

## Notice pursuant to Section 192A of the Companies Act, 1956

Notice is hereby given, to the Members of Pyramid Saimira Theatre Limited for passing the following resolutions through Postal Ballot pursuant to Section 192A of the Companies Act, 1956 read with the Companies (Passing of Resolution by Postal Ballot) Rules, 2001 (including any statutory modification or re-enactment thereof for the time being in force):

### 1. **Issue of securities to the Qualified Institutional Buyers**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

- "(a) RESOLVED THAT pursuant to Section 81 (1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into with the Stock Exchanges and subject to the provisions of Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("SEBI DIP Guidelines"), the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer of issue of security by a Person Resident Outside India) Regulations, 2000, applicable rules, regulations, guidelines or laws and / or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "appropriate authorities"), and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as the "requisite approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the Board be and is hereby authorized to issue, offer and allot equity shares / fully convertible debentures/ partly convertible debentures / non convertible debentures with warrants / any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment) (collectively referred to as "QIP Securities"), to the Qualified Institutional Buyers(QIBs) as per the SEBI DIP guidelines, on the basis of placement document(s), at such time or times in one or more tranches at par or at such price or prices, and on such terms and conditions and in such manner as the Board may, in its absolute discretion determine, in consultation with the Lead Managers, Advisors or other intermediaries, provided however that the issue of securities as above shall not result in increase of the issued and subscribed equity share capital of the Company by more than 1 Crore equity shares.
- (b) RESOLVED FURTHER THAT the relevant date for the determination of applicable price for the issue of the QIP Securities shall be the date on which the Board of the Company decide to open the proposed issue ("Relevant Date").
- (c) RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of equity shares as may be required to be issued and allotted upon conversion of any Securities referred to in paragraph (a) above or as may be necessary in accordance with the terms of the offering, all such shares being pari passu with the then existing shares of the Company in all respects, as may be provided under the terms of the issue and in the offering document.
- (d) RESOLVED FURTHER THAT such of these Securities to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the provisions of law.
- (e) RESOLVED FURTHER THAT the issue to the holders of the securities with equity shares underlying such securities shall be inter alia, subject to suitable adjustment in the number of shares, the price and the time period, etc. in the event of any change in the equity capital structure of the Company consequent upon any merger, amalgamation, takeover or any other re-organisation or restructuring in the Company.
- (f) RESOLVED FURTHER THAT for the purpose of giving effect to any issue or allotment of Securities or instruments representing the same, as described in paragraph (a) above, the Board be and is hereby authorized on behalf of the Company to do all such acts, deeds, matters and things as it may at its absolute discretion deem necessary or desirable for such purpose, including without limitation the entering into of underwriting, marketing and institution / trustees / agents and similar agreements / and to remunerate the managers, underwriters and all other agencies / intermediaries by way of commission, brokerage, fees and the like as may be involved or connected in such offerings of Securities, with power on behalf of the company to settle any questions, difficulties or doubts that may arise in regard to any such issue or allotment as it may in its absolute discretion deem fit.
- (g) RESOLVED FURTHER THAT for the purpose aforesaid, the Board be and is hereby authorized to settle all questions, difficulties or doubts that may arise in regard to the issue, offer or allotment of Securities and utilization of the issue proceeds including but without limitation to the creation of such mortgage / charge under Section 293 (1) (a) of the said Act in respect of the aforesaid Securities either on pari passu basis or otherwise or in the borrowing of loans as it may in its absolute discretion deem fit without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.
- (h) RESOLVED FURTHER THAT the Board be and is hereby authorized to delegate all or any of the powers herein conferred to any Committee of Directors or the Chairman or any other officers / Authorised Representatives of the Company to give effect to the aforesaid resolution."

## 2. International offering of Securities

To consider and if thought fit, to pass with or without modification, the following resolution as a SPECIAL RESOLUTION:

"RESOLVED THAT pursuant to the provisions of Section 81(1)(A) and other applicable provisions, if any, of the Companies Act, 1956 (including any amendments thereto or re-enactment thereof) and subject to such approvals, permissions, consents and sanctions as may be necessary from the Government of India (GOI), the Reserve Bank of India (RBI), the provisions of the Foreign Exchange Management Act, 1999 (FEMA), The Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, the Issue of Foreign Currency Convertible Bonds and Ordinary Shares (through Depository Receipt Mechanism) Scheme, 1993, subject to the approval, consent, permission and/or sanction of the Ministry of Finance (Department of Economic Affairs) and Ministry of Industry (Foreign Investment Promotion Board/Secretariat for Industrial Assistance) and all other Ministries / Departments of the Government of India, Securities and Exchange Board of India (SEBI) and/or any other competent authorities and the enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into by the Company with the Stock Exchanges where the Company's shares are listed and in accordance with the regulations and guidelines issued by the GOI, RBI, SEBI and any competent authorities and clarifications issued thereon from time to time and subject to all other necessary approvals, permissions, consents and sanctions of concerned statutory and other authorities and subject to such conditions and modifications as may be prescribed by any of them while granting such approvals, permissions, consents and sanctions which may be agreed to by the Board of Directors of the Company (hereinafter referred to as the "Board", which term shall include any Committee thereof) consent of the Board be and is hereby accorded to create, offer, issue and allot in one or more tranches, whether rupee denominated or denominated in foreign currency, in the course of international and / or domestic offering(s) in one or more foreign markets and / or domestic market, for a value of up to Rs.500 Crores (Rupees Five Hundred Crores only), representing such number of Global Depository Receipts (GDRs), American Depository Receipts (ADRs), Foreign Currency Convertible Bonds (FCCBs), and / or Equity Shares through Depository Receipt Mechanism and / or Fully Convertible Debentures and / or Non Convertible Debentures with warrants or any Other Financial Instruments (OFIs) convertible into or linked to Equity Shares and / or any other instruments and / or combination of instruments with or without detachable warrants with a right exercisable by the warrant holders to convert or subscribe to the Equity Shares or otherwise, in registered or bearer form (hereinafter collectively referred to as the 'Securities') or any combination of Securities to any person including foreign / resident investors (whether institutions, incorporated bodies, mutual funds and / or individual or otherwise), Foreign Institutional Investors, Promoters, Indian and / or Multilateral Financial Institutions, Mutual Funds, Non-Resident Indians, Employees of the Company and / or any other categories of investors, whether they be holders of shares of the Company or not (collectively called the "investors") through public issue(s) by prospectus, private placement(s) or a combination thereof at such time or times, at such price or prices, at a discount or premium to the market price or prices in such manner and on such terms and conditions including security, rate of interest, etc., as may be decided by and deemed appropriate by the Board in its absolute discretion including the discretion to determine the categories of investors at the time of such issue and allotment considering the prevailing market conditions and other relevant factors wherever necessary in consultation with the Lead Managers, as the Board in its absolute discretion may deem fit and appropriate."

"RESOLVED FURTHER THAT without prejudice to the generality of the above, the aforesaid Securities may have such features and attributes or any terms or combination of terms in accordance with international practices to provide for the tradability and free transferability thereof as per the prevailing practices and regulations in the capital markets including but not limited to the terms and conditions in relation to payment of interest, additional interest, premium on redemption, pre-payment and any other debt service payments whatsoever including terms for issue of additional Equity Shares or variations of the conversion price of the Securities during the duration of the Securities and the Board be and is hereby authorized in its absolute discretion in such manner as it may deem fit, to dispose off such of the Securities that are not subscribed."

"RESOLVED FURTHER THAT:

- a) the Securities to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company; and
- b) the underlying Equity Shares shall rank pari passu with the existing Equity Shares of the Company."

"RESOLVED FURTHER THAT the issue of Equity Shares underlying the Securities to the holders of the Securities shall, inter alia, be subject to the following terms and conditions:

- a) in the event of the Company making a bonus issue by way of capitalization of its profits or reserves prior to the allotment of the Equity Shares, the number of shares to be allotted shall stand augmented in the same proportion in which the equity share capital increases as a consequence of such bonus issue and the premium, if any, shall stand reduced pro tanto;
- b) in the event of the Company making a rights offer by issue of Equity Shares prior to the allotment of the Equity Shares, the entitlement to the Equity Shares shall stand increased in the same proportion as that of the rights offer and such additional Equity Shares shall be offered to the holders of the Securities at the same price at which the same are offered to the existing shareholders, and
- c) in the event of any merger, amalgamation, takeover or any other re-organisation the number of shares, the price and the time period as aforesaid shall be suitably adjusted."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to appoint Lead Managers, Underwriters, Guarantors, Depositories, Custodians, Registrars, Trustees, Bankers, Lawyers, Advisors and all such Agencies as may be involved or concerned in such offerings of securities and to remunerate them by way of commission, brokerage, fees or the like and also to enter into and execute all such arrangements, agreements, memorandum, documents, etc., with such agencies and also to seek the listing of such Securities on one or more National and International Stock Exchange(s)."

"RESOLVED FURTHER THAT the Board be and is hereby authorized to issue and allot such number of Equity Shares as may be required to be issued and allotted upon conversion of any Securities or as may be necessary in accordance with the terms of the offerings, all such Equity Shares ranking *pari passu* with the existing Equity Shares of the Company in all respects, except the right as to dividend which shall be provided under the terms of the issue and in the offering documents."

"RESOLVED FURTHER THAT for the purpose of giving effect to the above, the Board be and is hereby authorized to determine the form, terms and timing of the Issue(s), including the class of investors to whom the Securities are to be allotted, number of Securities to be allotted in each tranche, issue price, face value, premium amount on issue / conversion of Securities / exercise of warrants / redemption of Securities, rate of interest, redemption period, listings on one or more stock exchanges in India and / or abroad as the Board in its absolute discretion deems fit and to make and accept any modifications in the proposal as may be required by the authorities involved in such issues in India and / or abroad to do all acts, deeds, matters and things and to settle any questions or difficulties that may arise in regard to the Issue(s)."

"RESOLVED FURTHER THAT all the aforesaid powers and authorities be and are hereby further sub-delegated to the Securities Issue Committee of the Board and that the said the Securities Issue Committee be and is hereby authorized to sign and execute such letters, deeds, documents, writings, etc. and to do all such acts, deeds, matters and things as might be required in connection with the issue of the Securities which in the opinion of the said Securities Issue Committee ought to have been done, executed and performed in relation to issue of the Securities as aforesaid and the matters incidental and ancillary thereto as duly and effectually as the Board could have done without further reference to the Board."

### 3. **Issue of Convertible Warrants on preferential basis to Promoters/ Directors**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a SPECIAL RESOLUTION:

RESOLVED THAT pursuant to Section 81 (1A) and all other applicable provisions of the Companies Act, 1956 (including any statutory modification or re-enactment thereof, for the time being in force) and enabling provisions of the Memorandum and Articles of Association of the Company, the Listing Agreements entered into with the Stock Exchanges and subject to the provisions of Chapter XIII of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("SEBI DIP Guidelines"), the provisions of the Foreign Exchange Management Act, 1999 and the Foreign Exchange Management (Transfer of issue of security by a Person Resident Outside India) Regulations, 2000, applicable rules, regulations, guidelines or laws and / or any approval, consent, permission or sanction of the Central Government, Reserve Bank of India and any other appropriate authorities, institutions or bodies (hereinafter collectively referred to as the "Appropriate Authorities"), and subject to such conditions as may be prescribed by any one of them while granting any such approval, consent, permission, and / or sanction (hereinafter referred to as the "requisite approvals"), which may be agreed to by the Board of Directors of the Company (hereinafter called the "Board" which term shall be deemed to include any committee which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution), the Board be and is hereby authorized to issue, offer and allot on preferential basis to one or more of the Promoters/ Directors of the company upto 1 Crore Convertible Warrants ("Warrants") entitling them (Warrant Holder(s)) to subscribe, in one or more tranche(es) one equity share of the face value of Rs. 10/- each for every warrant held by them at the sole option of the holder, at any time before the expiry of 18 months from its allotment at such price (Conversion Price) as determined in accordance with the SEBI (DIP) Guidelines and on such further terms and conditions, as may be decided by the Board of Directors at the time of their allotment.

RESOLVED FURTHER THAT such of the Warrants to be issued as are not subscribed may be disposed of by the Board to such persons and in such manner and on such terms as the Board in its absolute discretion thinks fit in accordance with the provisions of law.

RESOLVED FURTHER THAT 25% of the total conversion price in respect of the resultant shares upon conversion of the Warrants be paid upfront on the date of allotment of the Warrants, which shall be adjusted against the price payable at the time of exercising conversion option and be forfeited if the option is not exercised.

RESOLVED FURTHER THAT to the extent permitted as per the existing provisions of law in this regard all/any Equity Shares and the equity shares resulting from the conversion of the Warrants to be allotted as an outcome of the above mentioned preferential allotments shall rank *pari passu* in all respects with the existing Equity Shares including dividend entitlement.

RESOLVED FURTHER THAT the Relevant Date in relation to the above mentioned preferential issue of warrants for the purpose of determining the issue price under the SEBI Guidelines be the date 30 days prior to the passing of this Resolution.

RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution and any offer, issue and allotment of Securities and Equity Shares or Instruments representing them, the Board of Directors of the Company be and is hereby authorised to accept any modifications in the said proposal as may be required by the authorities involved in such issues in India and to do all such acts, deeds, things and all other incidental matters connected therewith as it may at its absolute discretion deem necessary or desirable for such purpose, with power to the Board to settle all questions, difficulties or doubts that may arise in regard to any such issue, offer or allotment of Securities and utilization of the issue proceeds, as it may in its absolute discretion deem fit.

RESOLVED FURTHER THAT the Board is hereby authorized to accept such amendments, modifications, variations and alterations as the Government of India, Reserve Bank of India, Financial Institutions, SEBI and/or Stock Exchanges may stipulate in that behalf.

RESOLVED FURTHER THAT the Board be and is hereby authorised to take necessary steps for listing of the Equity Shares allotted under the Preferential Issue of Warrants on one or more recognized Stock Exchanges, in India, where the Company's shares are listed, as per the terms and conditions of the Listing Agreement with the Stock Exchanges concerned, and in accordance with such other guidelines, rules and regulations as may be applicable with regard to such listing."

By Order of the Board,  
For Pyramid Saimira Theatre Limited,

N NARAYANAN  
CHAIRMAN

Chennai  
5<sup>th</sup> September 2009

Notes:

1. The relative Explanatory Statement pursuant to Sections 173(2) and 192A(2) of the Companies Act, 1956 setting out material facts is annexed hereto.
2. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956, read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.
3. The Board of Directors at its Meeting held on 25<sup>th</sup> August 2009 has appointed **Mr. T P Shridar**, Practicing Company Secretary, as the Scrutinizer to receive and scrutinize the completed Ballot Papers from the Members. The Postal Ballot Form and the self addressed Business Reply Envelope are enclosed for use of the Members.
4. The Members are requested to return the Form duly completed with the assent (for) or dissent (against), in the attached pre-paid envelope, so as to reach the Scrutinizer on or before 5<sup>th</sup> October, 2009 to be eligible for being considered, failing which, it will be strictly treated as if no reply has been received from the Member. The Scrutinizer will submit his report to the Chairman of the Company after completion of the scrutiny and the results of postal ballot will be announced on 6<sup>th</sup> day, October, 2009, at the Registered Office of the Company at C-1, II Floor, Temple Towers, 672 Anna Salai, Nandanam, Chennai – 600 035 at 5.30 p.m.
5. All documents referred to in the accompanying Notice and the Explanatory Statement are open for inspection at the Registered Office of the Company during the office hours on all working days except Saturday between 11.00 a.m. and 1.00 p.m. upto 3<sup>rd</sup> October, 2009.
6. In case of shares held by companies, trusts, societies, etc., the duly completed Postal Ballot Form should be accompanied by a certified true copy of Board Resolution / Authority.

## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) and 192A(2) OF THE COMPANIES ACT, 1956**

### **Item No.1 - Issue of securities to the Qualified Institutional Buyers**

The Company in order to enhance its working capital and to strengthen its financial position by augmenting long term resources proposed to issue equity shares to the QIBs.

The proposed Special Resolution seeks the enabling authorization of the Members of the Company to the Board of Directors (Board), without the need of any further approval from the Members, to undertake the Qualified Institutional Placement ("QIP") with the Qualified Institutional Buyers ("QIB"), in accordance with the provisions of Chapter XIII-A of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("SEBI DIP Guidelines").

Pursuant to the above, the Board may, in one or more tranches, issue and allot equity shares / fully convertible debentures/ partly convertible debentures / non convertible debentures with warrants / any other securities (other than warrants), which are convertible into or exchangeable with equity shares on such date as may be determined by the Board but not later than 60 months from the date of allotment (collectively referred to as "QIP Securities").

The said QIP by the Board shall be subject to the provisions of the SEBI DIP Guidelines (as amended from time to time) including the pricing, which will not be less than the average of the weekly high and low of the closing prices of the related shares quoted on the stock exchanges during the two weeks preceding the Relevant Date. The Relevant Date for the determination of applicable price for the issue of the QIP Securities shall be the date of the meeting in which the Board of the Company decide to open the proposed issue. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The securities issued pursuant to the offering would be listed on the Indian Stock Exchanges.

The proposed issue of Securities as above may be made in one or more tranches such that the Securities to be issued shall not result in increasing the issued and subscribed equity shares of the Company by more than 1 Crore equity shares.

The securities issued under QIP issue pursuant to offer may, if necessary, may be secured by way of mortgage / hypothecation on the Company's assets as may be finalized by the Board of Directors in consultation with the Security Holders / Trustees in favour of Security Holders / Trustees for the holders of the said securities. As the documents to be executed between the security holders / trustees for the holders of the said securities and the Company may contain the power to take over the management of the Company in certain events enabling approval is also sought under Section 293(1)(a) of the Companies Act, 1956.

Section 81 (1A) of the Companies Act, 1956 and Listing Agreement entered with the Stock Exchanges, provide, inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid-up on those shares as of that date unless the Members decide otherwise. The Special Resolution seeks the consent and authorization of the Members to the Board of Directors to make the proposed issue of Securities, in consultation with the Lead Managers, Legal Advisors and other intermediaries and in the event it is decided to issue Securities convertible in to equity shares, to issue to the holders of such convertible Securities in such manner and such number of equity shares on conversion as may be required to be issued in accordance with the terms of the issue, keeping in view the then prevailing market conditions and in accordance with the applicable provisions of rule, regulations or guidelines.

The Board of Directors accordingly recommends the resolution set out at Item No.1 of the accompanying Notice for the approval of the Members. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956, read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

None of the Directors of the Company is, in any way, concerned or interested in the said resolution, except to the extent of their shareholding.

### **Item No.2 - International offering of Securities**

The resolution contained in the business of Notice relates to a proposal by the Company to create, offer issue and allot equity shares, GDRs, ADRs, FCCBs with warrants and / or such other securities convertible into or linked to Equity Shares and / or any other instruments and / or combination of instruments as stated in the resolution (the "Securities"). The Company intends to issue Securities for a value of upto Rs.500 Crores.

The Special Resolution also seeks to empower the Board of Directors to undertake a qualified institutional placement with qualified institutional buyers as defined by SEBI DIP Guidelines for raising the funds for the expansion plans of the Company, without the need for fresh approval from the shareholders.

In view of the expanding operations of the Company, the Company intends to capitalize on its potential. Thus, it is proposed to create, offer, issue and allot equity shares, GDRs, ADRs, FCCBs with warrants and / or such other securities convertible into or linked to Equity Shares and / or any other instruments and / or combination of instruments to the extent of Rs.500 Crores in one or another manner and in one or more tranches. Such further issue of such securities would provide a platform to the Company to meet its fund requirements and improve the financial leveraging strength of the Company.

The detailed terms and conditions for the offer will be determined in consultation with the Advisors, Lead Managers, Underwriters and such other authorities as may be required to be consulted by the Company considering the prevailing market conditions and other relevant factors.

The pricing of the international issue will be free market pricing and may be at a premium or discount to the market price in accordance with international practices, subject to applicable Indian law and guidelines. As it is not possible to state the price or the exact number of Securities or shares to be issued. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The Securities issued pursuant to the offering(s) would be listed on the Indian stock exchanges and / or internationally recognized stock exchange and may be represented by Securities or other Financial Instruments outside India.

The Special Resolution seeks to give the Board powers to issue Securities in one or more tranche or tranches, at such time or times, at such price or prices and to such person(s) including institutions, incorporated bodies and / or individuals or otherwise as the Board may in its absolute discretion deem fit.

The consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and in terms of the provisions of the Listing Agreement executed by the Company with the Stock Exchanges where the Equity Shares of the Company are listed.

Section 81(1A) of the Companies Act, 1956 and the relevant clause of the Listing Agreement with the Stock Exchanges where the Equity Shares of the Company are listed provides, inter alia, that when it is proposed to increase the issued capital of a company by allotment of further shares, such further shares shall be offered to the existing shareholders of such company in the manner laid down in Section 81 unless the shareholders in a general meeting decide otherwise. Since the Special Resolution proposed in the business of the Notice results in the issue of shares of the Company otherwise than to the members of the Company, consent of the shareholders is being sought pursuant to the provisions of Section 81(1A) and other applicable provisions of the Companies Act, 1956 and the Listing Agreement.

The Special Resolution, if passed, will have the effect of allowing the Board of Directors to issue and allot securities to the investors who may or may not be the existing shareholders of the Company.

Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956, read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

The Board of Directors believes that the issue of Securities to investors who are not shareholders of the Company is in the interest of the Company and therefore recommends the Special Resolution.

None of the Directors of the Company is in any way concerned or interested in the resolution.

### Item No.3 - Issue of Convertible Warrants on preferential basis to Promoters/ Directors

The object of the proposed Preferential Issue is to augment the working capital needs of the company.

In order to achieve this object, it is proposed to offer, issue and allot upto 1 Crore Convertible Warrants ("Warrants") to one or more Directors/ Promoters. Each Warrant convertible at the sole option of the holders, at any time before the expiry of 18 months from its allotment, into 1 fully paid up Equity Share of the Company of face value Rs. 10/-each. The conversion price be decided at the time of issue of warrants which shall not be lower than the minimum price specified as per Clause 13.1.1.1 of Chapter XIII of SEBI Guidelines, and the issue of fresh equity shares on the conversion of the Warrants on such further terms and conditions, as may be finalised by the Board of Directors. For reasons aforesaid, an enabling resolution is therefore proposed to be passed to give adequate flexibility and discretion to the Board to finalise the terms of the issue. The equity shares pursuant to conversion of the warrants would be listed on the Stock Exchanges.

In terms of the SEBI (Disclosure and Investor Protection) Guidelines, 2000 ("SEBI Guidelines"), the following disclosures are being made:

*Intention of the Promoters, Directors, Management personnel to subscribe to the Offer:*

The Promoter Director of the Company as detailed below do intend to subscribe to the Warrants.

Sl. No	Name and designation	No of warrants
1	Mr. N Narayanan	50,00,000
2	Mrs. Uma Saminathan	50,00,000

*Shareholding pattern before and after the proposed issue:*

S. No	Category of Shareholders	Pre-issue equity shareholding (as on 21.08.2009)		Post-issue equity shareholding (assuming full conversion of warrants)	
		No. of Shares	%	No. of Shares	%
1.	Promoters	7529070	25.30	17529070	44.09
2.	Banks	1800	0.01	1800	0.00
3.	Trusts	4401	0.01	4401	0.01
4.	Corporate Bodies	7256179	24.38	7256179	18.25
6.	NRIs	329225	1.11	329225	0.83
7.	FIs	97300	0.33	97300	0.24
8.	Others	14543489	48.87	14543489	36.58
	<b>Total</b>	<b>29761464</b>	<b>100.00</b>	<b>39761464</b>	<b>100.00</b>

*The pre-issue shareholding pattern is as on 21-08-2009*

*Proposed time within which allotment will be completed:*

The Warrants are proposed to be allotted within 15 days of the passing of the Special Resolution approving their allotment. Provided that where the allotment is pending on account of pendency of any approval of such allotment by any regulatory authority or the Central Government, the allotment shall be completed within 15 days from the date of such approval.

*Identity of proposed allottees with percentage of expanded capital to be held by them:*

The proposed allottees in the Preferential Issue are detailed below. Each of them is likely to subscribe the respective no of warrants mentioned against his name. Each warrant is convertible at the sole option of the holder, any time before the expiry of 18 months from it's allotment, into 1 fully paid up equity share of Rs. 10/- in the company. Assuming full conversion of Warrants, the holdings of the respective allottee is provided together with %age of the post issue capital.

Sl. No	Name and designation	No of warrants	Present Holding		Holding after conversion	
			No of shares	%age	No of shares	%age
1	Mr. N Narayanan	50,00,000	1078000	3.6221	6078000	15.28
2	Mrs. Uma Saminathan	50,00,000	1485000	4.9896	6485000	16.31

As per SEBI Guidelines the subscribers shall bring 25% of the price upfront at the time of allotment. The same shall be adjusted towards the price payable at the time of conversion. The Board shall forfeit such 25% amount in case the conversion option is not exercised by the warrant holder.

A copy of a certificate issued by Mr. R. Mugunthan, Chartered Accountant, Statutory Auditors of the Company, certifying that the proposed Preferential Issue of Warrants is being made in accordance with the requirements contained in the SEBI Guidelines be available for inspection at the Registered Office of the Company.

Section 81 (1A) of the Companies Act, 1956 and Listing Agreement entered with the Stock Exchanges, provide, inter alia, that where it is proposed to increase the subscribed share capital of the Company by allotment of further shares, such further shares shall be offered to the persons who on the date of the offer are holders of the equity shares of the Company, in proportion to the capital paid-up on those shares as of that date unless the Members decide otherwise. The Special Resolution seeks the consent and authorization of the Members to the Board of Directors to make the proposed issue of convertible warrants in such manner as may be required to be issued in accordance with such terms of the issue, in accordance with the applicable provisions of rule, regulations or guidelines.

The Board of Directors accordingly recommends the resolution set out at Item No.3 of the accompanying Notice for the approval of the Members. Your approval is sought by voting by Postal Ballot in terms of the provisions of Section 192A of the Companies Act, 1956, read with the provisions of the Companies (Passing of Resolutions by Postal Ballot) Rules, 2001.

None of the Directors of your Company are neither interested nor are concerned in the Resolution except the proposed allottees as stated here above.

By Order of the Board,  
For Pyramid Saimira Theatre Limited,

N NARAYANAN  
CHAIRMAN

Chennai  
5<sup>th</sup> September 2009

## POSTAL BALLOT FORM

Serial No. :

1. Name (s) of Shareholder (s) Beneficial Holder (s)  
(In Block Letters) (including joint holder, if any) :

2. Registered address of the Sole / First named  
Shareholder :

3. Number of shares held :

4. Registered Folio No. / DP ID No. / Client ID No.\* :  
\* (Applicable to investors holding shares in  
DEMAT Form)

I/We hereby exercise my/our vote in respect of the Special Resolution to be passed through Postal Ballot for the business stated in the notice of the Company. I/We have marked my/our assent or dissent to the said resolution by placing the (✓) mark at the appropriate box below:

Item No.	Description	No. of Shares*	I/We assent to the resolution	I/We dissent to the resolution
1.	Issue of securities to the Qualified Institutional Buyers		<input type="checkbox"/>	<input type="checkbox"/>
2.	International offering of Securities		<input type="checkbox"/>	<input type="checkbox"/>
3.	Issue of convertible warrants on preferential basis to promoters / directors		<input type="checkbox"/>	<input type="checkbox"/>

\*As per Section 183 of the Companies Act, 1956, a member need not use all his votes in the same way.

Place:

Date:

\_\_\_\_\_  
(Signature of the Shareholder /  
Beneficial holder)