the scheme becoming effective, the Transferee Company shall stand substituted for the Transferor Company for all purposes whatsoever related to the administration or operation of such funds or in relation to the obligation to make contributions to the said Funds in accordance with provisions of such Funds as per the terms provided in the respective trust deeds. It is the aim and intent that all the right, duties, powers and obligations of the Transferor Company in relation to such funds shall become those of the Transferee Company and all the rights, duties and benefits of the employees employed in different units of the Transferor Company under such Funds and Trusts shall be protected.

8. CONDUCT OF BUSINESS BY TRANSFEROR COMPANY TILL EFFECTIVE DATE

With effect from the Appointed Date and upto the Effective Date, the Transferor Company:

- 8.1 Shall carry on and shall be deemed to be carrying on all its business activities and stand possessed of its properties and assets for and on account of and in trust for the Transferee Company and all the profits or income accruing or arising to the Transferor Company or any cost, charges, expenditure or losses arising or incurred by it shall, for all purposes, be treated and be deemed to be and accrue as the profits or incomes or cost, charges, expenditure or losses of the Transferee Company;
- 8.2 Shall in the ordinary course of its business activities, assign, transfer or sell or exchange or dispose of or deal with all or any part of the rights vested with or title and interest in the property, assets, immovable or movable properties including assignment, alienation, charge, mortgage, encumbrance or otherwise deal with the rights, title and interest in the actionable claims, debtors and other assets etc., with the consent of the Transferee Company and such acts or actions would be deemed to have been carried on by the Transferor Company for and behalf of the Transferee Company and such acts or actions would be enforceable against or in favour of the Transferee company and all the profits or incomes or losses or expenditure accruing or arising or incurred by the Transferor Company shall, for all purposes, be treated as the profits or incomes or expenditure or losses of the Transferee Company;
- 8.3 Hereby undertakes to carry on its business until the Effective Date with reasonable diligence, utmost prudence and shall not, without the written consent of the Transferee Company, alienate, charge or otherwise deal with the said undertaking or any part thereof except in the ordinary course of its business;
- 8.4 Shall not, without the written consent of the Transferee Company, undertake any new business.
- 8.5 Shall not vary the terms and conditions of the employment of its employees except in the ordinary course of business.
- 8.6 Pay all statutory dues relating to the Undertaking for and on account of the Transferee Company.

9. ISSUE OF SHARES BY THE TRANSFEREE COMPANY

- 9.1 Upon the Scheme becoming finally effective, in consideration of the transfer and vesting of the Undertaking of the Transferor Company in the Transferee Company in terms of the Scheme, the Transferee Company shall subject to the provisions of the Scheme and without any further application or deed, issue and allot 25 (Twenty Five) Equity Shares of Re.1/- (Rupee One) each, credited as fully paid-up in the capital of Transferee Company to all Equity Shareholders of the Transferor Company, whose names appear in the Register of Members, on a date to be fixed by the Board of Transferee Company, for every 10 (Ten) Equity Shares of the face value of Re.1/- (Rupee One) each held by the Shareholders of the Transferor Company.
- 9.2 The Transferor Company holds 50,00,000 (Fifty Lacs only) Equity Shares of the Transferee Company of the aggregate face value of Rs.50,00,000/- (Rupees Fifty Lacs only). On completion of the scheme these shares shall stand cancelled. Accordingly the face value of these shares at Rs. 50,00,000/- would be reduced from the paid up capital of the Transferee Company and the balance would be adjusted against the Profit & Loss Account of the Transferee Company. The application and reduction of the share capital account as aforesaid shall be effected as an integral part of the Scheme itself as the same does not involve either diminution of liability in respect of unpaid share capital or payment to any shareholder of any paid up share capital and the order of the Court sanctioning the Scheme shall be deemed to be an order under Section 102 of the Act confirming the reduction.
- 9.3 As the Transferee Company is holding Shares of the Transferor Company, Upon the Scheme becoming effective the Shares held by the Transferee Company in the Transferor Company shall stand cancelled
- 9.4 If necessary, the Transferee Company shall, before allotment of the equity shares in terms of the Scheme, increase its authorized capital by the creation of at least such number of equity shares of Re.1/- each as may be necessary to satisfy its obligations under the Scheme.
- 9.5 No fractional Share shall be issued by the Transferee Company in respect of the fractional Share entitlement, if any, arising out of such allotment shall be rounded off to the nearest complete Share.

10. PROFITS, DIVIDENDS, BONUS/ RIGHTS SHARES

- 10.1 With effect from the Appointed date, The Transferor Company shall not without the prior written consent of the Transferee Company, utilize the profits, if any, for declaring or paying of any dividend, and shall also not utilize, adjust or claim adjustment of profits/ losses, as the case may be earned/ incurred or suffered after the appointed date.
- 10.2 The Transferor Company shall not after the Appointed date, issue or allot any further securities, either rights or bonus or otherwise without the prior written consent of the Board of Directors of the Transferee Company.

11. ACCOUNTING TREATMENT

- 11.1 The Transferee Company shall record all assets and liabilities recorded in the Books of Accounts of FML , which are transferred to and vested in the Transferee Company pursuant to the Scheme at their book values as on the Appointed Date.
- 11.2 The excess if any, of the value of the assets over the value of the liabilities of Transferor Company, shall be credited by Transferee Company to its Reserve Account.
- 11.3 Adjustment for differences in accounting policies
In case of any differences in the accounting policy between the Transferor Company and the Transferee Company, the impact of the same till the amalgamation will be quantified and adjusted in the Free Reserve/General Reserve(s) of the Transferee Company to ensure that the financial statements of the Transferee Company reflects the financial position on the basis of consistent accounting policy.

12. APPLICATIONS TO HIGH COURTS

The Transferor Company and the Transferee Company hereto shall, with all reasonable dispatch, make applications under Sections 391 to 394 of the said Act to the High Court of judicature at Bombay for sanctioning the Scheme and for dissolution of the Transferor Company without winding up.

13. DISSOLUTION OF THE TRANSFEROR COMPANY

On the Scheme becoming effective, the Transferor Company shall be dissolved without being wound up.

14. MODIFICATIONS/AMENDMENTS TO THE SCHEME

- 14.1 The Transferor Company (by its Directors) and the Transferee Company (by its Directors) may assent to any modification or amendment to the Scheme or agree to any terms and/or conditions which the Courts and/or any other authorities under law may deem fit to direct or impose or which may otherwise be considered necessary or desirable for settling any question or doubt or difficulty that may arise for implementing and/or carrying out the Scheme and do all acts, deeds and things as may be necessary, desirable or expedient for putting the Scheme into effect.
- 14.2 For the purpose of giving effect to the Scheme or to any modification thereof, the Directors of the Transferee Company are hereby authorised to give such directions and/or to be take such steps as may be necessary or desirable including any directions for settling any question or doubt or difficulty whatsoever that may arise.

15. SCHEME CONDITIONAL ON APPROVALS/ SANCTIONS

The Scheme is conditional on and subject to:

- 15.1 The approval to the Scheme by the requisite majorities of the members of the Transferor Company and of the members and Creditors of the Transferee Company.
- 15.2 The requisite resolution (s) under the applicable provisions of the said Act being passed by the Shareholders of the Transferee Company for any of the matters provided for or relating to the Scheme including approval to the issue and allotment of Equity Shares in the Transferee Company to the members of the Transferor Company, as may be necessary or desirable.
- 15.3 The sanction of the High Court of Judicature at Bombay under Sections 391 to 394 of the said Act, in favour of the Transferor Company and the Transferee Company and to the necessary Order or Orders under Section 394 of the said Act, being obtained.
- 15.4 Any other sanction or approval of the Appropriate Authorities concerned, as may be considered necessary and appropriate by the respective Board of Directors of the Transferor Company and the Transferee Company being obtained and granted in respect of any of the matter for which such sanction or approval is required.
- 15.5 The requisite, consent, approval or permission of the Central Government or any other statutory or regulatory authority including Reserve Bank of India, which by law may be necessary for the implementation of this Scheme.

16. EFFECT OF NON RECEIPT OF APPROVALS/ SANCTIONS

In the event of any of the said sanctions and approvals not being obtained and/or the Scheme not being sanctioned by the High Court and/or the Order or Orders not being passed as aforesaid on or before 30.06.2009 or within such further period or periods as may be agreed upon between the Transferor Company and the Transferee Company through their respective Board of Directors, the Scheme shall become null and void and each party shall bear and pay its respective costs, charges and expenses for and/or in connection with the Scheme.

17. EXPENSES CONNECTED WITH THE SCHEME

All costs, charges and expenses of the Transferor Company and the Transferee Company respectively in relation to or in connection with the Scheme and of carrying out and implementing/completing the terms and provisions of the Scheme and/or incidental to the completion of Amalgamation of the said Undertaking of the Transferor Company in pursuance of the Scheme shall be borne and paid solely by the Transferee Company.

IN THE HIGH COURT OF JUDICATURE AT BOMBAY

ORDINARY ORIGINAL CIVIL JURISDICTION

COMPANY APPLICATION NO. 20 OF 2009

In the matter of the Companies Act , 1956 (1 of 1956);

AND

In the matter of Sections 391 to 394 of the Companies Act, 1956 (1 of 1956);

AND

In the matter of Scheme of Amalgamation of FILMCITY COMMUNICATION

TECHNOLOGIES LIMITED with FILMCITY MEDIA LIMITED

FILMCITY MEDIA LIMITED, a Company Incorporated under)
the Companies Act, 1956 having its Registered Office at)
Filmcity House 307, Raut Lane, Near Iskcon Temple,)
Juhu, Mumbai, Maharashtra – 400 049) ...Applicant Company

FORM OF PROXY

I/We, the undersigned, being an Equity Share holder(s) of FILMCITY MEDIA LIMITED, the above Applicant Company do hereby appoint _____ of _____ and failing him/ her _____ of _____ as my /our Proxy, to act for me/ us at the Court convened meeting of the Equity Share holders of the Applicant Company to be held at Madonna's Galleria, 19, Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai – 400 053 on Thursday 12th February, 2009 at 12.00 noon, for the purpose of considering and if thought fit, approving with or without modification(s), the Scheme of Amalgamation of FILMCITY COMMUNICATION TECHNOLOGIES LIMITED with FILMCITY MEDIA LIMITED and their respective Shareholder ("the Scheme") and at such meeting, any adjournment / adjournments thereof, to vote, for me / us and in my / our name(s) _____ (here, "if for", insert "for": "if against", insert "against", and in the later case, strike out the words "either with or without modification(s)" after the word "Amalgamation") the said arrangement embodied in the Scheme of Amalgamation either with or without modification as my proxy may approve.

Dated this ____ day of _____ 2009

Name :

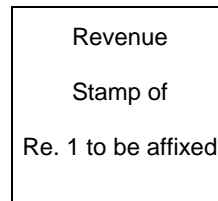
Address :

No. of Shares - _____

7BReg. Folio No. _____ (For Physical holding)

DPID/ Client ID. _____ (For Demat holding)

Signature across the stamp



Notes:

1. PROXY TO BE DEPOSITED AT THE REGISTERED OFFICE OF THE APPLICANT COMPANY, NOT LATER THAN FORTY-EIGHT HOURS BEFORE THE MEETING.
2. In case of multiple proxies, proxy later in time shall be accepted.
3. The signature of the holder should be as per the specimen lodged with the Company.
4. All alternations made in the form of proxy should be initialed.

FILMCITY MEDIA LIMITED

Registered Office: Filmcity House 307, Raut Lane, Near Iskcon Temple,
Juhu, Mumbai, Maharashtra – 400 049

ATTENDANCE SLIP

(To be handed over at the entrance of the meeting venue)

Reg. Folio No. _____ (For Physical holding) No. of Equity Shares held _____

DPID/ Client ID. _____ (For Demat holding)

EQUITY SHAREHOLDERS' MEETING

Name and address of the attending member (in Block letters) _____

Name of Proxy (in block letters, to be filled in by the proxy attending instead of the member) _____

I hereby record my presence at the meeting of the Equity shareholders of the Applicant Company, convened pursuant to the Order dated 9th January, 2009 of the Bombay High Court, at Madonna's Galleria, 19 Oshiwara, Link Plaza, Ground Floor, Near Oshiwara Police Station, Mumbai 400053, on Thursday 12th day of February, 2009 at 12.00 noon.

Name of the Member/Proxy:

Signature of the Member/Proxy

Notes:

1. Interested joint members may obtain attendance slips from the Registered Office of the Company.
2. Members/joint members/proxies are requested to bring this slip with them. Duplicate slips will not be issued at the entrance of the venue of the meeting.
3. Shareholders attending the Meeting in person or by Proxy are requested to complete the attendance slip and hand it over at the entrance of the meeting hall.
4. The proxy form must be deposited so as to reach the Registered Office of the Applicant Company not less than FORTY-EIGHT HOURS BEFORE THE TIME OF THE meeting.
5. Equity shareholders/Proxies are requested to bring with them a copy of the Scheme of Amalgamation while attending the meeting.