DRAFT RED HERRING PROSPECTUS
Dated September 11, 2014
(This Draft Red Herring Prospectus will be updated upon filing with the RoC)
(Please read Section 32 of the Companies Act, 2013)
Book Building Issue

ORTEL COMMUNICATIONS LIMITED

Our Company was incorporated under the Companies Act, 1956 as "Ortel Communications Limited", a public limited company pursuant to a certificate of incorporation dated June 2, 1995 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana ("**RoC**") and received the certificate for commencement of business on July 19, 1995.

Registered Office: B-7/122A, Safdarjang Enclave, New Delhi – 110 029, India; **Telephone:** +91 11 4686 8800; **Facsimile:** +91 11 4686 8801
For further details in relation to change in our Registered Office, see the section titled "History and Corporate Structure" on page 161.
Corporate Office: C-1, Chandrasekharpur, Near BDA Colony, Behind RMRC, Bhubaneswar - 751 016, Odisha, India
Telephone:+91 674 3983 200/2303 464/3911 200; **Facsimile:** +91 674 2303 448
Contact Person and Compliance Officer: Mr. Lalit Kumar Mohanty; **Telephone**: +91 674 3911 358; **Facsimile**: +91 674 2303 448.
Email: ipo@ortelgroup.com;**Website**: www.ortelcom.com; **Corporate Indentity Number:**U74899DL1995PLC069353

PROMOTERS OF OUR COMPANY: MR. BAIJAYANT PANDA, MS. JAGI MANGAT PANDA, PANDA INVESTMENTS PRIVATE LIMITED AND UMSL LIMITED

PUBLIC ISSUE OF UP TO 14,182,598 EQUITY SHARES OF FACE VALUE OF ₹ 10 EACH ("EQUITY SHARES") OF ORTEL COMMUNICATIONS LIMITED (THE "COMPANY" OR THE "ISSUER")FOR CASH AT A PRICE OF ₹ [●]PER EQUITY SHARE INCLUDING A SHARE PREMIUM OF ₹ [●] PER EQUITY SHARE, AGGREGATING UP TO ₹[●] MILLION (THE "ISSUE"). THE ISSUE COMPRISES A FRESH ISSUE TO THE PUBLIC OF UP TO 6,000,000 EQUITY SHARES AGGREGATING UP TO ₹ [●] MILLION ("THE FRESH ISSUE") AND AN OFFER FOR SALE OF UPTO 8,182,598 EQUITY SHARES ("OFFER FOR SALE") BY NSR – PE MAURITIUS LLC (THE "SELLING SHAREHOLDER") AGGREGATING UP TO ₹ [●] MILLION. THE ISSUE CONSTITUTES 46.38% OF THE FULLY DILUTED POST-ISSUE PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY.

*Our Company and the Selling Shareholder, in consultation with the BRLM, are considering a private placement of up to 2,500,000 Equity Shares for cash consideration aggregating up to ₹650 million, at their discretion prior to filing of the Red Herring Prospectus with the RoC ("**Pre-IPO Placement**"). If the Pre-IPO Placement is completed, the number of Equity Shares issued and transferred pursuant to the Pre-IPO Placement will be proportionately reduced from the Fresh Issue and the Offer for Sale, subject to a minimum Issue size of 25% of the post Issue paid-up Equity Share capital being offered to the public.*

THE FACE VALUE OF THE EQUITY SHARES IS ₹ 10 EACH
THE PRICE BAND AND THE MINIMUM BID LOT SIZE WILL BE DECIDED BY THE COMPANY AND THE SELLING SHAREHOLDER IN CONSULTATION WITH THE BOOK RUNNING LEAD MANAGER AND WILL BE ADVERTISED AT LEAST FIVE WORKING DAYS PRIOR TO THE BID OPENING DATE

In case of any revision in the Price Band, the Bid/ Issue Period shall be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the Self Certified Syndicate Banks ("**SCSBs**"), the National Stock Exchange of India Limited (the "**NSE**") and the BSE Limited (the "**BSE**"), by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager and at the terminals of the other members of the Syndicate.

Pursuant to Rule 19(2)(b)(i) of the Securities Contracts Regulation Rules, 1957, as amended ("**SCRR**") read with Regulation 41of the SEBI Regulations, the Issue is being made for at least 25% of the post-Issue capital. The Issue is being made through the Book Building Process in compliance with the provisions of Regulation 26(2) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended, (the **"SEBI Regulations**"), wherein at least 75% of the Issue shall be allotted on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"). Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third will be available for allocation to domestic Mutual Funds only. In the event of under-subscription or non-allocation in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds). However, if the aggregate demand from Mutual Funds is less than 212,739 Equity Shares, that is 5% of the Net QIB Portion, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to QIBs in proportion to their Bids. If at least 75 % of the Issue cannot be Allotted to QIBs, all the application monies will be refunded forthwith. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. All Investors, other than an Anchor Investor, may participate in this Issue through the Application Supported by Blocked Amount ("**ASBA**") process by providing the details of their respective bank accounts in which the corresponding Bid Amounts will be blocked by the SCSBs. Specific attention is invited to the section titled "*Issue Procedure*" on page 341.

RISKS IN RELATION TO FIRST ISSUE

This being the first public issue of the Issuer, there has been no formal market for the Equity Shares. The face value of the Equity Shares is ₹ 10 and the Floor Price is [●] times of the face value and the Cap Price is [●] times of the face value. The Issue Price (as determined and justified by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, as stated in the section titled "*Basis for the Issue Price*" on page 106) should not be taken to be indicative of the market price of the Equity Shares after such Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the Issuer and this Issue, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India ("**SEBI**"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to the section titled "*Risk Factors*" on page 16.

ISSUER'S AND SELLING SHAREHOLDER'S ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and this Issue, which is material in the context of this Issue, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the inclusion or omission of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading, in any material respect. The Selling Shareholder accepts responsibility for statements in this Draft Red Herring Prospectus in relation to itself in connection with the Offer for Sale and the Equity Shares of the Company offered by it in the Offer for Sale. The Selling Shareholder assumes no responsibility for any other statements including any of the statements made by or relating to the Company or its business in this Draft Red Herring Prospectus.

LISTING ARRANGEMENT

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the NSE and the BSE. Our Company has received in-principle approvals from the NSE and the BSE for listing of the Equity Shares pursuant to their letters dated [●] and [●], respectively. For the purposes of this Issue, the [●] shall be the Designated Stock Exchange.

BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
kotak Investment Banking	KARVY Karvy Computershare Private Limited
KOTAK MAHINDRA CAPITAL COMPANY LIMITED 27 BKC, C - 27, "G" Block, Bandra Kurla Complex, Bandra (East) Mumbai 400 051 Telephone: +91 22 4336 0000 Facsimile: +91 22 6713 2447 Email: ortel.ipo@kotak.com Investor Grievance ID: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Mr. Ganesh Rane SEBI Registration No.: INM000008704	**KARVY COMPUTERSHARE PRIVATE LIMITED** Plot no. 17 – 24, Vittalrao Nagar Madhapur, Hyderabad – 500 081, India Telephone: +91 40 4465 5000 Facsimile: +91 40 2343 1551 Email: ortel.ipo@karvy.com Investor Grievance ID: eiwward.ris@karvy.com Website : www.karvy.com Contact Person : Mr. M. Murali Krishna SEBI Registration No. : INR000000221

BID/ISSUE PROGRAMME*

FOR ALL BIDDERS	**ISSUE OPENS ON [●]**
FOR QIBs**	**ISSUE CLOSES ON [●]**
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS	**ISSUE CLOSES ON [●]**

* *Our Company and the Selling Shareholder may, in consultation with the BRLM, consider participation by Anchor Investors. Anchor Investor shall Bid on Anchor Investor Bidding Date.*
** *Bidding for QIBs may close on the QIB Bid Closing Date.*

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SECTION I – GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates, requires or implies, the following terms shall have the following meanings in this Draft Red Herring Prospectus. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Company Related Terms

Term	Description
Our Company/ the Company/ the Issuer/ Ortel/ we/ us/ our	Ortel Communications Limited, a public limited company incorporated under the Companies Act, 1956.
Articles/ Articles of Association	The articles of association of our Company, as amended.
Auditors	The statutory auditors of our Company, being Haribhakti & Co. LLP, Chartered Accountants.
Board/ Board of Directors/ our Board	The board of directors of our Company, or a duly constituted committee thereof.
Compulsorily Convertible Preference Shares	Cumulative compulsorily convertible preference shares of our Company of face value of ₹10 each bearing a coupon rate of 0.001% *p.a.*, issued (i) by direct allotment to various persons; and (ii) by conversion of cumulative non-convertible redeemable preference shares of face value of ₹10 each bearing a coupon rate of 10.5% *p.a.* under section 106 of the Companies Act, 1956 by virtue of a resolution of our Board at its meeting on January 16, 2014, consent letter dated December 12, 2013 from the holder of the cumulative compulsorily convertible preference shares, and a special resolution of our shareholders at the EGM held on February 10, 2014.
Corporate Office	The corporate office of our Company, presently located at C-1, Chandrasekharpur, Near BDA Colony, Behind RMRC, Bhubaneswar - 751 016, Odisha, India.
Director(s)	The director(s) of the Company, unless otherwise specified.
ESOS 2010	The Employee Stock Option Scheme, approved by our Board on December 19, 2010.
Group Companies	The companies, firms, ventures, etc. promoted by our Promoters, irrespective of whether such entities are covered under section 370(1)(B) of the Companies Act, 1956, and as described in the section titled "*Our Group Companies*" on page 190.
ICCL	Indian Charge Chrome Limited.
IMFA	Indian Metals & Ferro Alloys Limited.
Karnataka Bank Consortium	A consortium comprising Karnataka Bank, UCO Bank and SREI.
Key Managerial Personnel	The key managerial personnel as listed in the section titled "*Our Management*" on page 167.
Memorandum/ Memorandum of Association/ MoA	The memorandum of association of our Company, as amended.
OSOP 2000	The Ortel Stock Option Plan, 2000 approved by our Board vide its resolution dated September 25, 2000 for grant of stock options for 1,000,000 Equity Shares to the employees and associates of our Company.
OSSOP 2006	The Ortel Special Stock Option Plan, 2006 approved by our Board vide its resolution dated May 13, 2006 for grant of stock options for 200,000 Equity Shares to the employees and associates of our Company.
Preference Shares	Preference shares of our Company of face value ₹ 10 each.
Promoter Group	The persons and entities constituting our promoter group pursuant to Regulation 2(1)(zb) of the SEBI Regulations, as enlisted in the section titled "*Our Promoters and Promoter Group*" on page 183.
Promoters	The promoters of our Company, being Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited and UMSL Limited.
Registered Office	The registered office of our Company, presently located at B-7/122A, Safdarjang Enclave, New Delhi 110 029, India.
RoC	The Registrar of Companies, NCT Delhi and Haryana.
Senior Management Personnel	The senior management personnel as listed in the section titled "*Our Management*" on page 167.

Issue Related Terms

Term	Description
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the allotment of Equity Shares pursuant to the Fresh Issue and the transfer of the Equity Shares pursuant to the Offer for Sale to successful Bidders.

Term	Description
Allotment Advice	In relation to Bidders other than Anchor Investors, the note or advice or intimation of Allotment of the Equity Shares, sent to each successful Bidder who have been or are to be Allotted Equity Shares after discovery of the Issue Price, including any revision thereof.
Allottee	A successful Bidder to whom the Equity Shares are/ have been Allotted.
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion, who has Bid for an amount of at least ₹ 100 million.
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated in terms of the Red Herring Prospectus and Prospectus to the Anchor Investors, which will be decided by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager prior to the Bid Opening Date.
Anchor Investor Bidding Date	The date which is one Working Day prior to the Bid Opening Date prior to or after which the Syndicate or the Non Syndicate Registered Brokers will not accept any Bids from Anchor Investors.
Anchor Investor Issue Price	The price at which Allotment is made to Anchor Investors in terms of the Red Herring Prospectus, which shall be higher than or equal to the Issue Price, but not higher than the Cap Price.
Anchor Investor Pay-in Date	In case of Anchor Investor Issue Price being higher than Anchor Investor Allocation Price, no later than two days after the Bid Closing Date.
Anchor Investor Portion	Up to 60% of the QIB Portion, available for allocation to Anchor Investors on a discretionary basis at the Anchor Investor Issue Price, in accordance with the SEBI Regulations.
ASBA or Application Supported by Blocked Amount	An application, whether physical or electronic, used by Bidders, other than Anchor Investors, to make a Bid authorising a SCSB to block the Bid Amount in the ASBA Account maintained with the SCSB. ASBA is mandatory for QIBs (except Anchor Investors) and Non Institutional Bidders participating in the Issue.
ASBA Account	An account maintained with the SCSB and specified in the Bid cum Application Form submitted by ASBA Bidders for blocking the amount mentioned in the Bid cum Application Form.
ASBA Bidder(s)	Any Bidder other than an Anchor Investor who Bids/applies through ASBA in accordance with the terms of the Red Herring Prospectus.
Banker(s) to the Issue/ Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as bankers to the Issue and with whom the Escrow Account will be opened, in this case being [●].
Basis of Allotment	The basis on which the Equity Shares will be Allotted to successful Bidders as described in "*Issue Procedure – Part B – General Information Document for Investing in Public Issues –Allotment Procedure and Basis of Allotment*" on page 378.
Bid	An indication to make an offer during the Bid/Issue Period by a Bidder pursuant to submission of the Bid cum Application Form, or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe to or purchase the Equity Shares of the Company at a price within the Price Band, including all revisions and modifications thereto.
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form.
Bid Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate, the Non Syndicate Registered Brokers and the SCSBs will not accept any Bids, and which shall be notified in an English national daily newspaper and a Hindi national daily newspaper, each with wide circulation and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Syndicate, the Non Syndicate Registered Brokers and SCSBs, as required under the SEBI Regulations. Further, the Bidding by QIBs may close one Working Day prior to the Bid Closing Date.
Bid cum Application Form	The form used by a Bidder, including an ASBA Bidder, to make a Bid and which will be considered as the application for Allotment in terms of the Red Herring Prospectus.
Bid Lot	[●] Equity Shares.
Bid Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate, the Non Syndicate Registered Brokers and the SCSBs shall start accepting Bids, and which shall be the date notified in an English national daily newspaper and a Hindi national daily newspaper, each with wide circulation.
Bid Price	The prices indicated against each optional Bid in the Bid cum Application Form.
Bid/Issue Period	The period between the Bid Opening Date and the Bid Closing Date or the QIB Bid Closing Date, as the case may be (in either case inclusive of such date and the Bid Opening Date) during which Bidders, other than Anchor Investors, can submit their Bids, inclusive of any revision thereof.
Bidder	A prospective investor in this Issue who makes a Bid, and unless otherwise stated or implied, includes an ASBA Bidder.
Bidding	The process of making a Bid.

Term	Description
Bidding Centre	A centre for acceptance of the Bid cum Application Form.
Book Building Process	The book building process as described in Part A of Schedule XI of the SEBI Regulations.
Book Running Lead Manager or BRLM	Book running lead manager to this Issue, being Kotak Mahindra Capital Company Limited.
CAN or Confirmation of Allocation Note	In relation to Anchor Investors, the note or advice or intimation including any revisions thereof, sent to each successful Anchor Investors indicating the Equity Shares allocated after discovery of the Anchor Investor Issue Price.
Cap Price	The higher end of the Price Band and any revisions thereof, above which the Issue Price will not be finalized and above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSBs which co-ordinate Bids under this Issue by the ASBA Bidders with the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Cut-Off Price	Any price within the Price Band determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager, at which only the Retail Individual Bidders are entitled to Bid, for Equity Shares of an amount not exceeding ₹ 200,000.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository	A depository registered with the SEBI under the Depositories Act, 1996.
Depository Participant or DP	A depository participant registered with the SEBI under the Depositories Act.
Designated Branches	Such branches of the SCSBs which shall collect the Bid cum Application Forms and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Designated Date	The date on which funds are transferred from the Escrow Account or the amount blocked by the SCSBs is transferred from the ASBA Account, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to successful Bidders in the Fresh Issue and the Selling Shareholder shall transfer the Equity Shares in the Offer for Sale.
Designated Stock Exchange	[●].
Draft Red Herring Prospectus or DRHP	This draft red herring prospectus dated September 11, 2014 filed with SEBI, prepared and issued by our Company in accordance with the SEBI Regulations, the Companies Act, 2013 and the Companies Act, 1956 (to the extent applicable).
Eligible NRI	An NRI from such a jurisdiction outside India where it is not unlawful to make an offer or invitation under this Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to Bid on the basis of the terms thereof.
Equity Shares	The equity shares of our Company of face value of ₹ 10 each.
Escrow Account(s)	Accounts opened with Escrow Collection Bank(s) for this Issue to which cheques or drafts are issued by Bidders (excluding ASBA Bidders) in respect of the Bid Amount.
Escrow Agreement	An agreement to be entered into among our Company, the Selling Shareholder, the Registrar to the Issue, the Escrow Collection Banks, the Book Running Lead Manager and the Syndicate Members for the collection of Bid Amounts and for remitting refunds, if any, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form, as applicable.
Floor Price	The lower end of the Price Band below which no Bids will be accepted and any revisions thereof.
Fresh Issue	The issue of up to 6,000,000 Equity Shares aggregating up to ₹ [●] million by the Company offered for subscription pursuant to the terms of the Red Herring Prospectus.
Issue	Public issue of up to 14,182,598 Equity Shares for cash at a price of ₹ [●] per Equity Share for an amount aggregating up to ₹ [●] million, consisting of the Fresh Issue and the Offer for Sale.
Issue Agreement	The agreement entered into on September 11, 2014 between our Company, the Selling Shareholder, the Book Running Lead Manager, pursuant to which certain arrangements are agreed to in relation to the Issue.
Issue Price	The final price at which Allotment will be made, as determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager.
Issue Proceeds	The proceeds of the Issue that will be available to the Company and the Selling Shareholder.

Term	Description
Mutual Fund Portion	212,739 Equity Shares or 5% of the Net QIB Portion, available for allocation to Mutual Funds out of the Net QIB Portion.
Mutual Funds	Mutual funds registered with the SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996.
Net QIB Portion	The QIB Portion less the number of Equity Shares Allotted to the Anchor Investors on a discretionary basis.
NIF	National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India.
Non Syndicate Broker Centre	A broker centre of the Stock Exchanges with broker terminals, wherein a Non Syndicate Registered Broker may accept Bid cum Application Forms, a list of which is available on the website of the Stock Exchanges, and at such other websites as may be prescribed by SEBI from time to time.
Non Syndicate Registered Broker	A broker registered with SEBI under the Securities and Exchange Board of India (Stock Brokers and Sub Brokers Regulations), 1992, having office in any of the Non Syndicate Broker Centres, and eligible to procure Bids in terms of the circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI.
Non-Institutional Bidders	All Bidders (including ASBA Bidders and Sub-Accounts which are foreign corporates or foreign individuals) who are not Qualified Institutional Buyers or Retail Individual Bidders and who have Bid for an amount more than ₹ 200,000.
Non-Institutional Portion	The portion of the Issue being not more than 15% of the Issue consisting of not more than 2,127,389 Equity Shares, available for allocation to Non-Institutional Bidders.
Offer for Sale	The offer for sale of up to 8,182,598 Equity Shares by the Selling Shareholder aggregating up to ₹ [●] million, pursuant to the terms of the Red Herring Prospectus.
Pre-IPO Placement	The private placement of up to 2,500,000 Equity Shares for cash consideration aggregating up to ₹ 650 million by the Company and the Selling Shareholder at their discretion in favour of such investors as permissible under applicable laws, to be completed prior to filing the Red Herring Prospectus with the RoC and the details of which, if completed, will be included in the Red Herring Prospectus. If the Pre-IPO Placement is completed, the number of Equity Shares issued and transferred pursuant to the Pre-IPO Placement will be proportionately reduced from the Fresh Issue and the Offer for Sale, subject to a minimum Issue size of 25% of the post Issue paid-up Equity Share capital being offered to the public.
Price Band	The price band ranging from the Floor Price to the Cap Price, including any revisions thereof.
Pricing Date	The date on which the Issue Price is finalised by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager.
Prospectus	The prospectus of our Company to be filed with the RoC for this Issue after the Pricing Date, in accordance with Sections 26 of the Companies Act, 2013 and the SEBI Regulations.
Public Issue Account	The bank account opened with the Bankers to the Issue by our Company under Section 40 of the Companies Act, 2013 to receive money from the Escrow Account and where the funds shall be transferred by the SCSBs from the ASBA Accounts on or about the Designated Date.
QIB Bid Closing Date	The date after which the Syndicate, the Non Syndicate Registered Brokers and the SCSBs will not accept any Bids from QIBs, and which shall be notified in an English national daily newspaper and a Hindi national daily newspaper, each with wide circulation and in case of any revision, the extended Bid Closing Date also to be notified on the website and terminals of the Syndicate, the Non Syndicate Registered Brokers and SCSBs, as required under the SEBI Regulations. The Bidding by QIBs may close one Working Day prior to the Bid Closing Date.
QIB Portion	The portion of the Issue being at least 75% of the Issue, that is, at least 10,636,949 Equity Shares shall be Allotted to QIBs (including the Anchor Investor Portion).
QIBs/ Qualified Institutional Buyers	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI Regulations.
Qualified Foreign Investors or QFIs	Non-resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in a country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; and (ii)

Term	Description
	jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies.
Red Herring Prospectus or RHP	The Red Herring Prospectus issued in accordance with Section 32 of the Companies Act, 2013 and the SEBI Regulations, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The Red Herring Prospectus will be filed with the RoC at least three days before the Bid Opening Date and will become a Prospectus upon filing with the RoC after the Pricing Date.
Refund Account(s)	The account opened by our Company with the Refund Banker, from which refunds of the whole or part of the Bid Amount (excluding the ASBA Bidders), if any, shall be made.
Refund Banker(s)	The Banker(s) to the Issue, with whom the Refund Account(s) will be opened, in this case being [●].
Registrar/ Registrar to the Issue	The registrar to the Issue, being Karvy Computershare Private Limited.
Retail Individual Bidders	Individual Bidders (including HUFs applying through their karta, and Eligible NRIs) who have Bid for an amount less than or equal to ₹ 200,000.
Retail Portion	The portion of the Issue being not more than 10% of the Issue, consisting of not more than 1,418,260 Equity Shares, available for allocation to Retail Individual Bidders.
Revision Form	The form used by the Bidders, including ASBA Bidders, to modify the quantity of Equity Shares or the Bid Price in any of their Bid cum Application Forms or any previous Revision Form(s), as applicable.
Self Certified Syndicate Banks or SCSBs	The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994 and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.
Selling Shareholder or NSR	NSR – PE Mauritius LLC, a company registered under the laws of the Republic of Mauritius, and having its registered office at 4th Floor, Tower A, 1 Cybercity, Ebene, Mauritius.
Specified Cities	Cities specified in the SEBI circular no. CIR/CFD/DIL/1/2011 dated April 29, 2011, namely, Mumbai, Chennai, Kolkata, Delhi, Ahmedabad, Rajkot, Jaipur, Bengaluru, Hyderabad, Pune, Baroda and Surat.
Stock Exchanges	The BSE and the NSE.
Syndicate	The Book Running Lead Manager and the Syndicate Members.
Syndicate Agreement	The agreement to be entered by our Company, the Selling Shareholder and members of the Syndicate, in relation to the collection of Bids (excluding Bids from the ASBA Bidders procured directly by SCSBs and Bids procured by Non Syndicate Registered Brokers).
Syndicate Members	Intermediaries registered with the SEBI who are permitted to carry out activities as an underwriter, in this case being [●].
Transaction Registration Slip/ TRS	The slip or document issued by any of the members of the Syndicate, or the SCSBs, as the case may be, to a Bidder upon demand as proof of registration of the Bid.
Underwriters	The BRLM and the Syndicate Members.
Underwriting Agreement	The agreement to be entered into between the Underwriters, our Company, the Selling Shareholder and the Registrar to the Issue on or immediately after the Pricing Date.
Working Days	All days, other than a Sunday or a public holiday on which commercial banks are open for business, provided however, with reference to (a) announcement of Price Band; and (b) Bid/Issue Period, "Working Days" shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India. For the purpose of the time period between the Bid Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Days" shall mean all days excluding Sundays and bank holidays, in accordance with the SEBI circular no. CIR/CFD/DIL/3/2010 dated April 22, 2010

Conventional/ General Terms, Abbreviations and Reference to Other Business Entities

Abbreviation	Full Form
₹/Rs./Rupees / INR	Indian Rupees.
AGM	Annual General Meeting.
AIFs	Alternative Investment Funds.

Abbreviation	Full Form
AS	Accounting Standards as issued by the Institute of Chartered Accountants of India.
BIS	Bureau of Indian Standards.
Broadband Policy	Broadband Policy, 2004.
BSE	BSE Limited.
Cable Television Act	The Cable Television Networks (Regulation) Act, 1995.
Cable Television Rules	The Cable Television Network Rules, 1994.
CAGR	Compound annual growth rate, calculated using the following formula: $$\mathrm{CAGR}(t_0, t_n) = \left(\frac{V(t_n)}{V(t_0)}\right)^{\frac{1}{t_n - t_0}} - 1$$ Where V(t0) : start value, V(tn) : finish value, tn – t0 : number of years
Category II FPI	FPIs who are registered as "Category II foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Category III FPI	FPIs who are registered as "Category III foreign portfolio investors" under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CESU/CESCO	Central Electricity Supply Utility of Orissa.
CFO	Chief Financial Officer.
CIN	Corporate Identity Number.
Companies Act, 1956	Companies Act, 1956, to the extent not superseded by the Companies Act, 2013 or de-notified, as the case may be.
Companies Act, 2013	Companies Act, 2013, to the extent notified, and the rules and regulations made thereunder.
Competition Act	Competition Act, 2002.
Consolidated FDI Policy	Circular D/o IPP F. No. 5(1)/2014-FC.I dated April 17, 2014, effective from April 17, 2014, as issued by the DIPP.
CPE	Customer premise equipment.
CTS	Cheque Truncation System.
D/o	Daughter of.
DAS Regulations	The Telecommunication (Broadcasting and Cable Services) Interconnection (Digital Addressable Cable Television Systems) Regulations, 2012.
Demat	Dematerialised.
DIN	Directors Identification Number.
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India.
DoT	The Department of Telecommunications.
DP ID	Depository Participant's Identity.
DSA	Direct sales agents.
DTS	Disconnection tracking system.
ECS	Electronic Clearing System.
EGM	Extraordinary General Meeting.
EPS	Earning Per Share.
FCNR Account	Foreign Currency Non-Resident Account.
FDI	Foreign Direct Investment, as laid down in the Consolidated FDI Policy effective from April 17, 2014.
FEMA	Foreign Exchange Management Act, 1999, as amended together with rules and regulations framed thereunder.
FEMA Regulations	Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000.
FICCI	Federation of Indian Chambers of Commerce and Industry.
FII	Foreign Institutional Investors holding a valid certificate of registration under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, as repealed, and who are deemed to be Foreign Portfolio Investors.
FIPB	Foreign Investment Promotion Board of the Government of India.
Fiscal/ Financial Year/FY	Period of twelve months ended March 31 of that particular year, unless otherwise stated.
Foreign Portfolio Investors/ FPIs	Foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FVCI	Foreign venture capital investor as defined in and registered under the FVCI Regulations.
FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors)

Abbreviation	Full Form
	Regulations, 2000, as amended.
GoI/Government of India/ Central Government	The Government of India.
HD	High definition.
HUF	Hindu Undivided Family.
ICAI	Institute of Chartered Accountants in India.
IFRS	International Financial Reporting Standards.
Income Tax Act	Income Tax Act, 1961, as amended.
Income Tax Rules	The Income Tax Rules, 1962, as amended from time to time.
Indian GAAP	Generally accepted accounting principles in India.
Insider Trading Regulations	Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, including instructions and clarifications issued by SEBI from time to time.
Interconnection Regulations	The Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004.
Internet Telephony Guidelines	Guidelines for Issue of Permission to Offer Internet Telephony Services, 2002.
IPC	Indian Penal Code, 1860, as amended.
IPO	Initial Public Offer.
IRDA	Insurance Regulatory and Development Authority.
ISP License Guidelines	Guidelines and General Information for Grant of License for Operating Internet Services dated August 24, 2007.
IT Act	Information Technology Act, 2000.
IT Department	Income Tax Department, GoI.
L&T Finance	L&T Finance Limited.
LEO	Labour Enforcement Officer.
Listing Agreement	Listing Agreement to be entered into by our Company with the Stock Exchanges.
Ltd.	Limited.
Mandatory Signal Sharing Act	The Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act, 2007.
MCA	Ministry of Corporate Affairs, Government of India
MIB	Ministry of Information and Broadcasting, Government of India.
N.A.	Not Applicable.
NAV	Net Asset Value.
No.	Number.
NR(s) or Non Resident(s)	A person resident outside India, as defined under FEMA, including an Eligible NRI, FII, FPI and QFI.
NRI	A person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin, such term as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non-Resident Ordinary Account.
NSDL	National Securities Depository Limited.
NSE	National Stock Exchange of India Limited.
OCB(s)	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date was eligible to undertake transactions pursuant to the general permission granted to OCBs under FEMA.
OSEB	Orissa State Electricity Board.
p.a.	Per annum.
P/E Ratio	Price/ Earnings Ratio.
PAN	Permanent Account Number allotted under the Income Tax Act.
PBDIT	Profit before exceptional items, extra ordinary items, taxation, depreciation and amortisation expense, finance cost, fixed assets written off and non-compete fee payouts.
PBT	Profit Before Tax.
PLR	Prime Lending Rate.
PN 7	Press Note 7 (2012 Series).
PVR	Personal video recorder.
Pvt.	Private.
QOS DAS Regulations	Standards of Quality of Service (Digital Addressable Cable TV Systems) Regulations, 2012.
QOS Non-CAS Regulations	The Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television – Non CAS Areas) Regulation, 2009.

Abbreviation	Full Form
QOS Regulations	Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television – CAS Areas) Regulation, 2006.
R&D	Research and Development.
RBI	Reserve Bank of India.
RBI Act	Reserve Bank of India Act, 1934, as amended from time to time.
Re.	One Indian Rupee.
S/o	Son of.
SBR	SREI Base Rate.
SCRA	Securities Contracts (Regulation) Act, 1956.
SCRR	Securities Contracts (Regulation) Rules, 1957.
SEBI	The Securities and Exchange Board of India established under the SEBI Act.
SEBI Act	The Securities and Exchange Board of India Act, 1992, as amended.
SEBI Regulations	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985, as amended from time to time.
SMS	Subscriber management system.
SREI	SREI Equipment Finance Private Limited.
Sub-Account	Sub-accounts registered with SEBI under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995.
Takeover Regulations	The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
TAN	Tax deduction account number allotted the Income Tax Act.
Tariff Order 1999	The Telecommunication Tariff Order, 1999.
Tariff Order 2004	The Telecommunication (Broadcasting and Cable) Services (Second) Tariff Order 2004.
Tariff Order 2006	The Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff Order, 2006.
Tariff Order 2010	The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff Order, 2010.
Tariff Order 2012	The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff (First Amendment) Order, 2012.
TDS	Tax Deduction at Source.
TDSAT	Telecom Disputes Settlement Appellate Tribunal.
Telegraph Act	The Indian Telegraph Act, 1885.
TIN	Taxpayers Identification Number.
TRAI Act	The Telecom Regulatory Authority of India Act, 1997.
TRS	Transaction Registration Slip.
U.S. GAAP	Generally accepted accounting principles in the United States of America.
U.S./ US/ U.S.A/United States	The United States of America, together with its territories and possessions.
UIN	Unique Identification Number issued in terms of Securities and Exchange Board of India (Central Database of Market Participants) Regulations, 2003.
UoI	Union of India.
Uplinking Guidelines	The Policy Guidelines for Uplinking of Television Channels from India, 2011.
VCFs	Venture Capital Funds as defined and registered with SEBI under the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996.
VPN Guidelines	Guidelines for Permission to Offer Virtual Private Network (VPN) Services by Internet Service Providers (ISPs), 2004.
Wireless Telegraphy Act	The Indian Wireless Telegraphy Act, 1933.
XLRI	Xavier Labour Relations Institute.

Industry/ Project Related Terms, Definitions and Abbreviations

Term	Description
ADSL	Asymmetric Digital Subscriber Line.
ARPU	Average Revenue Per User per month.
B2B	Business to Business.
B2C	Business to Consumer.
BWA	Broadband Wireless Access.
C&S	Cable and Satellite.
CPEs	Customer premise equipments.
DAS	Digital Addressable System.
DSNG	Digital Satellite News Gathering.

Term	Description
DTH	Direct-to-home.
DVR	Digital Video Recorder.
EPG	Electronic Program Guide.
ERP	Enterprise Resource Planning System.
FTA	Free-to-Air.
GDP	Gross Domestic Product.
GST	Goods and service tax.
HD	High Definition.
HFC	Hybrid Fibre Coaxial.
HHTs	Hand Held Terminals.
HITS	Headend-in-the-sky.
IPTV	Internet Protocol Television.
IRD	Integrated Receiver cum Decoder.
ISP	Internet Service Provider.
ISRO	Indian Space Research Organization.
‘last mile’	Network where the MSO has direct control over or contact with the subscriber/ end customer.
LCOs	Local Cable Operators.
M&E	Media and Entertainment.
Mbps	Mega bytes per second.
MEN	Metro Ethernet Network.
MSOs	Multi System Operators.
NoC	Network operating centre.
NVoD	Near Video on Demand.
OFC	Optic Fibre Cable network.
Primary Subscriber	A subscriber to whom services are delivered through the ‘last mile’ cable link owned by the MSO.
QMS	Quality management system.
RF	Radio Frequency network.
RGUs	Revenue Generating Units. It is clarified that if a singles subscriber utilises ‘n’ services from our Company, such subscriber shall be counted as ‘n’ RGUs.
Secondary Subscriber	A subscriber to whom services are delivered through the ‘last mile’ cable link owned by the ICO and / or the LCO.
STB	Set-top box.
TAM	Television Audience Measurement.
TRAI	Telecom Regulatory Authority of India.
VoiP	Voice over Internet Protocol.
You Broadband	You Broadband India Private Limited.
WiFi	Wireless Fiedlity.
xDSL	Digital Subscriber Line.

Abbreviations/ Terms relating to the objects of the Issue

Term	Description
'	Feet
"	Inch
12F Fiber	12 Optic Fiber Cable
24F Fiber	24 Optic Fiber Cable
4F Fiber	4 Optic Fiber Cable
6F Fiber	6 Optic Fiber Cable
AH	Ampere Horse
Amp	Ampere
BNC	Bayonet Neil Connector
CAT	Category
Ch.	Channel
CMTS	Cable Modem Transmission System
CPE	Customer Premises Equipment
cu	Copper
CVT	Constant Volt Transformer
EMR	Encoder Media Router
EoC	Ethernet over Cable
EPG	Electronics Programme Guide

Term	Description
F5 Crimping	Co axial radio frequency (f) royal grid-6 connector
F7 Crimping	Co axial radio frequency (f) royal grid-11 connector
FA	Failure
FOS	Fiber Optic Switch
FTA	Free to Air
GB	Giga Byte
HP	Hewlett-Packard
IBM	International Business Machines
IP QAM	Internet Protocol Quadratune Amplitude Modulator
KVA	Kilo Volt Ampere
MEN	Metro Ethernet Network
MGMT	Management
MM	Mili Meter
MUX	Multiplexor
O/D	Out Door
OFC	Optic Fiber Cable
PC	Personal Computer
PSH	Powerful Switch of High performance
QAM	Quadratune Amplitude Modulator
RCA	Radio Corporation of America
RG-11 cable	Royal Grid - 11 co axial cable
RG-11 pin connector	Royal Grid - 11 pin connector
RG-6 cable	Royal Grid - 6 co axial cable
SFP	Small Form factor Pluggables
SMR	Sumavision Media Router
UPS	Uninterruptible Power Supply
VA	Volt Ampere

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the SCRA, the Depositories Act and the rules and regulations made thereunder or such other applicable laws as amended from time to time.

Notwithstanding the foregoing, terms in sections titled "*Main Provisions of the Articles of Association*", "*Statement of Tax Benefits*" and "*Financial Information*" on pages 388, 108 and 202, respectively, have the meanings given to such terms in these respective sections.

CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION

Financial Data

Unless indicated otherwise, the financial data and other financial information in this Draft Red Herring Prospectus is derived from the restated financial information of the Company for the Fiscals 2010, 2011, 2012, 2013, 2014, prepared in accordance with circular 15/2013 dated September 13, 2013 read with circular 8/2014 dated April 4, 2014 released by the MCA and restated in accordance with the Companies Act, 2013 and the SEBI Regulations.

The fiscal year of the Company commences on April 1 and ends on March 31 of each year. Accordingly, unless the context otherwise implies or requires, all references to a particular fiscal year are to the twelve-month period ended March 31 of that year.

There are significant differences between Indian GAAP and U.S. GAAP. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information to a particular reader is entirely dependent on the reader's level of familiarity with Indian accounting practices, Indian GAAP, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable) and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices, Indian GAAP, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable) and the SEBI Regulations on the financial information presented in this Draft Red Herring Prospectus should accordingly be limited. The Company has not attempted to quantify any such differences or their impact on the financial information included herein, and you should consult your own advisors regarding such differences and their impact on the financial information included herein.

We do not provide a reconciliation of our financial information to IFRS and we have not otherwise quantified or identified the impact of the differences between IFRS and the accounting policies as applied to our financial information. As there are significant differences between IFRS and the accounting policies as applied to our financial information, there may be substantial differences in our results of operations, cash flows and financial position if we were to prepare our financial information in accordance with IFRS and the accounting policies as applied to our financial information, and we urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the financial information in this Draft Red Herring Prospectus will provide meaningful information to a prospective investor in countries other than India depends entirely on such potential investor's level of familiarity with Indian accounting practices and SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

For more information on the results of operations and financial condition of the Company, see the section titled "*Financial Information*" beginning on page 202.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Draft Red Herring Prospectus has been obtained from industry publications and certain public sources. Industry publications generally state that the information contained in those publications have been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Further, they also state that the information contained in the industry reports are of a general nature and do not address the circumstances of any particular individual or entity. Although the Company believes that the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been verified by us or any independent sources. Further, the extent to which the market and industry data presented in this Draft Red Herring Prospectus is meaningful depends on the reader's familiarity with and understanding of methodologies used in compiling such data.

Currency and unit of presentation

In this Draft Red Herring Prospectus, all references to "India" are to the Republic of India, all references to "₹", "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India and all references to "US$", "U.S. Dollar(s)" or "USD" are to United States Dollars, the official currency of the United States of America.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

The following table sets forth, for each period indicated, information concerning the number of Rupees for which one US dollar could be exchanged. The row titled ‘average’ in the table below is the average of the daily rate for each day in the period.

Period	Period End (in ₹)	Period Average (in ₹)	High (in ₹)	Low (in ₹)
FY 2014	60.10	60.50	68.36	53.74
FY 2013	54.39	54.45	57.22	50.56
FY 2012	51.16	47.95	54.24	43.95
FY 2011	44.65	45.58	47.57	44.03
FY 2010	45.14	47.42	50.53	44.94

(Source: RBI Reference Rate)

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements generally can be identified by words or phrases such as "shall", "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "future", "goal", "plan", "contemplate", "propose" "seek to" "project", "should", "will", "will continue", "will pursue", "will likely result" or other words or phrases of similar import. Similarly, statements that describe our objectives, strategies, plans or goals are also forward-looking statements. All forward looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks and assumptions that could significantly and materially affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- our ability to successfully implement our strategy, our growth and expansion;
- churn in our subscriber base;
- competition from our existing as well as new competitors;
- our ability to compete with and adapt to technological advances;
- changes in domestic laws, regulations and taxes;
- availability of capital and financial resources;
- the performance of the financial markets in India and globally;
- general economic, political and business conditions in the markets in which we operate and in the local, regional and national economies;
- availability of content to be transmitted;
- the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices; and
- terrorist attacks, civil disturbances, regional conflicts, accidents and natural disasters.

For further discussion of factors that could cause our actual results to differ, see sections titled "*Risk Factors*" and "*Management Discussion and Analysis of Financial Condition and Results of Operations*" on pages 16 and 263, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated.

None of our Company, the Selling Shareholder, Book Running Lead Manager and the Syndicate Members nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and Book Running Lead Manager will ensure that investors in India are informed of material developments between the date of filing the RHP with the RoC and the date of allotment of the Equity Shares.

SECTION II – RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in our Equity Shares. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer materially, the trading price of our Equity Shares could decline, and all or part of your investment may be lost.

The risks set out in this Draft Red Herring Prospectus may not be exhaustive and additional risks and uncertainties not presently known to us, or which we currently deem to be immaterial, may arise or may become material in the future. Further, some events may have a material impact from a qualitative perspective rather than a quantitative perspective and may be material collectively rather than individually. This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. The Company's actual results could differ materially from those anticipated in such forward-looking statements as a result of certain factors, including the considerations described below and in the section titled "Forward-Looking Statements" beginning on page 15.

Unless otherwise stated, the financial information used in this section is derived from our financial information, as restated under the Companies Act and the SEBI Regulations and included in this Draft Red Herring Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein.

1. Our customer base is concentrated in Odisha. Inability to retain and grow our customer base in Odisha may have an adverse effect on our revenues, business and results of operations

We are a regional cable television and high speed broadband services provider focused in the Indian states of Odisha, Chhattisgarh, Andhra Pradesh and West Bengal and do not have a pan India presence. As of June 30, 2014, 89.30% of our customers are based in Odisha and our revenues are primarily derived from sale of cable television and broadband services in Odisha. While we believe that we have a strong presence in the cable industry in Odisha, we continue to face competition from the existing or new service providers such as DTH players, regional MSOs and LCOs. Customer demands and preferences in television programmes change continuously. In the event a national MSO enters the market or a regional MSO or LCO starts to provide better and/or cheaper services or we cannot correctly identify customer preferences, in time or at all, we may not be able to retain or grow our customer base in Odisha and it may have an adverse impact on our revenues and results of operations.

Further, in the event there are adverse business conditions in Odisha arising out of economic downturn, natural calamities, political uncertainty or civil unrest, it will have a significant impact on our revenues, business and results of operations.

2. We may not be able to successfully scale and grow our business operations in new areas of operation, which may adversely impact our operations, financial condition etc.

We have expanded to the states of Andhra Pradesh, West Bengal and Chhattisgarh in the last six years. We plan to scale up and expand our business operations in these states. We also plan to expand our business beyond our current areas of operations. Our growth strategy may involve identification of potential high-growth areas, future strategic acquisitions and partnerships. The success of growing our business in new locations and any future acquisitions will depend upon several factors, including:

- the ability to identify and acquire subscribers on a cost-effective basis;
- the ability to identify and correctly assess the cost of investment and the growth potential in a new location;
- the ability to obtain the content rights of the start-up sites;
- the ability to obtain legal right of way for laying the cables;
- the ability to integrate acquired operations and networks effectively;
- the ability to address the unanticipated problems, tax or accounting issues or legal liabilities of the acquired businesses; and
- the ability to arrange adequate funding for the capital expenditure to expand our network with the 'last mile' connections.

There can be no assurance that we will be able to successfully achieve scale and growth in the new areas of operations, in the manner we envisage presently.

3. Our business model of 'last mile' control is capital intensive and we may not be able to arrange adequate funds for future capital expansion

Our business model entails control over the 'last mile' which requires significant capital investment. Consequently, in order to continue to provide competitive services and technologies to our subscribers, we are continually required to make significant capital investment in our network and technologies.

However, as future network expansion will be dependent in part on the future demand for our services, it is difficult for us to predict with certainty our future capital expenditure requirements. Further, we will incur additional capital expenditure in connection with the roll-out and expansion of our digital cable television services and broadband services. Financial resources available to us maybe inadequate and the actual amount and timing of future financial requirements may differ substantially from our current projections. Hence, our growth and business strategies may depend upon our ability to obtain future funding through equity, debt, vendor financing or internal accruals. No assurance can be given that financing will be available or, if available, that such financing will be obtained on terms favorable to us or that any additional financing will not be dilutive to our shareholders. If we do not have access to such financing arrangements, there could be a material adverse effect on our business, results of operations and financial condition.

4. We have incurred Net losses and have had net worth erosion in past Fiscals, which may adversely impact our business and the value of the Equity Shares.

We have in the past, and may in the future experience losses and net worth erosion. As has been set forth in the restated financial information, in Fiscals 2014, 2013 and 2012, our loss after taxation was ₹ 125.01 million, ₹ 227.91 million and ₹121.12 million, respectively. Our restated net worth for equity shareholders declined from ₹ 674.14 million in Fiscal 2011 to ₹ 199.76 million in Fiscal 2014. Furthermore, our accumulated losses exceed 50% of our net worth as at March 31, 2014, although we have not incurred cash losses in Fiscal 2014 or 2013. For further information see the section titled "*Financial Information*" on page 202. If we continue to incur losses or our net worth continues to erode, our business and the value of the Equity Shares could be adversely affected.

5. We have incurred net decrease in the cash and cash equivalents in Fiscals 2013, 2011 and 2010 which may adversely impact our business and the value of the Equity Shares.

We have in the past, and may in the future experience net decrease in the cash and cash equivalents. As has been set forth in the restated financial information, net decrease in cash and cash equivalents was ₹ 69.33 million in Fiscal 2013, ₹ 218.11 million in Fiscal 2012 and ₹ 117.28 million in Fiscal 2010. If our cash and cash equivalents continue to decline, our business and the value of the Equity Shares could be adversely affected.

6. We may not be able to successfully implement the DAS and may face resistance from customers

In November 2011, the MIB announced timelines for complete digitization with addressability in a phased manner which is to be completed by December 2014 across India. While the first two phases, consisting of the four metros of Delhi, Mumbai, Kolkata and Chennai, and 38 cities with a population of over one million, have been largely digitised, the remaining urban areas, having a municipal corporation or a municipality, are required to be completely digitized by September 30, 2014 and the rest of country by December 31, 2014. As a part of our strategy and as is required under the DAS, we plan to roll out digital television services and expand our digital cable penetration. In order to achieve this we plan to convert our analog customers to digital customers. Further, we also plan to acquire and convert DTH subscribers through pricing strategies and by offering a larger bouquet of channels, localized content, better quality and value added services.

Such conversion will require increased capital expenditure for digital head end, set-top boxes and new software. We may be required to raise further capital for such purpose and any delay in raising the requisite capital to provide digital service or delays in placing orders or delayed shipments by vendors or delays in timely adoption of digital services by cable television subscribers are likely to impact our ability to digitize our cable television subscribers in a timely manner. Delayed adoption by cable television subscribers or failure on our part to acquire digital customers could force us to offer substantial incentives or otherwise incur significant costs to encourage migration from analog to digital cable television services, thereby adversely affecting our revenues and potential increase in the churn of cable television subscribers. Further any uncertainty in the timelines for digitization will impact our planning and resources. Therefore, there can be no assurance that we will be able to successfully migrate and/or retain our analog cable television subscribers to digital cable television subscribers and some of these cable television subscribers may either convert to DTH or to competing MSOs/ LCOs.

For further information on DAS, see the section titled "*Regulations and Policies*" and "*Industry Overview*" on pages 150 and 117.

7. An inability to manage our growth could have an adverse effect on our business and results of operation

To effectively manage future growth, we need to continue to implement and improve our managerial, operational, financial and reporting systems and expand our facilities. We expect that these measures will require significant expenditures and management attention. Our failure to manage our growth effectively may result in our over or under-investing in our operations, weaknesses in our infrastructure, systems and controls, operational mistakes, loss of business opportunities and/or loss of employees. If we are unable to effectively manage our expected growth, our expenses may increase more than expected, our revenue could decline or grow more slowly than expected and we may be unable to implement our business strategy, any of which could harm our business, results of operations and financial condition.

8. Our past rate of growth through buyout of equipments, infrastructure and cable television subscribers of MSOs and LCOs may not be replicated in future

The focus of our growth strategy has been to acquire equipments, infrastructure and cable television subscribers of MSOs and LCOs. We have entered into agreements with 486 MSOs/ LCOs between April 1, 2009 and June 30, 2014, resulting in an acquisition of 212,980 cable television subscribers. This growth rate may not be reflective of our future growth, as we may not be able to identify or acquire suitable equipments, infrastructure and cable television subscribers from the MSOs and LCOs. In the event the equipments, infrastructure we acquire do not meet our quality and specification standards, we may have to incur additional expenditure which may adversely affect our results of operations.

As a part of 'last mile' connection strategy, we intend to continue to selectively acquire from MSOs/ LCOs but we may not always be able to acquire adequate number of cable television subscribers at the appropriate cost. These costs may materially increase to the extent we continue or expand our current sales promotion activities or introduce more aggressive promotions, or due to increased competition. Any material increase in acquisition costs from current levels would negatively impact our earnings and could materially adversely affect our financial performance. In addition, we may not be able to successfully integrate the acquired equipments, infrastructure and cable television subscribers into our business operations which may have an adverse effect on our revenues, business and results of operations.

9. Inability to obtain or renew the existing right of way for laying the cable in future may adversely affect our business

We obtain a valid legal right of way for rolling out our infrastructure in any market. We depend on approvals from municipal corporations, electricity distribution companies and other statutory authorities for use of public infrastructure like poles for laying cables and ducts. The legal right of way thus obtained provides complete legal sanctity to our network and enables us to do proper planning and easy value addition. The owners of the private areas through which our network passes may refuse to give us a right of way or charge us a higher amount for the same. The approval for the right of way is typically valid for a period of one year, and is typically required to be renewed. Any failure to seek renewal may restrict the business activities of the Company and may have an adverse effect on our revenues, business and results of operations.

Pursuant to a notification dated March 3, 2012, the Energy Department, Government of Odisha issued amended guidelines to lay cables on electric poles for cable television operations, internet access and other uses. The rights of way with respect to one pole would henceforth be granted to three eligible MSOs who would be selected after the bidding process. Our Company has been granted a right of first refusal in the event of a bidding process for such right of way to lay our cables on the poles in Odisha. In the future, we will be required to match the price as per the bidding process. In the event we are unable to match such price or if we are required to incur additional cost for such infrastructure, it will affect our cost of production and we may not be able to expand our cable network which may adversely affect our business.

10. We may not be able to increase our customer base, revenue and profitability

We may not be able to increase our customer base in our businesses as a result of competition and high penetration rates in the market for cable television and broadband services. In order to grow our revenue and profitability in our business, we may become reliant on ARPU expansion and growth. However, in order to increase our customer base, it may be necessary to lower our rates, or it may be necessary to increase our customer acquisition costs, which may increase our operating costs, which could result in lower margins and lower profitability. Any new services may not be technically or commercially successful or launched according to expected schedules. Any such failure may have a material adverse effect on our revenue and profitability.

In addition, we may not be successful in the execution of our business strategies, including those described in detail under "*Our Business – Our Strategy*" on page 134. We may experience delays in the implementation of these strategies for various reasons, including a failure to integrate our networks and technologies, capital shortfalls, failure of third party suppliers to deliver services and products in a timely manner and our inability to meet our own implementation schedules. There can be no assurance that our business strategies will be satisfactorily implemented and the growth of our business may be adversely affected.

11. We have availed loans from certain banks and financial institutions and inability to repay such loans, or comply with certain restrictive covenants in the agreements we have entered into with such banks and financial institutions may materially affect our financial condition, business and prospects.

There are restrictive covenants in the agreements we have entered into with our lenders. The agreements governing certain of our debt obligations include terms that require us to obtain prior written consent before undertaking certain actions, including:

(i) entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction;
(ii) declaration and/or payment of dividend to the shareholders of our Company in a particular year, if our Company has not paid the instalment of the principal, interest and/or other money payable to lender up to the particular year;
(iii) alteration of memorandum and articles of association;
(iv) investment made by our Company including by way of deposits and/or debentures;
(v) provisioning any security or commission to the guarantor by our Company, for giving the guarantee;
(vi) making any change in capital structure, ownership or control of our Company;
(vii) prepayment of the repayment instalments in full prior to the due date; and
(viii) availing of any fresh credit facility or accommodation from any other bank or financial institution or any person.

Furthermore, certain of our financing agreements also contain "cross-default" provisions, whereby, default by us with the terms and conditions of any of our other debt facilities constitutes a default under such loan documents. Additionally, one of our financing agreements empowers the lender to dispense with providing notice before taking possession of the security granted by us for such loan. Such restrictive covenants in our loan documents may restrict our operations or ability to expand and may adversely affect our business. For details of these restrictive covenants, see the section titled "*Financial Indebtedness*" on page 285.

Further, these restrictive covenants may also affect some of the rights of our shareholders and our ability to pay dividends if we are in breach of our obligations to pay amounts owed by us under a relevant financing agreement. Our financing arrangements may also require us to maintain certain financial ratios. In the event of any breach of any covenant contained in these financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. Additionally, breaches of other terms and conditions of our loan facilities may constitute events of default, cross-default and acceleration under our financing agreements. Our lenders are entitled to declare the relevant loans to be immediately due and payable, cancel the respective facilities, enforce the security under the respective loans and/or require our Company to restructure its management structure and appoint nominee directors on the Board. We cannot provide any assurance that our lenders will not enforce their rights relating to our breach of financial covenants, or grant us waivers with relation to any of these breaches. Our lenders could take action to accelerate our indebtedness or prohibit us from drawing upon these or other facilities.

In the past, we have approached the lenders in the Karnataka Bank Consortium, namely Karnataka Bank, UCO Bank and SREI to restructure the respective loans under Karnataka Bank Consortium for a payment holiday of principal due with effect from January 1, 2013 for a period of two years. While the lenders in the Karnataka Bank Consortium have agreed to such restructuring and the payment holiday, we cannot assure you that we will not be constrained to undertake such restructuring initiatives in future, or that the relevant lenders will agree to such restructuring. For further details, see the section titled "*Financial Indebtedness*" beginning on page 285.

Any additional financing that we require to fund our expenditure, if met by way of additional debt financing, may place restrictions on us which may, among other things, increase our vulnerability to general adverse economic and industry conditions; limit our ability to pursue our growth plans; require us to dedicate a substantial portion of our cash flow from operations to make payments on our debt, thereby reducing the availability of our cash flow to fund capital expenditures, meet working capital requirements and use for other general corporate purposes; limit our flexibility in planning for, or reacting to changes in our business and our industry, either through the imposition of restrictive financial or operational covenants or otherwise.

12. As of July 31, 2014, we have an outstanding debt of ₹ 1,402.56 million with respect to the secured facilities availed by us from certain banks and financial institutions. The significant amount of debt may affect our cash flow in terms of payments on borrowings and interest thereon and also our ability to borrow.

As of July 31, 2014, we have an outstanding debt of ₹ 1,402.56 million with respect to the secured facilities availed by us from certain banks and financial institutions and a substantial portion of our operating cash flow is required to service our debt and other repayment obligations. The amount of operating cash flows required to service our debts in Fiscal 2015 and Fiscal 2016 is ₹ 290.86 million and ₹ 495.35 million, respectively. We may not be able to generate sufficient operating cash flows to service our debts. The outstanding debts may also reduce funds available to finance our operations and pursue new business opportunities, limits our flexibility in responding to changing business and economic conditions. Our financing agreements require us to maintain certain security margins and/or financial ratios. Should we breach any financial or other covenants contained in any of our financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of our assets, if we do not have sufficient cash or credit facilities to make repayments which may have a material adverse effect on our business and operations.

Further, as of March 31, 2014, we had outstanding floating rate loans of ₹ 1,355.73 million, which comprised 94.35% of our total loan funds. We have not entered into hedging transactions to hedge against fluctuations in interest rates. If the interest rates for our existing or future borrowings increase significantly, our cost of funds will increase. This may adversely impact our results of operations, planned capital expenditures and cash flows.

13. We face intense competition in our broadband business and our inability to respond to customer needs in a timely manner, or at all, may impact our business

A significant number of competitors have entered India's liberalized broadband service industry. New entrants into the national broadband service provider market in India, especially the government owned telecommunication companies, may enjoy significant competitive advantages over us, including greater financial resources, which could allow them to charge prices that are lower than ours in order to attract subscribers. In the past, these factors have resulted in reductions in effective average selling prices for consumer broadband service provider services. We expect the market for broadband access and connectivity services to remain price competitive. Increased competition may result in operating losses and loss of market share. Our decisions related to pricing, service or marketing may entail substantial costs or losses.

We also compete with providers that use newer technologies such as high speed data cards, Wimax and 3G. In future, we may have to compete with the development of new technologies within the industry and new types of services offered by other providers based on such technologies. Existing and new competitors could begin to operate in our geographic markets or surpass us in identifying and acquiring desirable internet service providers and subscribers. We may not be able to successfully compete against current and future competitors.

14. We, our Directors, our Promoters, and our Group Companies are party to certain legal proceedings that, if decided against us, or such party or parties could have a material adverse effect on our reputation, business prospects, financial condition and results of operations

Our Company, our Promoters, our Directors and our Group Companies are involved in various proceedings including criminal proceedings, civil proceedings, tax proceedings, consumer dispute proceedings, telecom dispute proceedings, labor disputes, land acquisition and land title matters, which are in our ordinary course of business. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers, and appellate authorities. While none of the litigation against the Company may potentially affect its business, we cannot assure you that these legal proceedings will be decided in our favour. Any adverse decision may have a material adverse effect on our business, reputation, financial condition and results of operations and cash flow. Our outstanding legal proceedings and the amounts claimed in these proceedings have been disclosed to the extent ascertainable in the summary given below. For further details on these proceedings, see the section titled "*Outstanding Litigation and Material Developments*" beginning on page 292.

Category	**Company**		**Promoters/ Directors**		**Promoter Companies**		**Group Companies**	
	No. of Proceedings	**Amount (₹ million) **#**	**No. of Proceedings**	**Amount (₹ million) **#**	**No. of Proceedings**	**Amount (₹ million)**	**No. of Proceedings**	**Amount (₹ million)**
Criminal Complaints/ Proceedings	2	Not quantifiable	1	Not quantifiable	1	0.09 million	2	NIL
Civil Proceedings	24 (5 cases quantifiable, 19 cases not quantifiable)	0.77 (claim against the Company) 5.67 (claim by the Company)	13 (1 case quantifiable, 12 cases not quantifiable)	10.00 (claim by Promoter/ Director)	16 (5 cases quantifiable, 11 cases not quantifiable)	1.67 (claim against the relevant Promoter) 1.36 (claim by the relevant Promoter)	5	520.00 (claim against the relevant Promoter) 6.44 (claim by the relevant Promoter)
Proceedings under securities laws/ company law board petitions	---	---	1	Not quantifiable	---	---	---	---
Telecom Proceedings	3	5.15 (claim by Company)	---	---	---	---	---	---
Labour Proceedings	2 (1 case quantifiable, 1 case not quantifiable)	0.04	---	---	3	Not quantifiable, claim is for re-instatement and back wages	---	---
Tax Proceedings	5	44.26	6	0.42 (claim against Promoter/ Director) 0.2 (claim by Promoter/ Director)	---	---	---	---
Consumer Dispute Proceedings	27 (23 cases quantifiable, 4 cases not quantifiable)	7.74	---	---	---	---	---	---
Complaints under section 138, Negotiable Instruments Act, 1881	30	55.27	---	---	7	2.36	36	5.79

Note: *There are certain proceedings where our Company, our Directors, our Promoter, or our Promoter Group entities are joint defendants. Such proceedings are represented separately against each entity/individual in the table above.*
***This amount does not include interest and/or costs claimed.*
#Only the ascertainable amounts claimed have been included.

15. Under-reporting of analog cable television subscribers by LCOs and leakage in the collection of subscription fees adversely affects our business

While our business is broadly modeled on providing services with control over the 'last mile', we also deliver the television channels on our cable distribution network through LCOs, who provide the 'last mile' cable link to the homes of our cable television subscribers. As on March 31, 2014, 11.98% of our cable subscriber base are our franchise subscribers. Such franchise subscribers pay a fee for the provision of cable television to the LCOs, who in turn pay an agreed price to us. Our revenues from cable television subscriptions in this model are based on the number of cable television subscribers connected to a LCO. In respect of our analog cable television subscribers through the franchisee model, we do not have the ability to independently determine the number of cable television subscribers that any given LCO has and must instead rely on the information provided by the LCOs. As is typical in the industry, there are instances where the LCOs under-report the number of their cable television subscribers to us. Where this occurs, we do not receive subscription revenues with respect to the unreported cable television subscribers, which adversely affect our revenue and results of operations.

A large part of our subscription revenue is collected by a team of collection representatives engaged by us. Any failure in collecting the amount from the customers and depositing the same with us may lead to leakage of subscription revenue. Further, there lies a risk of misappropriation by our collection representatives.

16. There are certain criminal proceedings pending against our Company, our Promoter and our Group Companies

Currently, there is one criminal proceeding outstanding against our Company. A criminal complaint was filed by the labour enforcement officer, Paradeep against our Company alleging breach of various provisions of Payment of Wages (Major Port) Act, 1936, including the provisions which require fixing of date of payment to the workers and display of notice of date and time of payment at the workplace. In addition, there are outstanding criminal proceedings pending against our Promoters and our Group Companies. While no current criminal proceedings against the Promoters may render them ineligible to hold the existing positions in the Company, any adverse order or direction by the relevant authority, although not quantifiable, could have a material adverse impact on our business and reputation. For further details in relation to outstanding litigation against our Company, our Promoters and our Group Companies, see the section titled "*Outstanding Litigation and Material Developments*" beginning on page 292.

17. Four of our Group Companies are in the same line of business as our Company.

Our Promoter and the Managing Director, Ms. Jagi Mangat Panda, is on the board of directors of our Group Companies, Metro Skynet Limited, Odisha Television Limited, Tarang Broadcasting Company Limited and Ortel Wireless Services Private Limited, which are enabled under their objects to carry out the same business activities as that of our Company including satellite television network, cable television network, internet services, wireless communications, basic telephony services, video conferencing, video telephone, radio paging, mobile facsimile, mobile telephone and any other system for communication. Further, Our Promoter, Mr. Baijayant Panda is on the board of directors of Metro Skynet Limited.

However, currently Metro Skynet Limited, Tarang Broadcasting Company Limited and Ortel Wireless Services Private Limited are not carrying out any business activities. Further, Odisha Television Limited is currently not engaged in activities similar to the business of our Company and is engaged in the business of broadcasting. For further details regarding these Group Companies, see the section titled "*Our Group Companies – Common Pursuits of our Group Companies*" on page 197. Our Company has not entered into any arrangement to mitigate the conflict of interests. Therefore, there may be conflicts of interest in addressing business opportunities and strategies between our Company and such Group Companies.

18. We depend on third parties, suppliers and licensors for our business and any failure to deliver on the part of such third parties may have an adverse effect on our business, financial condition and results of operations

We depend significantly on a limited number of third party suppliers, producers and licensors to supply the hardware, software and operational support necessary to deliver our services, including digital set-top boxes, cable modems, routers, servers and fibre-optic cables. Our supply contracts are subject to meeting the specifications set out by us and may, under certain circumstances be terminated by the third party, in which case we may be forced to find other suppliers and licensors leading to increased costs and delays. If demand exceeds the capacity of the vendors that we use or if these vendors experience operating or financial difficulties, the need to procure or develop alternative sources of the affected materials could affect our ability to deliver services in a timely fashion.

Further, we typically do not enter into any long-term agreements with our vendors for the supply of equipment, software licenses or services and there can be no assurance that we will be able to economically and in a timely manner source the delivery of these components from third parties, if at all. Our failure to source some of these components and software licenses could materially and adversely affect our ability to retain and attract subscribers, and have a material negative impact on our operations, business and financial condition.

For our digital encryption and decryption system, we rely on solution providers including Irdeto B.V. and Sumavision Technologies Company Limited. Any delay or discontinuance of services may adversely affect our digital deployment and also entails the risk of replacement of the existing STBs, which will require additional capital expenditure. Further, any failure in the encryption system used by us may lead to large scale leakage of signals.

We purchase international bandwidth and inter-city lease lines from telecom operators. Any breakdown in such networks may affect delivery of services to our customers.

19. The growth of our business may require us to obtain substantial financing, which we may not be able to obtain on reasonable terms or at all. We may also require further equity issuances, which may lead to dilution of other shareholders and may affect the market price of our Equity Shares

The growth of our business and the requirement for complete digitization may require us to obtain additional financing, either through equity or through debt, which we may not be able to obtain at all or on terms acceptable to us. The factors that would require us to raise additional capital include complete digitization in markets where we operate, business growth beyond what our current balance sheet can sustain; changes in the regulatory regime or new guidelines imposing additional capital requirements; or significant depletion in our existing capital base due to unusual operating losses. Further, we expect to incur substantial future expenditure on account of upgrading and expanding our network systems, purchasing equipment and acquiring MSOs and LCOs.

If we decide to raise additional funds through the incurrence of debt, our interest obligations will increase and we may be subject to additional restrictive covenants, which could further limit our ability to access cash flows from our operations and limit our ability to enter into certain business transactions and restrict our management's ability to conduct our business. Such financings could cause our debt to equity ratio to increase or require us to create charges or liens on our assets in favour of lenders. We cannot assure you that we will be able to secure adequate financing in the future on acceptable terms, in time, or at all. Our failure to obtain sufficient financing could result in the delay or abandonment of our expansion plans. Our business and future results of operations may be materially and adversely affected if we delay or are unable to implement our expansion strategy.

Any fresh issue of shares or convertible securities would dilute existing holders, and such issuance may not be done on terms and conditions that are favourable to the shareholders of the Company existing immediately prior to such issuance.

20. If we are not able to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain our quality and reputation, it will be difficult for us to manage our business and growth

We depend on the services of our executive officers and key employees for our continued operations and growth. In particular, our senior management has significant experience in the cable service industry. The loss of any of our executive officers, key employees or senior management personnel could negatively affect our ability to execute our business strategy, including our ability to maintain our current growth. We do not maintain a key man insurance policy. Our future success would depend in large part on our ability to identify, attract and retain highly skilled managerial and other personnel. Competition for individuals with such specialized knowledge and experience is intense in our industry and we may be unable to attract, motivate, integrate or retain qualified personnel at levels of experience that are necessary to maintain our quality and reputation or to sustain or expand our operations. For Fiscals 2012, 2013 and 2014, our attrition rate for all employees was 25.79%, 29.1%, and 25.5%, respectively. We define attrition as the number of employees that have resigned or have been terminated for any reason during the specified period divided by the average number of employees for that same period. The loss of the services of such personnel or the inability to identify, attract and retain qualified personnel in the future would make it difficult for us to manage our business and growth and to meet our key objectives.

21. Our carriage agreements are terminable at will by the broadcasters. A portion of our revenue consists of carriage fees, which are dependent upon the continued demand of channels to be placed in certain preferred frequencies

Under our carriage agreements, the broadcaster may terminate the agreement at will. In the event the broadcasters were to terminate the carriage agreement at will with little or no prior notice, we may not be able to immediately find a taker for the frequencies made vacant by such termination. We derive a portion of our revenue from carriage fees. As of March 31, 2014 channel carriage fees contributed to 15.48% of our total income. These fees are paid to us by broadcasters for carrying their channels and placing their channels on their preferred signal and frequency band. Carriage fees are determined by the number of households we reach, the availability of preferred frequency bandwidth, the geographic regions in which we operate and competition among television broadcasters for the preferred frequency band. In the event of any decline in the growth of the broadcasting business in India or the regions we operate in or if new channels are not introduced, our revenues may decrease. Further, revenues from carriage fees depend upon the availability of frequencies. If we are unable to provide the agreed frequencies to the broadcaster under the carriage agreement or of the frequencies requested by a broadcaster have already been provided to another, we may not be able to provide such broadcaster with the same frequency and we may become liable for liquidated damages to the broadcasters, thereby adversely affecting our business and results of operations.

Further some of our carriage agreements have expired. Non-renewals of these agreements by the Company on terms acceptable to the Company or at all may have adverse impact on the business and operations of the Company.

22. Panda Investments Private Limited, one of our Promoters, has incurred losses in past fiscals and may continue to incur losses in future which may have an adverse effect on our business and reputation.

Panda Investments Private Limited, one of our Promoters, is a loss making company and has incurred loss after taxation of ₹ 0.02 million, ₹ 0.01 million and ₹ 0.05 million in the Fiscal 2014, 2013 and 2012. Panda Investments Private Limited currently holds 19.03 % of Company's paid up share capital. There can be no assurance that Panda Investments Private Limited, will not incur losses in any future periods, or that there will not be an adverse effect on our reputation or business as a result of such losses.

23. The television distribution industry is highly competitive, which may affect our ability to attract and retain cable television subscribers

The television distribution industry is highly competitive and is often subject to rapid and significant changes. We compete with other cable television service providers, DTH service providers and IPTV service providers. We face increased competition from DTH players who have a pan-India platform. National MSOs with larger resources could enter the markets in which we operate. Other regional MSOs and LCOs may be able to provide services with a concentrated regional focus in a more cost-effective manner. We cannot assure that we will be able to compete successfully in terms of the quality of service, variety of service offerings and pricing, which in turn could materially and adversely affect our business and results of operations.

24. Our computer systems and network infrastructure, including leased fibre optic connectivity may get damaged or disrupted

Due to the importance of computer systems and network infrastructure, including for data transfers to our business, any event affecting our systems could have a material adverse effect on our business. As part of our business strategy, we use our information systems and the internet to deliver services to and perform transactions on behalf of our subscribers. We depend extensively on the reliability of the electronic systems supporting our operations. Our operations and network infrastructure may suffer systems' failures caused by natural calamities, power loss, telecommunications failures, network software flaws, acts of terrorism and certain other factors beyond our control.

A cyclonic storm hit the costal land of Odisha in October 2013. The business operations of the Company including its cable networks were affected due to the cyclone in resulting in a material loss of net book value ₹ 25.10 million. Most commonly, we face problems of cable wire disconnection which leads to temporary stoppage of our services in such areas. Further, in areas where such disruptions take place on a frequent basis, we may not be able to collect subscription fees or may be required to refund fees for the period of disconnection. To date we have not experienced widespread disruptions of service to subscribers, but there can be no assurance that we will not encounter disruptions or damage in the future due to substantially increased numbers of customers and transactions or for other reasons. If we experience system interruptions, errors or downtime (which could result from a variety of causes, including changes in client use patterns, technological failure, changes to systems, linkages with third-party systems and power failures) or are unable to develop necessary technology, our business, prospects, financial condition and results of operations could be materially and adversely affected. Our hardware, software and network infrastructure are also subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as internet broadband providers.

We may encounter delays or other difficulties incorporating new services and businesses into our information technology systems and there can be no assurance that we will realise the efficiencies and other benefits we anticipate from doing so. We cannot be certain that our backup and protective measures will be sufficient and effective under all circumstances and that disruptions or damage will not occur. Damage or disruption to our infrastructure could result in reduced revenues, increased costs, loss of customers, subscribers and damage to our reputation. If we are unable to provide and sustain high quality services, our credibility, market acceptance and subscriber retention and revenues could be adversely affected.

25. We may not be able to develop or adopt new technologies in a timely and cost effective manner

Any change in market demand as a result of technological changes and improvements may require us to adopt emerging technologies and innovate with new products and services. As new technologies are developed, the products and services we offer may become obsolete or less competitive. We may not be able to develop and implement new technologies in a timely manner and on a cost effective basis or at all. This may delay the implementation of services, reduce the quality and functionality of our services, increase our operational costs, reduce our share and impact our revenue streams.

26. Our pay content providers may discontinue or increase the cost of providing content to us which may impact our results of operations

We enter into a subscription agreement with our pay content providers/broadcasters which sets forth the commercial and technical terms and conditions for the supply of television channel signals. These subscription agreements have terms ranging from one to three years and contain various renewal and termination provisions. Our content providers may choose to renew such subscription agreements with us with increased costs which we may not be able to pass onto our cable television subscribers, or terminate their agreements and/or discontinue airing the television channels either at will or due to our default in complying with the terms of the agreements. Any such disconnection may decrease our cable television subscriber base, require us to refund subscription fees that have accrued or have already been paid, increase cost of 'pay' channels or lead our consumers to initiate litigation proceedings against us, which could adversely affect our revenues and results of operations. Further most of our subscription agreements with our pay content providers/broadcasters have expired. Non-renewals of these agreements by the Company on terms acceptable to the Company or at all may have adverse impact on the business and operations of the Company.

27. Our Promoters will continue to hold a substantial portion of our Equity Shares after the Issue and can control our corporate actions and determine the outcome of any shareholder voting.

Following the completion of the Issue, our Promoters and Promoter Group entities will own an aggregate of 51.03% of our issued and paid-up Equity Share capital on a fully diluted basis. The Promoters have, and will continue to have, control over our business and may take actions that do not reflect the will or best interests of the other shareholders. Our Promoters will also continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests and/or the interests of our minority shareholders, and there can be no assurance that such actions will not have an adverse effect on our future financial performance and the price of our Equity Shares.

28. The purposes for which the proceeds of the Fresh Issue are to be utilized are based on management estimates and have not been appraised by any banks or financial institutions

Our funding requirements and the deployment of the proceeds of the Fresh Issue are based on management estimates and have not been appraised by any banks or financial institutions. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change. This may result in the rescheduling of our expenditure programs and an increase or decrease in our proposed expenditure for a particular object. For further details, see the section titled "*Objects of the Issue*" on page 97.

29. We have not entered into any definitive agreements to use the proceeds of the Fresh Issue

We intend to use the Net Proceeds as set forth in the section "*Objects of the Issue*" on page 97. We have not entered into any definitive agreements to utilize the Net Proceeds. In particular, we have not placed orders for any of the equipment and machinery to be financed from the Net Proceeds. We have relied on third party quotations to calculate the expected amount of the Net Proceeds to be spent on equipments and machinery. We cannot confirm when we will place our orders and whether we will be able to purchase the equipment at the same price at which we obtained the quotations. Consequently, these estimates may be inaccurate and we may require additional funds to implement the objects of the Issue.

30. We do not own our Registered Office and certain other premises from which we operate

We do not own the premises on which our Registered Office is situated and operate from leased premises. We have entered into a lease deed dated October 1, 2010 with Surangi Services Limited (formerly known as Calorx (India) Limited), which has been renewed up till April 30, 2015. If the owner of such premises does not renew the lease deed under which we occupy the premises or renew the lease deeds on terms and conditions that are unfavorable to us, we may suffer a disruption in operations which could have a material adverse effect on its business and operations. We have also leased certain land and office premises in Bhubaneswar, Cuttack, Raipur and Rourkela. For further details in relation to the property owned and leased by our Company, see the section titled "*Our Business- Property*" on page 147.

31. We face risks relating to competition for the leisure and entertainment time of audiences, which has intensified in part due to advances in technology

Since we operate in the entertaining industry, our business competes with all other sources of entertainment and information delivery, including broadcast television, handheld devices, films, live events, radio broadcasts, home video products, console games, print media and the internet. Technological advancements, such as new video formats, internet streaming and downloading have increased the number of entertainment and information delivery choices and intensified audience fragmentation. If we do not respond appropriately to further increases in the leisure and entertainment choices available to consumers our competitive position could deteriorate and our results of operations could suffer.

32. The success of our broadband services business depends on the acceptance of the internet in India, which may be slowed or halted by high costs and other obstacles in India

We lease our international bandwidth to provide broadband services from gateway providers. Increase in international bandwidth costs would increase our operating costs and may adversely affect our profitability. Further, the market penetration rates of personal computers and online access in India is low. There is low penetration of broadband services in India with only 5.9% of total households in India accessing fixed broadband (*Source: MPA Report 2014*). There can be no assurance that the number or penetration rate of personal computers in India will increase rapidly or at a pace beneficial to our business. Subscribers will have to bear significant costs for obtaining the hardware and software necessary to connect to the internet in India. If such costs do not become affordable, our broadband services subscriber base will be curtailed or may not expand, which may adversely affect our business and results of operations.

33. We have certain contingent liabilities which, if materialises, may adversely affect our business, results of operations, financial condition and prospects

As of March 31, 2014, we have the following contingent liabilities that have not been provided for in our restated financial statements included in the section "*Financial Information*" on page 202.

As at March 31, 2014, we had the following contingent liabilities which have not been provided for in our financial information:

	March 31, 2014
Contingent Liability	**₹ in Million**
Entry Tax demand under Appeal	0.10
Entertainment Tax demand under Appeal	6.98
Arrear Preference Dividend – Earlier Years	35.89
Arrear Preference Dividend – Current Year	5.38
Income Tax and Interest for non-deduction of Tax Deducted at Source - 2005-06, 2006-07, 2008-09 and 2010-11	17.51
Service Tax and Interest for FY 2006-07, 2007-0 and 2008-09	28.36
Penalty u/s 271 (1) (c) for furnishing of inaccurate particulars in the Return of Income 1996-97, 2006-07 and 2007-08	0.17
Total	**94.39**

In the event that any of these contingent liabilities materialises, our business, results of operations, prospects, cash flows and financial condition may be adversely affected. For details of contingent liabilities of the Company, as per Accounting Standard 29 and as reported in the restated financial statements, please see the section titled "*Financial Information*" on page 202.

34. We have entered into, and may continue to enter into, certain related party transactions.

We have entered into transactions with several related parties, including our Promoters, Directors and Promoter Group entities. The total value of related party transaction entered into for the Fiscal 2014 is ₹ 137.52 million and the transactions are primarily related to uplinking income, carriage fee, programming cost and related payments. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that it could not have achieved more favourable terms had such transactions been entered into with unrelated parties. We intend to continue to enter into significant levels of related party transactions in the future. There can be no assurance that such transactions, individually or in aggregate, will not have an adverse effect on its business, prospects, results of operations, cash flows and financial condition, resulting from potential conflicts of interest or otherwise. For more information regarding our related party transactions, refer to "*Related Party Transactions*" on page 199.

35. Our company has availed unsecured loans from one of our Group Companies

Our Company has taken an unsecured loan of ₹ 50.00 million from Odisha Infra-tech Private Limited, one of our Group Companies at an interest rate of 18% p.a. While we believe that such loan has been obtained on an arms-length basis and contain commercial terms, there can be no assurance that we could not have achieved more favourable terms if such a loan had not been obtained from a related party. Furthermore, it is likely that we will enter into related party transactions in the future. For further details, see the section titled "*Related Party Transactions*" on page 199.

36. Our future results of operations is dependent on many factors and therefore are subject to fluctuations

Our revenues and expenses have varied in the past and may fluctuate significantly in the future due to a number of factors, many of which are outside our control. Our revenues for the future may depend on many factors, including the following:

- our ability to acquire and retain subscribers for our cable television services;
- the subscription amount received for our cable television business.
- the range of corporate network/data services provided by us and the usage thereof by our subscribers;
- the number of subscribers to our broadband services and the prevailing prices charged by our competitors;
- services, products or pricing policies introduced by our competitors;

- capital expenditure and other costs relating to our operations;
- the timing and nature of, and expenses incurred in, our marketing efforts;
- our ability to successfully integrate operations and technologies from any acquisitions or other business combinations or investments;
- the introduction of alternative technologies; and
- technical difficulties or system failures affecting the telecommunication infrastructure in India or the internet generally.

Many of our expenses may increase over time and we cannot assure you that our revenues will increase in proportion to the increase in our expenses. We may be unable to adjust spending quickly enough to offset any unexpected revenues shortfall. This could lead to a shortfall in revenues in relation to our expenses and adversely affect our results of operations.

You should not rely on yearly comparisons of our results of operations as indicators of future performance. It is possible that in some future periods our results of operations may be below the expectations of public market analysts and investors.

37. We are subject to the Uplinking Guidelines and the terms of the Grant of Permission Agreement for Teleport dated June 25, 2007 ("GOPA") and any breach on our part may adversely impact our business and operations.

Our Company has a Grant of Permission Agreement for Teleport dated June 25, 2007 ("**GOPA**") which has been granted to establish, maintain and operate an uplinking hub (Teleport) at Bhubaneswar. Our Company uplinks certain channels of Odisha Television Limited, one of the Group Companies, through the Teleport License. Our Company has obtained permission dated December 4, 2008 for operation of one C-Band DSNG Van at Bhubaneswar for getting live feeds from all over India. We have also obtained permission dated June 30, 2011 for operation of an additional C-Band DSNG Van at Bhubaneswar for getting live feeds from all over India. The DSNG Vans are given on hire to Odisha Television Limited. Both Teleport and DSNG services are ancillary to our business. Signal uplinking income accounted for 2.19% of our total income in Fiscal 2014. Under Clause 7.4 of the GOPA, read with Clause 5.10 of the Uplinking Guidelines, it would be obligatory on the part of the Company to take prior permission from the MIB before effecting any change in the Board. We cannot assure that such approval would be forthcoming or not. Any violation of the Uplinking Guidelines and the terms of the GOPA in the first instance attracts the right by the appropriate authorities to impose penalties along with the suspension of the Permission and a prohibition to broadcast up to a period of 30 days.

38. Our Auditors and erstwhile auditors, have identified certain matters in their auditors report on statutory audited financial statements which do not require any adjustments to the restated financial information of the Company included in the DRHP

The erstwhile auditors have stated certain matters in their report on statutory audited financial statements of the Company for Fiscal 2010 that did not require adjustments in the restated financial information presented herein. The matter related primarily to non redemption of 5,121,897, 10.5% non convertible redeemable preference shares ("**NCRPs**") that were due for redemption on March 31, 2010, and the subsequent redemption of the NCRPs by a fresh issue of 5,121,897 cumulative non convertible redeemable preference shares of ₹ 10 each redeemable at par. In addition, the Auditors and erstwhile auditors have made certain comments in terms with requirements of the Companies (Auditors Report) Order, 2003 including in relation to internal control and statutory dues not paid on account of disputes and fixed assets records.

39. Our business may not be compatible with delivery methods of broadband services developed in the future and our service offerings may not be compatible with future industry standards which could adversely affect our business, results of operations and financial condition

Currently, our broadband services are accessed primarily through computers and delivered through the use of DOCSIS 2.0 technology, which is the most commonly used technology for cable broadband in our HFC network. As the popularity of accessing internet by cellular telephones, personal data assistants, television set-top boxes and other consumer electronic devices increases, and as internet becomes deliverable through other means involving digital subscriber lines, or wireless transmission mediums, we may have to modify our existing technology to accommodate these developments. Acquiring any advanced technology, whether directly through internal development or by third-party licenses, may require substantial time and expense. We may be unable to adapt our internet service business to alternate delivery systems and new technologies may not be available to us at all.

Further, our ability to compete successfully depends upon the continued compatibility and inter-operability of our services with products and architectures offered by various vendors. Industry standards in relation to internet access may not be established and, even if they do become established, we may not be able to conform to these new standards in a timely fashion or maintain a competitive position in the market. The announcement or introduction of new services by us or our competitors and any change in industry standards could cause subscribers to deter or cancel purchases of existing services.

Our revenues from broadband business are dependent on our ability to expand our subscriber base, in both the retail segment and the corporate segment, as well as maintain our existing subscriber base. Our revenues are also dependent on the nature of services provided to our subscribers and the extent of usage by subscribers. Our ability to increase our subscriber base is dependent on various factors, including the quality and nature of services we provide, the reach of our network infrastructure as well as competition. Turnover of subscribers in the form of subscriber service cancellations, or churn, may adversely affect our results of operations, as does the cost of upgrading and retaining subscribers.

40. We are exposed to risks relating to subscriber churn in our industry

Customer churn results in the loss of the future revenues from cable television subscribers whose services are disconnected. Customer churn arises as a result of various reasons including (i) cable television subscribers switching to other television service providers such as other local cable television service providers, DTH or IPTV; (ii) movement of our LCOs under franchisee models; and (iii) connections discontinued due to non-payment of subscription fees. There can be no assurance that we will be able to control churn or that rate of churn will not increase. A high rate of attrition may adversely affect our business, financial condition and results of operations.

41. We may be unsuccessful in implementing new value-added services for our digital cable television subscribers

We plan to further enhance our digital cable services by offering more value-added services such as pay-per-view, digital recording devices, mosaic viewing, and interactive educational offerings. We have limited prior experience in delivering such services and we may not be able to successfully provide these services due to unpredictable technical, operational or regulatory challenges. We may be unable to. We expect that a portion of our future growth in revenues will come from the provision of these services. However, there can be no assurance that we will be able to provide unique and compelling value-added services to differentiate ourselves from other pay television operators or that these services will generate significant revenue.

42. Programming signals may be stolen, which could result in lost revenues and cause us to incur operating costs that do not result in cable television subscriber increases

Delivery of television signals are susceptible to theft, more so in signals transmitted through the analog platform as signals transmitted via the analog platform are not protected by encryption technology. There have been instances of theft of programming signal in the past. Our ability to protect analog signals from theft or monitor possible theft is very limited.

Signals transmitted through digital platforms are encrypted to limit access of content to only the cable television subscribers who are authorized to view the content. We have undertaken various initiatives with respect to our digital services to further enhance the security of our signals. To help combat signal theft, we provide our cable television subscribers with advanced access cards that we believe significantly enhance the security of our signal. However, we cannot guarantee that our access cards are or will be effective enough to prevent the theft of our programming signals. Further, there can be no assurance that we will succeed in developing or implementing the technology that we need to effectively restrict or eliminate signal theft. As of June 30, 2014, our digital and analog cable television subscribers were 14.32 % and 74.90%, respectively, of our total RGU base. Theft of subscription content could adversely affect our revenue. In addition, our operating costs could increase if we attempt to implement additional measures to combat signal theft.

43. Our business relies on intellectual property, some of which is owned by third parties, and we may inadvertently infringe patents and proprietary rights of others

Many entities, including some of our competitors, have or may in the future obtain patents and other intellectual property rights that cover or affect products or services that we currently offer or may offer in the future, including value added services for our digital cable services. In general, if it is determined that one or more of our services or the products used to transmit or receive our services infringes intellectual property owned by others, we and the applicable manufacturers or vendors may be required to cease developing or marketing those services and products, to obtain licenses from the owners of the intellectual property or to redesign those services and products in such a way as to avoid infringing the intellectual property rights. If a third party holds an intellectual property right, it may not allow us or the applicable manufacturers to use its intellectual property at any price, which could materially adversely affect our competitive position. Indian law imposes certain liabilities on an ISP for the contents of a website. Under the Cable TV Act, we must comply with programme code and advertisement code. Programmes and advertisements are not under our control. However, in the event of breach of the programme code or advertisement code by a broadcaster, we may face potential liability with respect to the same. For further details, see the section titled "*Regulations and Policies*" on page 150.

We cannot estimate the extent to which we may be required in the future to obtain intellectual property licenses or the availability and cost of any such licenses. Those costs, and their impact on our earnings, could be material. Damages in patent infringement cases may also include significant damages. To the extent that we are required in the future to pay royalties to third parties to whom we are not currently making payments, these increased costs of doing business could have a material adverse affect on our results of operation. There can be no assurance that the courts will conclude that our services or the products used to transmit or receive our services do not infringe on the rights of third parties, that we or the manufacturers would be able to obtain licenses from these persons on commercially reasonable terms or, if we were unable to obtain such licenses, that we or the manufacturers would be able to redesign our services or the products used to transmit or receive our services to avoid infringement.

44. Strategic investments or acquisitions and joint ventures may result in additional risks and uncertainties in our business

We constantly explore opportunities to enter in joint ventures or make acquisitions or substantial investments. To the extent we make acquisitions or enter into joint ventures, we face numerous risks and uncertainties in relation to combining or integrating businesses, including integrating relationships with cable television subscribers, MSOs and LCOs and internal data processing systems. In the case of joint ventures, we may be subject to additional risks and uncertainties including problems with the effective integration of operations, the inability to maintain key pre-acquisition business relationships and integrate new relationships, the inability to retain key employees, increased operating costs, exposure to new or unknown liabilities, difficulties in realizing projected efficiencies, synergies and cost savings, and losses or damage to our reputation relating to, systems, controls and personnel that are not under our control. In addition, conflicts or disagreements between us and our joint venture partners may adversely impact our businesses. Any future growth of our business through strategic investments or acquisition of joint ventures may require significant resources and/or result in significant unanticipated losses, costs or liabilities. In addition, expansions, acquisitions or joint ventures may require significant managerial attention, which may be diverted from our other operations.

45. We import a significant portion of the equipment used in our business and as a result we are subject to foreign currency fluctuations in respect of purchases made in various foreign currencies

We import a significant portion of the equipment including head end equipments, network equipment, digital set-top boxes and cable modems and generally pay for such equipment in foreign currencies, including the U.S. Dollar. As a result, we are subject to foreign currency fluctuations in respect of such purchases. As of March 31, 2014, 51.09% of our total purchases were imported primarily from China. Further, any political or economic disturbances in these areas could interrupt the timely supply of such equipment. The exchange rate between the Rupee and other currencies, including the U.S. Dollar, has changed substantially in recent years especially in the year 2013 and may fluctuate substantially in the future. We do not have any outstanding forward contracts to hedge the risk of fluctuations in foreign exchange rates. Therefore, such fluctuations may have an adverse effect on our results of operations, resulting in higher costs for our set-top boxes and equipment for broadband services such as cable modems.

46. Broadcasters may prohibit or curtail us in certain respects from offering their channels as part of packages we market to attract and retain cable television subscribers which may adversely affect our business

Our marketing strategy to attract cable television subscribers includes channel bouquets, which is the aggregation of certain channels into packages at a price less than the sum of the prices of such channels on an *a-la-carte* basis. Such packages may include channels of different genres and do not take into account the preferences of broadcasters. If broadcasters prohibit or restrict such packages by insisting that their channels be included only in packages of their choice or with channels of certain other broadcasters, we may not be able to offer attractive packages to our cable television subscribers, which may reduce our ability to attract and retain cable television subscribers, which may in turn affect our results of operations.

47. Our business requires us to obtain and renew certain registrations, licenses and permits from government and regulatory authorities and the failure to obtain and renew them in a timely manner may adversely affect our business operations

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which have expired and we have either made or are in the process of making an application to obtain such approval or its renewal. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulator claims that we have not complied, with such conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition and results of operations.

We are currently registered as cable operators in 70 towns and certain adjacent sub-urban and rural areas. Of these, we currently have business operations in 48 towns and certain adjacent sub-urban and rural areas, and are required to obtain registration under the respective Shops and Establishment Act of the various states for 38 such areas. We have obtained all such requisite registration certificates.

We have applied for registration of various trademarks with the relevant Trade Marks Registry, which are currently pending at different stages of registration. For further details, see the section titled "*Government and Other Approvals - Intellectual Property approvals and applications - Trade marks pending registration*" on page 320.

Furthermore, the terms and conditions of some of our approvals and licenses stipulate the payment of license fees that are assessed by relevant regulatory authorities on a yearly basis. Consequently, we may be subject to assessment and penalty proceedings initiated by such regulatory authorities from time to time. For instance, the DoT has, by an assessment order dated March 31, 2014, imposed a penalty of ₹ 238.4 million on us in relation to the assessment of license fees for our ISP License (no. 820-947/07-LR) for Fiscals 2012 and 2013. For further details, see the section titled "*Outstanding Litigation and Material Defaults*" beginning on page 292. The imposition of similar penalties on us may have an adverse effect on our business, results of operations and financial condition. For more information about the licences required in our business and the licenses and approvals applied for, see the section s titled "*Regulations and Policies*" and "*Government and Other Approvals*" beginning on pages 150 and 315, respectively.

48. We share our registered office and corporate office with some of our Group Companies

We share our registered office with some of our Group Companies, namely Odisha Television Limited, Tarang Broadcasting Company Limited, KEDA Enterprises Private Limited and Ortel Wireless Services Private Limited. Further, the registered offices of certain of the Group Companies, namely Orissa Telefilms Private Limited, Odisha Infra-tech Private Limited and Barunei Farm, Nature Resorts Private Limited and Kahani Unlimited Private Limited is the same as the corporate offices of the Company situated at C-1, Chandrasekharpur, Bhubaneswar 751 010, Odisha, India.

Except for Odisha Television Limited whose corporate office is situated at C-1, Chandrasekharpur, Bhubaneswar 751 010, Odisha, India, for which it pays rent of ₹ 60,000 to the Company, pursuant to a lease agreement dated July 15, 2005, none of the Group Companies pay rent/ compensation to the Company, for the use of the property and no formal rent/lease agreement has been entered into between the Company and the Group Companies for sharing of the office premises.

49. Violation of employee health and safety requirements and the occurrence of accidents could disrupt our operations and increase costs

There are certain safety norms that are required to be followed for the safety of the employees and personnel working on the electricity poles. While the company has group insurance policies, including life insurance, personal accident, medi-claim and workmen' compensation policies which cover the employees and our employees are also sensitized regarding workplace safety and health issues through regular internal communications including training programmes, team meetings and safety audits, but any accidents could disrupt our operations and increase costs. Any failure to comply with applicable health and safety laws and regulations could disrupt our operations and result in imposition of costly remedial measures. If we fail to comply with the relevant health and safety laws and regulations or fail to pass applicable safety inspections, our business reputation could also be adversely impacted. We do not maintain insurance coverage against certain potential risks associated with our operations, and there can be no assurance that we will not be required to make significant payouts in this connection in the future.

50. We may depend on third parties to grant us distribution rights to local content and our ability to offer such content may be adversely affected if we are unable to obtain sufficient content at a favorable price or on acceptable terms

In future, for providing value added services, we may require distribution rights of local content, movies, serials, local news and music on demand and non availability of such rights at appropriate costs may limit our ability to provide such services to our customers. Any inability to provide adequate local content may affect our ability to compete effectively with other MSOs with more popular local content. This may reduce our cable television subscriber base and thereby adversely affect our financial condition and results of operations.

51. Our client's program contents may be tampered with by our employees in violation of applicable agreements and as a result, cause us to breach our contractual obligations in relation to such programs

Under our carriage agreements we take liability to ensure that our employees do not reproduce copy, edit, interrupt, add or modify the programs telecast on the channels. Accordingly, we have our internal control system to ensure the channels in the proper frequency. We issue a frequency wise channel list to all our locations and based on which the channels are carried. We also verify this on monthly basis to ensure the same. While there have been no past instance of content tempering by our employees, we can give no assurance that the steps taken by us will be adequate to prevent our employees from tampering with the program telecast of a client. If our client's program contents are tempered with by our employees in violation of any applicable carriage agreements or otherwise, our clients may consider us liable for that act and seek damages and compensation from us. We cannot assure you that we will be able to comply with all such obligations and that we will not incur liability nor have a claim for substantial damages against us.

52. We may be unable to adequately protect our intellectual property as some of our trademarks, logos and copyrights are currently not registered and therefore do not enjoy any statutory protection. Furthermore, we may be subject to claims alleging breach of third party intellectual property rights

We have made applications for registration of trademarks including "Ortel Digital", "Ortel Broadband", "Ortel e Phone" and "Sky View" under the provisions of the Trade Marks Act of 1999, which are currently pending registration. The trademark registrations of "Ortel net" and "Ortel Communications" are currently pending renewal. The application for the "Sky View" trademark is currently opposed and the applications for "Ortel Digital" and "Ortel e Phone" have been objected to by the Registrar of Trademarks, Trademarks Registry, New Delhi. We cannot assure that we will be able to register these trademarks in our name or that pending such registration or renewal, third parties will not infringe on our intellectual property, thereby causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. We can provide no assurance that any unauthorized use by any third parties of our logos "Ortel", "Ortel.net" and "Home Grown, World Class", will not cause damage to our business prospects, reputation and goodwill. For further details of our pending approvals, see the section titled "*Government and Other Approvals*" beginning on page 315.

53. In the last year, we have issued Equity Shares which may be at a price less than the Issue Price

We have issued Equity Shares in the last 12 months, details of which are provided below:

Date of allotment	No. of Equity Shares	Issue Price (₹)	Reasons for allotment	Nature of Payment
January 16, 2014	7,000	103*	Preferential allotment pursuant to OSSOP 2006	Cash
January 16, 2014	7,000	103	Preferential allotment pursuant to the OSOP 2000	Cash
July 21, 2014	35,500	103	Preferential allotment pursuant to the ESOS 2010	Cash
July 21, 2014	1,035,555	140	Preferential allotment	Cash

* *The consideration for these shares was paid out by the Company. For further details, see the section titled "Capital Structure – Notes to Capital Structure –Share Capital History - History of equity share capital of our Company" on page 69.*

All of the above stated issuances may be at a price lower than the Issue Price. For further details, see the section "*Capital Structure – Notes to Capital Structure - Equity Shares issued at a price which may be lower than the Issue Price during the preceding one year*" on page 73.

54. Taxes and other levies imposed by the Central or State Governments, as well as other financial policies and regulations, may have an adverse effect on our business, financial condition and results of operations

We are subject to taxes and other levies imposed by the Central or State Governments in India, including, entertainment tax, customs duties, excise duties, central sales tax, state sales tax, fringe benefit tax, service tax, income tax, value added tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time. The central and state tax regime in India is extensive and subject to change from time to time. Any adverse changes in any of the taxes levied by the Central or State Governments, including on set-top boxes, may adversely affect our competitive position and profitability. We cannot assure you that any existing tax incentives will continue to be available in the future. Changes in, or elimination of, such tax incentives could adversely affect our financial condition and results of operations.

55. Our networks may be vulnerable to security breaches, piracy and hacking

Our networks may be vulnerable to computer viruses, piracy, hacking or similar disruptive problems. Computer viruses or problems caused by third parties could lead to disruptions in our services to our customers. Fixing such problems caused by computer viruses or security breaches may require interruptions, delays or temporary suspension of our services, which could result in lost revenue and dissatisfied customers.

Breaches of our networks, including through piracy or hacking may result in unauthorised access to our content. Such breaches of our network may have a material adverse effect on our earnings and financial condition and may also require us to incur further expenditure to put in place more advanced security systems to prevent any unauthorised access to our networks.

56. Loss of set-top boxes and modems for subscribers may affect our earnings and financial condition

We provide the set-top boxes and modems to our customers free of cost at the time of installation. These set top boxes and modems are returned to us on the subscriber ceasing to avail our services. We incur a substantial cost in procuring the set top boxes and modem and the cost incurred does not get passed on to the subscribers. We expect that, in order to continue to increase our subscriber base in India, we will need to provide the set top boxes and modems free of cost or at a subsidized rate to our subscribers. However many a times the subscribers do not return these instruments to us or return a damaged instrument. In the event that we are unable to recover the set top boxes and the modems or the rate of recovery of set top boxes and the modems from the subscribers decline, our earnings and financial condition could be adversely impacted.

57. We may face employee unrest that would interfere with our operations

We are exposed to the risk of strikes and other industrial actions. As of June 30, 2014, we had 884 full-time employees and 158 temporary employees. Even though none of our employees belong to any trade union, we cannot guarantee that they will not become part of or form any trade union in the future and we will not experience any strike, work stoppage or other such industrial action in the future.

Also, our suppliers may experience strikes, work stoppages or other such industrial action in the future. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other costs and otherwise have a material adverse effect on our business, results of operations and financial condition.

58. Wage increases in India may reduce our profit margins

One of our significant costs consists of payment of salaries and related benefits to our operations staff and other employees. Because of rapid economic growth in India, increased demand for services from India and increased competition for skilled employees in India, wages for comparably skilled employees in India are increasing at a higher rate than in the United States and Europe. We may need to increase the levels of employee compensation more rapidly than in the past to remain competitive in attracting and retaining the quality and number of skilled employees that our businesses require. Wage increases in the long-term may reduce our competitiveness and our profitability.

59. Our insurance coverage may not adequately protect us against all material hazards

We maintain comprehensive insurance coverage for our electronic equipment, vehicles, network assets and buildings. The price, terms and availability of insurance fluctuate significantly and all insurance policies on equipment may not continue to be available on commercially reasonable terms or at all. Further, we do not have any insurance for telecommunications professionals' liability, intellectual property claims or communications claims for all our employees. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have obtained sufficient insurance (either in amount or in terms of risks covered) to cover all material losses. To the extent that we suffer loss or damage for events for which we are not insured or for which our insurance is inadequate, the loss would have to be borne by us, and, as a result, our results of operations and financial condition could be adversely affected.

60. After the completion of the Issue, certain of our pre-Issue shareholders shall have certain rights under the Articles of Association and the shareholders agreements entered into with us. The nominee director of one of our shareholders shall resign if the Issue (including the Offer for Sale) is fully subscribed and such shareholder holds less than 5% of our Equity Share capital

Our existing shareholder, NSR has certain rights under the Articles of Association and the shareholder agreements executed with us, which will continue after the completion of the Issue, such as the right to nominate directors proportionate to the number of directors that the Promoters are entitled to nominate based on respective shareholding percentages, on the Board so long as NSR holds 5% of the Equity Share capital of the Company. However, upon the listing of the Equity Shares on a recognized stock exchange, in the event the Issue (which includes the Offer for Sale) is fully subscribed and NSR's shareholding is reduced to less than 5%, the NSR nominee director, Mr. Shantanu Yeshwant Nalavadi, shall cease to be a Director on our Board. For further details, see the section titled "*History and Corporate Structure*" and "*Main Provisions of our Articles of Association*" beginning on pages 161 and 388.

61. We are highly dependent on information technology and any disruption of the same may expose us to various operational risks

Our everyday operations including that of transmission of signals of all video and data content are highly dependent on information technology. We have ensured that adequate back up systems are in place to mitigate the eventuality of any breakdown and to enable the continuity in operations and have also obtained adequate insurance coverage for all the critical components of the information technology systems. However, any significant breakdown in the information technology systems may have the ability to cause a disruption in our operations, which in turn may adversely affect our business.

62. Valuation methodology and accounting practice in entertainment and media businesses may change

There is no standard valuation methodology for companies involved in the entertainment and media industry. The current valuations in the entertainment and media industry may not be sustained in future and is therefore not reflective of future valuations within the industry. Further, current valuations of other listed companies in our industry may not be comparable with the Company.

63. We may not declare dividends in the foreseeable future

In the past, we have not made dividends payments to our equity shareholders in any form. As of March 31, 2014, we have arrears of preference dividends of ₹ 41.27 million on account of 5,121,897, 10.5% Cumulative Non Convertible Redeemable Preference Shares issued by us which is marked as contingent liability. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, Articles of Association and the provisions of the listing agreements. However, any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deems relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realisation of a gain on shareholder's investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

64. The Book Running Lead Manager has relied on the Company and the Auditors for confirmation of items on the Company's balance sheet for which it has not carried out physical and/ or independent verifications.

As of March 31, 2014, the total assets of the Company is valued at ₹ 2,537.32 million of which fixed tangible assets is valued at ₹ 1,994.91 million, which is 78.62% of the value of the total assets of the Company. Such tangible fixed assets comprises primarily of cable network wirings of ₹ 1,529.75 million and also comprises of land, buildings, equipment, furniture and fixtures of a cumulative value of ₹ 459.57 million. The Book Running Lead Managers have not independently carried out a physical verification of such fixed assets of the Company and has relied on the process of internal controls of the Company and the report of the Auditors.

As of March 31, 2014, the total liability from both short term and long term creditors of the Company (including provisions) is ₹ 2,192.45 million and the total debt due to the Company in the form of trade receivables and short term and long term advances amount to ₹ 275.77 million. The Book Running Lead Manager have not independently verified the authenticity of such debtors and creditors' details and have relied on the report of the Auditors, in which there are no specific reservations in this regard.

Risks Related to an Investment in our Equity Shares

1. After this Issue, the price of our Equity Shares may be highly volatile, or an active trading market for the Equity Shares may not develop

The price of our Equity Shares on the Stock Exchanges may fluctuate after this Issue as a result of several factors, including: volatility in the Indian and global securities market; our operations and performance; performance of our competitors; the perception of the market with respect to investments in the cable industry; changes in the implementation of the digitization schedule in India; adverse media reports about us or the cable industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalisation and deregulation policies; and significant developments in India's fiscal regulations. There has been no public market for the Equity Shares and the prices of the Equity Shares may fluctuate after this Issue. There can be no assurance that an active trading market for the Equity Shares will develop or be sustained after this Issue, or that the prices at which the Equity Shares are initially traded will correspond to the prices at which the Equity Shares will trade in the market subsequent to this Issue.

2. There are restrictions on daily movements in the price of our Equity Shares, which may adversely affect a shareholder's ability to sell, or the price at which it can sell Equity Shares at a particular point in time

Following the Issue, we will be subject to a daily "circuit breaker" imposed by the Stock Exchanges as per SEBI Circular Ref. SMDRPD/Policy/Cir-35/2001 dated June 28, 2001, which does not allow transactions beyond specified increases or decreases in the price of our Equity Shares. This circuit breaker operates independently of the index-based, market-wide circuit breakers generally imposed by the SEBI on Indian stock exchanges. The percentage limit on our circuit breakers will be set by the Stock Exchanges based on the historical volatility in the price and trading volume of our Equity Shares.

The Stock Exchanges will not inform us of the percentage limit of the circuit breaker in effect from time to time and may change it without our knowledge. This circuit breaker will limit the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding your ability to sell your Equity Shares or the price at which you may be able to sell your Equity Shares at any particular time.

3. There is no guarantee that our Equity Shares will be listed on the Stock Exchanges in a timely manner or at all

In accordance with Indian law and practice, approval for listing of the Equity Shares will not be granted until after those Equity Shares have been issued and allotted. Approval will require all other relevant documents authorising the issuing of our Equity Shares to be submitted to the stock exchanges. There could be a failure or delay in listing our Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict your ability to own or dispose of your Equity Shares.

4. Conditions in the Indian securities market may affect the price and liquidity of our Equity Shares

Indian stock exchanges have in the past experienced substantial fluctuations in the prices of listed securities. These exchanges have also experienced problems that have affected the market price and liquidity of the securities of Indian companies, such as temporary exchange closures, broker defaults, settlement delays and strikes by brokers. In addition, the governing bodies of the Indian stock exchanges have from time to time restricted securities from trading, limited price movements and restricted margin requirements. Further, disputes have occurred on occasion between listed companies and the Indian stock exchanges and other regulatory bodies that, in some cases, have had a negative effect on market sentiment. If similar problems occur in the future, the market price and liquidity of the Equity Shares could be adversely affected. Further, a closure of, or trading stoppage on, either of the BSE or the NSE could adversely affect the trading price of our Equity Shares.

5. Any future issuance of Equity Shares may dilute your shareholdings, and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares

Any future equity issuances by us, including a primary offering, may lead to the dilution of investors' shareholdings in our Company. Any future equity issuances by us or sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares. In addition, any perception by potential investors that such issuances or sales might occur could also affect the trading price of our Equity Shares.

External Risks related to our Industry and India

1. Our business is subject to extensive governmental regulation, which could have a material adverse effect on our business by increasing our expenses or limiting our operational flexibility

Our business is subject to extensive regulation by the TRAI, MIB, DoT and other government bodies. Increased regulation or changes in existing regulation may require us to change our business policies and practices and may increase the costs of providing services to customers, which could have a material adverse effect on our financial condition and results of operations.

Some of the key restrictive regulatory provisions facing us with respect to our cable services and broadband businesses include:

- In areas where DAS has not been notified, TRAI has imposed a ceiling on tariffs with respect to bouquets of channels being offered by i) broadcasters to MSOs, ii) MSOs to LCOs, and iii) MSOs/LCOs to individual cable television subscribers. In DAS notified areas, MSOs and LCOs are required to transmit a minimum number of free-to-air channels for a fixed price notified by TRAI;

- MSOs are required to re-transmit signals of television channels received from a broadcaster, on a nondiscriminatory basis to LCOs. MSOs are not allowed to engage in any practice or activity or enter into any understanding or arrangement, including exclusive contracts, with any broadcaster or distributor of television channels that prevents any LCO from obtaining such television channels;

- We are required to maintain quality standards by the Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television – Non CAS Areas) Regulation, 2009 and other laws and regulations. Any amendment in such standards may require us to incur costs in order to comply with such laws and regulations. If such costs are substantial, our results of operations may be adversely affected; and

- Under our Internet Service Provider license, we are required to ensure that objectionable, obscene, unauthorised or any other content, messages or communications infringing copyright, intellectual property rights and international and domestic cyber laws in any form or that are inconsistent with the laws of India, are not carried in our network. Any violation of these requirements can result in penalties and criminal action under the Information Technology Act, 2000.

We cannot assure you that we will not be subjected to any adverse regulatory action in the future. Further, these regulations are subject to frequent amendments and depend upon the Government policy. Our present model of business may not be geared to meet all regulatory amendments. If we are unable to adapt to any regulatory changes, our business and results of operations may be materially and adversely affected.

2. Certain recent policy recommendations by the TRAI, if adopted as law, could adversely affect the manner in which we conduct our business.

The TRAI has recently released two recommendation statements, which, if written into law, could have an adverse impact on our business, profitability, results of operation and financial condition.

The TRAI has, in August 2014, released a report titled "*Recommendations on Issues Relating to Media Ownership*" wherein it has set out certain recommendations on the relationship between broadcasters and distribution platform operators ("**DPOs**"), and inter-se relationships between DPOs. The recommendations stipulate, *inter alia*, (i) Broadcasters and DPOs should be separate legal entities; (ii) vertical integration between DPOs and broadcasters would be rationalized and regulated, with greater regulation on vertically integrated broadcasters/ DPOs than non-integrated ones; (iii) the entity controlling a broadcaster or the broadcaster itself shall be allowed to 'control' only one DPO (of any category, i.e. MSO/ HITS operator or DTH Operator), the term control defined as direct or indirect holding of at least 20% share capital or the power to control more than 50% voting rights, or to appoint more than 50% of the members of the board of directors, or the power to control the management and business decisions of an entity; (iv) the entity controlling a vertically integrated DPO or the DPO itself shall not be allow to 'control' any other DPO (of any category); (v) in the event a vertically integrated DPO attains more than 33% market share in the relevant market (being the relevant State, for MSOs/ HITS operators and the country, for DTH operators), then the vertically integrated entities (ie, either the Broadcaster or the DPO) will need to restructure itself in a manner that it and the broadcaster are no longer vertically integrated; (vi) a vertically integrated broadcaster can only have non-discriminatory charge-per-subscriber agreements with DPOs; and (vii) any entity controlling a DPO, or the DPO itself should not have any other DPO (of any category), except for permitted crossholdings between MSOs and HITS operators. While this report is currently a recommendation to the MIB, in the event that such recommendations are written into law, we may be prohibited from controlling multiple DPOs, and our Promoters may be prohibited from acquiring control over multiple DPOs, or our Promoters may be required to restructure their control in either our Company or our Group Companies which could adversely affect our expansion plans, results of operation and financial condition.

The TRAI has also, in November 2013, released a report titled "*Recommendations on Market Monopoly and dominance in cable TV services*" whereby it has set out certain recommendations for the prevention of monopolistic structures being achieved by MSOs in distribution markets. Such recommendations stipulate, *inter alia*, prior regulatory approval for (i) any "merger or acquisition" between an MSO and an LCO (the term "merger or acquisition" being as defined in relevant company laws or any other law); (ii) the entry in any arrangement which results in acquisition of control over an MSO/ LCO, and such approval will be subject to certain conditions. In the event that such recommendations are written into law, we may be prohibited from acquiring control, or merge with other MSOs and LCOs, which could have an adverse effect on our future expansion plans and results of operations, even though we currently do not acquire control over LCOs and other MSOs.

3. Our ability to raise foreign capital is constrained by Indian law

As an Indian company, we are subject to exchange control regulations of India that regulate raising of funds from outside India. Under the Consolidated FDI Policy, foreign investment in activities pertaining to cable television network (MSOs operating at national or state or district level and undertaking up-gradation of networks towards digitalization and addressability) and/or ISP activities is permitted up to 49% of the paid up equity capital of a company engaged in such activities, under the automatic route. Further, any foreign investment beyond 49% and up to 74% of the paid up capital of such company is permitted under the

Government approval route. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign capital may have a material adverse impact on our business growth, financial condition and results of operations. The restriction on foreign investment may also restrict an investor's ability to sell the equity shares to foreign investor including FIIs. The restrictions on foreign investments may restrict your ability to trade in Equity Shares.

4. The Companies Act, 2013 has effected significant changes to the existing Indian company law framework, which may subject us to higher compliance requirements and increase our compliance costs.

A majority of the provisions and rules under the Companies Act, 2013 have recently been notified and have come into effect from the date of their respective notification, resulting in the corresponding provisions of the Companies Act, 1956 ceasing to have effect. The Companies Act, 2013 has brought into effect significant changes to the Indian company law framework, such as in the provisions related to issue of capital, disclosures in prospectus, corporate governance norms, audit matters, related party transactions, introduction of a provision allowing the initiation of class action suits in India against companies by shareholders or depositors, a restriction on investment by an Indian company through more than two layers of subsidiary investment companies (subject to certain permitted exceptions), prohibitions on loans to directors and insider trading and restrictions on directors and key managerial personnel from engaging in forward dealing. Further, companies meeting certain financial thresholds are also required to constitute a committee of the board of directors for corporate social responsibility activities and ensure that at least 2% of the average net profits of the company during three immediately preceding financial years are utilized for corporate social responsibility activities. Penalties for instances of non-compliance have been prescribed under the Companies Act, 2013, which may result in inter alia, our Company, Directors and key managerial employees being subject to such penalties and formal actions as prescribed under the Companies Act, 2013, should we not be able to comply with the provisions of the New Companies Act within the prescribed timelines, and this could also affect our reputation.

To ensure compliance with the requirements of the Companies Act, 2013 within the prescribed timelines, we may need to allocate additional resources, which may increase our regulatory compliance costs and divert management attention. While we shall endeavor to comply with the prescribed framework and procedures, we may not be in a position to do so in a timely manner. The Companies Act, 2013 introduced certain additional requirements which do not have corresponding equivalents under the Companies Act, 1956. Accordingly, we may face challenges in interpreting and complying with such provisions due to limited jurisprudence on them. In the event, our interpretation of such provisions of the Companies Act, 2013 differs from, or contradicts with, any judicial pronouncements or clarifications issued by the Government in the future, we may face regulatory actions or we may be required to undertake remedial steps. Additionally, some of the provisions of the Companies Act, 2013 overlap with other existing laws and regulations (such as the corporate governance norms and insider trading regulations). We may face difficulties in complying with any such overlapping requirements.

Further, we cannot currently determine the impact of provisions of the Companies Act, 2013, which are yet to come in force. Any increase in our compliance requirements or in our compliance costs may have an adverse effect on our business and results of operations.

5. A slowdown in economic growth in India could cause our business to suffer

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. As a result, a slowdown in the Indian economy could adversely affect our business. India's economy could be adversely affected by a general rise in interest rates, inflation, natural calamities, such as earthquakes, tsunamis, floods and drought, increases in commodity and energy prices, and protectionist efforts in other countries or various other factors. In addition, the Indian economy is in a state of transition. It is difficult to gauge the impact of these fundamental economic changes on our business. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business.

6. Any downgrading of India's debt rating by an international rating agency could have an adverse impact on our business

Any adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing, and the interest rates and other commercial terms at which such additional financing may be available. This could have an adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditure and the trading price of our Equity Shares.

7. Instability in the Indian and world financial markets could materially and adversely affect the price of the Equity Shares and our results of operations and financial condition

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in Asian emerging market countries. Recently, financial turmoil in the United States and worldwide has affected the Indian economy. Since mid-2007, and particularly during the second half of 2008 and the first quarter of 2009, the global banking and financial services industry and the securities markets generally were materially and adversely affected by significant declines in the values of nearly all asset classes, including mortgages, real estate assets, leveraged bank loans and equities, and by a serious lack of liquidity. Business activity across a wide range of industries and regions was greatly reduced and local governments and many companies were in serious difficulty due to the lack of consumer spending and the lack of liquidity in the credit markets. Unemployment increased significantly in many countries. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have an adverse impact on the Indian economy. Financial disruptions may occur again and could decrease the price of our Equity Shares.

8. Terrorist attacks, civil unrest and other acts of violence or war involving India and other countries could adversely affect financial markets and our business

Terrorist attacks and other acts of violence or war may adversely affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, making travel and other services more difficult and ultimately adversely affecting our business.

India has also witnessed civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic and political events in India could have an adverse impact on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse impact on our business and the price of our Equity Shares.

Other acts of violence or war outside India, including those involving the United States, the United Kingdom or other countries, may adversely affect worldwide financial markets and could adversely affect the world economic environment, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India. South Asia has, from time to time, experienced instances of civil unrest and hostilities among other neighboring countries.

9. Political instability or changes in government could adversely affect economic conditions in India and consequently our business

Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular. The Government of India has traditionally exercised and continues to exercise influence over many aspects of the economy. Our business and the market price and liquidity of our Equity Shares may be affected by interest rates, changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. The rate of economic liberalization could change, and specific laws and policies affecting the real estate sector, foreign investment and other matters affecting investment in our securities could change as well. Any significant change in such liberalization and deregulation policies could adversely affect business and economic conditions in India, generally, and our business, prospects, financial condition and results of operations, in particular.

10. Unfavourable changes in legislation, including tax legislation, or policies applicable to us could adversely affect our results of operations

The Government of India has proposed the introduction of the Direct Taxes Code ("DTC"), to revamp the implementation of direct taxes. If the DTC is notified and becomes applicable, the tax impact discussed in this

Draft Red Herring Prospectus may not accurately reflect the provisions of the DTC. In addition, the application of various Indian and international sales, value-added and other tax laws, rules and regulations to our products and services, currently or in the future which are subject to interpretation by applicable authorities, if amended/ notified, could result in an increase in our tax payments (prospectively or retrospectively) and/ or subject us to penalties, which could affect our business operations.The governmental and regulatory bodies in India may notify new regulations and/ or such policies which will require us to obtain approvals and licenses from the government and other regulatory bodies or impose onerous requirements and conditions on our operations in addition to what we are undertaking as on date. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations.

Prominent Notes

- Public issue of up to 14,182,598 Equity Shares of our Company for cash at a price of ₹ [●] per Equity Share including a share premium of ₹ [●] per equity share, aggregating up to ₹ [●] million. The Issue comprises a Fresh Issue of up to 6,000,000 Equity Shares aggregating up to ₹ [●] million and an Offer for Sale of up to 8,182,598 Equity Shares aggregating up to [●] million. The Issue constitutes 46.39% of the fully diluted post-Issue paid up Equity Share capital of our Company (considering full conversions of outstanding stock options under ESOS 2010). Our Company and the Selling Shareholder, in consultation with the BRLM are considering the Pre-IPO Placement of up to 2,500,000 Equity Shares for cash consideration aggregating up to ₹ 650 million, at their discretion prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued and transferred pursuant to the Pre-IPO Placement will be proportionately reduced from the Fresh Issue and the Offer for Sale, subject to a minimum Issue size of 25% of the post Issue paid-up Equity Share capital being offered to the public.

- Our net worth is for Equity shareholders ₹ 199.76 million as on March 31, 2014 as per our restated financial information included in this Draft Red Herring Prospectus. For further details, see the section titled "*Financial Information*" beginning on page 202.

- Our net asset value per Equity Share was ₹ 8.58 as at March 31, 2014, as per the Company's financial information.

- The average cost of acquisition of Equity Shares by our Promoters, Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited and UMSL Limited is ₹ 75.07, ₹ 27.81, ₹ 3.88 and ₹ 55.98 per Equity Share, respectively.

- For information on changes in our Company's name, Registered Office and Corporate Office and changes in the object clause of the MoA of our Company, see the section titled "*History Corporate Structure*" beginning at page 161.

- Except as disclosed in the sections titled "*Our Group Companies*" and "*Related Party Transactions*" on pages 190 and 199, none of our Group Companies have business interests or other interests in our Company.

- For details of related party transactions entered into by the Company with the Promoters, Group Companies and Key Managerial Personnel during the last financial year, the nature of transactions and the cumulative value of transactions, please see the section "*Related Party Transactions*" on page 199.

- There have been no financing arrangements whereby our Promoter Group, our Group Companies, the directors of our Promoter companies, Directors and their relatives have financed the purchase by any other person of the Equity Shares other than in the normal course of our business during the period of six months immediately preceding the filing of this Draft Red Herring Prospectus.

- Investors may contact the Book Running Lead Manager for any complaint pertaining to the Issue. All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the relevant SCSBs, giving full details such as name, address of the Bidder, number of Equity Shares applied for, Bid Amounts blocked, ASBA Account number and the Designated Branch of the SCSB where the Bid cum Application Form has been submitted by the ASBA Bidder.

SECTION III – INTRODUCTION

SUMMARY OF INDUSTRY

*Unless noted otherwise, the information in this section is derived from "The Indian Media and Entertainment Industry" (the "**FICCI KPMG Report 2014**"), Media Partners Asia Limited's report titled "Asia Pacific Pay-TV & Broadband Markets 2012" (the "**MPA Report 2012**"), Media Partners Asia Limited's report titled "Indian Cable Industry – A Digital Evolution" (the "**MPA Report 2013**"), Media Partners Asia Limited's report titled "Asia-Pacific Pay-TV and Broadband Markets 2014" (the "**MPA Report 2014**"), "Media Route 26 India (September 2014)" (the "**Media Route Report**") as well as other industry sources and government publications. None of the Company, the Selling Shareholder, the BRLM and any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.*

Media and Entertainment Industry

The Indian Media and Entertainment ("**M&E**") industry, which comprises television, film, radio, print, music, the internet, animation, gaming, outdoor media and digital advertising, has been one of the fastest growing industries in India over the last few years. The Indian M&E industry grew from ₹ 821 billion in 2012 to ₹ 918 billion in 2012, registering an overall growth of 11.8 per cent. While low GDP growth and a weaker rupee ensured that growth in this industry remained muted in 2013 increased digitization of media products and growth in regional media ensured some resilience in the M&E industry. The industry is estimated to achieve a growth of 13.18 per cent in 2014 to touch ₹ 1,039 billion. Going forward, the sector is projected to grow at a healthy CAGR of 14.2 per cent to reach ₹ 1,786 billion by 2018. *(Source: FICCI KPMG Report 2014)*

India's Television Industry

Television is the largest medium for media delivery in India in terms of revenue, representing around 45 per cent of the total media industry. The Indian television industry is slated on the path of continued growth, with increased digitization and the rollout of the mandatory DAS almost complete in in Phase I (the four metropolitan cities) and Phase II cities (38 cities in India with a population of over one million). In 2013, while carriage fees experienced an overall reduction of 15-20 per cent, the anticipated increase in ARPU and subscription revenues from broadcasters and MSOs is expected to be realized over the next three to four years, as MSOs begin the process of becoming B2C organisations from B2B organisations. (*Source: FICCI KPMG Report 2014*)

The number of households in India with television increased to 161 million in 2013, implying a penetration of 60 per cent. The number of C&S subscribers increased by 9 million in 2013, to reach 139 million. Excluding Doordarshan direct, the number of paid C&S subscribers in India is estimated to be 130 million. This C&S subscriber base is expected to grow to 181 million by 2018, representing 95 per cent of households with television, of which, paid C&S base is expected to be 171 million in 2013, representing 90 per cent of all TV households with television. (*Source: FICCI KPMG Report 2014*)

Indian broadcasting and pay-television ("Pay-TV") industry

India's television distribution industry can be divided into three main categories:

- Terrestrial television
- Cable television
- DTH

In addition, there are other emerging television distribution technologies that have begun to appear in India such as IPTV and Headend-in-the-sky ("**HITS**") television. However, Indian television distribution is dominated by cable television. Terrestrial television is classified as non-C&S television while all other types of television distribution are classified collectively as C&S television or Pay-TV.

As per industry estimates, the television industry is expected to reach a size of USD 12.3 billion by 2018, growing at a CAGR of 10.7 per cent. Growth in the industry is expected to be driven by growth in both subscription and advertising revenues. The subscription market is likely to be driven by enhanced penetration and expansion of digital delivery infrastructure. (*Source: MPA Report 2013*)

Industry projections indicate that subscriber growth will remain strong between 2015 - 2017 as the DAS is implemented in Phase III and Phase IV cities. Pay-TV subscription revenues are projected to grow at a CAGR of 11 per cent between 2013 – 2018 and in contrast to the industry's volume-led growth between 2009 – 2013, the growth for the next five years will be led by increase in ARPUs. Pay-TV subscribers are expected to reach 165 million by 2018 and 180 million by 2023, implying a long-term penetration of 80 per cent, adjusted for multiple subscriptions. (*Source: MPA Report 2014*)

Industry projections further indicate that total digital cable subscription will reach around 50 million by 2018, and around 55 million by 2023. Growth in cable ARPU will be a function of analog and digital subscriber mix; the package mix; and the contribution of HD services. While monthly digital cable ARPU will grow from around USD 3.5 in 2013 to around USD 6.0 by 2023, overall cable ARPU growth will lag from USD 2.9 in 2013 to USD 4.4 in 2023 due to the prevalence of analog subscribers. (*Source: MPA Report 2014*)

Cable Television

India's cable television industry has grown rapidly since its inception almost twenty years ago, spurred by entrepreneurship and innovation from distribution platforms and content providers. Cable television is now established as a mass medium for entertainment and information, available in more than 134 million subscribers across India. This represents around 79.9 per cent of television-owning homes in the country. (*Source: MPA Report 2014*)

Operation of Cable Television

Cable television broadcasting operates by uplinking a broadcaster's channel to a satellite which then provides a downlink signal to a particular region. The downlink signal is received by MSOs at their network operating center through dish antennas and other equipment such as modulators, decoders, encoders and amplifiers. This signal is then distributed to end-user/subscribers, generally by LCOs who provide the 'last mile' cable link to a subscriber's home. Cable television signals can be transmitted in either analog or digital form. Most of the cable television distribution networks currently deliver television channels in analog mode to subscribers. In India while the MSOs largely operate the backbone networks/network operating centers, the LCOs operate and control the 'last mile'. MSOs and LCOs typically operate in small demarcated areas/cities. Generally, LCOs do not own head-ends but receive signal from MSOs and provide the 'last mile' connection to the end-user. Each LCO typically manages around 1,000 to 2,000 subscribers.

Market Structure

The dominant business model in the cable industry in India involves MSOs providing signal to the LCOs. MSOs typically enter into an agreement with the LCOs with the latter serving as its "franchisees". This is referred to as secondary model or franchise model. Most MSOs are dependent on the secondary point strategy. Cable MSOs are the corporate links of the cable distribution chain, with backbone networks and head-ends that aggregate satellite channels and pass the signals on to LCOs for a fee. The biggest risks in this strategy are dependence on LCOs for delivering service to the customers, revenue leakage due to under-reporting by LCOs, zero access to customers thereby eliminating possibility of offering additional services like broadband etc and over-dependence on placement fees. As per the MPA Report 2012, the top five MSOs generated ~US$700 million in revenues, with more than half derived from C&P income. Further the report says that the LCOs often under-declare or under-report secondary subscribers to MSOs thereby retaining 75-80 per cent of the subscription revenue, with the remainder shared by the MSO and broadcasters This is where revenue leakage begins, and culminates in MSOs and broadcasters getting less than their fair share of revenues, and LCOs retaining most of the value in the distribution chain.

The alternate model called the primary model, involves the MSO owning the network end-to-end and providing 'last mile' connection or signals directly to the end-users. However this model is adopted by very few MSOs in India. The benefits of the primary point model or direct access to customers are significant however, as the MSO retains 100 per cent of analog subscription revenues as opposed to 10-15 per cent. The primary point acquisition also means that the MSO can upgrade the 'last mile' network and up-sell multiple services including digital pay- television and broadband internet access, to maximize long-term value, reduce the payback period in building the network and prevent churn to DTH. As per the MPA Report 2012, the 'payback periods for MSOs providing combined digital cable television and broadband services drop by around 12 months compared to those providing standalone digital cable television. As per the MPA Report 2013, within the media and entertainment segment, companies having last mile connections remain amongst the most profitable and scalable. As per same, the cable companies in countries like United States, Japan, Korea, Taiwan and Europe generate significant levels of cash flow and EBITDA margins trending between 40 – 60 per cent on average

Width versus Depth – Cable Strategy in India

Fundamentally, MSOs adopt two types of expansion strategies: 'Width' and/or 'Depth'. Exponential growth in the carriage and placement market (38 per cent CAGR between 2006 – 2009) attracted many MSO towards a width strategy model, often at the expense of a depth model, which is based on last mile connections, a B2C business model and stable subscription fees. The C&P dependent model is B2B in nature and thus requires limited investments. Operators such as Den Networks Limited and Siti Cable Network Limited have adopted this strategy. Certain MSOs such as our Company and Asianet Satellite Communications Limited ("**Asianet**") have preferred the 'Depth model' with the focus on a given geographical market, full last mile control and full retention of subscription revenues. Some operators such as Hathway Cable and Datacom Limited ("**Hathway**") have successfully adopted both width and depth models.

Digitization Mandate by the Government

The government has passed the The Cable Television Networks (Regulation) Amendment Bill 2011 that makes it mandatory to digitalise analog cable network throughout the country in four phases by December 31 2014. The digitisation of cable networks will hugely benefit the government, broadcasters, MSOs and the consumer in the following ways:

1. Lead to higher tax receipts for the government;
2. An improved experience for consumers with more choice and services;
3. Higher subscription fees and margins for broadcasters;
4. Scalable business models for MSOs and LCOs with multiple services across the last mile including digital cable and high speed broadband; and
5. Improve the distribution of Cable television subscription revenues between the broadcasters, MSOs and LCOs.

While there are over 800 channels available, an analog cable network can carry only a little over 100 channels currently. Once digitised, any cable network will be able to carry at least 500 channels with ease and still free up bandwidth to offer additional services like broadband internet, HD television (high definition) and several value-added services like telephony, gaming, shopping etc. Once implemented, this bill prohibits the transmission of television signal in analog format by any MSO/LCO in the designated cities by making them legally bound to transmit only digital signals. Subscribed channels will be received at the customer's premises only through a STB equipped with a smart card. Each user in the network would be uniquely identifiable to the service provider through an SMS deployed by each MSO and this is expected to shift the control over the subscriber from the LCOs to the MSOs.

Subsequent to the DAS mandate, new regulations and policies have been set out by the TRAI. Chief amongst these was a tariff order that offers more control and scalability to MSOs. In order to accelerate capital flows into the cable industry, the tariff order offers multiple monetization points for MSOs. In addition to gaining a 65 per cent share of pay channel subscription fees (to be shared with broadcasters), MSOs are also entitled to a 55 per cent share of FTA channel subscription fees.

Furthermore, retail rates under DAS are now free from price regulation, providing ample room for ARPU growth. Significantly, TRAI has made MSOs responsible for billing the consumer and paying the LCOs and broadcasters, making the MSO the primary point for billing and revenue sharing in the new DTV regime. TRAI has also legitimized carriage fees, which will help MSOs offset their investment in rolling out digital infrastructure.

As per industry estimates the total capital requirement for upgradation to digital cable network could be to the tune of ₹ 20,000-25,000 crores. To support the process of mandatory digitalisation, the government raised the limit of foreign investment in broadcast services from 49 per cent to 74 per cent. This move is likely to help the MSOs in attracting new funding to supplement the funding requirements for digitalisation apart from enabling partnerships with foreign strategic players that will help bring in better technological know-how, particularly on rolling out of broadband internet and other value added services as relevant to the cable industry.

Impact of Digitisation

In the absence of digital addressability, the industry estimates that a cable operator declares only 15 to 20 per cent of his actual subscriber base to the MSO. Subscriber declaration levels are expected to increase to 100 per cent post digitization. However, revenue share between various stakeholders may continue to be negotiation driven during initial period even though the government has announced a revenue sharing structure between the MSOs and LCOs. The revenue share is expected to evolve as digitization progresses. Broadcasters and MSOs are expected to see a significant increase in their bargaining power over LCOs. The LCOs share, while smaller than the pre-digitization period, may differ depending on the area.

As per the MPA Report 2013, broadband cable television operators remain a key driver of value creation for investors and consumers alike in the global context. Such value is anchored to last mile ownership, digitalization of network infrastructure and the ability to offer multiple media and communications services including television (SD and HD channels), high speed Broadband, and Telephony over a single network and in a bundle. Further, the report says that the last mile cable companies in India are at important inflection point today with the government mandated digitalization drive expected to help drive scalable business models with multiple services across the last mile including digital cable and high speed broadband. As per this report, those companies that already have a head start in having B2C models e.g. Hathway, Asianet and our Company will be in an advantageous position vis-a-vis others as long as they can continue to leverage their experience and consolidating further on their respective bases.

With digital addressability and eventual control of the subscriber, the television distribution industry is expected to see a significant shift in power away from the LCO towards the MSO. Post complete digitization, the MSO would own and control the infrastructure and generate the bill using the subscriber management system. The LCO is expected to take up the role of a collection and servicing agent of the MSO. The LCO may need to align itself with an MSO in order to establish a platform brand and gain access to funds required for seeding STBs and making the network two-way enabled for additional services especially broadband internet. However, this shift in power is expected to be gradual over the four phases of digitization. The cooperation of LCOs across cities remains crucial for a smooth conversion of analog customers to digital, and at least until the analog sunset, the MSO-LCO equation remains delicately balanced.

Overall, mandatory digitization will result in consolidation of the last mile cable industry. Larger operators will be keen to acquire the last mile as valuations for LCOs drop and operators successfully develop skill sets and necessary infrastructure as they transition to a B2C model.

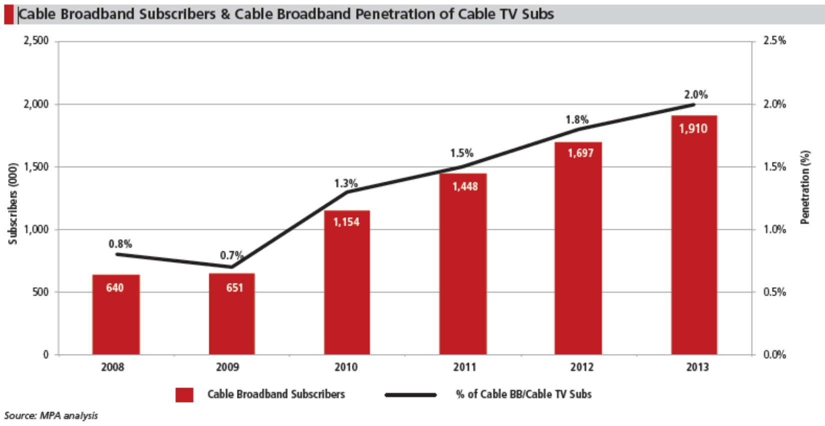
Internet Broadband Industry

Pursuant to recommendations of TRAI, the GoI formulated Broadband Policy of 2004. In this policy, broadband was defined as an "always on" connection with downloads speeds of 256 kbps or more which has thereafter been changed to 512 kpbs or more. As on March 2014, the total number of broadband subscribers were 60.87 million. Non broadband internet connections were 190.71 million, which comprises dial up connections working upto 56.6 kbps and other connections with speeds less than 512 kbps.(*Source: TRAI, Indian Telecom Services Performance Indicators (January – March 2014).*

While broadband has been deployed using Cable Modems, xDSL technologies, fibre and wireless, in India xDSL has been predominantly used. As per TRAI data as on March 2014, 12.95 million wired internet subscribers utilized DSL.

Cable Internet Broadband

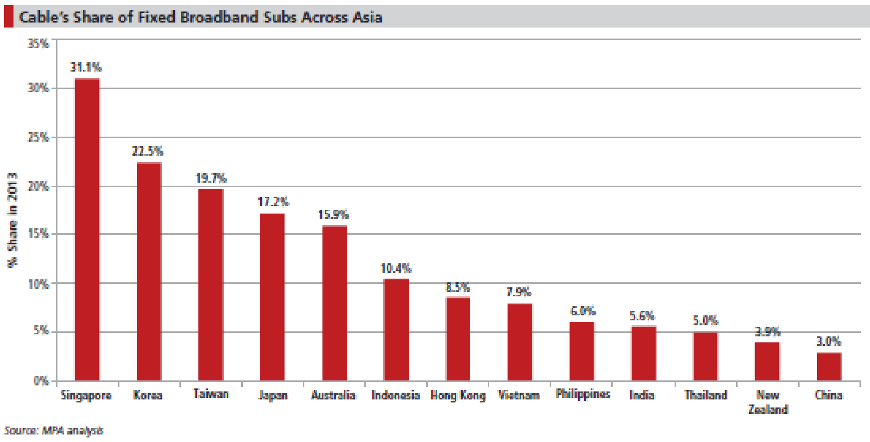
The cable broadband sector in India remains nascent with limited investments made in network rollout and upgrades, aside from a few well-capitalized national MSOs. According to Media Partners Asia, total fixed broadband subscribers reached ~14.9 million at the end of 2013, 5.7 per cent penetration of total households. In contrast, telecom regulator TRAI estimated that wireless broadband services (via mobile phones and dongles) reached ~40 million at end-2013.



(*Source: Media Route Report*)

Out of the 14.9 million fixed broadband households, hybrid fiber coaxial (HFC) cable accounted for just 837,000 in 2013, or a 5.6 per cent share, with the rest derived from Ethernet based networks (~1.1 mil., 7.4 per cent share) and ADSL (12.9 mil., 87 per cent share). However, these figures may not fully account for broadband services provided by local cable operators (LCOs), which are often unregistered / unlicensed. A complex licensing regime for obtaining Internet Service Provider (ISP) licenses has deterred a vast majority of LCOs from securing these licenses. LCOs often choose instead to resell broadband services offered by larger cable MSOs such as Asianet and Digicable Network India Private Limited (via Pacenet), or by buying wholesale bandwidth from larger fixed network providers.

Industry analysis indicates substantial growth potential for cable operators. In entrenched cable markets such as Korea, Japan, Singapore and Taiwan, cable typically has 15-30 per cent of the fixed broadband market, having gone through several rounds of network upgrades, consolidation and expansion. In many instances, cable operators have had to take on well-entrenched incumbent telecommunications companies with nationwide fixed network coverage, and yet managed to gain substantial market share. In India, BSNL is the only major competition to cable, and Airtel's ADSL and fiber networks are currently restricted to tier 1 cities. The market therefore remains wide open for cable operators who are willing to make long-term investments. (*Source: MPA Report 2013*)



(*Source: Media Route Report*)

The importance of India's cable networks in boosting broadband penetration appears to have been recognized by the DoT. In July 2014, it was reported that the ministry is re-examining how cable networks could be revitalized to step in and play a bigger role by simplifying the ISP license structure.

The National Fibre Optic Network ("**NFON**"), launched in 2012 by the UPA II government, is India's national broadband initiative that aims to connect 225,000 gram panchayats or local administrative regions via a fiber network stretching 1 million kilometers. NFON is run by special-purpose entity Bharat Broadband Network Limited, which comprises state-owned enterprises, namely Bharat Sanchar Nigam Limited, Railtel Corporation of India Limited and Power Grid Corporation of India Limited. Initial targets for the entity included trenching and laying 500,000 kilometers of fiber to augment the other 500,000 kilometers previously laid by consortium members. The advantage to cable operators will come in the form of large-scale fiber backhaul availability, which could reduce capital expenditure as well as time required to expand to new territories. Additionally, it also allows operators to focus on last mile upgrades to coaxial networks.

Wireless Broadband

There were about 60.87 million broadband subscribers at the end of March 2014 (equal to or above 512 kbps) out of which wired broadband subscription is 14.86 million and wireless broadband subscription is 46.01 million. Out of such subscribers, wireless (dongle and phone) services is the most preferred technology, constituting 74.9 per cent of broadband subscribers, followed by wired broadband subscribers (24.41 per cent) and fixed wireless subscribers (0.65 per cent). *(Source: TRAI).*

International Experience

The development of key cable markets globally provides important insight for India especially with respect to last mile consolidation, digitalization and the growth of broadband. Globally, the development of the cable business has focused on ownership of the last mile with cable MSOs operating as B2C businesses. Successful B2C last mile MSOs around the world include: (1) Comcast, Time Warner Cable and Cablevision in the US; (2) Liberty Global and Virgin Media in Europe; (3) J:COM in Japan; (4) CJ Hello Vision and C&M in Korea; (5) First Media in Indonesia; and (6) Taiwan Broadband Communications, KBRO and CNS in Taiwan.

Globally, the cable industry typically consolidates under the last mile B2C model with a handful of players emerging with a majority share of the market. In the experience of the US, UK, Korea, Japan and Taiwan, each of these cable markets has undergone three distinct phases: (1) Over fragmented, un-regulated, chaotic market; (2) Over regulation, still fragmented market but with a large base of subscribers across an analog network without broadband or digital television; (3) Deregulated, digitized market with cable also providing broadband services and driving last mile consolidation.

International Cable Markets, The Path to Last Mile Consolidation and Digitalization

Country	Year	Pre-consolidation	Year	Triggers	Year	Key events during consolidation	Year	Post-consolidation	Growth trajectory	Digital pen./ cable TV subs	Cable broadband market share
USA	1970	50+ large MSOs	1994	DTH launches	1996	US West Inc acquisition of Continental Cablevision	2011	Top 5 players: 85 % market share of total CATV subs	▪ Cable (CATV & BB) industry revenue grows at 9% CAGR (2005-2010)	85%	55%
			1996	The Telecommunications Act and cable rate deregulation	1998	AT&T buys TCI in US$48 bil. deal			▪ Average operating margin of 40%		
			1997	Digital cable launches	2001	AT&T merged its cable business with Comcast, creating world's largest operator with 22 mil. subscdribers					
			2005	Digital cable passes 30 mil. subs	2010	Comcast buys NBCU					
UK	1980s	50+ players	Late 1980s	DTH gained market share	1994	International CableTel acquired Insight Communications	2011	Virgin Media: 95% market share of total CATV subs	▪ Cable (CATV & BB) industry revenue grows at 5% CAGR (2005-2010)	98%	25%
			1991	Rights granted to cable companies to offer telephony with TV services	1998-99	NTL acquired Comcast UK, ComTel, Diamond Cable, and Cable & Wireless			▪ Average operating margin of 37%		
					2006-07	NTL acquired Telewest Global					
						Virgin acquired NTL and rebranded it Virgin Media					
Japan	Pre 1993	686 players	1993	Regulation eased, companies allowed to own more than one operator	Late 1990s	Larger MSOs acquired small cable operators	2011	Top 3 players: 65% market share of total CATV subs	▪ Cable (CATV & BB) industry revenue grows at 9% CAGR (2005-2010)	80%	15%
				Government's mandate for complete digitalization by 2010	2000	J:COM and TITUS Communications merge, with Liberty and Microsoft emerging as major investors in partnership with local conglomerate Sumitomo.			▪ Average operating margin of 43%		
			1998	FDI increased to 100%							
Taiwan	1980s	600+ players	1996 - 2000	Government's thrust towards digitization; FDI at 60%.	1996-2003	Larger MSOs acquired local cable operators	2010	Top 4 players: 80% market share of total CATV subs	▪ Cable (CATV & BB) industry revenue grows at 9% CAGR (2005-2010)	10%	16%
			2009	Full scale launch of digital cable	2004	Carlyle acquires kbro			▪ Average operating margin of 50%		
					2005	Macquarie buys stake in Taiwan Broadband–					

(Source: MPA Report 2013)

The US is a key last mile cable market with consolidation ensuring that nine MSOs have more than 90 per cent of last mile cable subscribers.

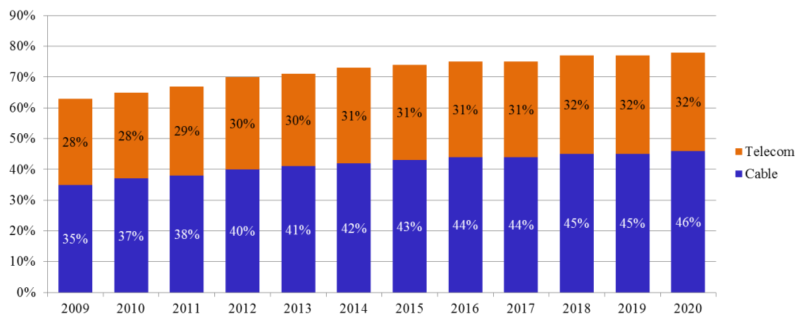
MSO	Platform	Pay-TV Subs	Market Share
Comcast	Cable	22,294,000	22.9%
DirecTV	DTH	19,966,000	20.5%
Dish Network	DTH	14,071,000	14.4%
Time Warner Cable	Cable	12,653,000	13.0%
Cox Communications	Cable	4,756,000	4.9%
Verizon	IPTV	4,353,000	4.5%
Charter	Cable	4,341,000	4.5%
AT&T	IPTV	3,991,000	4.1%
Cablevision	Cable	3,257,000	3.3%

(Source: MPA Report 2013)

The key advantage for cable operators in global markets stems from return path or two way technological infrastructure. This allows cable operators to offer high-speed broadband services, bundled with digital television and various value added services such as VOD and DVR. Product innovation, attractive tiering of content and the bundling of broadband services are key drivers of the cable television business proposition, creating a significant pull for consumers. Once the cable network is upgraded and digitalized, the ability to offer new services such as high-speed internet and telephony makes for a compelling proposition. Cable MSOs have rolled out DOCSIS 3.0 in more competitive, urban markets where telecommunications companies have deployed fiber; while in less-urban areas, cable has been competing with legacy DSL networks with average speeds of around 4 mbps. The growth of broadband has also driven significant changes in revenue composition with more than 30 per cent of Comcast Cable's revenues derived from broadband and telephony. The same trend is evident in markets such as Japan, Taiwan and Korea as well as emerging markets such as Indonesia.

Last Mile Cable dominates the broadband marketplace in the USA

US Broadband Penetration Trends (As a per cent of HHs)



(Source: MPA Report 2013)

Key International benchmarks in Cable television & Broadband

	US	UK	Korea	Japan	Taiwan	India
% Fixed BB HH Penetration	88%	82%	95%	77%	72%	5%
% Mobile BB Per Capita Penetration	37%	26%	45%	53%	10%	0.2%
% Cable Market Share of Fixed BB	58%	2%	24%	16%	18%	7%
% Telco Market Share of Fixed BB	42%	98%	76%	84%	82%	93%
Average BB Speed (Mbps)	10	8-10	30	50	10	1-2
Annual Consumer Spend on BB (US$)	564	456	264	564	258	115
% Pay-TV Penetration	89%	54%	100%	29%	95%	79%
% Cable TV Market Share of Pay-TV	57%	25%	64%	54%	86%	74%

Note: All broadband speed data from Akamai. By comparison, TRAI's data for average India broadband speed is lower because TRAI also includes GPRS and WAP (all data technologies >= 256 kbps).

(Source: MPA Report 2013)

Key international trends:

- **USA.** Fixed broadband networks have stood their ground with cable incrementally upgrading networks to Docsis 3.0 and maintaining the lead over telecommunication companies on the broadband front. Deployments of HD, DVR, VOD, and recently 'TV Everywhere' has helped Cable face strong satellite-generated headwinds and maintain its edge in the video and broadband markets.
- **UK.** Despite consolidating into UK's largest last mile cable operator, Virgin Media has been unable to compete with BSkyB (the DTH market leader) on the video front – instead choosing to focus on its Docsis 3.0 enabled broadband network as a key differentiator. Deployments of VAS such as VOD, Tivo etc have helped the company address competition from Sky on the video front to a large extent
- **Korea.** Cable's high growth rate in Korea has been somewhat stunted in recent years by a revitalized telecom sector, deploying fiber aggressively and competing on price. Nonetheless, cable still retains more than 20 per cent of the broadband market and has more than 70 per cent market share in Pay-TV.
- **Taiwan.** Cable continues to be the dominant in spite of facing strong headwinds from competitors like Chunghwa Telecom (CT) who have been deploying fiber. Cable has stood its ground in the region by deploying Docsis 3.0 and digitalizing its networks rapidly.

More broadly, broadband cable remains the highest return product for distribution platforms in the United States. In Pay-TV, satellite generates superior return to cable in general due to (i) lower operating costs from leveraging wireless infrastructure and lower churn levels due to national footprint and (ii) higher ARPUs vis-à-vis cable. However, cable broadband is the strongest solution in maximizing ARPU and margins and helps cable maintain superior returns to satellite.

SUMMARY OF BUSINESS

Overview

We are a regional cable television and high speed broadband services provider focused in the Indian states of Odisha, Chhattisgarh, Andhra Pradesh and West Bengal. We have built a two-way communication network for 'Triple Play' services (video, data and voice capabilities) with control over the 'last mile'. We pioneered the primary point cable business model in India by offering digital and analog cable television, broadband and VAS services in Orissa, Chhattisgarh, West Bengal and Andhra Pradesh. We currently hold a dominant position in Orissa, with a fast-emerging presence in our three other markets, covering an addressable market of approximately five million homes. (*Source: MPA Report, 2014*). We believe that our brand names, "Ortel Home Cable", "Ortel Digital" and "Ortel Broadband" are well known in the regions in which we operate. We commenced our business in 1995 and currently, our business is broadly divided into (i) cable television services comprising of (a) analog cable television services; (b) digital cable television services including other value added services such as HD services, NVoD, gaming and local content; (ii) broadband services; (iii) leasing of fibre infrastructure; and (iv) signal uplinking services.

Our business model is focused on the control over the 'last mile' connection. Owning the end connection allows us direct access to the cable television subscribers thereby helping us capture the entire subscription revenues paid by the cable television subscribers and reducing reliance on channel carriage fees and also enables us to provide multiple services to our cable television subscribers directly, such as broadband services, which help us increase the revenue realised per customer. As on March 31, 2014, 88.02 % of our cable subscriber base is on our own 'last mile' network. For the year ended March 31, 2014, of our total revenues from operations, 58.89% comes from cable television subscription fees and 15.92% from channel carriage fees. Globally, cable television operators provide bundled cable, broadband and phone services. This allows the operators to reduce the cost of reaching a household (three services offered through a single wire rather than three separate wires) and significantly improves profit margins *(Source: TRAI-Implementation of Digital Addressable Cable TV Systems in India, August 2010).*

We currently offer services in 48 towns and certain adjacent semi urban and rural areas with over 21,600 kilometers of cables supported by 34 analog head-ends and five digital head-ends. We use HFC (combination of optic fibre in the backbone and coaxial cable in the downstream) to build our network. We have the legal 'rights of way' for laying our network on utility poles as well as for underground cabling which are typically subject to renewal.

We were one of the first private sector companies in India to be granted an ISP license by the Government of India. We are capable of providing data services at a speed of up to 42.88 mbps through the use of cable modem with DOCSIS 2.0 standard through our HFC network. We are in the process of upgrading our modems with DOCSIS 3.0 standard which once implemented will enable provision of broadband services at a higher speed of over 340 mbps. We currently provide data services at speeds of up to 2 mbps to retail customers and as per the requirements for our corporate customers.

We service both retail and corporate customers. As of June 30, 2014, we had 3,88,115 retail subscribers for our analog cable television services, 74,213 retail subscribers for our digital cable television services and 55,861 broadband retail subscribers adding up to a total of 5,18,189 RGUs and provisioned bandwidth of 813 mbps to the broadband corporate customers.

We have grown both organically and inorganically through sale of our services directly to the cable television subscribers and through buyout of network equipments, infrastructure and subscribers of other MSOs and LCOs. We convert the acquired cable television subscribers to primary subscribers and improve the quality of services by upgrading or rebuilding the network with the 'last mile' connection. By improving the quality of cable services as well as providing value added services, we are able to limit large scale customer attrition to competing service platforms such as DTH providers and increase the revenue per user.

For the year ended March 31, 2014, our total income was ₹ 1,321.61 million and our PBDIT was ₹ 452.09 million. In Fiscal 2013 and 2012 our total income was ₹ 1,216.25 million and ₹ 1,211.99 million, respectively and our PBDIT was ₹ 353.21 million and ₹ 399.37 million, respectively.

Our Strengths

We control the 'last mile' connection

In India, the franchise model is predominant in the cable distribution industry where majority of the cable companies are dependent on the secondary point strategy. We have however invested in and have control over the 'last mile' connection which enables us minimise any revenue loss, limit large scale subscriber churn and allows us to cross sell our various services. As on March 31, 2014 88.02% of our cable subscriber base is on our own 'last mile' network and the remaining is connected through LCOs.

In the franchisee model, the LCOs typically retain 75-80% of the subscription revenues collected by them and the MSOs get a small fraction of the subscription collected (*Source: MPA Report, 2012*). Our control over the 'last mile' enables us to minimize any such revenue loss as we primarily collect subscription revenues directly from our customers without operating through LCOs. Control over the 'last mile' also enables us to better understand the customer needs and helps in better servicing the customers, cross selling our services and increasing revenues per user. Further, in a franchise model, the LCOs can shift from one MSO to another thereby causing large scale customer churn. In a 'last mile' model like ours, a customer may only shift individually. Hence we believe the 'last mile' control reduces risk of large scale loss of cable television subscribers and thereby helps in stable business operations. Further, since the last mile network is built and maintained by us, we ensure that the quality of network is uniformly maintained. Moreover, controlling and owning the last mile also enables us to build a two-way communication network through which we can offer broadband services and cable services over the same network.

The current business model of most other MSOs is largely based on the B2B platform whereby they operate through franchisees/ LCOs and they do not deal with customers directly. Digitization under the DAS Notification is aimed at transforming the industry dynamics as the business of the MSO will shift from B2B to B2C model. The MSOs would be required to remodel their businesses and will need to develop skill sets and necessary infrastructure as they transition to a B2C model oriented to delivering customer service. The MSOs will also need to take the responsibility for billing cable television subscribers, maintaining quality of service standards including customer care and call centre facilities. While many MSOs have managed to collate customer information, they need to address several anomalies such as ensuring: (1) details in customer application forms (CAF) are correct; (2) channels offered to consumers are in line with preferences indicated in CAF forms; and (3) bills reach relevant consumers. Most of the MSOs have yet to rollout packages and complete KYC exercises across Phase II markets (Source: *MPA Report 2014*). We, on the other hand, had adopted the B2C model since our inception and hence we believe we have the required capabilities and infrastructure to migrate to complete digitization.

We generate a steady revenue stream

Our 'last mile' model results in a reduced large scale churn of cable television subscribers and facilitates collections of fees directly. Hence, our revenues are driven largely by sale of cable and broadband services which includes subscription and connection fees and are less dependent on carriage fees as compared to other cable MSOs. For the year ended March 31, 2014, carriage & placement revenue contributed 15.92% of the total revenues from operations. Our business model also helps us control trade receivables and reduce bad debts resulting in better margins and cash flows. Our trade receivables as on March 31, 2014 were at ₹ 177.95 million, i.e. 13.46 % of total income, which was substantially lower than other listed national MSOs.

We maintain high quality network infrastructure with legal 'rights of way'

We have built a two-way communication network that can provide video, data and voice services, supported by network operating centers for analog, digital and broadband services. We currently offer up to 228 digital channels including 4 high definition channels and 23 radio channels. Our network is ready for deployment of digital services without any requirement for further up gradation. We offer services in 48 towns and certain adjacent semi urban and rural areas with over 21,600 kilometers of cables as of March 31, 2014 supported by 34 analog head-ends and five digital head-ends. We follow stringent network design parameters and constantly upgrade the technology relating to our network to maintain a high quality of service. We have predefined network designs for providing each of our services. The network backbone is built with high capacity fibre optic cable and the downstream network is built using co-axial cable. For providing digital television and broadband services, we also install digital set top boxes ("**STBs**") and cable modems at customer locations. We procure equipment from reputed vendors such as Cisco Systems International B.V., Sumavision International Group Co. Limited, Irdeto B.V, PPC Broadband INC. and Shenzen Skyworth Digital Technology C.o. Ltd.

We have legal 'rights of way' for our entire network which are typically subject to renewal. These rights are state-wide in Odisha and Chhattisgarh and in certain areas in which we operate in Andhra Pradesh and West Bengal. This facilitates smooth operations and helps provide services without any legal hindrance. It further reduces risks of damage, loss and eviction. Additionally, legal rights of way facilitates our use of public infrastructure (such as utility poles, underground ducts etc) to lay cable and install equipment.

We are capable of offering 'Triple Play' services to our customers

Our ability to offer 'Triple Play' services (i.e., video, data and voice capabilities) on our network helps us earn from multiple streams of revenues with marginal additional capital expenditure and differentiates us from competing platforms such as DTH and other cable competitors. We also provide our customers with after-sales service through a dedicated 24x7 call centre and streamlined customer complaint/ request redressal process.

Our cable television subscribers have choice of multiple services over the same cable leading to customer convenience and satisfaction. Our range of services enables us to cross sell our products, including our cable broadband services, HD services, NVoD and other interactive video content. As of June 30, 2014, our broadband subscribers, digital and analog cable television subscribers were 10.78%, 14.32% and 74.90%, respectively, of our total RGU base.

As a regional player, our service offerings are tailored to our customer needs

Being a regional player allows us to cater to the local and regional interests of our cable television subscribers such as regional language channels, films, general entertainment, local events and news programming. With our network typically providing up to 228 channels in digital (including 4 high definition channels and 23 radio channels) and up to 100 channels in analog services, we have an advantage over DTH providers, in providing regional content. We have head-ends located in 34 towns and certain semi urban and rural areas which provide us the ability to tailor content in each of these locations in contrast to the DTH providers who have a uniform pan-India platform which constrains them in providing regional channels.

We have strong execution skills and an experienced management team

Our management team is trained and experienced in building and managing the 'last mile' business over 19 years. Our promoters, Ms. Jagi Mangat Panda, who is also our Managing Director, and Mr. Baijayant Panda have extensive experience in the cable television distribution industry and have provided strategic direction to the Company since inception. Our key management personnel have been with the Company for an average of eight years. Our technical personnel include engineers and information technology experts who have significant experience in this area. Our management team has an established track record of buying out equipments, infrastructure and subscribers from MSOs/LCOs and successfully integrating them in our business, which is key for a successful B2C model. We believe that the knowledge and experience of our management team enables us to rapidly respond to the market opportunities, adapt to changes in the business landscape and competitive environment and bring innovations to our business, marketing and strategy.

Our Strategy

Deeper penetration in our existing geographies and entry into new geographies

We have in the past successfully expanded our operations and increased our RGU base. Our strategy is to continue to invest in the expansion of our existing network and tapping new geographies. We have expanded our presence from 24 towns and certain semi urban and rural areas as of March 31, 2010 to 48 towns and certain adjacent semi urban and rural areas as of June 30, 2014. We intend to expand further to new locations in the states of Odisha, Andhra Pradesh, Chhattisgarh and West Bengal and enter new markets such as Madhya Pradesh.

We intend to continue increasing our customer penetration and income from sales of cable and broadband services in the areas in which our cable network is laid. Our average cable penetration ratio (cable television subscriber base as a percentage of estimated homes passed) is approximately 50.55% as of June 30, 2014. We intend to improve this ratio in locations with lower than average penetration thereby improving the overall connection efficiency across our network. We intend to expand our cable television subscriber base through a combination of competitive pricing, multiple service offerings, extensive marketing and acquiring network equipments, infrastructures and subscribers from LCOs/MSOs in such areas, as the case may be.

Increased penetration of digital television services

Ministry of Information and Broadcasting, Government of India has announced a digitalization schedule to complete digitisation of all analog connections across India by December 31, 2014. Even though our network is 100% digital ready and we possess the capability to digitise our customers on analog platform as we have invested in digital head-ends, billing systems, CAS and 'subscriber management systems', as on June 30, 2014, only 16.05% of our cable television subscribers are digitised. To further digitise the remaining customers, we will require more digital head-ends and STBs. We intend to digitise our entire cable television subscription base to meet the government mandated timelines. Further, we intend to acquire new cable television subscribers on the digital platform in cities where our digital services are operational, by converting DTH subscribers to the digital service through competitive pricing and by converting our analog cable television subscribers and by rolling out digital services in more number of locations. As part of our digital strategy, we plan to provide more content including regional content and make our service packages and offerings more attractive than competing platforms such as DTH. Digitisation of our entire subscription base will also enable us to improve our revenues as our average subscription price for a digital cable connection is generally higher than analog cable connection as of June 30, 2014.

Increase our broadband subscriber base

Fixed broadband penetration in India is expected to reach 6% by Indian homes by 2023, while mobile per capita penetration is expected to reach 3% by 2023. (*Source: MPA Report, 2014*). The GoI has announced its 'National Broadband Policy' providing emphasis on broadband penetration. The personal computer penetration pegged at 4% at the end of 2009 is expected to reach 17% by 2015 (*Source: TRAI Recommendations on National Broadband Plans dated December 8, 2010*). We intend to tap this potential and substantially increase our broadband penetration.

We hold a pan India ISP license which enables us to provide broadband services in all our areas of operations. Our broadband subscriber base is 55,861 as of June 30, 2014 which constitutes 10.78 % of our RGUs. We also provide high bandwidth dedicated leased line services to our corporate subscribers. As on June 30, 2014, we have 132 corporate customers with provisioned bandwidth of 813 mbps. Our network allows us to offer broadband services to existing customers as part of 'triple play'. We have identified the following initiatives for improvement so as to increase our subscriber base for broadband services, (i) improving network uptime by providing for power backups at nodes; (ii) expanding to newer locations and deeper penetration in existing locations; and (iii) improving the customer service delivery infrastructure (iv) Aggressively offer bundled cable and data services. Further we intend to improve network penetration by cross selling our broadband services aggressively to our existing cable television customers and attracting new customers through competitive pricing, better customer support service, providing higher data transfer speed and other features such as home wireless.

Expansion through buyout of network equipments, infrastructure and subscribers of other MSOs and LCOs

Buying out network equipments, infrastructure and subscribers of other MSOs and LCOs, especially in the newer markets in which we have expanded, has contributed to our growth. We have entered into agreements with 486 MSOs/ LCOs between April 1, 2009 and June 30, 2014, resulting in an acquisition of 232,031 cable television subscribers. We have successfully managed to acquire network equipments, infrastructure and subscribers from such MSOs and LCOs through a unique payment model. Typically, we enter into a sale deed for the purchase of the network equipments and infrastructure of an MSO/LCO in consideration of one-time payment. However, in case of buyout from the LCOs, we also enter into an additional agreement with the LCO, whereby it is agreed that the LCO will assist us, in relation to the particular area where he operated prior to such buyout, in guarding and protecting the network systems, including the equipments, cables, distribution chain and help prevent any untoward occurrence, illegal growth of connections and unauthorised entry of cable operators into the area. In consideration of this agreement we pay a non-compete fee to the LCOs typically at the rate of 25-30% of the monthly collection per subscriber transferred to our Company. Such payments are made over an extended period of time. This helps in staggered capital outflows and reduces the risk of re-entry of the LCOs into the same market as us. We have built key elements in our organization geared towards acquiring and assimilating entire LCO networks and their cable television subscribers in a smooth, fast and effective manner.

We intend to continue to acquire network equipments, infrastructure and subscribers from select MSOs and LCOs.

Leasing of fibre infrastructure to corporates

Being a ‘last mile’ operator, we have extensive presence of our network in various towns in the areas we operate. We leverage our network infrastructure by leasing out capacity on our network to corporates for their communication requirements. As on June 30, 2014, we leased out around 513.86 km of optical fibre cable network to various corporate and have recently signed an agreement for further leasing a minimum 500 km of optical fibre cable network. With rapid industrialization in our target markets, we expect continued growth of revenues from providing these services and we have a dedicated sales, projects and service team concentrating on expanding such business.

THE ISSUE

The following table summarizes the Issue details:

Public issue aggregating up to ₹ [●] million^	Up to 14,182,598 Equity Shares
Of which:	
Offer for Sale by Selling Shareholder[##]	Up to 8,182,598 Equity Shares
Fresh Issue by our Company[#]	Up to 6,000,000 Equity Shares
Of which:	
QIB Portion[(1) (2)]	At least 10,636,949 Equity Shares[*]
Of which:	
Anchor Investor Portion	Up to 6,382,169 Equity Shares[**]
Net QIB Portion	Up to 4,254,780 Equity Shares[*]
Of which:	
Mutual Fund Portion	212,739 Equity Shares[*]
Balance of QIB Portion (available for all QIBs including Mutual Funds)	4,042,041 Equity Shares[*]
Non-Institutional Portion[(2)]	Not more than 2,127,389 Equity Shares[*]
Retail Portion[(2)]	Not more than 1,418,260 Equity Shares[*]
Pre and post-Issue Equity Shares	
Equity Shares outstanding prior to the Issue	24,365,464 Equity Shares
Equity Shares outstanding after the Issue[***]	30,365,464 Equity Shares
Use of proceeds of this Issue	
For details in relation to use of the Issue Proceeds, see the section titled "*Objects of the Issue*" on page 97. Our Company will not receive any proceeds of the Offer for Sale.	

^ *Our Company and the Selling Shareholder, in consultation with the BRLM are exploring the possibility of the Pre-IPO Placement. The issuance and transfer of Equity Shares pursuant to the Pre-IPO Placement, if any, will be completed prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued and transferred pursuant to the Pre-IPO Placement will be proportionately reduced from the Fresh Issue and the Offer for Sale, subject to a minimum Issue size of 25% of the post Issue paid-up Equity Share capital being offered to the public.*

[*] *In the event of over-subscription, allocation shall be made on a proportionate basis, except the Anchor Investor Portion and the Retail Individual Portion which will be subject to the minimum lot size, subject to valid Bids being received at or above the Issue Price.*

[**] *Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see the section titled "Issue Procedure" on page 341. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.*

[***] *Assuming full subscription of the Fresh Issue and transfer of all of the Equity Shares offered for sale by the Selling Shareholder through the Offer for Sale.*

[#] *The Fresh Issue has been authorised by our Board by their resolution dated July 21, 2014 and by the shareholders of our Company at the AGM dated August 14, 2014.*

[##] *The Selling Shareholder has authorized the Offer for Sale pursuant to its board resolution dated September 9, 2014. The Equity Shares offered by the Selling Shareholder in the Issue are eligible to form part of the offer for sale in accordance with the SEBI Regulations.*

[(1)] Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than 212,739 Equity Shares, *i.e.* 5% of the Net QIB Portion, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price. For further details, see the section titled *"Issue Procedure"* on page 341.

[(2)] Under-subscription, if any, other than in the QIB Portion, would be allowed to be met with spill-over from other categories or a combination of categories, at the discretion of our Company in consultation with Book Running Lead Manager and the Designated Stock Exchange. However, if at least 75 % of the Issue cannot be Allotted to QIBs, all the application monies will be refunded forthwith.

SUMMARY FINANCIAL INFORMATION

The following tables set forth the summary financial statements derived from the restated financial information of the Company for the Fiscals 2010, 2011, 2012, 2013, 2014, prepared in accordance with circular 15/2013 dated September 13, 2013 read with circular 8/2014 dated April 4, 2014 released by the MCA and restated in accordance with the Companies Act, 2013 and the SEBI Regulations, and are presented in the section titled "*Financial Information*" on page 202. The summary financial statements presented below should be read in conjunction with our restated financial statements, the notes and annexures thereto and the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 264.

Summary Statement of Assets and Liabilities, As Restated

(Rs. in Million)

Sr. No.	Particulars	As at March 31,				
		2014	2013	2012	2011	2010
	Equity & Liabilities					
	Shareholder's Fund					
a	Share Capital	372.67	284.02	283.86	283.86	823.33
b	Reserves and Surplus	(27.80)	96.32	322.56	442.87	34.95
	Non - Current Liabilities					
a	Long -term Borrowings	1,254.87	1,303.33	643.06	1,196.77	626.57
b	Other Long-term Liabilities	68.99	85.72	114.98	161.99	139.51
c	Long-term Provisions	2.66	11.58	10.95	7.12	8.54
	Current Liabilities					
a	Short- term Borrowings	96.62	100.00	100.00	100.00	51.04
b	Trade Payables	196.01	113.02	102.84	48.65	71.74
c	Other Current Liabilities	573.25	632.17	1,315.11	683.61	491.83
d	Short-term Provisions	0.05	0.13	0.79	2.01	0.30
	Total	**2,537.32**	**2,626.29**	**2,894.15**	**2,926.88**	**2,247.81**
	Assets					
	Non - Current Assets					
a	Fixed Assets					
	Tangible Assets	1,994.91	2,106.79	2,239.89	1,953.82	1,562.82
	Intangible Assets	112.09	157.14	180.35	235.35	197.76
	Capital Work-In-Progress	49.12	52.90	105.35	183.75	159.24
b	Non - current Investments	3.26	3.26	3.26	3.26	3.26
c	Long-term Loans and Advances	27.22	30.12	35.37	41.48	29.60
d	Other non-current Assets	39.17	26.58	16.48	66.36	41.83
	Current Assets					
a	Inventories	1.18	1.32	1.70	2.75	2.45
b	Trade Receivables	177.95	118.60	132.96	65.54	72.16
c	Cash and Bank Balances	51.69	59.23	62.13	235.25	43.97
d	Short-term loans and Advances	70.60	59.41	107.44	128.67	128.40
e	Other Current Assets	10.13	10.94	9.22	10.65	6.32
	Total	**2537.32**	**2626.29**	**2894.15**	**2926.88**	**2,247.81**

Summary Statement of Profit and Loss, As Restated

(Rs. In Million)

Particulars	For the year ended March 31,				
	2014	2013	2012	2011	2010
Income					
Revenue from Operations	1285.00	1197.98	1193.34	952.63	746.27
Other Income	36.61	18.27	18.65	27.35	68.27
Total Income (A)	**1321.61**	**1,216.25**	**1,211.99**	**979.98**	**814.54**
Expenses					
Programming Cost	316.91	310.36	287.48	229.84	203.24
Bandwidth Cost	61.33	58.62	58.89	57.22	63.39
Employee Benefits Expense	142.01	170.66	163.32	135.53	96.61

Particulars	For the year ended March 31,				
	2014	2013	2012	2011	2010
Finance Costs	234.16	249.14	273.58	198.53	115.55
Depreciation and Amortisation Expenses	214.81	220.66	215.68	175.59	116.71
Fixed Assets written off	79.62	105.51	17.47	14.48	8.74
Non Compete Fee Pay Outs	6.77	5.81	-	-	-
Other Expenses	349.27	323.40	302.93	311.42	203.75
Total Expenses (B)	**1404.88**	**1444.16**	**1319.35**	**1122.61**	**807.99**
Profit/ (Loss) before exceptional and extraordinary items and tax, as restated (A-B)	**(83.27)**	**(227.91)**	**(107.36)**	**(142.63)**	**6.55**
Exceptional items **(C)**	16.64	-	13.76	-	-
Profit / (Loss) before extraordinary item and Tax, as restated (A-B-C)	**(99.91)**	**(227.91)**	**(121.12)**	**(142.63)**	**6.55**
Tax Expenses					
Current Tax	-	-	-	-	-
Deferred Tax	-	-	-	-	-
Total (D)	**-**	**-**	**-**	**-**	**-**
Profit/(Loss) before extraordinary item, as restated (A-B-C-D)	**(99.91)**	**(227.91)**	**(121.12)**	**(142.63)**	**6.55**
Extraordinary items **(E)**	25.10	-	-	-	-
Net Profit / (Loss) after extraordinary item, as restated (A-B-C-D-E)	**(125.01)**	**(227.91)**	**(121.12)**	**(142.63)**	**6.55**

Summary Statement of Cash Flows, As Restated

(Rs. In Million)

	Particulars	For the year ended March 31,				
		2014	2013	2012	2011	2010
A.	**Cash flow from operating activities:**					
	Profit/(loss) before Tax and extra ordinary items but after exceptional items, As Restated	(99.91)	(227.91)	(121.12)	(142.63)	6.55
	Adjusted for:					
	Depreciation and Amortisation Expenses	214.81	220.66	215.68	175.59	116.71
	Finance Costs	234.16	249.14	273.58	198.53	115.55
	Interest Income	(4.88)	(3.39)	(5.64)	(10.19)	(9.05)
	Fixed Assets written off	79.62	105.51	17.47	14.48	8.74
	Non Compete Fee Payouts	6.77	5.81	-	-	-
	Liability no Longer Required, written back	(15.19)	(0.42)	(0.91)	(0.50)	(29.13)
	Allowance for Doubtful Receivable	33.72	49.96	27.95	17.67	10.12
	Allowance for Doubtful Receivable written back	-	(25.21)	(29.19)	(12.71)	(7.80)
	Bad Debts Written off	35.16	60.85	77.35	96.26	46.12
	Advances Written off	0.01	(0.06)	(0.01)	0.12	0.07
	Employee Stock Option Expenses	0.41	1.55	0.81	3.59	-
	Unrealised Foreign Exchange (Gain)/Loss [net]	8.12	6.95	2.21	(0.59)	(3.32)
	Operating profit before working capital changes	**492.80**	**443.44**	**458.18**	**339.62**	**254.56**
	Adjustments for changes in:					
	Increase / (Decrease) in Trade Payables	82.99	10.24	54.20	(23.20)	28.71
	Increase / (Decrease) in Provisions	(9.00)	(0.03)	2.62	0.28	(0.79)
	Increase / (Decrease) in Other Liabilities	18.96	85.96	1.11	65.25	(7.99)
	Decrease / (Increase) in Trade receivable	(128.24)	(71.24)	(143.53)	(94.60)	(49.32)
	Decrease / (Increase) in Inventories	0.14	0.38	1.05	(0.30)	1.18
	Decrease / (Increase) in Loans & Advances	3.44	57.61	22.92	(0.10)	24.97
	Decrease / (Increase) in Other current assets	(0.77)	(2.50)	(1.42)	(0.36)	(1.97)
	Cash generated from / (used in) operations	**460.32**	**523.86**	**395.13**	**286.59**	**249.35**
	(Payment) / Refund of Taxes (Net)	(10.84)	(10.10)	(3.06)	(5.24)	(4.64)
	Net cash from / (used in) operating activities before exceptional items	**449.48**	**513.76**	**392.07**	**281.35**	**244.71**
	Exceptional Items	16.64	-	13.76	-	-

	Particulars	For the year ended March 31,				
		2014	**2013**	**2012**	**2011**	**2010**
	Net cash from / (used in) operating activities (a)	**466.12**	**513.76**	**405.83**	**281.35**	**244.71**
B.	**Cash flow from investing activities:**					
	Purchase of Fixed Assets	(133.58)	(82.87)	(288.11)	(568.43)	(443.83)
	Payment for Non Compete Fee to LCOs	(66.76)	(81.96)	(75.99)	(54.96)	(56.16)
	Interest Received	6.45	4.17	8.48	6.22	14.08
	Net cash from / (used in) investing activities (b)	**(193.89)**	**(160.66)**	**(355.62)**	**(617.17)**	**(485.91)**
C.	**Cash flow from financing activities:**					
	Proceeds from Long Term Borrowings	70.60	45.76	1,203.84	1,189.63	376.70
	Repayment of Long Term Borrowings	(67.22)	(224.12)	(1,205.65)	(519.79)	(138.86)
	Proceeds from Short Term Borrowings	-	-	-	48.97	1.64
	Repayment of Short Term Borrowings	(3.38)	-	-	-	(1.04)
	Issue of Share Capital	89.23	0.29	-	7.49	0.33
	Reimbursement of Share Issue Expenses	-	-	4.95	-	-
	Share Issue Expenses	(1.90)	(14.83)	(1.13)	(17.58)	-
	Interest Paid	(248.90)	(224.19)	(251.58)	(173.80)	(95.24)
	Other Borrowing Costs paid	(4.01)	(5.34)	(18.76)	(17.43)	(19.61)
	Net cash from / (used in) financing activities (c)	**(165.58)**	**(422.43)**	**(268.32)**	**517.49**	**123.92**
	Net Increase /(Decrease) in Cash & Cash Equivalents (a+b+c)	**106.65**	**(69.33)**	**(218.11)**	**181.67**	**(117.28)**
	Opening Cash and Cash Equivalents	**(43.29)**	**26.03**	**244.14**	**62.47**	**179.75**
	Closing Cash and Cash Equivalents	**63.36**	**(43.29)**	**26.03**	**244.14**	**62.47**

GENERAL INFORMATION

Our Company was incorporated under the Companies Act, 1956 as "Ortel Communications Limited", a public limited company pursuant to a certificate of incorporation dated June 2, 1995 issued by the Registrar of Companies, National Capital Territory of Delhi and Haryana. We received the certificate for commencement of business on July 19, 1995.

Registered Office

B-7/122A, Safdarjang Enclave
New Delhi-110 029, India
Telephone: +91 11 4686 8800
Facsimile: +91 11 4686 8801

Corporate Office

C-1, Chandrasekharpur
Near BDA Colony, Behind RMRC
Bhubaneswar-751 016
Odisha, India.
Telephone: +91 674 3983 200/2303 464/3911 200
Facsimile: +91 674 2303 448

For details relating to changes in our registered office, see the section titled "*History and Corporate Structure*" on page 161.

Corporate Identity Number: U74899DL1995PLC069353

Company Registration Number: 55-069353

Address of the RoC

Registrar of Companies, NCT Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi – 110 019
Telephone: +91 11 2623 5703, +91 11 2623 5704
Facsimile: +91 11 2623 5702
E- Mail: roc.delhi@mca.gov

Board of Directors

Our Board comprises the following:

Name, Designation and Occupation	Age (years)	DIN	Address
Mr. Baijayant Panda *Designation:* Non Executive Director cum Chairman *Occupation*: Industrialist	50	00297862	Plot No-8, Bhoi Nagar, Unit-8 Bhubaneswar- 751 012, Odisha, India.
Ms. Jagi Mangat Panda *Designation:* Executive Director and Managing Director *Occupation:* Business	47	00304690	Plot No-8, Bhoi Nagar, Unit-8 Bhubaneswar- 751 012, Odisha, India.
Mr. Subhrakant Panda *Designation:* Non Executive Director	43	00171845	30, Green Avenue, Vasant Kunj, New Delhi-110 070,

Name, Designation and Occupation	Age (years)	DIN	Address
Occupation: Business			India.
Mr. Shantanu Yeshwant Nalavadi *Designation:* Non Executive Director Investor/ Nominee Director *Occupation:* Service	44	02104220	RM 2903/4/5/6, FL 29, C 107, Ashok Towers, 63/74 Dr. S. S. Rao Road, Parel, Mumbai - 400012, India.
Dr. Gautam Sehgal *Designation:* Non Executive Director *Occupation:* Professional	49	0034243	B-29, Kailash Colony, New Delhi-110 048, India.
Mr. Jyoti Bhusan Pany *Designation:* Non Executive and Independent Director *Occupation:* Business	61	0020453	212, Kharwela Nagar Bhubaneswar- 751 003 Odisha, India.
Mr. K. V. Seshasayee *Designation:* Non Executive and Independent Director *Occupation:* Service	71	00659784	2 B Century Habitat No. 9, 4th Main Road, Gandhi Nagar, Adyar Chennai - 600 020, India
Major (Retd.) R.N. Misra *Designation:* Non Executive and Independent Director *Occupation:* Retired from service	76	00146138	6-D, 'Regency Park', Endenwood, Pokhran 2, Thane (West) - 400 601, India.
Dr. P.T. Joseph *Designation:* Non Executive and Independent Director *Occupation:* Service	61	03396028	6-XLRI, PB 222, C H Area (East) Jamshedpur- 831 001, India.
Mr. Debaraj Biswal *Designation:* Non Executive and Independent Director *Occupation:* Service	65	01318134	Unit -9, Sahidnagar, Bhubaneswar-751 022 Odisha, India.
Mr. Gautam Buddha Mukherji *Designation:* Non Executive and Independent Director Occupation: Retired from Service.	64	06461981	C-4/6, Chandrama Complex, Unit-3, Bhubaneswar-751 001 Odisha, India

Pursuant to the Shareholders' Agreement and as set forth in our Articles, upon listing of the Equity Shares of the Company on a recognized stock exchange, the NSR nominee director, Mr. Shantanu Yeshwant Nalavadi, shall cease to be a Director on our Board in the event NSR's shareholding reduces to less than 5% of the Equity Share capital of our Company.

For further details and profile of our Directors, see the section titled "*Our Management*" on page 167.

Company Secretary and Compliance Officer

Our Company Secretary and Compliance Officer is Mr. Lalit Kumar Mohanty.

His contact details are as follows:

Mr. Lalit Kumar Mohanty
C-1, Chandrasekharpur, Near BDA Colony
Behind RMRC
Bhubaneswar 751 016, Odisha, India
Telephone: +91 674 3911 358
Facsimile: +91 674 2303 448
E-mail: ipo@ortelgroup.com
Website: www.ortelcom.com

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of Allotted Equity Shares in the respective beneficiary account or refund orders.

For all Issue related queries and for redressal of complaints, Bidders may also write to the Book Running Lead Manager. All complaints, queries or comments received by SEBI shall be forwarded to the Book Running Lead Manager who shall respond to the same.

All grievances relating to ASBA may be addressed to the Registrar to the Issue, with a copy to the SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked, ASBA Account number and the Designated Branch where the Bid cum Application Form was submitted.

Chief Financial Officer

Mr. Manoj Patra, our General Manager – Finance and accounts, performs the functions of the chief financial officer of our Company. His details are as follows:

C-1, Chandrasekharpur, Near BDA Colony
Behind RMRC
Bhubaneswar 751 016
Odisha, India
Telephone: +91 674 3911 211
Facsimile: +91 674 2303 448
E-mail: manoj.patra@ortelgroup.com
Website: www.ortelcom.com

Book Running Lead Manager

Kotak Mahindra Capital Company Limited
27 BKC, C-27, "G" Block
Bandra Kurla Complex, Bandra (East)
Mumbai 400 051
Telephone: +91 22 4336 0000
Facsimile: +91 22 6713 2447
Email: ortel.ipo@kotak.com
Investor Grievance ID: kmccredressal@kotak.com
Website: www.investmentbank.kotak.com
Contact Person: Mr. Ganesh Rane
SEBI Registration No.: INM000008704

Syndicate Members

[●]

Legal Counsel to the Company as to Indian law

Luthra & Luthra Law Offices
103, Ashoka Estate
24, Barakhamba Road
New Delhi 110 001, India

Telephone: +91 11 4121 5100
Facsimile: : +91 11 2372 3909

Legal Counsel to the Book Running Lead Manager as to Indian law

Khaitan & Co.
One Indiabulls Centre,
13th Floor, Tower 1
841 Senapati Bapat Marg,
Mumbai 400 013, India
Telephone: +91 22 6636 5000
Facsimile: +91 22 6636 5050

International Legal Counsel to the Underwriters

O'Melveny & Myers LLP
9 Raffles Place
#22-01/02 Republic Plaza 1
Singapore 048619
Telephone: +65 6593 1800
Facsimile: +65 6593 1801

Registrar to the Issue

Karvy Computershare Private Limited
Plot no. 17 – 24, Vittalrao Nagar
Madhapur
Hyderabad – 500 081, India
Telephone: +91 40 4465 5000
Facsimile: +91 40 2343 1551
Email: ortel.ipo@karvy.com
Investor Grievance ID: eiwward.ris@karvy.com
Website: www.karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No. : INR000000221

Escrow Collection Banks/ Bankers to the Issue

[●]

Syndicate Members

[●]

Self Certified Syndicate Banks

The banks which are registered with SEBI under the Securities and Exchange Board of India (Bankers to an Issue) Regulations, 1994, as amended, and offer services in relation to ASBA, including blocking of an ASBA Account in accordance with the SEBI Regulations and a list of which is available on http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time.

Non Syndicate Registered Brokers

Bidders can submit Bid cum Application Forms in the Issue to Non Syndicate Registered Brokers at the Non Syndicate Broker Centres. The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the BSE and the NSE at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively. For further details, see the section titled "*Issue Procedure*" beginning at page 341.

Refund Banker

[●]

Auditors to our Company

Haribhakti & Co. LLP, Chartered Accountants
Usha Kiran Building, Flat No. 4A
4th Floor, 12A, Camac Street
Kolkata – 700 017, India
Telephone: +91 33 3201 6298
Facsimile: +91 33 2226 4140
Firm Registration No: 103523W

Bankers to our Company

Karnataka Bank Limited B-63, 1st Floor, Savitri Tower Sahid Nagar, Rupali Square Bhubaneswar – 751 007 Telephone: +91 674 2544 337 Facsimile: +91 674 2546 674 E-mail: bhubaneshwar@ktkbank.com Contact Person: Mr. Chandrashekhar	**Axis Bank Limited** Plot No. 7, District Centre Chandrasekharpur, Bhubaneswar 751 016 Odisha Telephone: +91 674 274 1867 Facsimile: +91 674 274 1869 E-mail: chandrasekharpur.operationshead@axisbank.com Contact Person: Ms. Mausumi Mohapatra

Statement of Responsibilities of the Book Running Lead Manager

S. No.	Activity
1.	Capital structuring with relative components and formalities such as type of instruments, etc.
2.	Due diligence of the Company's operations/ management/ business plans/ legal etc. Drafting and design of offer documents including memorandum containing salient features of the offer documents. The BRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalization of the offer documents and RoC filing.
3.	Drafting and approval of all statutory advertisements.
4.	Drafting and approval of all publicity material other than statutory advertisements, including non-statutory/ corporate advertisement and brochures.
5.	Appointment of intermediaries, namely, the Registrar, the Advertising Agency, Bankers to the Issue, printers, etc.
6.	Marketing strategy for domestic and international institutions including banks, mutual funds, etc., finalizing the list and division of investors for one to one meetings, in consultation with the Company and the Selling Shareholder, and finalizing the investor meeting schedules.
7.	Non-Institutional and retail marketing of the Issue, which will include inter alia, formulating marketing strategies, preparation of publicity budget, finalizing media and public relations strategy, finalizing centres for holding conferences for press and brokers, deciding on the quantum of issue material and following-up on distribution of publicity and issue material including forms, prospectuses, etc.
8.	Co-ordination with Stock Exchanges for Book Building software, Bidding terminals and mock trading.
9.	Managing the book and finalization of pricing, in consultation with the Company and the Selling Shareholder.
10.	The post Bidding activities including management of escrow accounts, co-ordination of institutional and non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post-Issue activities for the Issue involving essential follow up steps, which include the finalization of trading and dealing of instruments and demat delivery of Equity Shares, with the various agencies connected with the work such as the Registrar to the Issue and Bankers to the Issue, SCSBs and the bank(s) handling refund business. The BRLM shall be responsible for ensuring that these agencies fulfil their functions and enable it to discharge this responsibility through suitable agreements with the Company and the Selling Shareholder.

Grading of the Issue

No credit agency registered with SEBI has been appointed for grading the Issue.

Credit Rating

As this is an issue of Equity Shares, credit rating is not required

Trustees

As this is an issue of Equity Shares, the appointment of trustees is not required.

Monitoring Agency

There is no requirement for appointing a monitoring agency for this Issue under Regulation 16(1) of the SEBI Regulations since our proposed Issue size is less than ₹ 5,000 million. However, as per the Clause 49 of the Listing Agreement to be entered into with the stock exchanges upon listing of the equity shares in accordance with the corporate governance requirements, the Audit Committee of our Company would be monitoring the utilization of the proceeds of the Issue.

Expert

Except as stated below, the Company has not obtained any expert opinions:

The Company has received consent from the Auditors namely, Haribhakti & Co. LLP, Chartered Accountants to include their name as an expert under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to their examination report dated September 10, 2014 and their report dated September 10, 2014 on the 'Statement of Tax Benefits' included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert"" as defined under the U.S. Securities Act 1933.

Appraising Entity

The objects of the Fresh Issue have not been appraised by any agency. The objects of the Fresh Issue and means of finance therefore are based on internal estimates of our Company.

Book Building Process

"Book building" refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus, the Bid cum Application Forms and the ASBA Forms. The Issue Price shall be determined by our Company and the Selling Shareholder in consultation with the BRLM, after the Bid Closing Date. The principal parties involved in the Book Building Process are:

(1) our Company;
(2) the Selling Shareholder;
(3) the BRLM;
(4) Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchanges and eligible to act as underwriters;
(5) the Non Syndicate Registered Brokers;
(5) Registrar to the Issue;
(6) Escrow Collection Banks; and
(7) SCSBs.

This Issue is being made through the Book Building Process wherein at least 75% of the Issue shall be Allotted to QIBs on a proportionate basis out of which 5% of the QIB Portion (excluding the Anchor Investor Portion, which shall be allocated on a discretionary basis) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company and the Selling Shareholder may, in consultation with the BRLM, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see the section titled "*Issue Procedure*" on page 341. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors. An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is at least ₹

100 million. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion.

Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than 212,739 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund Portion will be added to the Net QIB Portion and allocated to QIBs (including Mutual Funds) on a proportionate basis, subject to valid Bids at or above Issue Price.

In the event of under-subscription in the Retail Portion or the Non-Institutional Portion in the Issue, the unsubscribed portion would be allowed to be met with spill over from over subscription from any other category or a combination of categories at the discretion of the Company and the Selling Shareholder, in consultation with the Book Running Lead Manager and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

In accordance with the SEBI Regulations, QIBs Bidding in the Net QIB Portion are not allowed to withdraw their Bids after the QIB Bid Closing Date and Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/ Issue Period. Further, allocation to QIBs in the Net QIB Portion will be on a proportionate basis. For further details, see the sections titled "*Issue Structure*" and "*Issue Procedure*" on pages 337 and 341 respectively.

Our Company will comply with the SEBI Regulations and any other ancillary directions issued by SEBI for this Issue. Our Company and the Selling Shareholder have appointed the BRLM to manage this Issue and procure subscriptions to this Issue.

The Book Building Process is subject to change. Bidders are advised to make their own judgment about an investment through this process prior to submitting a Bid.

Steps to be taken by the Bidders for Bidding:

- Check eligibility for making a Bid. For further details, see the section titled "*Issue Procedure*" on page 341. Specific attention of ASBA Bidders is invited to the section titled "*Issue Procedure*" on page 341;
- Ensure that you have an active demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;
- Ensure that the Bid cum Application Form or ASBA Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
- Except for bids on behalf of the Central or State Government and the officials appointed by the courts and by investors residing in the State of Sikkim, for Bids of all values ensure that you have mentioned your PAN allotted under the IT Act in the Bid cum Application Form and the ASBA Form (see the section titled "*Issue Procedure*" on page 341). The exemption for the Central or State Government and the officials appointed by the courts and for investors residing in the State of Sikkim is subject to the Depository Participants' verifying the veracity of such claims of the investors by collecting sufficient documentary evidence in support of their claims;
- Ensure the correctness of your demographic details such as the address, the bank account details for printing on refund orders and occupation ("**Demographic Details**"), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant;
- Ensure the correctness of your PAN, DPID and Client ID given in the Bid cum Application Form and the ASBA Form. Based on these parameters, the Registrar will obtain details of the Bidders from the Depositories including the Bidder's name, bank account number etc.
- Bids by ASBA Bidders will have to be submitted to the SCSBs only at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA Form is not rejected; and
- Bids by QIBs, including Anchor Investors but excluding ASBA Bidders, will have to be submitted to the BRLM or its affiliates.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue)

Bidders can Bid at any price within the Price Band. For instance, assuming a price band of ₹ 20 to ₹ 24 per share, an issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the Bidding Centres during the Bid/ Issue Period. The illustrative book as shown below indicates the demand for the shares of the issuer company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., ₹ 22 in the above example. The issuer company in consultation with book running lead manager(s), will finalise the issue price at or below such cut-off, i.e., at or below ₹ 22. All bids at or above the issue price and cut-off price are valid bids and are considered for allocation in the respective categories.

Underwriting Agreement

After the determination of the Issue Price, but prior to filing of the Prospectus with the RoC, our Company and the Selling Shareholder intend to enter into the Underwriting Agreement with the Underwriters and the Registrar to the Issue for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the Underwriters shall be responsible for bringing in the amount devolved in the event the respective Syndicate Members do not fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions specified therein.

The Underwriting Agreement is dated [●]. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing of the Prospectus with the RoC.)

Details of the Underwriters	Indicated Number of Equity Shares to be Underwritten	Amount Underwritten (In ₹ million)
[●]	[●]	[●]
[●]	[●]	[●]
[●]	[●]	[●]
Total	[●]	[●]

The above-mentioned amount is indicative and will be finalised after determination of the Issue Price and finalization of the 'Basis of Allotment'.

In the opinion of our Board (based on a certificate given by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The above-mentioned underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. Our Board, at its meeting held on [●], has accepted and entered into the underwriting agreement mentioned above on behalf of our Company. Allocation among the Underwriters may not necessarily be in the proportion of their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in the Issue, except for ASBA Bids procured by the Syndicate Member(s). The underwriting agreement shall list out the role and obligations of each Syndicate Member, and *inter alia* contain a clause stating that margin collected shall be uniform across all categories indicating the percentage to be paid as margin by the investors at the time of Bidding.

CAPITAL STRUCTURE

The Equity Share capital of our Company, as of the date of this Draft Red Herring Prospectus, is set forth below:

(₹ million, except share data)

		Aggregate nominal value	Aggregate value at Issue Price
A)	**AUTHORISED SHARE CAPITAL**		
	35,000,000 Equity Shares	350.00	-
	66,000,000 Preference Shares	660.00	-
B)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL BEFORE THE ISSUE**		
	24,365,464 Equity Shares	243.65	[●]
C)	**PRESENT ISSUE IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS**		
	Public issue of up to 14,182,598 Equity Shares	141.83	[●]
	Which comprises		
	(a) Fresh Issue of 6,000,000 Equity Shares	60.00	[●]
	(b) Offer for Sale of up to 8,182,598 Equity Shares by the Selling Shareholder	81.83	[●]
D)	**ISSUED, SUBSCRIBED AND PAID UP SHARE CAPITAL AFTER THE ISSUE**		
	30,365,464 Equity Shares**	303.65**	[●]
E)	**SECURITIES PREMIUM ACCOUNT**		
	Before the Issue	708.32	
	After the Issue***	[●]	

**Available for allocation on a proportionate basis, subject to valid Bids being received at or above the Issue Price.*
***Assuming full subscription of the Fresh Issue and transfer of all of the Equity Shares offered for sale by the Selling Shareholder through the Offer for Sale.*
****The securities premium account will be determined after completion of the Book Building Process and determination of the Issue Price.*

(a) The initial authorised share capital of our Company of ₹ 10 million comprising 1,000,000 Equity Shares was increased to ₹ 10.70 million divided into 1,070,000 Equity Shares pursuant to a resolution of the shareholders of our Company dated October 18, 1995.

Further, the authorised share capital of our Company was increased to ₹ 20 million divided into 2,000,000 Equity Shares pursuant to a resolution of the shareholders of our Company dated December 25, 1995.

Further, the authorised share capital of our Company was increased to ₹ 30 million divided into 3,000,000 Equity Shares pursuant to a resolution of the shareholders of our Company dated March 22, 1996.

Further, the authorised share capital of our Company was increased to ₹ 80 million divided into 8,000,000 Equity Shares pursuant to a resolution of the shareholders of our Company dated September 18, 1996.

Further, the authorised share capital of our Company was increased to ₹ 100 million divided into 10,000,000 Equity Shares pursuant to a resolution of the shareholders of our Company dated September 16, 1998.

Further, the authorised share capital of our Company was increased to ₹ 140 million divided into 14,000,000 Equity Shares pursuant to a resolution of the shareholders of our Company dated September 30, 1999.

Further, the authorised share capital of our Company was increased to ₹ 150 million divided into 15,000,000 Equity Shares pursuant to a resolution of the shareholders of our Company dated September 27, 2001.

Further, the authorised share capital of our Company was increased to ₹ 200 million divided into 15,000,000 Equity Shares and 5,000,000 Preference Shares pursuant to a resolution of the shareholders of our Company dated May 3, 2005.

Further, the authorised share capital of our Company was increased to ₹ 210 million divided into 15,000,000 Equity Shares and 6,000,000 Preference Shares pursuant to a resolution of the shareholders of our Company dated April 30, 2007.

Further, the authorised share capital of our Company was increased to ₹ 230 million divided into 17,000,000 Equity Shares and 6,000,000 Preference Shares pursuant to a resolution of the shareholders of our Company dated July 23, 2007.

Further, the authorised share capital of our Company was increased to ₹ 235 million divided into 17,500,000 Equity Shares and 6,000,000 Preference Shares pursuant to a resolution of the shareholders of our Company dated February 27, 2008.

Further, the authorised share capital of our Company was increased to ₹ 897 million divided into 23,700,000 Equity Shares and 66,000,000 Preference Shares pursuant to a resolution of the shareholders of our Company dated March 7, 2008.

Further, the authorised share capital of our Company was increased to ₹ 960 million divided into 30,000,000 Equity Shares and 66,000,000 Preference Shares pursuant to a resolution of the shareholders of our Company dated January 22, 2011.

Further, the authorised share capital of our Company was increased to ₹ 1,010 million divided into 35,000,000 Equity Shares and 66,000,000 Preference Shares pursuant to a resolution of the shareholders of our Company dated August 14, 2014.

(b) This Issue has been authorized by a resolution of our Board dated July 21, 2014, and by a special resolution passed by our shareholders pursuant to Section 62(1)(c) of the Companies Act, 2013 at the AGM held on August 14, 2014. Our Company and the Selling Shareholder, in consultation with the BRLM, are exploring the possibility of the Pre-IPO Placement. The issuance and transfer of Equity Shares pursuant to the Pre-IPO Placement, if any, will be completed prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued and transferred pursuant to the Pre-IPO Placement will be proportionately reduced from the Fresh Issue and the Offer for Sale, subject to a minimum Issue size of 25% of the post Issue paid-up Equity Share capital being offered to the public.

(c) NSR is authorised to transfer and has agreed to offer up to 8,182,598 Equity Shares, constituting its entire shareholding, as part of the Offer for Sale, pursuant to its board resolution dated September 9, 2014 and by its letter dated September 9, 2014.

The Equity Shares constituting the Offer for Sale are eligible for being offered for sale in this Issue in accordance with the SEBI Regulations. The Equity Shares held by the Selling Shareholder are currently in dematerialised form.

(d) Such number of Equity Shares representing 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Issue Price. In the event that the demand from Mutual Funds is greater than 212,739 Equity Shares, that is 5% of the Net QIB Portion, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion. However, in the event of under-subscription in the Mutual Fund Portion, the balance Equity Shares in the Mutual Fund

Portion will be added to the Net QIB Portion and allocated to QIBs on a proportionate basis, subject to valid Bids at or above Issue Price.

(e) Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis at the Anchor Investor Allocation Price, out of which at least one-third will be available for allocation to domestic Mutual Funds only. For further details, see the section titled "*Issue Procedure*" on page 341. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the QIB Portion.

Notes to Capital Structure

1. ***Share Capital History***

a) History of equity share capital of our Company

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price per Equity Share (₹)	Nature of Consideration	Reasons for allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)
June 2, 1995	700	10	10	Cash	Subscription to our Memorandum(1)	700	7,000
August 10, 1995	406,500	10	10	Cash	Preferential allotment (2)	407,200	4,072,000
October 19, 1995	657,000	10	10	Cash	Preferential allotment(3)	1,064,200	10,642,000
February 13, 1996	781,800	10	10	Cash	Preferential allotment (4)	1,846,000	18,460,000
February 20, 1996	25,000	10	10	Cash	Preferential allotment (5)	1,871,000	18,710,000
March 22, 1996	300,000	10	10	Cash	Preferential allotment(6)	2,171,000	21,710,000
April 26, 1996	190,000	10	10	Cash	Preferential allotment(7)	2,361,000	23,610,000
May 24, 1996	133,000	10	10	Cash	Preferential allotment (8)	2,494,000	24,940,000
June 25, 1996	28,000	10	10	Cash	Preferential allotment(9)	2,522,000	25,220,000
September 3, 1996	2,000	10	10	Cash	Preferential allotment(10)	2,524,000	25,240,000
October 7, 1996	750,000	10	10	Cash	Preferential allotment(11)	3,274,000	32,740,000
November 26, 1996	420,000	10	10	Cash	Preferential allotment(12)	3,694,000	36,940,000
December 5, 1996	100,000	10	10	Cash	Preferential allotment(13)	3,794,000	37,940,000
March 31, 1997	1,465,000	10	10	Cash	Preferential allotment(14)	5,259,000	52,590,000
July 7, 1997	77,500	10	10	Cash	Preferential allotment(15)	5,336,500	53,365,000
February 12, 1998	170,000	10	10	Cash	Preferential allotment(16)	5,506,500	55,065,000
March 30, 1998	420,000	10	10	Cash	Preferential allotment(17)	5,926,500	59,265,000
September 16, 1998	458,000	10	10	Cash	Preferential allotment(18)	6,384,500	63,845,000
March 20, 1999	51,300	10	10	Cash	Preferential allotment(19)	6,435,800	64,358,000
April 5, 1999	38,000	10	10	Cash	Preferential allotment(20)	6,473,800	64,738,000
May 31, 1999	35,000	10	10	Cash	Preferential allotment(21)	6,508,800	65,088,000
October 20,	2,361,100	10	18	Cash	Preferential	8,869,900	88,699,000

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price per Equity Share (₹)	Nature of Consideration	Reasons for allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)
1999					allotment[22]		
April 24, 2000	2,361,100	10	18	Cash	Preferential allotment[23]	11,231,000	112,310,000
November 22, 2001	918,500	10	15	Cash	Preferential allotment[24]	12,149,500	121,495,000
February 12, 2002	91,305	10	27	Cash	Preferential allotment[25]	12,240,805	122,408,050
February 28, 2002	666,665	10	15	Cash	Preferential allotment[26]	12,907,470	129,074,700
July 21, 2002	135,876	10	27	Cash	Preferential allotment[27]	13,043,346	13,043,3460
November 14, 2002	251,826	10	15	Cash	Preferential allotment[28]	13,295,172	13,295,1720
March 31, 2003	92,590	10	27	Cash	Preferential allotment[29]	13,387,762	13,387,7620
September 30, 2003	99,990	10	27	Cash	Preferential allotment[30]	13,487,752	134,877,520
November 24, 2003	7,400	10	27	Cash	Preferential allotment[31]	13,495,152	134,951,520
July 7, 2006	5,000	10	30	Cash	Allotment against grant of options under OSOP 2000 [32]	13,500,152	135,001,520
July 7, 2006	9,500	10	27	Cash	Allotment against grant of options under OSOP 2000 [33]	13,509,652	135,096,520
May 23, 2007	40,000	10	35	Cash	Allotment against grant of options under OSOP 2000 [34]	13,549,652	135,496,520
August 17, 2007	1,590,900	10	44	Cash	Preferential allotment[35]	15,140,552	151,405,520
November 16, 2007	450	10	30	Cash	Allotment against grant of options under OSOP 2000 [36]	15,141,002	151,410,020
November 16, 2007	1,034,000	10	44	Cash	Preferential allotment[37]	16,175,002	161,750,020
December 22, 2007	30,000	10	35	Cash	Preferential allotment[38]	16,205,002	162,050,020
January 31, 2008	965,909	10	44	Cash	Preferential allotment[39]	17,170,911	17,170,911
January 31, 2008	27,400	10	10	Cash	Preferential allotment[40]	17,198,311	171,983,110
September 1, 2008	1,800	10	10	Cash	Allotment against grant of options under OSSOP 2006 [41]	17,200,111	172,001,110
November 30, 2009	11,000	10	30	Cash	Allotment against grant of options under OSOP 2000 [42]	17,211,111	172,111,110
June 30, 2010	17,050	10	10	Cash	Allotment against grant of options under OSSOP 2006[43]	17,228,161	172,281,610
June 30, 2010	214,100	10	35	Cash	Allotment against grant of options under OSOP 2000 [44]	17,442,261	174,422,610
September	5,821,498	10	103.07	Cash	Preferential	23,263,759	232,637,590

Date of allotment	Number of Equity Shares	Face value (₹)	Issue Price per Equity Share (₹)	Nature of Consideration	Reasons for allotment	Cumulative number of equity shares	Cumulative equity share capital (₹)
29, 2010					allotment[45]		
August 25, 2012	2,750	10	105	Cash	Allotment against grant of options under OSOP 2000 [46]	23,266,509	232,665,090
August 25, 2012	13,900	10	105	Cash	Allotment against grant of options under OSSOP 2006 [47]	23,280,409	232,804,090
January 16, 2014	7,000	10	103	Cash	Allotment against grant of options under OSOP 2000 [48]	23,287,409	232,874,090
January 16, 2014	7,000	10	103	Cash	Allotment against grant of options under OSSOP 2006 [49]	23,294,409	232,944,090
July 21, 2014	35,500	10	103	Cash	Allotment against grant of options under ESOS 2010 [50]	23,329,909	233,299,090
July 21, 2014	999,841	10	140	Cash	Preferential allotment [51]	24,329,750	243,297,500
July 21, 2014	35,714	10	140	Cash	Preferential allotment [52]	24,365,464	243,654,640

[1] Mr. Baijayant Panda, Mr. Sudhir Prakash Mathur, Mr. Ravindra Kumar Gupta, Mr. Jayant Kumar Misra, Mr. Joginder Kumar Pahwa, Mr. Om Prakash and Mr. Pratap Aditya Mishra were allotted 100 Equity Shares each pursuant to their subscription to our Memorandum.
[2] Finlay Corporation Limited was allotted 406,500 Equity Shares.
[3] Finlay Corporation Limited was allotted 657,000 Equity Shares.
[4] Ms. Jagi Mangat Panda and Finlay Corporation Limited were allotted 45,000 and 736,800 Equity Shares, respectively.
[5] Calorex Holdings Private Limited was allotted 25,000 Equity Shares.
[6] Calorex Holdings Private Limited was allotted 280,000 Equity Shares. The following individuals were allotted 20,000 Equity Shares in aggregate: Mr. Vijender Kumar was allotted 1,000 Equity Shares, Mr. Ramender Yadav, Mr. Navraj Karki, Mr. Tankeswar Prasad, Ms. Shiksha Chauhan, Mr. Vikram Singh, Mr. Sanjay Kumar, Mr. Rahul Kumar, Ms. Usha Aggarwal, Mr. Surya Ram Chaudhary and Mr. Gopal Mandal were allotted 1,500 Equity Shares each and Mr. Jogender Pal was allotted 4,000 Equity Shares.
[7] Calorex Holdings Private Limited was allotted 123,000 Equity Shares. The following individuals were allotted 67,000 Equity Shares in aggregate: Ms. Rajni Bankoti, Mr. Arjun Sahu, Mr. Arun Kumar Verma, Mr. Suresh Bankoti, Mr. Pratap Ku. Sahu, Ms. Anita Sharma, Mr. Satish Ku. Sharma, Ms. Sheela Devi, Ms. Kiran Chawla and Mr. Shiv Kumar Sharma were allotted 2,500 Equity Shares each, Mr. S.K. Jain was allotted 3,000 Equity Shares, Ms. Sanjukta Panda and Mr. Shikhar Jain were allotted 4,000 Equity Shares each, Mr. Rajat Mehta and Mr. C.L. Kapoor were allotted 5,000 Equity Shares each, Ms. Savita Kapoor was allotted 6,000 Equity Shares, Ms. Jyoti Mehta was allotted 7,000 Equity Shares and Mr. Vimal Mehta was allotted 8,000 Equity Shares.
[8] The following individuals were allotted 133,000 Equity Shares in aggregate: Ms. Kanta Jain, Mr. Vimal Mehta, Mr. Dharam Chand Mehta and Mr. Rajendra Mehta were allotted 2,000 Equity Shares each, Mr. Ajit Tandon, Mr. Harish Khanna, Mr. A.K. Tannan, Mr. Jagyamurti Koirala, Mr. Rajesh Gupta, Mr. A.P. Narain, Mr. Pushpa Sharma, Mr. Om Parkash Sahu, Mr. Nirmal Sharma and Ms. Rosy Tandon were allotted 2,500 Equity Shares each, Ms. Chanda Mehta, Ms. Jyoti Mehta and Mr. Bharat Mehta were allotted 3,000 Equity Shares each, Ms. Anita Goyal, Ms. Chetna Aggarwal, Mr. Vikas Aggarwal and Ms. Sarita Mehta were allotted 3,500 Equity Shares each, Mr. S.K. Jain, Ms. Ankita Mehta and Mr. Basantilal Mehta were allotted 4,000 Equity Shares each, Mr. Surinder Kapoor, Mr. Rajesh Sethi and Mr. Parveen Sethi were allotted 4,500 Equity Shares each, Mr. Ishteaque Ahemad, Mr. Jawaharlal Padhee and Mr. Bishnupriya Das were allotted 5,000 Equity Shares each, Mr. Prakash Kapoor was allotted 6,500 Equity Shares and Mr. R.K. Gupta was allotted 30,000 Equity Shares.
[9] The following individuals were allotted 28,000 Equity Shares in aggregate: Mr. Chaitan Bisi, Mr. Srabanti Bisi were allotted 2,000 Equity Shares each, Mrs. A. Saxena, Ms. Poonam, Mr. Vipin Kumar and Mr. Ramesh Singh were allotted 2,500 Equity Shares each, Mr. Lokesh Jain and Ms. Urmila Jain were allotted 3,000 Equity Shares each and Mr. Narender Sethi and Mr. S.K. Jain were allotted 4,000 Equity Shares each.
[10] Mr. Nikhil Kumar Kapoor and Mr. Santanu K. Mishra were allotted 1,000 Equity Shares each.
[11] Calorex Holdings Private Limited was allotted 750,000 Equity Shares.
[12] Calorex Holdings Private Limited was allotted 420,000 Equity Shares.
[13] Calorex Holdings Private Limited was allotted 100,000 Equity Shares.
[14] The following individuals/ entities were allotted 1,465,000 Equity Shares in aggregate: Calorex Holdings Private Limited was allotted 970,000 Equity Shares, B. Panda and Company Private Limited, was allotted 35,000 Equity Shares and Paramita Investment and Trading Company Private Limited, Barabati Investment and Trading Company Private Limited, K.B. Investments Private Limited and Madhuban Investments Private Limited were allotted 115,000 Equity Shares each.
[15] The following individuals were allotted 77,500 Equity Shares in aggregate: Mr. Baijayant Panda was allotted 11,000 Equity Shares, Ms. Jagi Mangat Panda was allotted 10,000 Equity Shares and Mr. Randhir Singh and Ms. Uma Devi were allotted 28, 250 Equity Shares each.
[16] Calorex Holdings Private Limited was allotted 150,000 Equity Shares and Ms. Jagi Mangat Panda was allotted 20,000 Equity Shares.

[17] Barabati Investment and Trading Company Private Limited was allotted 340,000 Equity Shares, Paramita Investment and Trading Company Private Limited was allotted 30,000 Equity Shares and the Orissa State Electronics Development Corporation Limited was allotted 50,000 Equity Shares.

[18] The following individuals were allotted 458,000 Equity Shares in aggregate: Mr. Baijayant Panda was allotted 55,000 Equity Shares, Madhuban Investments Private Limited was allotted 180,000 Equity Shares, Paramita Investment and Trading Company Private Limited was allotted 130,000 Equity Shares, K.B. Investments Private Limited was allotted 90,000 Equity Shares and B. Panda and Company Private Limited was allotted 3,000 Equity Shares.

[19] Mr. Baijayant Panda was allotted 6,000 Equity Shares, B. Panda and Company Private Limited was allotted 5,300 Equity Shares and K.B. Investments Private Limited was allotted 40,000 Equity Shares.

[20] Ms. Jagi Mangat Panda was allotted 38,000 Equity Shares.

[21] Strategic Brand Equity Limited was allotted 35,000 Equity Shares.

[22] South Asia Regional Fund was allotted 2,361,100 Equity Shares.

[23] South Asia Regional Fund was allotted 2,361,100 Equity Shares.

[24] Finlay Corporation Limited was allotted 918,500 Equity Shares.

[25] Mr. Baijayant Panda was allotted 28,360 Equity Shares, Ms. Jagi Mangat Panda was allotted 18,500 Equity Shares and Panda Investments Private Limited was allotted 44,445 Equity Shares.

[26] Finlay Corporation Limited was allotted 666,665 Equity Shares.

[27] Mr. Baijayant Panda was allotted 5,245 Equity Shares, Ms. Jagi Mangat Panda was allotted 19,520 Equity Shares and MS Telecom Investment Private Limited was allotted 111,111 Equity Shares.

[28] Finlay Corporation Limited was allotted 251,826 Equity Shares.

[29] Panda Investments Private Limited was allotted 92,590 Equity Shares.

[30] MS Telecom Investment Private Limited was allotted 92,590 Equity Shares and Panda Investments Private Limited was allotted 7,400 Equity Shares.

[31] Panda Investments Private Limited was allotted 7,400 Equity Shares.

[32] Col. Man Mohan Pattnaik was allotted 5,000 Equity Shares pursuant to the OSOP 2000.

[33] Mr. Bibhu Prasad Rath was allotted 3,000 Equity Shares, Mr. Ashok Kumar Behera was allotted 2,000 Equity Shares, Mr. M Sidheswar and Mr. Deepak Singh were allotted 1,250 Equity Shares each, Mr. Harpal Singh, Mr. Mihir Kanta Samal and Mr. Biswajit Mohanty were allotted 500 Equity Shares each, Mr. Bijay Kumar Swain was allotted 300 Equity Shares and Mr. Debadutta Das and Ms. Sabnam Khanum were allotted 100 Equity Shares each, pursuant to the OSOP 2000.

[34] Mr. Baijayant Panda and Dr. G Sehgal were allotted 20,000 Equity Shares each pursuant to the OSOP 2000.

[35] Medium and Small Infrastructure Fund of SREI Venture Capital Limited was allotted 1,590,900 Equity Shares.

[36] Mr. Basant Kumar Pati was allotted 150 Equity Shares, Mr. Mahesh Pattnaik was allotted 100 Equity Shares and Mr. Ramakanta Mohanta was allotted 200 Equity Shares pursuant to the OSOP 2000.

[37] Odisha Television Limited, formerly known as Orissa Television Limited was allotted 125,000 Equity Shares and UMSL Limited were allotted 909,000 Equity Shares.

[38] Mr. J.B. Pany and Dr. G Sehgal were allotted 15,000 Equity Shares each.

[39] Ms. Nivedita Panda was allotted 45,460 Equity Shares, Ms. Paramita Mohapatra was allotted 22,730 Equity Shares, Ms. Paramita Mohapatra was allotted 22,730 Equity Shares as trustee of Reva Foundation and 22,730 Equity Shares as trustee of Roumayne Foundation, Subhrakant Panda as trustee of Shaisah Foundation was allotted 56,818 Equity Shares, Mr. P Khandelwal was allotted 5,000 Equity Shares, Mr. C R Ray was allotted 2,000 Equity Shares and UMSL Limited was allotted 788,441 Equity Shares.

[40] Mr. Bibhu Prasad Rath and Lt. Col. Man Mohan Patnaik were allotted 10,000 Equity Shares each, Mr. A.K. Behera was allotted 5,000 Equity Shares, Mr. Ranjan Kumar Swain, Mr. C.R. Nayak, Mr. Nihar Ranjan Bhuyan and Mr. Chandrasekhar Pattnaik were allotted 150 Equity Shares each, Mr. Samarendra Ku Mohanty, Mr. Manoranjan Sarangi, Mr. Harpal Singh, Mj. Guru Pr. Sahoo, Mr. Barenya Pattnaik, Mr. M.K. Samal, Mr. Bublu Mohanty, Mr. B. Mohanty, Mr. Swapnendu Kabi, Mr. Gati Krushna Acharya, Mr. G.P. Choudhary, Mr. Gouri S. Panda, Mr. Deepak Singh, Mr. Jyoti Prakash Ghose and Mr. Manoranjan Meher were each allotted 100 Equity Shares, Mr. Mahesh Patnaik, Mr. B.K. Pati, Mr. B.K. Swain, Mr. Shuvendu Ku Pattnaik, Mr. Debadatta Das and Mr. Malay Das were allotted 50 Equity Shares each against loyalty bonus due on December 31, 2007, in accordance with OSSOP 2006.

[41] Mr. C.R. Nayak was allotted 850 Equity Shares, Mr. Samarendra Ku Mohanty and Mr. Manoranjan Sarangi were allotted 150 Equity Shares each, Mr. Himansu S Mohapatra, Mr. Ranjan Kumar Swain, Mr. Nihar Ranjan Bhuyan and Mr. Chandrasekhar Pattnaik were allotted 100 Equity Shares each and Mr. Biswaranjan Pattnaik, Mr. Brahmeswar Mishra, Mr. Sanjaya Nayak, Mr. Rabinarayan Mishra and Mr. Narendra Jena were allotted 50 Equity Shares each, in accordance with OSSOP 2006.

[42] Mr. Bublu Mohanty was allotted 2,500 Equity Shares, Mr. Samarendra Ku Mohanty was allotted 2,000 Equity Shares, Mr. Harpal Singh and Mr. B. Mohanty were allotted 1,250 Equity Shares each, C.R. Nayak and Mr. Nihar Ranjan Bhuyan and Mr. M.K. Samal were allotted 1,000 Equity Shares each and Mr. Narendra Jena and Mr. Mahesh Ch. Mohapatra were allotted 500 Equity Shares each, pursuant to the OSOP 2000.

[43] Mr.Bibhu Prasad Rath was allotted 5,000 Equity Shares, Mr. A.K. Behera and Col. Man Mohan Pattnaik were allotted 2,500 Equity Shares each, Mr. C. R. Nayak was allotted 2,000 Equity Shares Mr. Nihar Ranjan Bhuyan was allotted 1,250 Equity Shares, Mr. Manoranjan Sarangi was allotted 750 Equity Shares, Mr. Bublu Mohanty, Mr. M.K Samal and Mr. Ranjan Kumar Swain were allotted 500 Equity Shares each, Mr. Chandrasekhar Pattnaik was allotted 250 Equity Shares, Mr. Manoranjan Meher was allotted 100 Equity Shares and Mr. Ashok Kumar Behera, Mr. B.M. Rath, Mr. Bijay Kr. Panda, Mr. Brajabandhu Dalei, Ms. Debabrata Swain, Ms. Debashree P. Swain, Mr. Dilip Dalai, Mr. Himansu Sekhar Jena, Mr. Jeevan Mohapatra, Mr. Khetrabasi Mishra, Mr. Mahesh Ch. Mohapatra, Mr. Manas Ranjan Rout, Mr. Pradeep Das, Mr. Prasanna Kumar Pradhan, Mr. Ramakanta Mohapatra, Ms. Rashmi Ranjan Nayak, Mr. S.P. Patnaik, Mr. Santosh Behera, Mr. Saubhagya Kar, Mr. Srinivas Patnaik, Ms. Sukanta Ch. Rana, Mr. Suresh Acharya, Mr. Suvendu K. Pani and Mr. Walter Majhi were allotted 50 Equity Shares each, pursuant to the OSSOP 2006. The consideration for these shares was paid out by the Company.

[44] Mr. Bibhu Prasad Rath was allotted 47,000 Equity Shares, Col. Man Mohan Pattnaik was allotted 35,000 Equity Shares, Mr. Ashok Ku Behera was allotted 28,000 Equity Shares, Mr. Chittaranjan Nayak was allotted 17,500 Equity Shares, Mr. Nihar Ranjan Bhuyan was allotted 12,500 Equity Shares, Mr. Manoranjan Sarangi was allotted 11,500 Equtiy Shares, Mr. Chandrasekhar Pattnaik and Mr. Ranjan Kumar Swain were allotted 10,000 Equity Shares each, Mr. Mihir Samal was allotted 7,500 Equity Shares, Mr. Gati Krushna Acharya was allotted 6,500 Equity Shares, Mr. Bublu Mohanty was allotted 5,500 Equity Shares, Mr. Swapnendu Kabi was allotted 4,000 Equity Shares, Mr. Deepak Singh was allotted 3,750 Equity Shares, Mr. Himanshu Sekhar Mohapatra was allotted 3,500 Equity Shares, Mr. Biswajit Mohanty was allotted 1,250 Equity Shares, Mr. Brahmeswar Mishra, Mr. Gouri S. Panda and Mr. Harpal Singh were allotted 1,000 Equity Shares each, Mr. Bibhuti Ranjan Das and Mr. Suresh Acharya was allotted 750 Equity Shares each, Mr. Bijay Swain, Mr. Dilip Dalai, Mr. Himansu Sekhar Jena, Mr. Mahesh Ch. Mohapatra and Mr. Pranab Ku Praharaj were allotted 500 Equity Shares each, Mr. Basant Pati, Mr. Mr. Bijay Kr. Panda, Mr. Biswa Ranjan Samal, Mr. Biswaranjan Mohapatra, Mr. Brajabandhu Dalei, Mr. Debabrata Swain, Mr.

Khetrabasi Mishra, Mr. Lalit Swain, Mr. Prasanna Kumar Pradhan, Mr. Sambit Swain, Mr. Saubhagya Kar, Mr. Srinivas Patnaik, Mr. Tapan Ku Moharana and Mr. Tapaswini Dash were allotted 250 Equity Shares each and Ms. Basundhara Das and Mr. Jagarnath Ojha were allotted 50 Equity Shares each, pursuant to the OSOP 2000.

(45) NSR was allotted 5,821,498 Equity Shares pursuant to conversion of 60,000,000 compulsorily convertible preference shares of ₹ 10 each bearing a coupon rate of 0.001% p.a.

(46) Mr. Harpal Singh, Mr. Bublu Mohanty, Mr. Biswajit Mohanty, Mr. Shuvendu Kumar Pattnaik and Mr. Kapilendra Swain were allotted 500 Equity Shares each, Mr. Basanta Kumar Pati was allotted 150 Equity Shares and Mr. Siddhartha Mohapatra was allotted 100 Equity Shares.

(47) Mr. Bibhu Prasad Rath was allotted 5,000 Equity Shares, Col. Man Mohan Pattnaik was allotted 2,500 Equity Shares, Mr. Chitta Ranjan Nayak was allotted 2,000 Equity Shares, Mr. Manoranjan Sarangi was allotted 1,000 Equity Shares, Mr. Mihir Kumar Samal was allotted 1,400 Equity Shares, Mr. Harpal Singh and Mr. Biswajit Mohanty were allotted 400 Equity Shares each, Mr. Ranjan Kumar Swain and Mr. Kapilendra Swain were allotted 250 Equity Shares each, Mr. Shuvendu Kumar Pattnaik was allotted 200 Equity Shares,Mr. Himanshu SekharMohapatra and Mr. Deepak Singh were allotted 150 Equity Shares each, Mr. Siddhartha Mohapatra was allotted 100 Equity Shares and Mr. Basanta Kumar Pati and Mr. Bijay Kumar Swain were allotted 50 Equity Shares each. The consideration for these shares was paid out by the Company.

(48) Mr. Bibhu Prasad Mohapatra was allotted 2,500 Equity Shares, Mr. Manoj Kumar Patra was allotted 1,000 Equity Shares, Mr. Himanshu Sekhar Mohapatra and Mr. Kapilendra Swain were allotted 750 Equity Shares each and Mr. Dhruba Charan Rout, Mr. Baidyanath Dash, Mr. Mihir Kumar Samal and Mr. Biswajit Mohanty were allotted 500 Equity Shares each,

(49) Mr. Bibhu Prasad Mohapatra was allotted 2,500 Equity Shares, Mr. Manoj Kumar Patra was allotted 1,000 Equity Shares, Mr. Himanshu SekharMohapatra and Mr. Kapilendra Swain were allotted 750 Equity Shares each and Mr. Dhruba Charan Rout, Mr. Baidyanath Dash, Mr. Mihir Kumar Samal and Mr. Biswajit Mohanty were allotted 500 Equity Shares each. The consideration for these shares was paid out by the Company.

(50) Mr. Bibhu Prasad Rath was allotted 20,000 Equity Shares, Mr. Himanshu SekharMohapatra, Mr. Mihir Kumar Samal and Mr. Deapak Kumar Panda were allotted 4,000 Equity Shares each, Mr. Baidyanath Dash, Mr. Ayeskant Kanungo and Mr. Jyoti Prakash Ghosh were allotted 1,000 Equity Shares each, and Mr. Lalit Kumar Mohanty was allotted 500 Equity Shares.

(51) B Panda and Company Private Limited was allotted 107,142 Equity Shares, Hermanus FZE was allotted 275,067 Equity Shares, Odisha Television Limited was allotted 365,849 Equity Shares, Barabati Investment and Trading Company Private Limited was allotted 71,429 Equity Shares, Mr. Baijayant Panda was allotted 158,927 Equity Shares and Ms. Jagi Mangat Panda was allotted 21,428 Equity Shares, pursuant to conversion of 13,997,827 Compulsorily Convertible Preference Shares.

(52) Odisha Television Limited was allotted 35,714 Equity Shares.

b) Equity Shares issued for consideration other than cash

No Equity Shares have been issued by our Company for consideration other than cash.

c) Equity Shares issued at a price which may be lower than the Issue Price during the preceding one year

Except as stated below, our Company has not allotted any Equity Shares during preceding one year from the date of filing this Draft Red Herring Prospectus, which may be lower than the Issue Price.

Date of allotment	No. of Equity Shares	Issue price (₹)	Reasons for allotment	Nature of payment
January 16, 2014	7,000	103*	Preferential allotment pursuant to OSSOP 2006	Cash
January 16, 2014	7,000	103	Preferential allotment pursuant to the OSOP 2000	Cash
July 21, 2014	35,500	103	Preferential allotment pursuant to the ESOS 2010	Cash
July 21, 2014	999,841	140	Preferential allotment	Cash
	35,714	140	Preferential allotment	Cash

** The consideration for these shares was paid out by the Company. For further details, see the sub-section titled "– Notes to Capital Structure –Share Capital History - History of equity share capital of our Company" on page 69.*

For further details, see the sub-section titled " – *Notes to Capital Structure –Share Capital History – History of Equity Share Capital of our Company*" on page 69.

2. Build up, Contribution and Lock-in of Promoters and Promoter Group

a) Details of build up of Promoters' shareholding in our Company:

As on the date of this Draft Red Herring Prospectus, the Promoters hold 8,024,681 Equity Shares, equivalent to 32.93% of the issued, subscribed and paid-up Equity Share capital of the Company. Set forth below are the details of the build up of our Promoters' shareholding:

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital***	Consideration	Nature of Transaction	Source of funds to acquire Equity Shares/ Use of proceeds from transfer of Equity Shares
Mr. Baijayant Panda	June 2, 1995	100	10	10	Negligible	Negligible	Cash	Subscription to our Memorandum	Owned funds
	July 7, 1997	11,000	10	10	0.05	0.04	Cash	Preferential Allotment	Owned funds
	September 16, 1998	55,000	10	10	0.23	0.18	Cash	Preferential Allotment	Owned funds
	March 20, 1999	6,000	10	10	Negligible	Negligible	Cash	Preferential Allotment	Owned funds
	September 21, 1999	30,100	10	10	0.12	0.09	Cash	Transfer from Mr. Ravinder Kumar Gupta	Owned funds
	February 12, 2002	28,360	10	27	0.12	0.09	Cash	Preferential Allotment	Owned funds
	July 21, 2002	5,245	10	27	Negligible	Negligible	Cash	Preferential Allotment	Owned funds
	May 23, 2007	20,000	10	35	0.08	0.07	Cash	Preferential Allotment	Owned funds
	April 30, 2010	158,300	10	79	0.65	0.52	Cash	Transfer from Medium and Small Infrastructure Fund	Owned funds
	November 30, 2010	15,000	10	39.20	0.06	0.05	Cash	Transfer from Col. Man Mohan Pattnaik	Owned funds
		2,500	10	39.20	Negligible	Negligible	Cash	Transfer from Mr. Himansu Sekhar Mohapatra	Owned funds
	December 09, 2011	4,100	10	35	Negligible	Negligible	Cash	Transfer from Mr. Swapnendu Kabi	Owned funds
	March 23, 2012	300	10	35	Negligible	Negligible	Cash	Transfer from Mr. Bijay Kumar Panda	Owned funds
	August 25, 2012	1,000	10	35	Negligible	Negligible	Cash	Transfer from Mr. Gouri Sankar Panda	Owned funds
	March 27, 2013	15,000	10	48.50	0.06	0.05	Cash	Transfer from Mr. Ashok Kumar Behera	Owned funds
	September 23, 2013	100	10	58.45	Negligible	Negligible	Cash	Transfer from Ms. Gati Krushna Acharya	Owned funds
		1,000	10	48.30	Negligible	Negligible	Cash		Owned funds
		500	10	48.30	Negligible	Negligible	Cash	Transfer from Mr. Mahesh Chandra Mohapatra	Owned funds
		50	10	48.30	Negligible	Negligible	Cash		Owned funds
		100	10	50.70	Negligible	Negligible	Cash	Transfer from Mr. Mahesh Pattnaik	Owned funds
		50	10	58.45	Negligible	Negligible	Cash		Owned funds
		150	10	58.45	Negligible	Negligible	Cash	Transfer from	Owned funds

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital***	Consideration	Nature of Transaction	Source of funds to acquire Equity Shares/ Use of proceeds from transfer of Equity Shares
		100	10	56.00	Negligible	Negligible	Cash	Mr. Chandrasekhar Pattnaik	Owned funds
		250	10	48.30	Negligible	Negligible	Cash		Owned funds
		3,500	10	48.30	Negligible	Negligible	Cash		Owned funds
		50	10	56	Negligible	Negligible	Cash	Transfer from Mr. Rabi Narayan Mishra	Owned funds
		7,150	10	48.30	Negligible	Negligible	Cash	Transfer from Mr. Bibhu Prasad Rath	Owned funds
	July 21, 2014	158,927	10	140	0.65	0.52	Cash	Preferential allotment	Owned funds
		2,000	10	54.74	Negligible	Negligible	Cash	Transfer from Mr. Ashok Kumar Behera	Owned funds
		1,600	10	54.74	Negligible	Negligible	Cash		Owned funds
		1,250	10	52.92	Negligible	Negligible	Cash	Transfer from Mr. Deepak Singh	Owned funds
		100	10	61.95	Negligible	Negligible	Cash		Owned funds
		3,750	10	51.80	Negligible	Negligible	Cash		Owned funds
		150	10	127.05	Negligible	Negligible	Cash		Owned funds
		150	10	61.95	Negligible	Negligible	Cash	Transfer from Mr. Nihar Ranjan Bhuyan	Owned funds
		100	10	59.50	Negligible	Negligible	Cash		Owned funds
		1,000	10	46.50	Negligible	Negligible	Cash		Owned funds
		1,250	10	51.80	Negligible	Negligible	Cash		Owned funds
		2,000	10	51.80	Negligible	Negligible	Cash		Owned funds
Sub-total		**537,282**			**2.21**	**1.77**			
Ms. Jagi Mangat Panda	February 13, 1996	45,000	10	10	0.18	0.15	Cash	Preferential Allotment	Owned funds
	July 7, 1997	10,000	10	10	0.04	0.03	Cash	Preferential Allotment	Owned funds
	February 12, 1998	20,000	10	10	0.08	0.06	Cash	Preferential Allotment	Owned funds
	April 5, 1999	38,000	10	10	0.16	0.13	Cash	Preferential Allotment	Owned funds
	September 21, 1999	28,250	10	10	0.12	0.09	Cash	Transfer from Ms. Uma Devi	Owned funds
	September 21, 1999	28,250	10	10	0.12	0.09	Cash	Transfer from Mr. Randhir Singh	Owned funds
	February 12, 2002	18,500	10	27	0.08	0.06	Cash	Preferential Allotment	Owned funds
	July 21, 2002	19,520	10	27	0.08	0.06	Cash	Preferential Allotment	Owned funds
	November 30, 2010	17,000	10	39.20	0.07	0.06	Cash	Transfer from Mr. Bibhu Prasad Rath	Owned funds
	November 30, 2010	4,500	10	39.20	Negligible	Negligible	Cash	Transfer from Mr. Ashok Kumar Bahera	Owned funds
	November 30, 2010	10,500	10	39.20	0.04	0.03	Cash	Transfer from Mr. Manoranjan Sarangi	Owned funds
	July 21, 2014	21,428	10	140	0.09	0.07	Cash	Preferential Allotment	Owned funds

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital***	Consideration	Nature of Transaction	Source of funds to acquire Equity Shares/ Use of proceeds from transfer of Equity Shares
	July 21, 2014	1,200	10	54.74	Negligible	Negligible	Cash	Transfer from Mr. Ashok Kumar Behera	Owned funds
		100	10	61.95	Negligible	Negligible	Cash	Transfer from Mr. Barenya Pattnaik	Owned funds
		50	10	59.50	Negligible	Negligible	Cash	Transfer from Mr. Biswaranjan Pattnaik	Owned funds
		50	10	51.80	Negligible	Negligible	Cash	Transfer from Mr. Brajabandhu Dalei	Owned funds
		250	10	51.80	Negligible	Negligible	Cash		Owned funds
		50	10	61.95	Negligible	Negligible	Cash	Transfer from Mr. Debadatta Das	Owned funds
		100	10	52.92	Negligible	Negligible	Cash		Owned funds
		500	10	108.15	Negligible	Negligible	Cash	Transfer from Mr. Dhruba Charan Rout	Owned funds
		500	10	108.15	Negligible	Negligible	Cash		Owned funds
		100	10	61.95	Negligible	Negligible	Cash	Transfer from Mr. G. P. Choudhury	Owned funds
		100	10	61.95	Negligible	Negligible	Cash	Transfer from Ms. Gouri S. Panda	Owned funds
		50	10	51.80	Negligible	Negligible	Cash	Transfer from Mr. Himansu Sekhar Jena	Owned funds
		500	10	51.80	Negligible	Negligible	Cash		Owned funds
		50	10	51.80	Negligible	Negligible	Cash	Transfer from Mr. Jagarnath Ojha	Owned funds
		50	10	51.80	Negligible	Negligible	Cash	Transfer from Mr. Khetrabasi Mishra	Owned funds
		250	10	51.80	Negligible	Negligible	Cash		Owned funds
		1,250	10	52.92	Negligible	Negligible	Cash	Transfer from Mr. M. Sidheswar	Owned funds
		500	10	46.50	Negligible	Negligible	Cash	Transfer from Mr. Mahesh Chandra Mohapatra	Owned funds
		100	10	61.95	Negligible	Negligible	Cash	Transfer from Mr. Manoranjan Meher	Owned funds
		100	10	51.80	Negligible	Negligible	Cash		Owned funds
		100	10	61.95	Negligible	Negligible	Cash	Transfer from Mr. Guru Pr. Sahoo	Owned funds
		50	10	59.50	Negligible	Negligible	Cash	Transfer from Mr. Narendra Jena	Owned funds
		500	10	46.50	Negligible	Negligible	Cash		Owned funds
		50	10	51.80	Negligible	Negligible	Cash	Transfer from Mr. Pradeep Das	Owned funds

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital***	Consideration	Nature of Transaction	Source of funds to acquire Equity Shares/ Use of proceeds from transfer of Equity Shares
		100	10	52.92	Negligible	Negligible	Cash	Transfer from Ms. Sabnam Khanum	Owned funds
		100	10	61.95	Negligible	Negligible	Cash	Transfer from Mr. Samarendra Kumar Mohanty	Owned funds
		150	10	59.50	Negligible	Negligible	Cash		Owned funds
		2,000	10	46.50	Negligible	Negligible	Cash		Owned funds
		50	10	59.50	Negligible	Negligible	Cash	Transfer from Mr. Sanjay Nayak	Owned funds
		50	10	51.80	Negligible	Negligible	Cash	Transfer from Mr. Sukanta Ch. Rana	Owned funds
		250	10	51.80	Negligible	Negligible	Cash	Transfer from Mr. Tapan Kumar Moharana	Owned funds
		250	10	51.80	Negligible	Negligible	Cash	Transfer from Ms. Tapaswini Das	Owned funds
Sub-total		**270,448**			**1.11**	**0.89**			
Panda Investments Private Limited	September 21, 1999	2,818,000	10	2.55	11.57	9.28	Cash	Transfer from Calorex Holdings Private Limited	Borrowed funds and owned funds
		1,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Rahul Kumar	Borrowed funds
		1,500	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Usha Aggarwal	Borrowed funds
		1,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Surya Ram Chaudhary	Borrowed funds
		1,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Gopal Mandal	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Rajani Bankoti	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Arjun Sahu	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Arun Kumar Verma	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Suresh Bankoti	Borrowed funds
		4,000	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Sanjukta Panda	Owned funds

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital***	Consideration	Nature of Transaction	Source of funds to acquire Equity Shares/ Use of proceeds from transfer of Equity Shares
		6,000	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Savita Kapoor	Owned funds
		2,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Vimal Mehta	Owned funds
		8,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Vimal Mehta	Owned funds
		4,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. S.K. Jain	Borrowed funds
		2,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Kanta Jain	Borrowed funds
		3,500	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Anita Goyal	Borrowed funds
		3,500	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Chetna Agarwal	Borrowed funds
		3,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Vikas Agarwal	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Om Prakash	Borrowed funds
		2,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Dharam Chand	Borrowed funds
		1,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Ramender Yadav	Borrowed funds
		1,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Navraj Kakki	Borrowed funds
		1,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Tankeshwar Prasad	Borrowed funds
		4,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Joginder Pal	Borrowed funds
		1,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Vijender Kumar	Borrowed funds
		1,500	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Shiksha Chauhan	Borrowed funds
		1,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Vikram Singh	Borrowed funds
		1,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Sanjay Kumar	Borrowed funds

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital***	Consideration	Nature of Transaction	Source of funds to acquire Equity Shares/ Use of proceeds from transfer of Equity Shares
		7,000	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Jyoti Mehta	Owned funds
		3,000	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Jyoti Mehta	Owned funds
		5,000	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Rajat Mehta	Owned funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Kiran Chawla	Borrowed funds
		3,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. S.K. Jain	Borrowed funds
		5,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. C.L. Kapoor	Borrowed funds
		4,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Shikhar Jain	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Pratap Kumar Sahu	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Anita Sharma	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Sheela Devi	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Shiv Kumar Sharma	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Satish Kumar Sharma	Borrowed funds
		3,000	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Chanda Mehta	Borrowed funds
		3,500	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Sarita Mehta	Owned funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Ajit Tandon	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Harish Khanna	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. A.K. Tannan	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Yagya Murti Koirala	Borrowed funds

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital***	Consideration	Nature of Transaction	Source of funds to acquire Equity Shares/ Use of proceeds from transfer of Equity Shares
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Rajesh Gupta	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. A.P. Narain	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Pushpa Sharma	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Share transfer from Mr. Nirmal Sharma	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Rosy Tandon	Borrowed funds
		4,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Surinder Kapoor	Owned funds
		6,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Prakash Kapoor	Owned funds
		4,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Rajesh Sethi	Owned funds
		4,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Parveen Sethi	Borrowed funds
		2,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Rajendra	Borrowed funds
		3,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Bharat Mehta	Borrowed funds
		4,000	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Ankita Mehta	Borrowed funds
		4,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Basantilal Mehta	Borrowed funds
		5,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Ahemad Ishteaque	Owned funds
		5,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Jawahar Lal Padhee	Owned funds
		5,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Bishnupriya Das	Owned funds
		4,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Narender Sethi	Borrowed funds
		2,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Chaitan Bisi	Borrowed funds

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital***	Consideration	Nature of Transaction	Source of funds to acquire Equity Shares/ Use of proceeds from transfer of Equity Shares
		2,000	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Srabanti Bisi	Borrowed funds
		3,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. S.K. Jain	Borrowed funds
		3,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Lokesh Jain	Borrowed funds
		3,000	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Urmila Jain	Borrowed funds
		3,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. A. Saxena	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Ms. Poonam Kumar	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Vipin Kumar Sharma	Borrowed funds
		2,500	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Ramesh Singh	Borrowed funds
		1,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Nikhil Kumar Kapoor	Borrowed funds
		1,000	10	1.75	Negligible	Negligible	Cash	Transfer from Mr. Santanu Mishra	Owned funds
		43,300	10	2.15	0.18	0.14	Cash	Transfer from B. Panda and Company Private Limited	Owned funds
		275,000	10	2.15	1.13	0.91	Cash	Transfer from Paramita Investment and Trading Company Private Limited	Owned funds
		455,000	10	2.15	1.87	1.50	Cash	Transfer from Barabati Investment and Trading Company Private Limited	Owned funds
		245,000	10	2.15	1.01	0.81	Cash	Transfer from K.B. Investments Private Limited	Owned funds

Name of the Promoter	Date of allotment/ transfer or when the Equity Shares were made fully paid up*	No. of Equity Shares	Face value (₹)	Issue/ Acquisition price per Equity Share (₹)**	% of pre-Issue Capital	% of post-Issue Capital***	Consideration	Nature of Transaction	Source of funds to acquire Equity Shares/ Use of proceeds from transfer of Equity Shares
		295,000	10	2.15	1.21	0.97	Cash	Transfer from Madhuban Investments Private Limited	Owned funds
		35,000	10	2.15	0.14	0.12	Cash	Transfer from Strategic Brand Equity Limited	Owned funds
	February 12, 2002	44,445	10	27	0.18	0.15	Cash	Preferential Allotment	Owned funds
	March 31, 2003	92,590	10	27	0.38	0.30	Cash	Preferential Allotment	Owned funds
	September 30, 2003	7,400	10	27	Negligible	Negligible	Cash	Preferential Allotment	Owned funds
	November 24, 2003	7,400	10	27	Negligible	Negligible	Cash	Preferential Allotment	Owned funds
	April 30, 2010	98,375	10	35	0.40	0.32	Cash	Transfer from Orissa Stevedores Limited	Owned funds
Sub-total		**4,636,510**			**19.03**	**15.27**			
UMSL Limited	November 16, 2007	909,000	10	44	3.73	2.99	Cash	Preferential Allotment	Owned funds
	January 31, 2008	788,441	10	44	3.24	2.60	Cash	Preferential Allotment	Owned funds
	April 30, 2010	900,950	10	79	3.70	2.97	Cash	Transfer from Medium and Small Infrastructure Fund	Borrowed funds and owned funds
		(200)	10	79	Negligible	Negligible	Cash	Transfer to Mr. Mayadhara Moharana	-
		(17,750)	10	79	0.07	0.06	Cash	Transfer to Dr. Gautam Sehgal	-
Sub-total		**2,580,441**			**10.59**	**8.50**			
Total		**8,024,681**			**32.93**	**26.43**			

* *The Equity Shares were fully paid on the date of their allotment/ transfer.*
** *The cost of acquisition excludes the stamp duty paid.*
*** *Assuming full subscription of the Fresh Issue and without considering the future allotment of Equity Shares pursuant to exercise of options under ESOS 2010.*

All the Equity Shares held by the Promoter were fully paid-up on the respective dates of acquisition of such Equity Shares. None of the Equity Shares held by the Promoter are pledged.

UMSL Limited, one of our Promoters, has transferred by way of sale, 200 Equity Shares to Mr. Mayadhara Moharana and 17,750 Equity Shares to Dr. Gautam Sehgal on April 30, 2010 for an aggregate consideration of ₹ 1.42 million. The proceeds of such transfers were used by UMSL Limited for its ordinary business purposes.

b) History of Equity Share Capital of our Selling Shareholder

As on the date of the DRHP, NSR-PE holds 8,182,598 Equity Shares of the Company, representing 33.58% of the pre-Issue equity share capital, which have been acquired as under:

- 2,361,100 Equity Shares were acquired on September 1, 2008 for an aggregate consideration of ₹ 221,000,000 from South Asia Regional Fund; and
- 5,821,498 Equity Shares were allotted on September 29, 2010 pursuant to the conversion of 60,000,000 compulsorily convertible preference shares which were allotted to NSR-PE on April 20, 2008 and September 1, 2008, against the investment of ₹ 600,000,000 in the Company.

c) Details of Promoters' Contribution locked-in for three years

Pursuant to the SEBI Regulations, an aggregate of 20% of the post-Issue capital held by our Promoters shall be considered as promoters' contribution and locked-in for a period of three years from the date of Allotment ("**Promoters' Contribution**").

The lock-in of the Promoters' Contribution would be created as per applicable law and procedure and details of the same shall also be provided to the Stock Exchanges before listing of the Equity Shares.

Our Promoters have, pursuant to their undertakings dated September 10, 2014 granted consent to include upto 6,317,035 Equity Shares held by them, i.e., 352,005 Equity Shares held by Mr. Baijayant Panda; 239,520 Equity Shares held by Ms. Jagi Mangat Panda; 4,416,510 Equity Shares held by Panda Investments Private Limited and 1,309,000 Equity Shares held by UMSL Limited, aggregating to 25.93% of the pre-Issue share capital of our Company as Equity Shares eligible for computation of Promoters' Contribution and lock-in under regulation 33 of the SEBI Regulations. The Promoters have agreed not to sell or transfer or pledge or otherwise dispose of in any manner, the Promoters' Contribution from the date of filing of this Draft Red Herring Prospectus until the commencement of the lock-in period specified above.

Details of the Equity Shares proposed to be locked in are as follows:

Date of allotment/ transfer and when made fully paid up	Nature of transaction	Number of Equity Shares	Face value (₹)	Issue/ acquisition price per Equity Share (₹)	Percentage of fully diluted post-Issue paid up capital*	Source of funds for acquisition of Equity Shares
Baijayant Panda						
June 2, 1995	Subscription to our Memorandum	100	10	10	Negligible	Owned funds
July 7, 1997	Preferential allotment	11,000	10	10	0.04	Owned funds
September 16, 1998	Preferential allotment	55,000	10	10	0.18	Owned funds
March 20, 1999	Preferential allotment	6,000	10	10	Negligible	Owned funds
September 21, 1999	Transfer from Mr. Ravinder Kumar Gupta	30,100	10	10	0.10	Owned funds
February 12, 2002	Preferential allotment	28,360	10	27	0.09	Owned funds
July 21, 2002	Preferential allotment	5,245	10	27	Negligible	Owned funds
May 23, 2007	Preferential allotment	20,000	10	35	0.07	Owned funds
April 30, 2010	Transfer from Medium and Small Infrastructure Fund	158,300	10	79	0.52	Owned funds

Date of allotment/ transfer and when made fully paid up	Nature of transaction	Number of Equity Shares	Face value (₹)	Issue/ acquisition price per Equity Share (₹)	Percentage of fully diluted post-Issue paid up capital*	Source of funds for acquisition of Equity Shares
November 30, 2010	Transfer from Col. Man Mohan Pattnaik	15,000	10	39.20	0.05	Owned funds
	Transfer from Mr. Himansu Sekhar Mohapatra	2,500	10	39.20	Negligible	Owned funds
December 09, 2011	Transfer from Mr. Swapnendu Kabi	4,100	10	35	Negligible	Owned funds
March 23, 2012	Transfer from Mr. Bijay Kumar Panda	300	10	35	Negligible	Owned funds
August 25, 2012	Transfer from Mr. Gouri Sankar Panda	1,000	10	35	Negligible	Owned funds
March 27, 2013	Transfer from Mr. Ashok Kumar Behera	15,000	10	48.50	0.05	Owned funds
Sub - Total		**3,52,005**			**1.15**	
Jagi Mangat Panda						
February 13, 1996	Preferential Allotment	45,000	10	10	0.15	Owned funds
July 7, 1997	Preferential Allotment	10,000	10	10	0.03	Owned funds
February 12, 1998	Preferential Allotment	20,000	10	10	0.06	Owned funds
April 5, 1999	Preferential Allotment	38,000	10	10	0.12	Owned funds
September 21, 1999	Transfer from Ms. Uma Devi	28,250	10	10	0.09	Owned funds
September 21, 1999	Transfer from Mr. Randhir Singh	28,250	10	10	0.09	Owned funds
February 12, 2002	Preferential Allotment	18,500	10	27	0.06	Owned funds
July 21, 2002	Preferential Allotment	19,520	10	27	0.06	Owned funds
November 30, 2010	Transfer from Mr. Bibhu Prasad Rath	17,000	10	39.20	0.06	Owned funds
November 30, 2010	Transfer from Mr. Ashok Kumar Bahera	4,500	10	39.20	Negligible	Owned funds
November 30, 2010	Transfer from Mr. Manoranjan Sarangi	10,500	10	39.20	0.03	Owned funds
Sub - Total		**239,520**			**0.78**	
Panda Investments Private Limited						
September 21, 1999	Transfer from Calorex Holdings Private	2,818,000	10	2.55	9.22	Borrowed funds[(1)] and owned funds

Date of allotment/ transfer and when made fully paid up	Nature of transaction	Number of Equity Shares	Face value (₹)	Issue/ acquisition price per Equity Share (₹)	Percentage of fully diluted post-Issue paid up capital*	Source of funds for acquisition of Equity Shares
	Limited					
	Transfer from B. Panda and Company Private Limited	43,300	10	2.15	0.14	Owned funds
	Transfer from Paramita Investment and Trading Company Private Limited	275,000	10	2.15	0.90	Owned funds
	Transfer from Barabati Investment and Trading Company Private Limited	455,000	10	2.15	1.50	Owned funds
	Transfer from K.B. Investments Private Limited	245,000	10	2.15	0.80	Owned funds
	Transfer from Madhuban Investments Private Limited	295,000	10	2.15	0.96	Owned funds
	Transfer from Strategic Brand Equity Limited	35,000	10	2.15	0.11	Owned funds
February 12, 2002	Preferential Allotment	44,445	10	27	0.15	Owned funds
March 31, 2003	Preferential Allotment	92,590	10	27	0.30	Owned funds
September 30, 2003	Preferential Allotment	7,400	10	27	Negligible	Owned funds
November 24, 2003	Preferential Allotment	7,400	10	27	Negligible	Owned funds
April 30, 2010	Transfer from Orissa Stevedores Limited	98,375	10	35	0.32	Owned funds
Sub - Total		**4,416,510**			**14.45**	
UMSL Limited						
November 16, 2007	Preferential allotment	909,000	10	44	2.97	Owned funds
January 31, 2008	Preferential Allotment	400,000	10	44	1.31	Owned funds
Sub – Total		**1,309,000**			**4.28**	
Total		**6,317,035**			**20.66**	

* *Considering exercise of all outstanding stock options under ESOS 2010.*

(1) *Unsecured loan of ₹3.25 million from Calorex (I) Limited (registered office located at B-7/122A, Safdarjang Enclave, New Delhi – 110 029, India) at an interest rate of 11%.*

The Promoters' Contribution has been brought in to the extent of not less than the specified minimum lot and from persons who are classified and defined as 'promoters' of our Company as per the SEBI Regulations.

All Equity Shares which are to be locked-in are eligible for computation of Promoters' Contribution, shall be in accordance with the SEBI Regulations. In this regard, the Company confirms that the Equity Shares proposed to be included as part of the Promoters' Contribution:

(a) have not been subject to pledge or any other form of encumbrance; and
(b) do not consist of Equity Shares resulting from a bonus issue by utilization of revaluation reserves or unrealized profits of our Company or from bonus issue out of revaluation reserves or unrealized profits of the Company or issued against Equity Shares which are ineligible for Promoters' Contribution; and
(c) have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalization of intangible assets is involved in such transaction; and
(d) have not been acquired by the Promoters during the period of one year immediately preceding the date of filing of this Draft Red Herring Prospectus at a price lower than the Issue Price; and
(e) shall be held in dematerialised form prior to the filing of the Red Herring Prospectus with the RoC; and
(f) do not consist of Equity Shares for which specific written consent has not been obtained from the Promoters for inclusion of its subscription in the Promoters Contribution subject to lock-in.

d) Details of share capital locked in for one year

In addition to the lock-in of the Promoters' Contribution, the entire pre-Issue equity share capital of our Company (including those Equity Shares held by our Promoters) other than the Equity Shares sold through the Offer for Sale and Equity Shares allotted to employees under ESOS 2010, shall be locked in for a period of one year from the date of Allotment. The Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI Regulations, as amended from time to time.

e) Lock in of Equity Shares to be Alloted, if any, to the Anchor Investors

Equity Shares allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

f) Other requirements in respect of lock-in

The Equity Shares held by the Promoters may be transferred to and amongst the Promoter Group or to a new promoter or persons in control of our Company, subject to continuation of the applicable lock-in in the hands of the transferees for the remaining period and compliance with the provisions of the Takeover Regulations, as applicable.

The Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding Equity Shares which are locked-in along with the Equity Shares proposed to be transferred, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.

The Equity Shares held by the Promoters which are locked-in for a period of three years from the date of Allotment in the Issue can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such banks or institution, provided the loan has been granted by such bank or financial institution for financing one or more of the objects of the Issue and pledge of Equity Shares is one of the terms of sanction of the loan.

The Equity Shares, if any, held by the Promoters which are locked-in for a period of one year from the date of Allotment in the Issue can be pledged with any scheduled commercial bank or public financial institution as collateral security for loans granted by such bank or financial institution, provided that the pledge of the Equity Shares is one of the terms of sanction of the loan.

3. **Our shareholding pattern**

a) The table below represents the shareholding pattern of our Company before the proposed Issue and as adjusted for this Issue:

Description	Pre Issue						Post Issue			
Category of Shareholder	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares (A+B)	Shares pledge or otherwise encumbered		Total number of Equity Shares	Total shareholding as a % of total number of Equity Shares	Shares pledge or otherwise encumbered	
					Number of shares	As a %			Number of shares	As a %
Shareholding of Promoters and Promoter Group (A)										
Indian										
Individuals/ Hindu Undivided Family	5	1,134,770	0	4.66	0	0	[●]	[●]	[●]	[●]
Central Government/ State Government (s)	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Bodies Corporate	7	14,360,701	0	58.94	0	0	[●]	[●]	[●]	[●]
Financial Institutions/ Banks	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Any Other (Under Trust)	2	105,878	0	0.43	0	0	[●]	[●]	[●]	[●]
Foreign										
Individuals (Non-Resident Individuals/Foreign Individuals)	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Bodies Corporate (OCBs)	0	0	0	0	0	0	[●]	[●]	[●]	[●]
Institutions/FII	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Any Other	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Total Shareholding of Promoters and Promoter Group (A)	**15**	**15,601,349**		**64.03**			[●]	[●]	[●]	[●]
Public shareholding (B)				**0.00**						
Institutions (B)(1)				**0.00**						
Mutual Funds/ UTI	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Financial Institutions / Banks	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Central Government/State Government(s)	1	50,000	0	0.21	0	0	[●]	[●]	[●]	[●]
Foreign Portfolio Investors	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Foreign Venture Capital Investor	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Venture Capital Fund	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Insurance Companies	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]

Description	Pre Issue						Post Issue			
Category of Shareholder	Number of shareholders	Total number of Equity Shares	Number of shares held in dematerialized form	Total shareholding as a % of total number of Equity Shares (A+B)	Shares pledge or otherwise encumbered		Total number of Equity Shares	Total shareholding as a % of total number of Equity Shares	Shares pledge or otherwise encumbered	
					Number of shares	As a %			Number of shares	As a %
Sub-Total (B)(1)	**1**	**50,000**	**0**	**0.21**	**0**	**0**	**[●]**	**[●]**	**[●]**	**[●]**
Non-institutions (B)(2)				**0.00**						
Bodies Corporate	1	275,067	0	1.13	0	0	[●]	[●]	[●]	[●]
Non Resident Indians	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
OCBs	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Trust	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Individuals	60	256,450	0	1.05	0	0	[●]	[●]	[●]	[●]
Foreign Bodies	1	8,182,598	0	33.58	0	0	[●]	[●]	[●]	[●]
Others	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Sub-Total (B)(2)	61	8,714,115	0	35.76	0	0	[●]	[●]	[●]	[●]
Public shareholding pursuant to the Issue (B)(3)	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Total Public Shareholding (B) = (B)(1)+(B)(2)+B(3)	**62**	**8,764,115**	**0**	**34.97**	0	0	[●]	**[●]**	[●]	[●]
(C) Shares held by custodians and against which Depository receipts have been issued	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Promoter and Promoter Group	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
Public	0	0	0	0.00	0	0	[●]	[●]	[●]	[●]
GRAND TOTAL (A)+(B)+(C)	**77**	**24,365,464**		**100**	**-**	**-**	**[●]**	**100**	**[●]**	**[●]**

Based on the assumption that such shareholders shall continue to hold the same number of Equity Shares after this Issue. This does not include any Equity Shares that such shareholders (excluding Promoters and Promoter Group) may Bid for and be Allotted.

Our Company will file the shareholding pattern, in the form prescribed under clause 35 of the Listing Agreements, one day prior to the listing of Equity Shares. The shareholding pattern will be provided to the Stock Exchanges for uploading on the website of Stock Exchanges before commencement of trading of such Equity Shares.

b) Details of shareholding of Promoter Group in our Company

Set forth below are the details of the build -up of the members of our Promoter Group's shareholding:

Name of the Promoter Group Entity	Date of allotment/ transfer	No. of Equity Shares*	Face value (₹)	Issue/ Acquisition Price per Equity Share (₹)**	% of pre-Issue capital	% of post-Issue Capital***	Consideration	Nature of Transaction
Odisha Television Limited, formerly	May 13, 2006	162,040	10	35	0.66	0.53	Cash	Transfer from South Asia Regional Fund
	September 20, 2007	787,040	10	35	3.23	2.59	Cash	Transfer from South Asia Regional Fund

Name of the Promoter Group Entity	Date of allotment/ transfer	No. of Equity Shares*	Face value (₹)	Issue/ Acquisition Price per Equity Share (₹)**	% of pre-Issue capital	% of post-Issue Capital***	Consideration	Nature of Transaction
known as Orissa Television Limited	November 16, 2007	125,000	10	44	0.51	0.41	Cash	Preferential Allotment
	April 30, 2010	531,650	10	79	2.18	1.75	Cash	Transfer from Medium and Small Infrastructure Fund
	July 21, 2014	401,563	10	140	1.64	1.32	Cash	Preferential Allotment
Sub-total		**2,007,293**			**8.24**	**6.61**		
Paramita Realtors Private Limited	April 30, 2010	98,375	10	35	0.40	0.32	Cash	Transfer from Orissa Stevedores Limited
Sub-total		**98,375**			**0.40**	**0.32**		
Metro Skynet Limited	May 28, 2010	1,800,300	10	1.95	7.39	5.93	Cash	Transfer from Panda Investments Private Limited as trustee of MS Telecom Investment Private Limited
		453,701	10	1.95	1.86	1.49	Cash	Transfer from MS Telecom Investment Private Limited
		393,520	10	1.95	1.62	1.30	Cash	Transfer from Calorex India Limited
		1,586,991	10	1.95	6.51	5.23	Cash	Transfer from Finlay Corporation Limited
		625,000	10	1.95	2.57	2.06	Cash	Transfer from Pikika Limited
Sub-total		**4,859,512**			**19.94**	**16.00**		
Mr. Subhrakant Panda (as trustee of Shaisah Foundation)	January 31, 2008	56,818	10	44	0.23	0.19	Cash	Preferential Allotment
Sub-total		**56,818**			**0.23**	**0.19**		
Mr. Subhrakant Panda	November 30, 2010	6,500	10	39.20	Negligible	Negligible	Cash	Transfer from Mr. Mihir Kanta Samal
	November 30, 2010	5,500	10	39.20	Negligible	Negligible	Cash	Transfer from Mr. Bublu Mohanty
	November 30, 2010	5,500	10	39.20	Negligible	Negligible	Cash	Transfer from Mr. Gati Krushna Acharya
	February 2, 2011	98,375	10	35	0.40	0.32	Cash	Transfer from Esquire Realtors Private Limited
	July 21, 2014	1,000	10	54.74	Negligible	Negligible	Cash	Transfer from Mr. Ashok Kumar Behera
		5,000	10	54.74	Negligible	Negligible	Cash	
Sub-total		**121,875**			**0.50**	**0.40**		
Ms. Nivedita Panda	January 31, 2008	45,460	10	44	0.19	0.15	Cash	Preferential Allotment
	April 30, 2010	98,375	10	35	0.40	0.32	Cash	Transfer from Orissa Stevedores Limited
	November 30, 2010	8,000	10	39.20	Negligible	Negligible	Cash	Transfer from Mr. Ranjan Kumar Swain

Name of the Promoter Group Entity	Date of allotment/ transfer	No. of Equity Shares*	Face value (₹)	Issue/ Acquisition Price per Equity Share (₹)**	% of pre-Issue capital	% of post-Issue Capital***	Consideration	Nature of Transaction
		5,000	10	39.20	Negligible	Negligible	Cash	Transfer from Mr. Chandra Sekhar Pattnaik
		4,500	10	39.20	Negligible	Negligible	Cash	Transfer from Mr. Chitta Ranjan Nayak
	July 21, 2014	2,500	10	54.74	Negligible	Negligible	Cash	Transfer from Mr. Ashok Kumar Behera
		1,100	10	54.74	Negligible	Negligible	Cash	
Sub-total		**164,935**			**0.68**	**0.54**		
Ms. Paramita Mahapatra	January 31, 2008	22,730	10	44	0.09	0.07	Cash	Preferential Allotment
	November 30, 2010	10,500	10	39.20	0.04	0.03	Cash	Transfer from Mr. Nihar Ranjan Bhuvan
		7,000	10	39.20	Negligible	Negligible	Cash	Transfer from Mr. Chitta Ranjan Nayak
Sub-total		**40,230**			**0.17**	**0.13**		
Paramita Mahapatra (as trustee of Reva Foundation)	January 31, 2008	22,730	10	44	0.09	0.07	Cash	Preferential Allotment
	July 21, 2014	1,800	10	54.74	Negligible	Negligible	Cash	Transfer from Mr. Ashok Kumar Behera
Paramita Mahapatra (as trustee of Roumayne Foundation)	January 31, 2008	22,730	10	44	0.09	0.07	Cash	Preferential Allotment
	July 21, 2014	1,800	10	54.74	Negligible	Negligible	Cash	Transfer from Mr. Ashok Kumar Behera
Sub-total		**49,060**			**0.20**	**0.16**		
Barabati Investment and Trading Company Private Limited	March 31, 1997	115,000	10	10	0.42	0.38	Cash	Preferential allotment
	March 30, 1998	340,000	10	10	1.40	1.12	Cash	Preferential allotment
	September 21, 1999	(455,000)	10	2.15	(1.87)	(1.50)	Cash	Transfer to Panda Investments Private Limited
	July 21, 2014	71,428	10	140	0.29	0.24	Cash	Preferential allotment
Sub-total		**71,428**			**0.29**	**0.24**		
B. Panda and Company Private Limited	March 31, 1997	35,000	10	10	0.14	0.12	Cash	Preferential allotment
	September 16, 1998	3,000	10	10	Negligible	Negligible	Cash	Preferential allotment
	March 20, 1999	5,300	10	10	Negligible	Negligible	Cash	Preferential allotment
	September 21, 1999	(43,300)	10	2.15	0.18	0.14	Cash	Transfer to Panda Investments Private Limited
	July 21, 2014	107,142	10	140	0.44	0.35	Cash	Preferential allotment
Sub-total		**107,142**			**0.44**	**0.35**		
Total		**7,576,668**			**31.09**	**24.95**		

* *The Equity Shares were fully paid on the date of their allotment.*
** *The cost of acquisition excludes the stamp duty paid.*
****Assuming full subscription of the Fresh Issue.*

Except as otherwise stated hereinabove, none of the members of our Promoter Group or directors of our Promoters hold any Equity Shares.

4. Other than as set forth below, none of our Directors, Key Managerial Personnel or Senior Management Personnel hold Equity Shares as on the date of filing this Draft Red Herring Prospectus.

S. No.	Name of Director/ Key Managerial Personnel	No. of Equity Shares	Percentage of shareholding (%)
Directors			
1.	Mr. Baijayant Panda	537,282	2.21
2.	Ms. Jagi Mangat Panda	270,448	1.11
3.	Mr. Subhrakant Panda	121,875	0.50
4.	Dr. Gautam Sehgal	52,750	0.22
5.	Mr. Jyoti Bhusan Pany	15,000	0.06
Key Management Personnel			
6.	Mr. Bibhu Prasad Rath	64,850	0.27
7.	Mr. Manoj Kumar Patra	2,000	0.01
8.	Mr. Lalit Kumar Mohanty	500	Negligible
Senior Management Personnel			
9.	Col. Man Mohan Pattnaik	40,000	0.16
10.	Mr. C.R. Nayak	12,000	0.05
11.	Mr. Himanshu Sekhar Mohapatra	6,750	0.03
12.	Mr. Kapilendra Swain	2,250	0.01
13.	Mr. Bibhu Prasad Mohaptra	5,000	0.02

5. The directors of our corporate Promoters who hold Equity Shares are as follows:

S. No.	Name	No. of Equity Shares	Percentage of shareholding (%)
1.	Mr. Baijayant Panda	537,282	2.21
2.	Ms. Jagi Mangat Panda	270448	1.11
3.	Ms. Paramita Mahapatra	40,230	0.17
4.	Mr. C. R.Ray	2,000	0.01
5.	Mr. Prem Khandelwal	5,000	0.02

6. **Public shareholders holding more than 1% of the pre-Issue paid-up capital of our Company**

Details of the public shareholders holding more than 1% of the pre-Issue paid-up capital of our Company and their pre-Issue and post-Issue shareholding are as follows:

S. No.	Name	Pre-Issue		Post-Issue	
		No. of Equity Shares	Percentage of shareholding (%)	No. of Equity Shares	Percentage of shareholding (%)
1.	NSR-PE Mauritius LLC	8,182,598	33.58	[●]	[●]
2.	Hermanus FZE	275,067	1.13	[●]	[●]

7. **Employee stock option schemes**

Currently, our Company has the following employee stock option schemes in force.

ESOS scheme	Outstanding Options (as at June 30, 2014)	Remarks
ESOS 2010	160,100	Our Board vide its resolution dated December 19, 2010 approved ESOS 2010 in compliance with the SEBI (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and amendments thereof, for granting options to selected employees against which Equity Shares to be allotted to those optionees at a pre-determined price after a minimum period of continued employment.

The details of ESOS 2010 are as follows:

Particulars	Details			
	Fiscal 2012	**Fiscal 2013**	**Fiscal 2014**	**Period between April 1, 2014 to June 30, 2014**
No. of Options as at beginning of Fiscal	100,000	84,000	78,000	163,100
Options granted	0	0	179,600	0
Pricing Formula	**Fair Value under Profit Earning Capacity value (PECV) Method**			
Exercise price of options (in ₹)	51.5	51.5	70	70
Total options vested (includes options exercised)	0	0	0	0
Options exercised	0	0	35,500	0
Total number of Equity Shares arising as a result of full exercise of options already granted	0	0	0	0
Options forfeited/ lapsed/ cancelled**	16,000	6,000	59,000	3,000
Variations in terms of options	0	0	0	0
Money realised by exercise of options (in ₹)	0	0	0	0
Options outstanding (in force)	84,000	78,000	163,100	160,100
Person wise details of options granted to				

i) Directors and key managerial employees*

Name of Employee	No. of options		
	Granted	**Exercised**	**Outstanding**
Mr. B. P. Rath	47,000	20,000	27,000
Mr. C.R. Nayak	38,000	0	18,000
Mr. Himanshu Sekhar Mohapatra	12,250	4,000	8,250
Mr. Bibhu Prasad Mohapatra	15,000	0	10,000
Mr. Lalit Kumar Mohanty	4,000	500	2,000
Mr. Manoj Kumar Patra	15,000	0	10,000
Mr. Kapilendra Swain	12,750	0	12750

ii) Any other employee* who received a grant in any one year of options amounting to 5% or more of the options granted during the year

Name of Employee	No. of options		
	Granted	**Exercised**	**Outstanding**
NIL			

iii) Identified employees* who are granted options, during any one year equal to exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant: **NIL**

Particulars	Details			
	Fiscal 2012	Fiscal 2013	Fiscal 2014	Period between April 1, 2014 to June 30, 2014
Fully diluted EPS[#] pursuant to issue of shares on exercise of options in accordance with the relevant accounting standard	(8.03)	N.A.	(11.5)	N.A.
Vesting schedule	**Vesting Date**	**No of ESOP**		
	February 2, 2014	100,000		
	September 23, 2016	179,600		
Difference, if any, between employee compensation cost calculated using the intrinsic value of stock options and employee compensation cost calculated on the basis of fair value of stock options	**NIL**			
Impact on the profits of our Company and on the EPS[#] arising due to difference in the accounting treatment and for calculation of the employee compensation cost (i.e. difference of the fair value of stock options over the intrinsic value of the stock options)	**NIL**			
Weighted average exercise price and weighted average fair value of options whose exercise price either equals or exceeds or is less than market price of the stock	Not Applicable since Market Price is not available being an unlisted company.			
Method and significant assumptions used to estimate the fair value of options granted during the year:				
Method used	**Fair Value under Profit Earning Capacity value (PECV) Method**			
Risk free interest rate	8.25% to 8.52%			
Expected Life	3.25 years			
Expected Volatility	61%			
Expected Dividends	0			

Particulars	Details			
	Fiscal 2012	Fiscal 2013	Fiscal 2014	Period between April 1, 2014 to June 30, 2014
Price of underlying shares in market at the time of Option grant	NA			

* *Employees represent our permanent employees as on date of this Draft Red Herring Prospectus*

** *Cancelled on account of disassociation of employees.*

\# *Our Company has followed the intrinsic value method for calculating employee compensation as per the ESOS Guidelines. The intrinsic value per Equity Share was ₹ 140 (on various dates of grant of options) whereas the exercise price was ₹ 70 per Equity Share, granted at a 50% discount to ₹ 140.*

The holders of Equity Shares allotted upon exercise of options of ESOS 2010 do not intend to sell such Equity Shares within three months after the listing of the Equity Shares pursuant to the Issue. Further, none of our Directors, Key Managerial Personnel, Senior Management Personnel or employees hold options under ESOS 2010 which, upon exercise, will result in allotment of Equity Shares amounting to more than 1% of the issued Equity Share capital of our Company.

8. **Top 10 shareholders**

As on the date of this Draft Red Herring Prospectus, our Company has 77 shareholders (which includes Mr. Shubhrakant Panda in his personal capacity and as trustee to Shaisah Foundation and Ms. Paramita Mahapatra in her personal capacity and as a trustee to Reva Foundation and Roumayne Foundation). The list of the principal shareholders of our Company and the number of Equity Shares held by them is provided below:

(a) Our top 10 shareholders and the number of Equity Shares held by them, as on the date of this Draft Red Herring Prospectus, are as follows:

S. No.	Shareholder	No. of Equity Shares	Pre Issue %
1.	NSR – PE Mauritius LLC	8,182,598	33.58
2.	Metro Skynet Limited	4,859,512	19.94
3.	Panda Investments Private Limited	4,636,510	19.03
4.	UMSL Limited	2,580,441	10.59
5.	Odisha Television Limited	2,007,293	8.24
6.	Mr. Baijayant Panda	537,282	2.21
7.	Hermanus FZE	275,067	1.13
8.	Ms. Jagi Mangat Panda	270,448	1.11
9.	Ms. Nivedita Panda	164,935	0.68
10.	Mr. Subhrakant Panda	121,875	0.50
	Total	**23,635,961**	**97.01**

(b) Our top 10 shareholders and the number of Equity Shares held by them 10 days prior to filing of this Draft Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares	Pre Issue %
1.	NSR – PE Mauritius LLC	8,182,598	33.58
2.	Metro Skynet Limited	4,859,512	19.94
3	Panda Investments Private Limited	4,636,510	19.03
4.	UMSL Limited	2,580,441	10.59
5.	Odisha Television Limited	2,007,293	8.24
6.	Mr. Baijayant Panda	537,282	2.21
7.	Hermanus FZE	275,067	1.13
8.	Ms. Jagi Mangat Panda	270,448	1.11
9.	Ms. Nivedita Panda	164,935	0.68
10.	Mr. Subhrakant Panda	121,875	0.50
	Total	**23,635,961**	**97.01**

(c) Our top ten shareholders and the number of Equity Shares held by them two years prior to filing of this Draft Red Herring Prospectus were as follows:

S. No.	Shareholder	No. of Equity Shares	Pre Issue %
1.	NSR – PE Mauritius LLC	8,182,598	35.15
2.	Metro Skynet Limited	4,859,512	20.87
3	Panda Investment Limited	4,636,510	19.92
4.	UMSL Limited	2,580,441	11.08
5.	Orissa Television Limited	1,605,730	6.90
6.	Mr. Baijayant Panda	337,005	1.45
7.	Ms. Jagi Mangat Panda	239,520	1.03
8.	Ms. Nivedita Panda	161,335	0.69
9.	Ms. Subhrakant Panda	115,875	0.50
10.	Paramita Realtors Private Limited	98,375	0.42
	Total	**22,816,901**	**98.00**

9. **Sale, purchase or subscription of our Company's securities by our Promoter, Promoter Group and our Directors within three years immediately preceding the date of this Draft Red Herring Prospectus, which in aggregate is equal to or greater than 1% of the pre-Issue capital of our Company.**

   Provided below are details of sale, purchase or subscription of our Company's securities by our Promoter, Promoter Group and our Directors within three years immediately preceding the date of this Draft Red Herring Prospectus, which in aggregate is equal to or greater than 1% of the pre-Issue capital of our Company.

Name of shareholder	Date of allotment/ transfer	Number of Equity Shares	Pre-Issue %	Promoter/Promoter Group /Director	Face value (₹)	Issue Price (₹)	Nature of transaction
Odisha Television Limited	July 21, 2014	365,849	1.50	Promoter Group	10	140	Preferential allotment
Total		**365,849**	**1.50**				

10. Our Company, our Directors and the Book Running Lead Manager have not entered into any buy-back and/or standby and/or any other similar arrangements for the purchase of Equity Shares being offered through this Issue.

11. The Book Running Lead Manager and its associates do not hold any Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

12. Other than allotment pursuant to ESOS 2010 and the Pre-IPO Placement, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from submission of this Draft Red Herring Prospectus with SEBI until the Equity Shares offered through the Red Herring Prospectus have been listed on the Stock Exchanges or until the application moneys are refunded on account of non-listing, under subscription etc.

13. Our Company has not issued Equity Shares out of its revaluation reserves.

14. Other than the options granted under the ESOS 2010, described above, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments into the Equity Shares as on the date of this Draft Red Herring Prospectus.

15. As on the date of this Draft Red Herring Prospectus, our Company has not allotted any Equity Shares pursuant to any scheme approved under sections 391 to 394 of the Companies Act, 1956.

16. The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing of this Draft Red Herring Prospectus.

17. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

18. Our Company does not have any intention, proposal, negotiations or consideration to alter its capital structure by way of split /consolidation of the denomination of the Equity Shares, or issue of Equity

Shares on a preferential basis or issue of bonus or rights or further public issue of shares or any other securities, within a period of six months from the Bid Opening Date, except allotment of Equity Shares under ESOP 2010 that may vest and be exercised in the next six months or if our Company enters into acquisitions or joint ventures or, if the business needs otherwise arise, subject to necessary approvals, consider raising additional capital to fund such activity or use the Equity Shares as currency for acquisition or participation in such joint ventures.

19. Except as stated in "*Capital Structure – Notes to Capital Structure – Share Capital History - History of equity share capital of our Company*" on page 69, respectively, none of our Directors, their immediate relatives, Promoters, the respective directors of our Promoters and/or the members of our Promoter Group have purchased or sold any securities of our Company, during a period of six months preceding the date of filing this Draft Red Herring Prospectus with SEBI.

20. During the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus, no financing arrangements existed whereby our Promoters, the directors of our Promoter companies, our Promoter Group, our Directors and their relatives may have financed the purchase of Equity Shares by any other person, other than in the normal course of the business of such financing entity.

21. Any oversubscription to the extent of 10% of this Issue can be retained for the purpose of rounding off to the nearest multiple of the minimum Allotment lot.

22. The Equity Shares issued pursuant to this Issue shall be fully paid-up at the time of Allotment, failing which no Allotment shall be made.

23. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.

24. Our Promoters and members of our Promoter Group shall not participate in this Issue.

25. In the event of under-subscription in the Retail Portion or the Non-Institutional Portion in the Issue, the unsubscribed portion would be allowed to be met with spill over from over subscription from any other category or a combination of categories at the sole discretion of the Company, in consultation with the Book Running Lead Manager. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

26. No payment, direct or indirect in the nature of discount, commission, and allowance or otherwise shall be made either by us or our Promoters to the persons who receive Allotments.

27. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

28. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of the Red Herring Prospectus with RoC and the date of closure of the Issue shall be intimated to the Stock Exchanges within 24 hours of such transaction.

OBJECTS OF THE ISSUE

The Issue comprises a Fresh Issue and an Offer for Sale.

The proceeds of the Offer for Sale

The funds from the Offer for Sale (net of Issue related expenses for the Selling Shareholder) shall be received by the Selling Shareholder and our Company shall not receive any proceeds from the Offer for Sale.

Objects of the Fresh Issue

The activities for which funds are being raised by our Company through this Issue, after deducting the proceeds from the Offer for Sale and Issue related expenses for our Company are:

1. Expansion of our network for providing video, data and telephony services;
2. Capital expenditure on development of our digital cable services;
3. Capital expenditure on development of our broadband services; and
4. General corporate purposes.

(Collectively referred to herein as the "**Objects**").

In addition, our Company expects to receive the benefits of listing the Equity Shares on the Stock Exchanges.

The main objects as set out in our Memorandum of Association enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue. The activities which have been carried out until now by our Company are valid in terms of the objects clause of our Memorandum of Association.

Utilisation of the proceeds of the Fresh Issue

The details of the proceeds of the Fresh Issue are summarized below:

Particular	Estimated Amount (₹ *million*)
Gross proceeds from the Fresh Issue	[●]
Less Issue related expenses of our Company*	[●]
Net proceeds of the Fresh Issue after deducting the Issue related expenses of our Company ("**Net Proceeds**")*	[●]

* *Will be incorporated after finalization of the Issue Price. Upon the listing and trading of the Equity Shares in the Issue on the Stock Exchanges, all Issue related expenses shall be shared by the Company and the Selling Shareholder in proportion to the number of Equity Shares sold to the public in the Fresh Issue and the Offer for Sale, respectively.*

Requirement of funds

The total fund requirement, the utilization of Net Proceeds and the proposed schedule of deployment of the Net Proceeds will be as per the table set forth below:

(In ₹ million)

Sr. No	Particulars	Total Estimated Cost	Amount to be deployed from the Net Proceeds	Proposed schedule of Deployment	
				Fiscal 2016	Fiscal 2017
1.	Expansion of our network for providing video, data and telephony services	736.74	736.74	331.53	405.21
2.	Capital expenditure on development of our digital cable services	199.51	199.51	89.78	109.73
3.	Capital expenditure on development of our broadband services	103.56	103.56	46.60	56.96
4.	General corporate purposes	[●]*	[●]	[●]	[●]
	Total	**[●]**	**[●]**	**[●]**	**[●]**

[*]To be finalized upon determination of Issue Price
Note: Based on certificate dated September 10, 2014 from A.K. Sabat & Co., Chartered Accountants. We have not accounted for contingencies and price escalations while calculating the fund requirements.

No amounts have been deployed on the Objects as on the date of this Draft Red Herring Prospectus.

We operate in a competitive and dynamic sector. We may have to revise our estimates and business plans from time to time on account of modifications in plans for existing projects, future projects and the initiatives which we may pursue.

Our funding requirements for the Objects and the deployment schedule of the Net Proceeds are based on internal management estimates, current conditions and are subject to change in light of external circumstances or changes in our financial condition, business or strategy such as geographical assessments, changes in import duties on the equipments proposed to be purchased with the Net Proceeds, exchange or interest rate fluctuations, changes in cost of the equipments proposed to be purchased with the Net Proceeds and the suppliers thereof, and other external factors which may not be in our control. This may also include rescheduling or revising the proposed utilization of Net Proceeds at the discretion of the management of our Company. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of other purposes for which funds are being raised in this Issue.

In accordance with Section 27 of the Companies Act, 2013, our Company shall not vary the Objects without authorisation by our shareholders by way of a special resolution. In addition, the notice issued to the shareholders in relation to the passing of such special resolution shall specify the prescribed details as required under the Companies Act, 2013 and shall be published in accordance with the Companies Act, 2013 and the rules thereunder. The Promoters, as the promoters and controlling shareholders of the Company, shall be solely liable under Section 27 of the Companies Act, 2013 or any other applicable law or regulation (including any directions or order of any regulatory authority, court or tribunal) to provide an exit opportunity to dissenting shareholders.

Working capital requirements

The Net Proceeds will not be used to meet our working capital requirements. We expect to meet our working capital requirements in the future through internal accruals, draw downs from our existing debt facilities or availing new lines of credit.

Details of the activities to be financed from the Net Proceeds

1. Expansion of our network for providing video, data and telephony services

In order to increase our market presence, we intend to expand our network in new locations in the states of Odisha, Andhra Pradesh, Chhattisgarh and West Bengal. For further details, see the section titled "*Our Business – Strategies*" on page 134. For this purpose, we lay cables and install other equipments whereby the nearby homes (generally referred to as "**Homes Passed**") can be connected to our network at a later date with marginal subsequent investment. Such network is generally capable of providing multiple services such as video, data and telephony. We intend to use ₹ 736.74 million from the Net Proceeds to buy capital equipment to meet the requirements of our various expansion plans as estimated by the management.

The following table sets out the equipments required by us and for which we have received quotations:

S. No	Description	Purchase quantity (in no. of units, unless otherwise specified)	Cost per unit/ meter/ kilogram/ bags (in ₹)	Total amount (In ₹ million)	Name of the supplier	Date of quotation
1.	Tapoff all type	257,352	360	92.65	Sancheti Electronics Limited	August 22, 2014
2.	RG-11 cable	4,308,150 (meters)	20	86.16	Channel Master Private Limited	September 3, 2014
3.	F7 Crimping	627,072	130	81.52	Channel Master Private Limited	September 3, 2014

S. No	Description	Purchase quantity (in no. of units, unless otherwise specified)	Cost per unit/ meter/ kilogram/ bags (in ₹)	Total amount (In ₹ million)	Name of the supplier	Date of quotation
4.	Amplifier reverse with housing	19,253	3,740	72.01	Channel Master Private Limited	September 3, 2014
5.	Spliter o/d	77,011	600	46.21	Sancheti Electronics Limited	August 22, 2014
6.	4F Fiber	2,762,226 (meters)	14.60	40.33	Himachal Futuristic Communications Limited	August 22, 2014
7.	24F Fiber	487,409 (meters)	58.35	28.44	Himachal Futuristic Communications Limited	August 22, 2014
8.	RG-11 pin connector	455,160	60	27.31	Channel Master Private Limited	September 3, 2014
9.	Edge QAM (IP QAM)	50	459,000	22.95	Sancheti Electronics Limited	August 22, 2014
10.	Node reverse with housing	732	28,039	20.52	Sancheti Electronics Limited	August 22, 2014
11.	Transmitter with chasis	244	78,000	19.03	Sancheti Electronics Limited	August 22, 2014
12.	Amplifier with housing	9,334	2,840	26.51	Channel Master Private Limited	September 3, 2014
13.	CVT 90-230 Volt/60V	1,932	6,458	12.48	Vikrant Electronics Private Limited	August 19, 2014
14.	62.5 KVA, 415 (3-Phase) volts DG Set	20	569,330	11.39	Jackson Enterprises	August 27, 2014
15.	20KVA Emerson make true online UPS with 12 volt 65 AH 26 SMF. Battery	20	496,000	9.92	Konark Enterprises	August 26, 2014
16.	Optical chasis	122	70,000	8.54	Optilink Networks Private Limited	August 26, 2014
17.	9" x 2.5" Clamps M.S. Channel	127,524	66	8.42	GGS Syndicate	August 21, 2014
18.	Earthing pipe	30,232	275	8.31	PP Enterprises	August 22, 2014
19.	1400 VA inverter module with 2 150AH battery	350	22,550	7.89	Konark Enterprises	August 26, 2014
20.	Charcoal	16,692 (bags)	450	7.51	Krishna Agency	August 21, 2014
21.	3 ton air conditioner (Make: LG)	120	62,000	7.44	Raj Electronics	August 21, 2014
22.	Reverse receiver 4 port port	183	38,990	7.14	Sancheti Electronics Limited	August 22, 2014
23.	Indoor passives	149,334	66	9.86	MG Electronics	August 25, 2014
24.	12F Fiber	250,000 (meters)	19.60	4.90	Himachal Futuristic Communications Limited	August 22, 2014
25.	Inverter housing	350	13,554	4.74	PP Enterprises	August 22, 2014
26.	Transmitter 19 inch	134	30,600	4.10	Sancheti Electronics Limited	August 22, 2014
27.	8 Port Websmart	2,917	1,422	4.15	Susri Computer & Solutions Private Limited	August 25, 2014
28.	Node with housing	734	6,623	4.86	Sancheti Electronics Limited	August 22, 2014
29.	Termination box	8,896	450	4.00	MG Electronics	August 25, 2014
30.	7 meter galvanized steel octagonal pole with foundation accessories	511	7,100	3.63	Elemech Engineering	August 23, 2014
31.	Shackle	184,388	15.50	2.86	PP Enterprises	August 22, 2014

S. No	Description	Purchase quantity (in no. of units, unless otherwise specified)	Cost per unit/ meter/ kilogram/ bags (in ₹)	Total amount (In ₹ million)	Name of the supplier	Date of quotation
32.	Main panel board, 250 AMP electrical panel board	20	135,000	2.70	Optilink Networks Private Limited	August 26, 2014
33.	24 Giga port switch	100	26,270	2.63	Susri Computer & Solutions Private Limited	August 25, 2014
34.	½" *4" nuts and bolts	255,047	10	2.55	PP Enterprises	August 22, 2014
35.	FOS-3126-24	34	58,070	1.97	Optilink Networks Private Limited	August 26, 2014
36.	19 inch 1000 X 800 rack	50	45,000	2.25	Susri Computer & Solutions Private Limited	August 25, 2014
37.	CAT 5 cable	250,000 (meters)	8	2.00	Susri Computer & Solutions Private Limited	August 25, 2014
38.	6F Fiber	121,734 (meters)	15.81	1.92	Himachal Futuristic Communications Limited	August 22, 2014
39.	Hub rack, etc.	122	14,600	1.78	Susri Computer & Solutions Private Limited	August 25, 2014
40.	OFC patch cord	13,161	126	1.66	MG Electronics	August 25, 2014
41.	6 meter galvanized steel octagonal pole with foundation accessories	244	6,300	1.54	Elemech Engineering	August 23, 2014
42.	Diplex filter	5,880	255	1.50	Spectra Innovations India Private Limited	August 20, 2014
43.	Salt	295,316 (kilograms)	4.50	1.33	Krishna Agency	August 21, 2014
44.	4 mm cable 3 core (copper cable)	8,000 (meters)	150	1.20	PP Enterprises	August 22, 2014
45.	CAT-6 cable	67,179 (meters)	17.34	1.16	Susri Computer & Solutions Private Limited	August 25, 2014
46.	Power inserter	1,706	670	1.14	Sancheti Electronics Limited	August 22, 2014
47.	10 Port PSH	134	8,100	1.09	Susri Computer & Solutions Private Limited	August 25, 2014
48.	9 Port PSH	200	5,255	1.05	Susri Computer & Solutions Private Limited	August 25, 2014
49.	Power supply units	334	2,781	0.93	Vikrant Electronics Private Limited	August 19, 2014
50.	50 mm cable 4 core	3,000 (meters)	285	0.86	PP Enterprises	August 22, 2014
51.	6 meter PSC pole	401	2,100	0.84	Elemech Engineering	August 23, 2014
52.	Power inserter O/D	1,200	670	0.80	Sancheti Electronics Limited	August 22, 2014
53.	Optical splitter	2,263	349	0.79	MG Electronics	August 25, 2014
54.	EoC master	128	5,670	0.73	Spectra Innovations India Private Limited	August 20, 2014
55.	SFP FA	534	1,500	0.80	Anda Telecom Private Limited	August 21, 2014
56.	Single mode single fiber – 40 KM	128	4,500	0.58	Anda Telecom Private Limited	August 21, 2014
57.	Panel board, 80 AMP with busbar	20	27,000	0.54	PP Enterprises	August 22, 2014
58.	600 VA interactive UPS with 10-15 minutes internal backup	367	1,450	0.53	Konark Enterprises	August 26, 2014
59.	Copper earthing flat	1,400 (kilograms)	350	0.49	PP Enterprises	August 22, 2014

S. No	Description	Purchase quantity (in no. of units, unless otherwise specified)	Cost per unit/ meter/ kilogram/ bags (in ₹)	Total amount (In ₹ million)	Name of the supplier	Date of quotation
60.	Electrical board	400	1,050	0.42	PP Enterprises	August 22, 2014
61.	Patch cord	3,195	126	0.40	MG Electronics	August 25, 2014
62.	10 mm2 cu finolex flexible	4,000 (meters)	85	0.34	PP Enterprises	August 22, 2014
63.	10 mm copper wire	3,500 (meters)	95	0.33	PP Enterprises	August 22, 2014
64.	Earthing nuts and bolts and washer pair	58,364	5.50	0.32	PP Enterprises	August 22, 2014
65.	RG-6 cables	31,080 (meters)	10	0.31	Channel Master Private Limited	September 3, 2014
66.	2.5 mm2 cable, 3 core (copper cable)	4,000 (meters)	76	0.30	PP Enterprises	August 22, 2014
67.	Joint box	4,192	65	0.27	MG Electronics	August 25, 2014
68.	Box for Websmart	1,334	180	0.24	PP Enterprises	August 22, 2014
69.	F5 Crimping	23,520	10	0.24	MG Electronics	August 25, 2014
70.	2.5 mm copper wire single core	12,600 (meters)	18	0.23	PP Enterprises	August 22, 2014
71.	Earthing pipe 10 feet	200	1,050	0.21	PP Enterprises	August 22, 2014
Total				**736.74**		

2. Capital expenditure on development of our digital cable services

We need to deploy back end equipments and software for providing digital video services on the network. We are also required to invest in cable and related equipment to connect subscribers' televisions to our network. Further, in the event the subscriber opts for digital services, a set top box along with a smart card is required to be installed.

This investment in hardware and software enables us to further integrate our business and enable us to broaden the scope and quality of our services and increase our market presence. We intend to use ₹ 199.51 million from the Net Proceeds for the purchase and installation of capital equipment for providing digital video services as estimated by the management.

The following table sets out the equipments for which we have received quotations and are currently under consideration for placement of order:

S. No	Description	Purchase quantity (in no. of units, unless otherwise specified)	Cost per unit/ meter (in ₹)	Total amount (In ₹ million)	Name of the supplier	Date of quotation
1.	Digital STBs	82,320	1,444	118.87	Teletronics India	September 2, 2014
2.	EMR 10 Ch. encoder	60	460,800	27.65	Sancheti Electronics Limited	August 22, 2014
3.	RG-6 cables	2,060,400 (meters)	10	20.60	Teletronics India	September 3, 2014
4.	Smart cards (Sumavision)	82,320	155	12.76	Teletronics India	September 2, 2014
5.	SMR mux cum scrambler	4	1,435,500	5.74	Optilink Networks Private Limited	August 26, 2014
6.	RG6 Cablecon Self	164,640	12.25	2.02	Mehta Infocomm	August 20,

S. No	Description	Purchase quantity (in no. of units, unless otherwise specified)	Cost per unit/ meter (in ₹)	Total amount (In ₹ million)	Name of the supplier	Date of quotation
	Compression Connector					2014
7.	EPG system cas encryptor	2	1,000,000	2.00	Optilink Networks Private Limited	August 26, 2014
8.	RCA TO RCA patch panel	126	9,800	1.23	MG Electronics	August 25, 2014
9.	62.5 KVA, 415 (3-Phase) volts DG Set	2	569,330	1.14	Jackson Enterprises	August 27, 2014
10.	20KVA Emerson make true online UPS with 12 volt 65 AH 26 SMF. Battery	2	496,000	0.92	Konark Enterprises	August 26, 2014
11.	IP QAM 6 card (8 QAM/ card)	2	459,000	0.92	Optilink Networks Private Limited	August 26, 2014
12.	Server	6	138,800	0.83	Susri Computer & Solutions Private Limited	August 25, 2014
13.	Six core cable video cable	1,500 (meters)	490	0.74	Optilink Networks Private Limited	August 26, 2014
14.	FTA receiver	200	3,264	0.65	Sancheti Electronics Limited	August 22, 2014
15.	3 ton air conditioner (Make: LG)	10	62,000	0.62	Raj Electronics	August 21, 2014
16.	BNC to BNC patch panel	50	11,250	0.56	MG Electronics	August 25, 2014
17.	19 inch rack	30	14,600	0.44	Susri Computer & Solutions Private Limited	August 25, 2014
18.	24 port switch digi china	14	28,700	0.40	Susri Computer & Solutions Private Limited	August 25, 2014
19.	Audio video cable 16 core	1,000 (meters)	310	0.31	Optilink Networks Private Limited	August 26, 2014
20.	Aluminum rack (server)	8	38,650	0.31	Susri Computer & Solutions Private Limited	August 25, 2014
21.	Main panel board, 250 AMP electrical panel board	2	135,000	0.27	PP Enterprises	August 22, 2014
22.	Cantilever tray	600	400	0.24	Susri Computer & Solutions Private Limited	August 25, 2014
23.	Operational software	6	36,250	0.22	Optilink Networks Private Limited	August 26, 2014
Total				**199.51**		

3. Capital expenditure on development of our broadband services

We intend to use ₹ 103.56 million from the Net Proceeds for the purchase of capital equipments to install cable networks and modems at the customer's premises for providing data services, for providing broadband services and future requirements as estimated by the management.

The following table sets out the equipments for which we have received quotations and are currently under consideration for placement of order:

S. No	Description	Purchase quantity (in no. of units, unless otherwise specified)	Cost per unit/ meter (in ₹)	Total amount (In ₹ million)	Name of the supplier	Date of quotation
1.	CMTS	17	1,092,000	18.56	Telectronics India	September 2, 2014
2.	RG-06 cable	1,500,000 (meters)	10	15	Channel Master Private Limited	September 3, 2014

S. No	Description	Purchase quantity (in no. of units, unless otherwise specified)	Cost per unit/ meter (in ₹)	Total amount (In ₹ million)	Name of the supplier	Date of quotation
3.	MAIPUE router MP 7500E-03-MF	23	907,332	20.87	Balaji Solutions Private Limited	August 20, 2014
4.	EoC CPE-Slave	5,000	2,448	12.24	Spectra Innovations India Private Limited	August 20, 2014
5.	Firewall	23	485,000	11.16	Balaji Solutions Private Limited	August 20, 2014
6.	Servers IBM 3650 M3	69	120,000	8.28	Susri Computer & Solutions Private Limited	August 25, 2014
7.	High pass filter	60,000	65	3.90	Telectronics India	September 2, 2014
8.	Server IBM 3650 M4	23	200,000	4.60	Susri Computer & Solutions Private Limited	August 25, 2014
9.	Inventum for EOC -MEN	6	360,000	2.16	Balaji Solutions Private Limited	August 20, 2014
10.	RG6 Cablecon Self Compression Connector	120,000	12.25	1.47	Mehta Infocomm	August 20, 2014
11.	Server HP PROLIANT ML110 G7	23	45,000	1.04	Susri Computer & Solutions Private Limited	August 25, 2014
12.	Laptop	46	25,000	1.15	Susri Computer & Solutions Private Limited	August 25, 2014
13.	Small router	23	40,000	0.92	Susri Computer & Solutions Private Limited	August 25, 2014
14.	L2 MGMT Switch 24 Port	23	29,000	0.67	Susri Computer & Solutions Private Limited	August 25, 2014
15.	PC with 1 GB memory	23	26,000	0.60	Susri Computer & Solutions Private Limited	August 25, 2014
16.	Standard 19" rack	23	22,000	0.51	Susri Computer & Solutions Private Limited	August 25, 2014
17.	Giga switch 24 port	23	8,000	0.18	Susri Computer & Solutions Private Limited	August 25, 2014
18.	Keyboard Mux	23	7,000	0.16	Susri Computer & Solutions Private Limited	August 25, 2014
19.	Patch panel CAT-5 24 Port	23	4,550	0.10	Susri Computer & Solutions Private Limited	August 25, 2014
Total				**103.56**		

4. General Corporate Purposes

The balance Net Proceeds, aggregating to ₹ [●] will be utilized towards investment in capital equipment, strategic initiatives, brand building exercises and strengthening of our marketing capabilities partnerships, joint ventures, meeting exigencies, which our Company in the ordinary course of business may face, acquiring equipment, infrastructure and subscribers from LCOs/MSOs, or any other purposes as approved by our Board.

Issue related expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of this Issue include, among others, underwriting and management fees, selling commissions, SCSBs' commissions/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. Upon the listing and trading of the Equity Shares in the Issue on the Stock Exchanges, all Issue related expenses (as detailed below) shall be shared by the Company and the Selling Shareholder in proportion to the number of Equity Shares sold to the public in the Fresh Issue and the Offer for Sale, respectively.

The estimated Issue expenses are as under:

Activity	Amount (₹ million)	% of the Issue Expenses	% of total Issue Size
Lead management fees*	[●]	[●]	[●]

Activity	Amount (₹ million)	% of the Issue Expenses	% of total Issue Size
Underwriting commission, brokerage and selling commission*	[●]	[●]	[●]
Commission payable to SCSBs and Non Registered Syndicate Brokers*	[●]	[●]	[●]
Registrar's fees*	[●]	[●]	[●]
Advertisement and marketing expenses*	[●]	[●]	[●]
Printing and distribution expenses*	[●]	[●]	[●]
Advisors*	[●]	[●]	[●]
Bankers to the Issue*	[●]	[●]	[●]
Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, SCSB's processing fees, etc.)*	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

* *Will be incorporated at the time of filing of the Prospectus.*

Appraisal and Bridge Loans

The Objects have not been appraised by any banks, financial institutions or agency and we have not raised any bridge loans against the Net Proceeds.

Means of Finance

All the requirement of funds for investment in capital equipment and general corporate purposes would be funded from the Net Proceeds of the Issue. Accordingly, we confirm that there is no need for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

Interim Use of Net Proceeds

The management of our Company, in accordance with the policies set up by the Board, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we intend to temporarily invest the Net Proceeds in interest-bearing liquid instruments including deposits with banks, mutual funds or temporarily deploy the funds in investment grade interest bearing securities as may be approved by the Board. Such investments would be in accordance with the investment policies approved by the Board from time to time. We confirm that pending utilization of the Net Proceeds, we shall not use the funds for any investments in the equity markets.

Monitoring of Utilization of Funds

There is no requirement for a monitoring agency as the Fresh Issue size is less than ₹ 5,000 million. Our audit committee shall monitor the utilization of the proceeds of the Issue. We will disclose the utilization of the Net Proceeds, including interim use, under a separate head specifying the purpose for which such proceeds have been utilized along with details, if any in relation to all such proceeds of the Issue that have not been utilised thereby also indicating investments, if any, of such unutilized proceeds of the Issue in our balance sheet for the relevant financial years commencing from Fiscal 2016.

Pursuant to Clause 49 of the Equity Listing Agreement, our Company shall on a quarterly basis disclose to the audit committee of the Board of Directors the uses and applications of the Net Proceeds. Additionally, the Audit Committee shall make recommendations to our Board of Directors for further action, if appropriate. On an annual basis, our Company shall prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit Committee. Such disclosure shall be made only until such time that all the Issue Proceeds have been utilised in full. The statement shall be certified by our Auditors.

Further, in terms of Clause 43A of the listing agreement, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Draft Red Herring Prospectus. Further, this information shall be furnished to the Stock Exchanges along with the interim or annual financial results submitted under Clause 41 of the Listing Agreement and be published in the newspapers simultaneously with the interim or annual financial results, after placing it before the audit committee in terms of Clause 49 of the listing agreement.

Other Confirmations

No second-hand equipment is proposed to be purchased out of the Net Proceeds. The prices for the equipments proposed to be purchased as set out above are as per the quotations received from the respective suppliers which are valid until a certain period of time. The prices of equipments from such suppliers may change after the expiry of the validity of such quotations. We will obtain fresh quotations at the time of actual placement of the order for the respective equipment. The actual cost would thus depend on the prices finally settled with the suppliers and to that extent may vary from the above estimate. The cost of acquisition of equipments could also change in the event suppliers of such equipments are changed for any reasons. The Promoters, Directors, Key Managerial Personnel, Senior Management Personnel and the Group Companies do not have any existing or anticipated interest in the proposed acquisition of the equipments and items or in the entity from whom we have obtained quotations for the same.

No part of the Net Proceeds will be paid by our Company as consideration to the Promoters, the Directors, the Key Management Personnel, the Senior Management Personnel, the members of our Promoter Group or Group Companies.

BASIS FOR THE ISSUE PRICE

The Issue Price of ₹ [●] will be determined by our Company and the Selling Shareholder in consultation with the BRLM, on the basis of assessment of market demand for the Equity Shares through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹ 10 each and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band.

Investors should also refer to the sections titled "*Our Business*", "*Risk Factors*" and "*Financial Information*" on pages 132, 16 and 202, respectively, to have an informed view before making an investment decision.

Qualitative Factors

1. Control over the 'last mile' connection.
2. Generation of steady income streams.
3. Maintenance of high quality network infrastructure and legal 'rights of way'.
4. Capability of offering 'Triple Play' services to customers.
5. Ability to provide tailored service offerings.
6. Strong execution skills and experienced management team.

For further details, see "*Our Business – Our Strengths*" on page 134.

Quantitative Factors

The information presented below relating to our Company is based on the restated financial statements as of and for fiscal 2014, 2013, and 2012, prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI Regulations. For details, see the section titled "*Financial Information*" beginning on page 202.

Some of the quantitative factors which may form the basis for computing the Issue Price are as follows:

1. Basic and Diluted Earnings Per Share ("EPS"), as adjusted for change in capital:

As per our restated financial statements:

Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2012	(5.60)	1	(5.60)	1
March 31, 2013	(10.02)	2	(10.02)	2
March 31, 2014	(5.44)	3	(5.44)	3
Weighted Average	**(6.99)**		**(6.99)**	

Notes

1. *The ratios have been computed as below:*

   (a) *Basic earnings per share (₹) = Net profit after tax (as restated) attributable to equity shareholders / Weighted average number of equity shares outstanding during the period / year*

   (b) *Diluted earnings per share (₹) = Net profit after tax (as restated) attributable to equity shareholders / Weighted average number of dilutive equity shares outstanding during the period / year*
2. *Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period/ year adjusted by the number of equity shares issued during year multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the period /year.*
3. *Earnings per share calculations are in accordance with AS 20 - "Earnings per share", notified under the Companies Act, 1956 read with General Circular 15/2013 dated September 13, 2013, issued by the Ministry of Corporate Affairs, in respect of Section 133 of the Companies Act, 2013.*
4. *Considering that the Company has incurred losses during the period / year ended March 31, 2014, March 31, 2013 and March 31, 2012, the conversion of Compulsorily Convertible Preference Shares would decrease the loss per share for the period ended March 31, 2014 and for the years ended March 31, 2013 and March 31, 2012 and hence it has been ignored for the purpose of calculation of diluted EPS.*

2. Price/Earning (P/E) ratio in relation to Issue Price of ₹ [●] per Equity Share of ₹ 10 each:

a. P/E based on basic and diluted EPS at the lower end of the Price Band is [●].

b. P/E based on basic and diluted EPS at the higher end of the Price Band is [●].

c. P/E based on basic and diluted EPS as per our restated financial statements for year ended March 31, [●] is [●].

d. Peer Group P/E: Den Networks Limited is the only listed public industry peer of our Company with a positive P/E ratio, which is 88.24.

Source: Annual filings of peer group companies, BSE

3. Return on Net Worth ("RoNW"):

As per our restated financial statements:

Year ended	RoNW	Weight
March 31, 2012	-62.58%	1
March 31, 2013	-70.40%	2
March 31, 2014	-22.03%	3
Weighted Average	***-44.91%***	

Notes

1. Return on net worth (%): $\frac{\text{Net profit after tax after preference dividend and related tax thereon (as restated)}}{\text{Net worth at the end of the period / year}}$

2. Net worth for ratios represents sum of equity share capital and reserves and surplus

4. Minimum Return on Increased Net Worth after the Issue needed to maintain Pre-Issue EPS for the year ended March 31, [●]:

a. At Issue Price: [●]

5. Net Asset Value ("NAV") per Equity Share of face value ₹ 10 each:

As per our restated financial statements:

Year ended	NAV per Equity Share	Weight
March 31, 2012	8.6	1
March 31, 2013	13.9	2
March 31, 2014	23.6	3
Weighted Average	***17.9***	
After the Issue	[●]	

6. Comparison with Industry Peers:

Name of the company(s)	Revenue from operations (₹ in million)	Face Value per Equity Share (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	Net Asset Value / Share (₹)
Hathway Cable and Datacom Limited	15,833	10.0	-*	(7.50)	-11.6%	63.1
Siti Cable Network Limited	6,972	1.0	-*	(2.07)	-83.0%	2.2
Den Networks Limited	11,167	10.0	88.24	2.38	2.1%	104.2

**P/E ratio for these companies are negative,*

The peer group above has been determined on the basis of listed public companies comparable in size to our Company or whose business portfolio is comparable with that of our business.

Notes

1. All financials are based on consolidated financials for the financial year ending March 31, 2014.
2. Revenue indicates Net Operating Revenue
3. Net Income indicates the reported Net Profit after Minority Interests and Extraordinary Items
4. EPS - basic reported as in Company filings
5. Networth includes Share Capital and Reserves & Surplus but excludes Minority Interests
6. Return on Net Worth (RoNW) is calculated as Net Income (as defined above) / Closing Networth (as defined above)
7. NAV per share is calculated as Networth / Shares Outstanding (both as on March 31, 2014)
*8. P/E is calculated as Current Share Price * Shares Outstanding (as on March 31, 2014) / Net Income (as defined above)*

STATEMENT OF TAX BENEFITS

STATEMENT OF TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

The Board of Directors
Ortel Communications Limited
B7/122A, Safdarjung Enclave,
New Delhi - 110 029

Dear Sirs,

Sub: Certification of statement of Possible Tax Benefits in connection with Initial Public Offer by Ortel Communications Limited ("the Company") under Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations 2009 ("the Regulations")

We, Haribhakti & Co. LLP, Chartered Accountants, the statutory auditors of the Company have been requested by the management of the Company having its registered office at the above mentioned address to certify the statement of tax benefits to the Company and its shareholders under the provisions of the Income-tax Act, 1961 ("the Act") and Wealth-tax Act, 1957, ("WT Act") presently in force in India, subject to the fact that several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperative, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed statement are neither exhaustive nor conclusive. The contents stated in the annexure are based on the information, explanations and representation given by the Company. This statement is only intended to provide general information and to guide investors. It is neither designed nor intended to be a substitute for professional tax advice. A shareholder is advised to consult his/ her/ their own tax consultant with respect to the tax implications of an investment in the equity share particularly in view of the facts that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation on the benefits, which an investor can avail. We do not express any option or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been or would be met with; or
- The revenue authorities / courts will concur with the views expressed herein.

The contents of this Annexure are based on the information, explanations and representations given by the Company and on the basis of our understanding of the business activities and operations of the Company and interpretation of current tax laws. Our views are based on the existing provision of laws and its interpretations, which are subject to change from time to time. We do not assume responsibility to up-date the view of changes.

This report is intended solely for your information and for inclusion in the Offer Documents in connection with the proposed Initial Public Offering of the Company and is not to be used, referred to or distributed for any other purpose without prior written consent.

For Haribhakti & Co. LLP, Chartered Accountants
ICAI Firm Registration No. 103523W
Chartered Accountants

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Anand Kumar Jhunjhunwala
Membership No. 056613

Place: Bhubaneswar
Date: September 10, 2014

ANNEXURE TO THE STATEMENT OF TAX BENEFITS

PART - A

SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY

There are no Special tax benefits available to the Company.

SPECIAL TAX BENEFITS AVAILABLE TO THE SHAREHOLDERS OF THE COMPANY

There are no Special tax benefits available to the shareholders of the Company.

PART- B

GENERAL TAX BENEFITS

UNDER THE INCOME-TAX ACT, 1961

I. GENERAL TAX BENEFITS AVAILABLE TO THE COMPANY:

1. The corporate tax rate shall be 30% plus surcharge (if the Company is having total income exceeds Rs 1 crore but is less than Rs 10 crores the rate of surcharge would be 5% and for income exceeding Rs 10 crores the rate would be 10%) education cess would be 2% and secondary & higher education cess would be 1% of the income tax plus surcharge of. Minimum Alternate Tax ('MAT') rate would be 18.5% plus surcharge (if the Company, having total income of over Rs 1 crore but is less than Rs 10 crores the rate would be 5% and for more than Rs 10 crores the rate would be 10%) education cess would be 2% and secondary & higher education cess would be 1%of the income tax plus surcharge.

2. MAT is the minimum tax which a company is required to pay when income- tax payable on the total income as computed under the normal provisions of the Act is less than 18.5% of its book profit under section 115JB of the Act. Under section 115JAA of the Act, where Tax is paid under MAT in any assessment year, difference between the Tax under MAT and Tax under the normal provisions of the Act, being MAT credit is allowed to be carried forward and set off in subsequent Assessment Year when tax is payable under the normal provisions of the Act. Credit in respect of MAT paid prior to assessment year ("AY") 2006-07 shall be available for set-off up to 5 (five) assessment years succeeding the year in which such MAT credit initially arose. However, MAT credit in respect of MAT paid for AY 2006-07 or thereafter shall be available for set- off upto 7 (seven) assessment years succeeding the year in which such MAT credit initially arose. Further, from AY 2010-11 onwards, credit of tax paid under MAT shall be available for set-off up to 10 (ten) assessment years succeeding the year in which such MAT credit initially arose.

3. Long-Term capital gain on transfer of equity shares or units of an equity oriented mutual fund or a unit of a business trust will be exempt from tax under section 10(38) of the Act provided that the transaction is entered in on or after 1st October 2004 and Securities Transaction Tax ("STT") has been paid on such transfer. However, when the company is liable to tax on book profits under section 115JB of the Act, the said income is required to be included in book profits while computing the book profit under section 115JB of the Act. Further, the provisions of this section shall not apply to the income earned from transfer of units of business trust that were acquired in consideration of a transfer referred to in clause (xvii) of section 47 of the Act.

4
   (i) Under Section 24(a) of the Act, the Company is eligible for deduction of 30% of the annual value of the property which is taxed under the head Income from House Property (i.e. actual rent received or receivable on the property or any part of the property which is let out as reduced by municipal taxes paid).

   (ii) Under Section 24(b) of the Act where the property has been acquired, constructed, repaired, renewed or reconstructed with borrowed capital, the amount of interest payable on such capital shall be allowed as a deduction while computing Income from House Property. In respect of property acquired or constructed with borrowed capital, the amount of interest payable for the period prior to the year in which the property has been acquired or constructed shall be allowed as deduction while computing the Income from House Property in five equal installments beginning with the year of acquisition or construction.

5 (i) Subject to compliance of certain conditions laid down in Section 32 of the Act, the Company would be entitled to a deduction, in respect of assets owned wholly or partly by the company and used for the purposes of the business, of depreciation at rates prescribed under the Income Tax Act:

a). In respect of tangible assets.
b). In respect of intangible assets being in the nature of knowhow, patents, copyrights, trademarks, licenses, franchises or any other business or commercial rights of similar nature acquired on or after 1st day of April, 1998

(ii) Unabsorbed depreciation if any, for an Assessment Year can be carried forward and set off against any sources of income in the same Assessment Year or any subsequent Assessment Years as per section 32(2) of the Act.

6. Under Section 35D of the Act, the Company is eligible for deduction in respect of specified preliminary expenditure incurred by the Company in connection with extension of its undertaking or in connection with setting up a new unit, for an amount equal to 1 /5th of such expenses over 5 successive Assessment Years, subject to the conditions and limits specified in that section.

7. As per Section 35DDA of the Act, if the company incurs any expenditure under voluntary retirement scheme, it would be eligible to claim a deduction equal to $1/5^{th}$ of the expenditure so incurred in the current Assessment Year and balance thereof in equal installments for each of the four immediately succeeding Assessment Year.

8. As per Section 36(1) (xv) of the Act, an amount equal to the securities transaction tax paid by the assessee in respect of securities transactions entered into in the course of business during the previous year shall be allowed as deduction, if the income arising from such securities transactions is included in the income computed under the head ‘Profits and Gains of Business or Profession’.

9. As per Section 50 of the Act, if any asset or assets forming part of a block of assets on which depreciation has been allowed, are transferred during the year, and the full consideration received is more than the total Written Down Value (“WDV”) of the block to which such assets belongs, than such additional amount shall be treated as short term capital gain

If the block of assets cease to exist as a whole in the current year, the full consideration as deducted by aggregate of the WDV of the block as on the beginning of the previous year and the actual cost of assets acquired during that year falling within that block of assets would be short term capital gain or loss (as the case may be).

10. Under the provisions of Section 54EC of the Act, subject to the conditions and to the extent specified therein, long term capital gains [not covered under the section 10(38) of the Act] arising on the transfer of long term capital assets by the Company will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of such transfer, in 3 years’ redeemable bonds issued after 1st April, 2007, by-

- National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988.

- Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 and notified by the Central Government in the Official Gazette for the purpose of this section.

However, if only part of the capital gain is so reinvested, exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three year from the date of their acquisition. Further, the investments made in the long Terms Specified Asset as above by any assessee during the current financial year and subsequent financial year should not exceed Rs. 50 Lakhs.

11. As per section 71 read with section 74 of the Act, short-term capital loss suffered during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Further, the balance loss, if any, could be carried forward for subsequent 8 (eight) assessment years for claiming set-off against subsequent year's short-term as well as long-term capital gains.

    Further, Long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains only. Further, the balance loss, if any, could be carried forward for subsequent eight assessment years for set-off against subsequent year's long-term capital gains.

12. Under Section 72(1) of the Act, if the net result of the computation is a loss not being speculation loss, such loss can be set off against any other income and the balance loss, if any, can be carried forward for 8 (eight) consecutive Assessment Year and set off against business income.

13. Under section 80-IA of the Act, subject to other conditions and provisions of said section, the Company shall be eligible to claim deduction in any ten consecutive AYs out of 15 years beginning from the year in which the undertaking or the enterprise which starts providing telecommunications services, whether basic or cellular, including radio paging, domestic satellite service, network of trunking, broadband network and internet services on or after the 1st day of April, 1995, but on or before the 31st day of March, 2005. However, deduction shall be available to the extent of 100% of the profit and gain of the eligible business for the first five AYs and, thereafter, 30% of such profit and gains for further five AYs.

14. Under Section 80G of the Act, the company is entitled to deduction either for whole of the sum paid as donation to specified funds or institutions or fifty percent of the sums paid, subject to limits and conditions as provided in section 80G(5).

15. Under Section 111A of the Act, capital gain on transfer of short-term capital assets being equity shares or unit of an equity oriented fund or a unit of a business trust shall be chargeable to tax at the rate of 15% (plus applicable surcharge and education cess) provided that transaction of such transfer is chargeable to Security Transaction Tax. However, the provisions of section 111A of the Act shall not be applicable in respect of any income arising from transfer of units of business trust which were acquired by the Company in consideration of transfer as referred to in section 47(xvii) of the Act. Further, short term capital gain would be reduced from the gross total income before computing deductions under chapter VIA.

16. Under Section 112 of the Act and other relevant provisions of the Act, capital gains [not covered under section 10(38) of the Act] arising on transfer of a long term capital asset, being listed securities (other than a unit) and zero coupon bonds, if held for a period exceeding 12 months, shall be taxed at a rate of 20% (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax) after indexation as provided in the second proviso to section 48 or at 10% (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax) (without indexation), at the option of the Company. Further, long term capital gain would be reduced from the gross total income before computing deductions under chapter VIA.

17. In accordance with Section 115-O of the Act, any amount declared, distributed or paid by the Company by way of dividends (whether interim or otherwise) on or after 1 April 2003, whether out of current or accumulated profits shall be charged to income tax @ 17.647% (as the tax is payable on the dividend actually paid increased by the DDT on such dividend @ 15%), in addition to the income tax chargeable in respect of the total income of a domestic company for any assessment year.

    Further section 115-O of the Act provides that, in order to compute the Dividend Distribution Tax (DDT) payable by a domestic holding Company, the amount of dividend paid by it would be reduced by the dividend received by it from its subsidiary company during the financial year, if:

    - The subsidiary company has paid DDT on such dividend; and
    - The Domestic Company is itself not a subsidiary of any company. For this purpose, a company would be considered as a subsidiary if the domestic company holds more than half of its nominal equity capital.

- The subsidiary is a foreign company and the tax is payable by the domestic company u/s 115BBD on such dividend.

18. Income earned by the Company by way of dividend referred to in Section 115-O of the Income Tax Act, 1961 received from domestic companies is exempt from tax under section 10(34) of the Act. However, as per section 94(7) of the Act, losses arising from sale/ transfer of shares, where such shares are purchased within three months prior to the record date and sold within three months from the record date, will be disallowed to the extent of the amount of dividend claimed exempt.

    Any income received by the Company from distribution made by any mutual fund specified under section 10(23D) of the Act or from the administrator of the specified undertaking or from the units of specified company referred to in Section 10(35) of the Act, is exempt from tax in the hands of the Company under section 10(35) of the Act. However, as per section 94(7) of the Act, losses arising from the sale/ redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent of the amount of income claimed exempt.

II. GENERAL BENEFITS AVAILABLE TO SHAREHOLDERS:-

(a) Available to the Resident Shareholders

1. Under section 10(34) of the Act, income earned by way of dividend (both interim and final)from a domestic company referred to in section 115-O of the Act (i.e. dividends declared, distributed or paid on or after 1st April, 2003 by a domestic company) is exempt from income-tax in the hands of the shareholders.

   However, section 94(7) of the Act provides that the losses arising on account of Sale/transfer of shares purchased three months prior to the record date and sold within three months after such date will be disallowed to the extent of dividend on such shares, claimed as exempt income by the shareholder.

2. Any income received by the unit holder from distribution made by any mutual fund specified under section 10(23D) of the Act or from the administrator of the specified undertaking or from the units of specified company referred to in Section 10(35) of the Act, is exempt from tax in the hands of the Company under section 10(35) of the Act. However, as per section 94(7) of the Act, losses arising from the sale/ redemption of units purchased within three months prior to the record date (for entitlement to receive income) and sold within nine months from the record date, will be disallowed to the extent of the amount of income claimed exempt.

3. Investment in shares held as capital assets may be categorized into Short Term Capital Assets and Long Term Capital Assets based on the period of their holding. Shares listed on recognized stock exchange are considered as long term capital assets if they are held for a period exceeding 12 months and short term otherwise. Consequently, capital gains arising on sale of shares held for more than 12 months are considered as "long term capital gains" and short term otherwise.

4. Under the provisions of section 10(38) of the Act, long term capital gain arising to the shareholder on transfer of a long term capital asset being equity share of the company (i.e. capital asset held for the period of more than twelve months) or unit of an equity oriented fund or a unit of a business trust on or after after October 1, 2014 and on which securities transaction tax has been paid, is exempt from tax. However, income by way of long term capital gain of a company shall be taken into account while computing book profit and income tax payable under section 115JB of the Act.

5. Under the provisions of Section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains [not covered under section 10(38) of the Act] arising on the transfer of long term capital assets by the assessee will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of transfer in the bonds redeemable after 3 years and issued after 1st April 2007 by-

   - National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988.

- Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 (now Companies Act, 2013) and notified by the Central Government in the Official Gazette for the purpose of this section.

If only part of the capital gain is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted, within three year from the date of their acquisition. However investments made in Long Term Specified Asset by any assessee during the current financial year and subsequent financial year should not exceed Rs. 50 Lakhs.

6. Under Section 54F of the Act, in the case of an individual or Hindu Undivided Family ('HUF') where capital gain arises from transfer of long term assets [other than a residential house and those exempt under section 10(38) of the Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of one residential house property, within a period of one year before or two year after the date on which the transfer took place or for construction of a residential house property, in India, within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

7. As per section 71 read with section 74 of the Act, short-term capital loss incurred during the year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Further, the balance loss, if any, could be carried forward for subsequent eight assessment years for claiming set-off against subsequent year's short-term as well as long-term capital gains.

   Further, long-term capital loss suffered during the year is allowed to be set-off against long-term capital gains. Further, the balance loss, if any, could be carried forward for subsequent eight assessment years for claiming set-off against subsequent year's long-term capital gains.

8. In terms of Section 88E of the Act, Securities Transaction Tax paid by the shareholder in respect of the securities transactions entered into in the course of business would be allowed as deduction while computing the profits & gains from business or profession under the provisions of section 36(1)(xv) of the Act. However, no deduction under this section shall be available in or after AY 2009-10

9. Under Section 111A of the Act, capital gains arising to a shareholder from transfer of short term capital assets, being an equity share in the company, entered into on a recognized stock exchange in India on which securities transaction tax has been paid will be subject to tax @ 15% (plus applicable surcharge, educational cess and Secondary & Higher Education Cess on income tax). In case of individual resident shareholder, tax will be paid as specified rate even if the total income is below the exemption limit. Further, short term capital gain should be reduced from gross total income before calculation of deduction under chapter VIA.

10. Tax rates applicable for the various categories of assesses are:-

Assessee	Initial Income Exempt
Individual, HUF, AOP, BOI	Rs.250,000
Resident Senior Citizen (Age >60 years)	Rs. 300,000
Resident Senior Citizen (Age >80 years)	Rs. 500,000

Surcharge is applicable @ 10% in case the total income exceeds Rs. 1 crore. Education Cess is levied @ 2% and Secondary & Higher Secondary Education Cess is levied @ 1% of Income-tax plus surcharge.

In case the total income of the resident individual does not exceed Rs. 500,000/, he is eligible to claim Tax rebate u/s 87A, being lower of tax on total income or Rs. 2000/-.

(b) <u>General Benefits available to Mutual Funds</u>

Under section 10 (23D) of the Act, all Mutual Funds set up by Public Sector Banks or Public Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India or authorized by the Reserve Bank of India, subject to the conditions specified therein are eligible for exemption from income-tax on income from investment in the equity shares of a company.

(c) <u>General benefits available to the Non-Resident Indians/ Members other than FIIs and foreign Venture Capital Investors</u>

1. By virtue of Section 10 (34) of the Act, income earned by way of dividend income from a domestic company referred to in section 115·O of the Act, is exempt from tax in the hands of the recipients.

2. Under the provisions of section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being equity shares in the company (i.e. capital asset held for the period of twelve months or more) entered into on a recognized stock exchange in India after October 1, 2004 on which securities transaction tax has been paid, is exempt from tax. However, income by way of long-term capital gains arising to a non-resident company shall be taken into account in computing the book profit under section 115JB of the Act.

3. Under the first proviso to section 48 of the Act, in case of a non resident, in computing the capital gains arising from transfer of shares of the company acquired in convertible foreign exchange (as per exchange control regulations), protection is provided from fluctuations in the value of rupee in terms of foreign currency in which the original investment was made. Indexation of cost benefits will not be available in such a case.

4. Under the provisions of section 54EC of the Act and subject to the conditions and to the extent specified therein, long term capital gains [not covered under the section 10(38) of the Act] arising on the transfer of long term capital assets by the assessee will be exempt from capital gains tax if the capital gain are invested within a period of 6 months after the date of transfer in the bonds redeemable after 3 years and issued after 1st April 2007 by-

   - National Highway Authority of India constituted under section 3 of National Highways Authority of India Act, 1988.

   - Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956 (now Companies Act 2013) and notified by the Central Government in the Official Gazette for the purpose of this section.

   If only part of the capital gain is so reinvested, exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted within three years from the date of their acquisition. The investments made in the Long Term Specified Asset by any assessee during the current financial year and subsequent financial year should not exceed Rs. 50 Lakhs.

5. Under Section 54F of the Act, where in the case of an individual or Hindu Undivided Family ('HUF') capital gain arising from transfer of long term assets [other than a residential house and those exempt under section 10(38) of the Act] then such capital gain, subject to the conditions and to the extent specified therein, will be exempt if the net sales consideration from such transfer is utilized for purchase of one residential house property within a period of one year before or two years after the date on which the transfer took place or for construction of a residential house property, in India, within a period of three years after the date of transfer. If only a part of the net consideration is so reinvested, the exemption shall be proportionately reduced.

6. The Securities Transaction Tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of the business would be allowed as deduction in computing the profits & gains from business or profession under the provisions of section 36(1)(xv) of the Act.

7. As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevail over the provisions of DTAA between India and the country in which the shareholder has fiscal domicile to the extent they are more beneficial to the non-resident.

8. Under section 111A of the Act, capital gains arising to a shareholder from transfer of short term capital assets, being an equity share in the company entered into on a recognized stock exchange in India on

which securities transaction tax has been paid will be subject to tax at the rate of 15% (plus applicable surcharge, educational cess and Secondary & Higher Education Cess on income tax). In case of individual non-resident shareholder, tax will be paid at a specified rate even if the total income is below the exemption limit. Further, short term capital gain would be reduced from gross total income before computing deduction under chapter VIA.

9. Under the provisions of Section 112 of the Act and other relevant provisions of the Act, long term capital gains [other than from transfer of capital asset, being unlisted securities not covered under section 10(38) of the Act] shall be taxed at the rate of 20% without giving effect to the first and second proviso to section 48 of the Act (plus applicable surcharge, educational cess and secondary & higher education cess on income-tax).

10. Under the provisions of section 115E of the Act, any capital gains arising to a non-resident Indian on transfer of shares held in An Indian Company for a period exceeding 12 months shall [in cases not covered under section 10(38) of the Act] be taxed at a concessional flat rate of 10% (plus applicable surcharge, educational cess and secondary & higher education cess on Income-tax) without indexation benefit but with protection against foreign exchange fluctuation under the first proviso to section 48 of the Act, subject to satisfaction of certain conditions. Further, income from investment (other than dividend exempt under section 10(34)) and income from long term capital gains (other than gain exempt under section 10(38)) from assets (other than specified foreign assets) is taxable at the rate of 20% (plus applicable surcharge, educational cess and secondary & higher education cess on Income-tax). No deduction is allowed from such income in respect of any expenditure or allowance or deduction under Chapter VIA of the Act.

11. Under the provisions of section 115F of the Act, long term capital gains [not covered under section 10 (38) of the Act] arising to a non-resident Indian from the shares of the company subscribed to in convertible foreign exchange shall be exempt from income tax if the net consideration is reinvested in specified assets or in savings certificate referred in sec 10(4B) within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently; if the specified assets or saving certificates referred in sec 10(48) are transferred or converted into money within three years from the date of their acquisition.

12. Under the provisions of section 115G of the Act, it shall not be necessary for a non-resident Indian to furnish his return of income if his only source of income is investment income or long term capital gains or both and tax deductible at source has been deducted there under provisions of chapter XVIIB

13. Under the provisions of section 115H of the Act, a non-resident Indian (i.e. an individual being a citizen of India or person of India Origin) has an option to be governed by the provision of Chapter XII A of the Act viz. "Special Provisions Relating to certain Income of Non-Resident", even after the assessee becomes a resident, if he furnishes to the Assessing Officer a declaration along with the return of income under section 139 of the Act.

14. Under the provision of section 115-I of the Act, a non resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year and if he does so the provisions of this Chapter shall not apply to him, instead the other provisions of the Act shall apply.

(d) Benefits available to Foreign Institutional Investors(FIIs)

1. By virtue of section 10(34) of the Act, income earned by way of dividend income from a domestic company referred to in section 115-O of the Act, is exempt from tax in the hands of the institutional investor.

2. Under the provisions of section 10(38) of the Act, long term capital gain arising to the shareholder from transfer of a long term capital asset being an equity share in the company (i.e. capital asset held for the period of twelve months or more) entered into on a recognized stock exchange in India after October 1, 2004 on which securities transaction tax has been paid, is exempt from tax.

3. In terms of section 88E of the Act, Securities Transaction Tax paid by the shareholder in respect of the securities transactions entered into in the course of the business would be allowed as deduction while computing the profits & gains from business or profession under the provisions of section 36(1)(xv) of the Act.

4. As per the provisions of Section 90(2) of the Act, the provisions of the Act would prevails over the provisions of DTAA between India and the country in which the non- resident has fiscal domicile to the extent they are more beneficial to the non-resident.

5. Under section 111A of the Act, capital gains arising to a shareholder from transfer of short term capital assets, being an equity share in the company entered into on a recognized stock exchange in India on which securities transaction tax has been paid will be subject to tax @ 15% (plus applicable surcharge, educational cess and Secondary & Higher Education Cess on income tax). Further, short term capital gain should be reduced from gross total income before computing deduction under chapter VIA.

6. Under Section 115AD of the Act, where there is any income (other than income by way of dividends referred to in section 115-O) received in respect of securities (other than units referred to in section 115AB) is taxable at the rate of 20%. The tax rate in case of interest referred to in section 194LD shall be 5%.

7. In case there is any income by way of short-term capital gain (except that referred to in section 111A), the whole of such amount should be included in the total income and taxed at the rate of 30%. Capital gain arising on transfer of long term capital assets, being shares in a company [not covered under Section 10(38) of the Act], are taxed at the rate of 10% (plus applicable surcharge, if any and education cess). Such capital gains would be computed without giving effect to the first and second proviso to Section 48 of the Act.

   No deduction under chapter VIA should be allowed in respect of the incomes referred above, while calculating Total Income from the Gross total income.

UNDER THE WEALTH TAX ACT, 1957:

Wealth Tax is applicable if the net wealth (as defined) of a company or an individual or HUF exceeds Rs. 30 Lakhs as on the valuation date (i.e. March 31 of the relevant financial year). Wealth Tax shall be charged in respect of the net wealth of every company or an individual or HUF at the rate of 1% of the amount by which net wealth exceeds Rs. 30 lakhs.

Shares of the company held by the shareholders will not treated as an asset within the meaning of Section 2(ea) of the Wealth Tax Act, 1957 and hence Wealth Tax will not be applicable thereon.

Notes for Consideration

a. In respect of non-residents, taxability of capital gains mentioned above shall be further subject to any benefits available under the DTAA, if any between India and the country in which the non-resident has fiscal domicile or any other qualifying criteria.

b. The above Statement of Possible Direct Tax Benefits sets out the possible tax benefits available to the Company and its shareholders under the current tax laws presently in force in India. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws.

SECTION IV – ABOUT THE COMPANY

INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is derived from "The Indian Media and Entertainment Industry" (the "**FICCI KPMG Report 2014**"), Media Partners Asia Limited's report titled "Asia Pacific Pay-TV & Broadband Markets 2012" (the "**MPA Report 2012**"), Media Partners Asia Limited's report titled "Indian Cable Industry – A Digital Evolution" (the "**MPA Report 2013**"), Media Partners Asia Limited's report titled "Asia-Pacific Pay-TV and Broadband Markets 2014" (the "**MPA Report 2014**"), "Media Route 26 India (September 2014)" (the "**Media Route Report**") as well as other industry sources and government publications. None of the Company, the Selling Shareholder, the BRLM and any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.*

Media and Entertainment Industry

The Indian Media and Entertainment ("**M&E**") industry, which comprises television, film, radio, print, music, the internet, animation, gaming, outdoor media and digital advertising, has been one of the fastest growing industries in India over the last few years. The Indian M&E industry grew from ₹ 821 billion in 2012 to ₹ 918 billion in 2012, registering an overall growth of 11.8 per cent. While low GDP growth and a weaker rupee ensured that growth in this industry remained muted in 2013 increased digitization of media products and growth in regional media ensured some resilience in the M&E industry. The industry is estimated to achieve a growth of 13.18 per cent in 2014 to touch ₹ 1,039 billion. Going forward, the sector is projected to grow at a healthy CAGR of 14.2 per cent to reach ₹ 1,786 billion by 2018. *(Source: FICCI KPMG Report 2014)*

The following table sets forth the historic and projected revenue of India's entertainment and media industry as a whole and for the various segments of this industry for the period 2008 through 2018 in ₹ billion:

Overall industry size (INR billion)	2008	2009	2010	2011	2012	2013	Growth in 2013 over 2012	2014p	2015p	2016p	2017p	2018p	CAGR (2013-18)
TV	241.0	257.0	297.0	329.0	370.1	417.2	12.7%	478.9	567.4	672.4	771.9	885.0	16.2%
Print	172.0	175.2	192.9	208.8	224.1	243.1	8.5%	264.0	287.0	313.0	343.0	374.0	9.0%
Films	104.4	89.3	83.3	92.9	112.4	125.3	11.5%	138.0	158.3	181.3	200.0	219.8	11.9%
Radio	8.4	8.3	10.0	11.5	12.7	14.6	15.0%	16.6	19.0	23.0	27.8	33.6	18.1%
Music	7.4	7.8	8.6	9.0	10.6	9.6	-9.9%	10.1	11.3	13.2	15.1	17.8	13.2%
OOH	16.1	13.7	16.5	17.8	18.2	19.3	5.9%	21.2	23.1	25.2	27.5	30.0	9.2%
Animation and VFX	17.5	20.1	23.7	31.0	35.3	39.7	12.5%	45.0	51.7	60.0	70.2	82.9	15.9%
Gaming	7.0	8.0	10.0	13.0	15.3	19.2	25.5%	23.5	28.0	32.3	36.1	40.6	16.2%
Digital Advertising	6.0	8.0	10.0	15.4	21.7	30.1	38.7%	41.2	55.1	69.7	88.1	102.2	27.7%
Total	**580**	**587**	**652**	**728**	**821**	**918**	**11.8%**	**1039**	**1201**	**1390**	**1580**	**1786**	**14.2%**

(Source: KPMG in India analysis, FICCI KPMG Report 2014)

Increasing digitization across various sub-sectors of the M&E industry, rate increases in television, channel packaging by MSOs, innovative strategies for monetizing digital content, the rapid growth of new media powered by the increased penetration of smart phones and campaign spending during the general elections are likely to expand horizons for the M&E business. (*Source: FICCI KPMG Report 2014*)

India's Television Industry

Television is the largest medium for media delivery in India in terms of revenue, representing around 45 per cent of the total media industry. The Indian television industry is slated on the path of continued growth, with increased digitization and the rollout of the mandatory DAS almost complete in in Phase I (the four metropolitan cities) and Phase II cities (38 cities in India with a population of over one million). In 2013, while carriage fees experienced an overall reduction of 15-20 per cent, the anticipated increase in ARPU and subscription revenues from broadcasters and MSOs is expected to be realized over the next three to four years, as MSOs begin the process of becoming B2C organisations from B2B organisations. (*Source: FICCI KPMG Report 2014*)

The number of households in India with television increased to 161 million in 2013, implying a penetration of 60 per cent. The number of C&S subscribers increased by 9 million in 2013, to reach 139 million. Excluding Doordarshan direct, the number of paid C&S subscribers in India is estimated to be 130 million. This C&S subscriber base is expected to grow to 181 million by 2018, representing 95 per cent of households with television, of which, paid C&S base is expected to be 171 million in 2013, representing 90 per cent of all TV households with television. (*Source: FICCI KPMG Report 2014*)

Television Industry Value Chain

The Indian television industry comprises of:

- content producers/aggregators (who bundle and create packages of television channels and sell these packages to distributors of television channels)
- broadcasters of television channels
- distributors of television channels

Content Production

- The content production industry is highly fragmented, given that it has sizeable barriers to entry and its extreme creative nature.
- Content production costs have been increasing, linked not only to inflation, but also to improvement in production quality.
- Digitization of cable is expected to create significant opportunities for growth in the content production industry, including in improvement in content quality, localized content and niche channels.
- The need to maintain intellectual property law protection for content has grown key in the content production industry. Robustly protected intellectual property rights are also significant entry barriers.

Broadcasting

- The total number of private satellite television channels has gone up to 793 as of March 2014, and 187 pay channels for which rates have been taken on record *(Source: TRAI Information Note on "Indian Telecom Services Performance Indicator Report for the Quarter ending March 2014" available at http://www.trai.gov.in).* The genres and niches have expanded significantly, with launch of new channels catering to specific customer preferences (e.g. news, kids, infotainment and lifestyle). The industry also saw significant growth in the number of regional channels.
- The real benefits from digitization in the broadcasting industry are expected to be seen over 2014 and 2015. Growth is expected to be driven by increase in net subscription revenues, which in turn will be driven by better ARPU shares and lower carriage fees over time.
- 2013 was a weaker year from broadcasters, with advertising revenues achieving lower-than-expected growth levels, driven by a weak operating environment, and TRAI regulations on the 12 minute advertisement cap. Hindi and regional general entertainment channels performed better in terms of advertising revenues in 2013, given that advertising in mainstream channels was considered safer in a lower growth industry.
- The long-term outlook for advertising remains positive and advertising revenues are expected to grow at a CAGR of 13 per cent from 2013 till 2018.
- Subscription revenues increased in 2013, partly due to higher subscription revenues from Phase I and Phase II cities (in terms of digitization) and partly due to better negotiation through consolidated channel aggregators.

Distribution

- India continues to be the third largest television market in the world ([after USA and China]), with 168.51 million television households in 2014. With current television penetration at around 62 per cent, there is still significant potential for growth
- Digitization of cable, driven by the recent Cable Television Networks (Regulation) Amendment Bill 2011 passed by the GoI, is expected to be a game changer, affecting the entire value chain.
- Broadcasters, MSOs and DTH operators are expected to be key beneficiaries of the government mandate, while the LCO's bargaining power is expected to decline substantially
- Mandatory digitalization will result in consolidation of the last-mile cable industry. Larger operators will be keen to acquire the last mile as operators successfully develop skill sets and necessary infrastructure as they transition to a B2C model.
- 2013 will probably be best remembered for the rollout and traction in the mandatory DAS.
- While analog subscriber churn to DTH was lower than expected, DTH has shown strong performance in ARPU growth, increasing by 12-15 per cent in 2013 driven largely by price hikes and increase in subscription of HD channels, premium channels and value added services.

(*Source: FICCI KPMG Report 2014*)

Indian broadcasting and pay-television ("Pay-TV") industry

India's television distribution industry can be divided into three main categories:

- Terrestrial television
- Cable television
- DTH

In addition, there are other emerging television distribution technologies that have begun to appear in India such as IPTV and Headend-in-the-sky ("**HITS**") television. However, Indian television distribution is dominated by cable television. Terrestrial television is classified as non-C&S television while all other types of television distribution are classified collectively as C&S television or Pay-TV.

As per industry estimates, the television industry is expected to reach a size of USD 12.3 billion by 2018, growing at a CAGR of 10.7 per cent. Growth in the industry is expected to be driven by growth in both subscription and advertising revenues. The subscription market is likely to be driven by enhanced penetration and expansion of digital delivery infrastructure. (*Source: MPA Report 2013*)

Industry projections indicate that subscriber growth will remain strong between 2015 - 2017 as the DAS is implemented in Phase III and Phase IV cities. Pay-TV subscription revenues are projected to grow at a CAGR of 11 per cent between 2013 – 2018 and in contrast to the industry's volume-led growth between 2009 – 2013, the growth for the next five years will be led by increase in ARPUs. Pay-TV subscribers are expected to reach 165 million by 2018 and 180 million by 2023, implying a long-term penetration of 80 per cent, adjusted for multiple subscriptions. (*Source: MPA Report 2014*)

Industry projections further indicate that total digital cable subscription will reach around 50 million by 2018, and around 55 million by 2023. Growth in cable ARPU will be a function of analog and digital subscriber mix; the package mix; and the contribution of HD services. While monthly digital cable ARPU will grow from around USD 3.5 in 2013 to around USD 6.0 by 2023, overall cable ARPU growth will lag from USD 2.9 in 2013 to USD 4.4 in 2023 due to the prevalence of analog subscribers. (*Source: MPA Report 2014*)

Provided below is a brief snap-shot of the pay-TV industry economics and related projections.

		2008	2013	2018	2023	% CAGR 2013-18	% CAGR 2013-23
TV Homes	(000)	126,552	161,807	192,280	214,780	3.5%	2.9%
% Pen./Total HH	(%)	56.7%	61.7%	65.0%	67.6%		
PAY-TV							
Pay-TV Subs	(000)	90,656	134,797	164,875	179,902	4.1%	2.9%
Cable	(000)	83,156	97,597	104,693	109,643	1.4%	1.2%
Analog	(000)	80,872	69,627	54,925	54,389		
Digital	(000)	2,284	27,970	49,768	55,254		
DTH	(000)	7,500	37,200	60,182	70,259	10.1%	6.6%
% Pay-TV Pen./TVHH (incl. subs that subscribe to multiple platforms)	(%)	71.3%	79.9%	82.3%	80.5%		
% Analog/TVHH	(%)	63.9%	43.0%	28.6%	25.3%		
% Digital/TVHH	(%)	7.4%	36.8%	53.7%	55.2%		
% HD Digital	(%)	-	1.6%	7.0%	9.6%		
Pay-TV ARPU/Month	(US$)	2.8	3.2	4.4	5.2	6.5%	4.9%
BROADBAND							
Total Broadband Internet Subs	(000)	5,501	15,433	37,740	56,895	19.6%	13.9%
Fixed (Cable, ADSL, FTTx)	(000)	5,429	14,998	18,765	20,170		
Wireless	(000)	72	436	18,975	36,725		
% Fixed BB Pen./Total HH	(%)	2.4%	5.7%	6.3%	6.4%		
% Wireless BB Pen./Pop	(%)	-	-	1.5%	2.8%		
Fixed Broadband ARPU/Month	(US$)	9.9	8.6	7.5	7.1	-2.7%	-1.9%
Wireless Broadband ARPU/Month	(US$)	-	5.1	8.1	9.6	9.6%	6.4%
INDUSTRY REVENUE SUMMARY							
Total Pay-TV Industry Revenue	(US$ mil.)	4,333	7,385.0	12,300	16,392	10.7%	8.3%
Subscription	(US$ mil.)	2,914	5,124.5	8,633	11,230	11.0%	8.2%
Analog	(US$ mil.)	2,668	2,516	1,809	1,777		
SD	(US$ mil.)	237.1	2,369.0	5,531.2	7,238.2		
HD	(US$ mil.)	-	167.9	1,130.4	1,957.6		
VAS (DVR, VOD, NVOD/PPV, TVE)	(US$ mil.)	9.3	71.6	162.0	256.5		
Advertising	(US$ mil.)	1,419	2,260.5	3,667	5,163	10.2%	8.6%
Broadband Sub Revenue	(US$ mil.)	502	1,548.1	3,274	5,761	16.2%	14.0%
Total BB Pay-TV Industry Revenue	(US$ mil.)	4,835	8,933	15,574	22,153	11.8%	9.5%

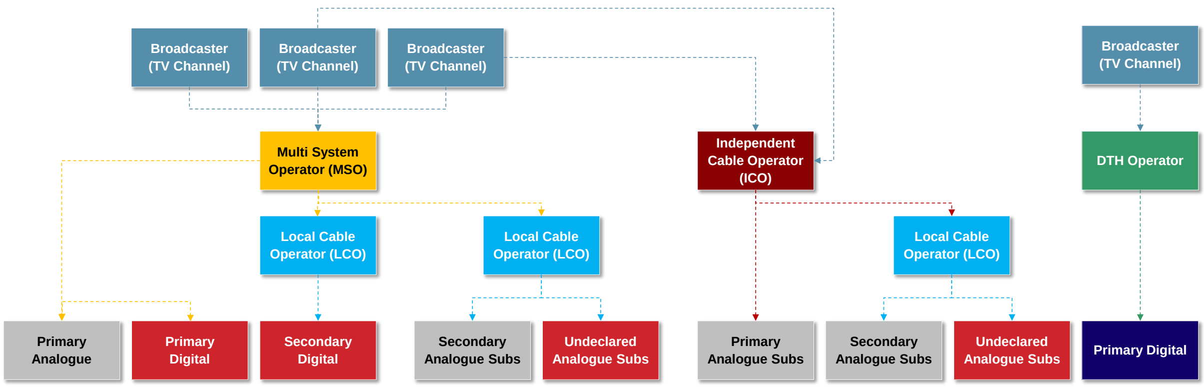
(*Source: MPA Report 2014*)

Growth Drivers

1. **Increase in television Penetration in India:** India was estimated to have around 168.51 million television households in 2014, which implies a television penetration of approximately 62 per cent. In 2019, television penetration is estimated to rise to approximately 66 per cent, which still offers potential for penetration-led growth (post 2019) as income levels rise.

   It may be noted that while India has added 12-16 million television sets every year since 2005, television penetration every year has increased by around 6-8 million. Thus, approximately 40 per cent of television sales in the year appear to reflect in increased television penetration. The balance of television sales includes replacement of old television sets or multiple television sets entering a household. While a single analog cable connection may be used to cater to all the television sets in a house, these would need multiple connections (multiple set-top boxes) in a digitized environment.
2. **Increase in C&S Penetration:** The number of C&S subscribers increased by ~9 million during 2013 to reach 139 million. Excluding Doordarshan Direct, the number of paid C&S subscribers is estimated to be 130 million in 2013. As television homes increase going forward, consumer demand for content beyond free to air channels, combined with the relatively low ARPUs are expected to drive the demand for C&S in India. This C&S subscriber base is expected to grow to 181 million by 2018, representing 95 per cent of TV households. Of this, paid C&S base is expected to be 171 million in 2013, representing 90 per cent of TV households.
3. **Increase in television Viewing Time:** Average television viewing time in India continues to be low vis-a-vis developed economies. Thus, there is potential for growth not only in terms of penetration / reach, but also in terms of viewing time.

Television Distribution: Industry Structure in India



Cable Television

India's cable television industry has grown rapidly since its inception almost twenty years ago, spurred by entrepreneurship and innovation from distribution platforms and content providers. Cable television is now established as a mass medium for entertainment and information, available in more than 134 million subscribers across India. This represents around 79.9 per cent of television-owning homes in the country. (*Source: MPA Report 2014*)

Operation of Cable Television

Cable television broadcasting operates by uplinking a broadcaster's channel to a satellite which then provides a downlink signal to a particular region. The downlink signal is received by MSOs at their network operating center through dish antennas and other equipment such as modulators, decoders, encoders and amplifiers. This signal is then distributed to end-user/subscribers, generally by LCOs who provide the 'last mile' cable link to a subscriber's home. Cable television signals can be transmitted in either analog or digital form. Most of the cable television distribution networks currently deliver television channels in analog mode to subscribers. In India while the MSOs largely operate the backbone networks/network operating centers, the LCOs operate and control the 'last mile'. MSOs and LCOs typically operate in small demarcated areas/cities. Generally, LCOs do not own head-ends but receive signal from MSOs and provide the 'last mile' connection to the end-user. Each LCO typically manages around 1,000 to 2,000 subscribers.

Market Structure

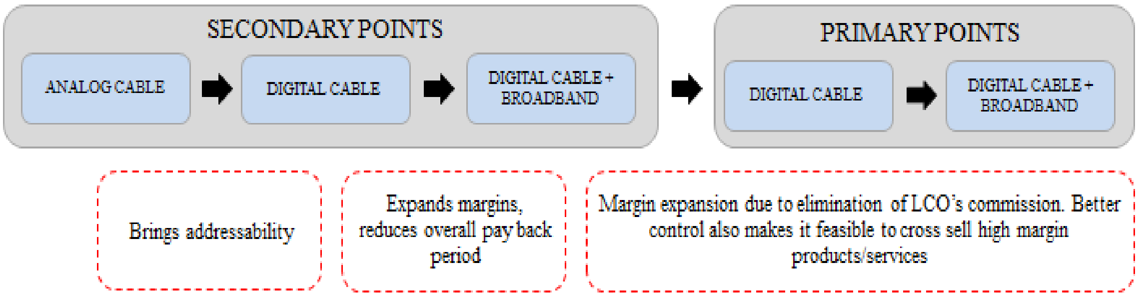
The dominant business model in the cable industry in India involves MSOs providing signal to the LCOs. MSOs typically enter into an agreement with the LCOs with the latter serving as its "franchisees". This is referred to as secondary model or franchise model. Most MSOs are dependent on the secondary point strategy. Cable MSOs are the corporate links of the cable distribution chain, with backbone networks and head-ends that aggregate satellite channels and pass the signals on to LCOs for a fee. The biggest risks in this strategy are dependence on LCOs for delivering service to the customers, revenue leakage due to under-reporting by LCOs, zero access to customers thereby eliminating possibility of offering additional services like broadband etc and over-dependence on placement fees. As per the MPA Report 2012, the top five MSOs generated ~US$700 million in revenues, with more than half derived from C&P income. Further the report says that the LCOs often under-declare or under-report secondary subscribers to MSOs thereby retaining 75-80 per cent of the subscription revenue, with the remainder shared by the MSO and broadcasters This is where revenue leakage begins, and culminates in MSOs and broadcasters getting less than their fair share of revenues, and LCOs retaining most of the value in the distribution chain.

The alternate model called the primary model, involves the MSO owning the network end-to-end and providing 'last mile' connection or signals directly to the end-users. However this model is adopted by very few MSOs in India. The benefits of the primary point model or direct access to customers are significant however, as the MSO retains 100 per cent of analog subscription revenues as opposed to 10-15 per cent. The primary point acquisition also means that the MSO can upgrade the 'last mile' network and up-sell multiple services including digital pay- television and broadband internet access, to maximize long-term value, reduce the payback period in building the network and prevent churn to DTH. As per the MPA Report 2012, the 'payback periods for MSOs providing combined digital cable television and broadband services drop by around 12 months compared to those providing standalone digital cable television. As per the MPA Report 2013, within the media and entertainment segment, companies having last mile connections remain amongst the most profitable and scalable. As per same, the cable companies in countries like United States, Japan, Korea, Taiwan and Europe generate significant levels of cash flow and EBITDA margins trending between 40 – 60 per cent on average

Width versus Depth – Cable Strategy in India

Fundamentally, MSOs adopt two types of expansion strategies: 'Width' and/or 'Depth'. Exponential growth in the carriage and placement market (38 per cent CAGR between 2006 – 2009) attracted many MSO towards a width strategy model, often at the expense of a depth model, which is based on last mile connections, a B2C business model and stable subscription fees. The C&P dependent model is B2B in nature and thus requires limited investments. Operators such as Den Networks Limited and Siti Cable Network Limited have adopted this strategy. Certain MSOs such as our Company and Asianet Satellite Communications Limited ("**Asianet**") have preferred the 'Depth model' with the focus on a given geographical market, full last mile control and full retention of subscription revenues. Some operators such as Hathway Cable and Datacom Limited ("**Hathway**") have successfully adopted both width and depth models.

Under the DAS regime, the business model of MSOs will undergo a radical transformation. The capital expenditure cycle and economics of the business will spread across three stages: (1) Migrating from analog to digital brings in addressability,(2) Bundling of broadband services helps expand margins while reducing the overall pay-back period on investments and (3) Eventually, acquisition of primary points provides better control over the operations of the business. The MSO then is in a better position to invest in high margin products such as higher speed broadband, HD, VOD and DVR.



(Source: MPA Report 2013)

The transitioning of an analog subscriber to a primary point with digital cable and broadband services will result in ~5x growth in operating profits. However, most MSOs that are currently on secondary point models are likely to shift their focus from a width to depth strategy only in the future and thus most will have a very small per cent age of subscribers offering such high margins, at least in the near term.

KPIs of Key Cable Broadband Operators (as of March 2014)

Operator	Subscriber Reach (000)	Primary Points (000)	Digital Pay-TV Subs (000)	BB Subs (000)	BB subs as a % of Digital Pay-TV Base
DEN	**13,000**	**200**	**6,100**	5	**0.1%**
Hathway	11,500	644	8,000	440	5.5%
InCable	8,240	100	2,740	30	1.1%
Siti Cable	10,000	0.0	4,000	35	0.9%
DigiCable	5,700	97	2,850	85	3.0%
Asianet	1,200	630	560	120	21.4%
Ortel	805	406	70	54	77.9%

(*Source: Media Route Report*)

Benefits of Digitisation

Digital television is expected to provide the consumer access to a higher number of television channels, customized tariffs, availability of broadband and other value-added-services, and enhanced user experience through better viewing quality and consumer service. It also releases bandwidth which can be used to broadcast more channels in the same space. This can enable more niche content being available in the future using the same network. Some of the advantages of Digital cable television over Analog Cable television are:

- ***Better quality picture and sound***: Digital cable television, with its DVD picture quality and sound, provides a significantly better quality viewing experience compared with analog cable television.
- ***Significantly more channels***: Digital cable networks have a significantly higher capacity to carry channels than the current capacity available in an analog cable network.
- ***Value-added services***: Digital cable allows operators to provide subscribers with value-added services, such as an electronic programme guide, video-on-demand, pay-per view and interactive- television services, which provide multiple monetization opportunities for the distributor.
- ***Prevents non-subscribers from viewing content and the under reporting of subscribers by LCOs***: Digitisation involves encryption of content, which helps prevent unauthorised viewing of the content
- ***Accurate subscriber data***: Digitisation provides accurate data on subscriber base of each operator.

Digitization Mandate by the Government

The government has passed the The Cable Television Networks (Regulation) Amendment Bill 2011 that makes it mandatory to digitalise analog cable network throughout the country in four phases by December 31 2014. The digitisation of cable networks will hugely benefit the government, broadcasters, MSOs and the consumer in the following ways:

6. Lead to higher tax receipts for the government;
7. An improved experience for consumers with more choice and services;
8. Higher subscription fees and margins for broadcasters;
9. Scalable business models for MSOs and LCOs with multiple services across the last mile including digital cable and high speed broadband; and
10. Improve the distribution of Cable television subscription revenues between the broadcasters, MSOs and LCOs.

While there are over 800 channels available, an analog cable network can carry only a little over 100 channels currently. Once digitised, any cable network will be able to carry at least 500 channels with ease and still free up bandwidth to offer additional services like broadband internet, HD television (high definition) and several value-added services like telephony, gaming, shopping etc. Once implemented, this bill prohibits the transmission of television signal in analog format by any MSO/LCO in the designated cities by making them legally bound to transmit only digital signals. Subscribed channels will be received at the customer's premises only through a STB equipped with a smart card. Each user in the network would be uniquely identifiable to the service provider through an SMS deployed by each MSO and this is expected to shift the control over the subscriber from the LCOs to the MSOs.

Subsequent to the DAS mandate, new regulations and policies have been set out by the TRAI. Chief amongst these was a tariff order that offers more control and scalability to MSOs. In order to accelerate capital flows into the cable industry, the tariff order offers multiple monetization points for MSOs. In addition to gaining a 65 per cent share of pay channel subscription fees (to be shared with broadcasters), MSOs are also entitled to a 55 per cent share of FTA channel subscription fees.

Furthermore, retail rates under DAS are now free from price regulation, providing ample room for ARPU growth. Significantly, TRAI has made MSOs responsible for billing the consumer and paying the LCOs and broadcasters, making the MSO the primary point for billing and revenue sharing in the new DTV regime. TRAI has also legitimized carriage fees, which will help MSOs offset their investment in rolling out digital infrastructure.

As per industry estimates the total capital requirement for upgradation to digital cable network could be to the tune of ₹ 20,000-25,000 crores. To support the process of mandatory digitalisation, the government raised the limit of foreign investment in broadcast services from 49 per cent to 74 per cent. This move is likely to help the MSOs in attracting new funding to supplement the funding requirements for digitalisation apart from enabling partnerships with foreign strategic players that will help bring in better technological know-how, particularly on rolling out of broadband internet and other value added services as relevant to the cable industry.

Impact of Digitisation

In the absence of digital addressability, the industry estimates that a cable operator declares only 15 to 20 per cent of his actual subscriber base to the MSO. Subscriber declaration levels are expected to increase to 100 per cent post digitization. However, revenue share between various stakeholders may continue to be negotiation driven during initial period even though the government has announced a revenue sharing structure between the MSOs and LCOs. The revenue share is expected to evolve as digitization progresses. Broadcasters and MSOs are expected to see a significant increase in their bargaining power over LCOs. The LCOs share, while smaller than the pre-digitization period, may differ depending on the area.

As per the MPA Report 2013, broadband cable television operators remain a key driver of value creation for investors and consumers alike in the global context. Such value is anchored to last mile ownership, digitalization of network infrastructure and the ability to offer multiple media and communications services including television (SD and HD channels), high speed Broadband, and Telephony over a single network and in a bundle. Further, the report says that the last mile cable companies in India are at important inflection point today with the government mandated digitalization drive expected to help drive scalable business models with multiple services across the last mile including digital cable and high speed broadband. As per this report, those companies that already have a head start in having B2C models e.g. Hathway, Asianet and our Company will be in an advantageous position vis-a-vis others as long as they can continue to leverage their experience and consolidating further on their respective bases.

With digital addressability and eventual control of the subscriber, the television distribution industry is expected to see a significant shift in power away from the LCO towards the MSO. Post complete digitization, the MSO would own and control the infrastructure and generate the bill using the subscriber management system. The LCO is expected to take up the role of a collection and servicing agent of the MSO. The LCO may need to align itself with an MSO in order to establish a platform brand and gain access to funds required for seeding STBs and making the network two-way enabled for additional services especially broadband internet. However, this shift in power is expected to be gradual over the four phases of digitization. The cooperation of LCOs across cities remains crucial for a smooth conversion of analog customers to digital, and at least until the analog sunset, the MSO-LCO equation remains delicately balanced.

Overall, mandatory digitization will result in consolidation of the last mile cable industry. Larger operators will be keen to acquire the last mile as valuations for LCOs drop and operators successfully develop skill sets and necessary infrastructure as they transition to a B2C model.

Digitization so far

Phase	Parliamentary approval for analogue shutdown	Digital cable STBs rolled out	Digitisation including DTH	CAF forms	Gross billing	Rollout of Channel packages
Phase 1*	Jun-12	~8 mn	98%	95%	Started in Delhi in January 2014; Mumbai & Kolkata expected to start in Feb-March 2014	Started
Phase 2**	Mar-13	~14 mn	90%	80-90% To be completed by Feb 2014	Expected to start from April 2014	Not started yet
Phase 3	Dec-14	~3 mn	40-50%	Not started yet	Not started yet	Not started yet
Phase 4	Dec-14					

Source: KPMG in India analysis, Industry discussions conducted by KPMG in India
* Except Chennai; ** Except Hyderabad and Coimbatore

(Source: KPMG in India analysis, FICCI KPMG Report 2014)

Despite implementation and policy bottlenecks, digitisation of cable television distribution made significant progress in Phase I cities as well as in Phase II cities. Industry estimates state that the phased progress in digitisation has been the stepping stone for the M&E industry growth and success, thereby bringing about a paradigm shift in key indicators, particularly within the domains of TV and film sectors. The MIB introduced several initiatives with a view to harness the power of technology and create a framework to drive growth in the existing broadcasting landscape in India. With phases one (top four cities in the country) and two (the next 38 cities) nearly complete, the industry is now committed to complete phase three (all remaining urban areas) of digitisation of TV signals' transmission. Successful completion of the digitisation process will result in the complete closure of analogue transmission and could act as an enabler to add value and to increase profits at each level in the value chain. It is estimated to bring about a further drop in the carriage fees, and drive growth in ARPUs, thereby increasing profitability and allowing content producers to focus on better content. (*Source: FICCI KPMG Report 2014*)

As per the MPA 2014 Report, the cable industry has invested around USD 850 million to acquire 28 million gross digital subscribers as of end-September 2013. But subscription monetization by MSOs remains below par. Based on the existing cost structure, MSOs require a net ARPU of ₹100-110 per subscriber per month from the LCO to turn profitable on the core video business, excluding fees from carriage and placement. As of the first quarter of 2014, none of the DAS markets were viable for any MSO to operate pure digital video services. Therefore, MSOs remain dependent on carriage and placement income, which despite having declined is still adequate to offset content costs. The top three MSOs have gross debt of ₹ 28 billion, or 4.2 times their consolidated EBIDTA for the fiscal year ended March 31, 2014. There is a pressing need for cable to shift its focus to driving and benchmarking market share by revenue rather than by subscribers. While the video business remains under pressure, some cable operators have upgraded broadband services by offering higher speed internet connectivity, using DOCSIS 3.0 modems. This has improved blended yields and mitigated churn

Most industry participants are in agreement that the digitisation deadline is not the end of a journey but the start of one. Though there has not been significant impact of digitisation on customer ARPUs or subscription revenue in 2013, most industry participants are of the opinion that its financial benefits will happen over the next 2-3 years from 2014 through 2016. The industry also believes that it is critical for the regulatory pressure to continue for digitisation to be completed. (*Source: FICCI KPMG Report 2014*)

Benefits of digitization to the broadcasting industry

In 2013, large networks appear to have witnessed 15-20 per cent growth in their subscription revenue, which was lower than expectations. Subscription-led revenue share deals between broadcasters and MSOs are still the exception in the industry. Given that the MSOs are still in the process of verifying subscribers on the ground and establishing SMS, broadcaster-MSO agreements continue to be based on fixed fee arrangements for the most part.

Industry participants agree that digitisation has reduced carriage fee payouts, even though it may have not been as per expectations. The Phase I and II markets have witnessed a 20-25 per cent drop in carriage, partly driven by digitisation and partly due to negotiating power of aggregators. Phase I and II markets account for 75 per cent of the carriage fee payment, resulting in a 15-20 per cent decline in carriage fees overall. However, news channels have not really been the beneficiaries of this decline in carriage fees due to fragmentation and lack of any real differentiation. Also, in the near term, there is a risk that decline in carriage fees in digitised regions may be offset by an increase in carriage fee paid for less than Tier I markets since TAM has extended its reach to include the less than Tier I markets and broadcasters may want to ensure visibility in these markets.

The supply-demand situation to carry channels will improve significantly post digitisation, and therefore on an overall basis, payouts towards carriage fees are expected to decline further over the next three years by 25-30 per cent. However, there is also a realisation that carriage fees will not disappear completely in the medium term. (*Source: FICCI KPMG Report 2014*)

DTH Satellite Television

DTH satellite television, which was introduced in India in 2003, utilizes a small dish antenna and a STB that is installed at the viewer's premises and is capable of directly receiving and unscrambling television signals from the satellite. The advantages of DTH as a platform include a user-friendly interface and a large number of channels compared to the analog platform. The DTH industry is currently looking very competitive with six players already in the market, excluding state-owned Doordarshan's Apna DTH, which is a free platform.

Competition from emerging digital direct-to-home or DTH satellite pay- television networks, which have grown in scale over the past five years, is a key development in the Indian cable television industry. The overall active DTH base, however, stands at 37.2 million with the active subscribers being defined as revenue-generating customers (i.e. subscribers who made a payment in the previous month, and are not enjoying a free viewing period). (*Source: MPA Report 2014*)

Despite the strong growth of DTH in last few years, cable is expected to remain dominant in the future as cable television, particularly digital cable, has the certain inherent advantages over DTH which include:

- The biggest advantage that cable has is the reverse path that does not exist in the satellite based DTH which enables bundling of services such as analog/digital cable with data and voice;
- Digital cable television network can carry more number of channels than DTH and the incremental expenses for adding more channels is lower in cable television networks;
- The set-up and operating costs are lower for cable; and
- Adverse weather conditions may affect the quality of DTH services, whereas cable television services remain largely unaffected by adverse weather
- Ability to offer more channels also translates into higher availability of vernacular channels vis-à-vis DTH

Other emerging Pay-TV technologies

Apart from cable and DTH satellite television networks, a number of other emerging digital pay-television technologies may become more available to Indian subscribers, including IPTV and HITS.

HITS is similar to DTH; in both these platforms of digital cable, channels are distributed at one go through a satellite. But unlike DTH, where the end-user is the consumer, the HITS end-user is a cable operator, who then delivers the signals to the end consumers. As a result, successful rollout of HITS will be an added advantage to last-mile cable networks, which can save on head end costs. . HITS has been viewed as a viable proposition by some MSOs like Siti Cable & Incable as it saves on head end costs while rolling out the digital services to Phase 3 and Phase 4 markets. However, HITS is likely to lose its appeal as the Government is planning to complete the roll-out of a nation-wide fibre optic network (National Broadband Plan) by December 2013 which will make the availability of a bandwidth over a fibre optic network abundant and cost of transport much cheaper than currently as also lower than the cost of setting-up and running a HITS network.

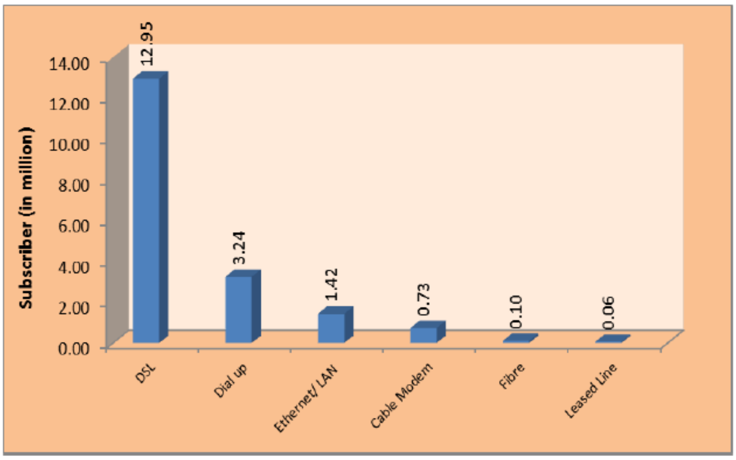
IPTV delivers television channels to subscribers using high speed internet protocol over copper cable networks. IPTV is capable of providing voice, video and data transmission (referred to in the industry as triple-play services) and can support video on demand, live video and gaming. IPTV was introduced in India in 2007. IPTV in India is currently being offered by MTNL, BSNL and Bharti Airtel. IPTV remains nascent because of limited fixed broadband penetration, and is likely to appeal to a premium consumer segment, unless prices fall. As a service, it is widely accepted in just two countries across the world i.e. Hong Kong and Singapore with Cable television being the dominant service in most other countries.

Internet Broadband Industry

Pursuant to recommendations of TRAI, the GoI formulated Broadband Policy of 2004. In this policy, broadband was defined as an "always on" connection with downloads speeds of 256 kbps or more which has thereafter been changed to 512 kpbs or more. As on March 2014, the total number of broadband subscribers were 60.87 million. Non broadband internet connections were 190.71 million, which comprises dial up connections working upto 56.6 kbps and other connections with speeds less than 512 kbps.(*Source: TRAI, Indian Telecom Services Performance Indicators (January – March 2014).*

While broadband has been deployed using Cable Modems, xDSL technologies, fibre and wireless, in India xDSL has been predominantly used. As per TRAI data as on March 2014, 12.95 million wired internet subscribers utilized DSL.

Wired internet access technology trends (March 2014)



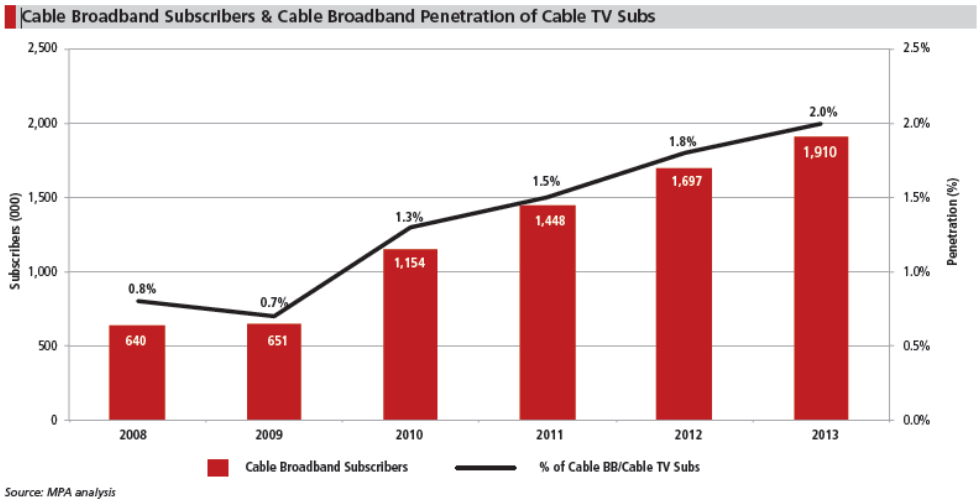
(*Source: TRAI, Indian Telecom Services Performance Indicators (January – March 2014*)

DSL/ADSL

xDSL can be easily deployed on existing copper pairs going to subscriber's premises (largely owned by incumbent fixed line operators BSNL, MTNL). The most common DSL technology deployed is ADSL2 and ADSL 2+. These technologies typically support download speed upto 2 Mbps for copper loop length of less than 3 Km from the exchange. ADSL works alongside the frequencies used for voice telephone calling using a single connection. It allows users to download data and make voice calls at the same time.

Cable Internet Broadband

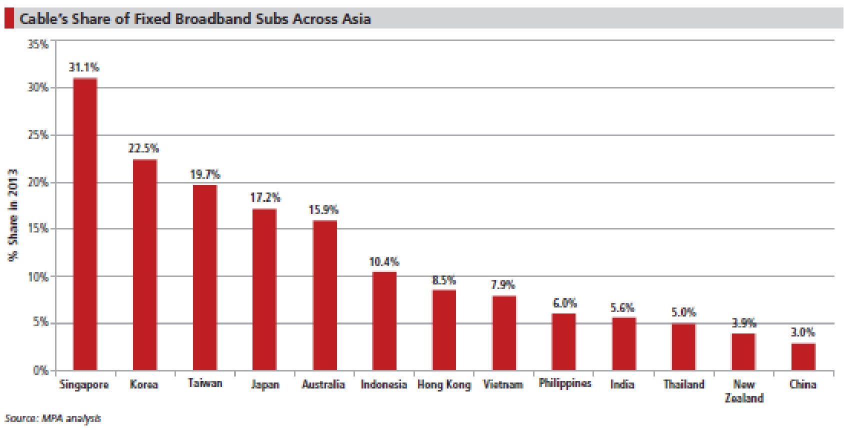
The cable broadband sector in India remains nascent with limited investments made in network rollout and upgrades, aside from a few well-capitalized national MSOs. According to Media Partners Asia, total fixed broadband subscribers reached ~14.9 million at the end of 2013, 5.7 per cent penetration of total households. In contrast, telecom regulator TRAI estimated that wireless broadband services (via mobile phones and dongles) reached ~40 million at end-2013.



(*Source: Media Route Report*)

Out of the 14.9 million fixed broadband households, hybrid fiber coaxial (HFC) cable accounted for just 837,000 in 2013, or a 5.6 per cent share, with the rest derived from Ethernet based networks (~1.1 mil., 7.4 per cent share) and ADSL (12.9 mil., 87 per cent share). However, these figures may not fully account for broadband services provided by local cable operators (LCOs), which are often unregistered / unlicensed. A complex licensing regime for obtaining Internet Service Provider (ISP) licenses has deterred a vast majority of LCOs from securing these licenses. LCOs often choose instead to resell broadband services offered by larger cable MSOs such as Asianet and Digicable Network India Private Limited (via Pacenet), or by buying wholesale bandwidth from larger fixed network providers.

Industry analysis indicates substantial growth potential for cable operators. In entrenched cable markets such as Korea, Japan, Singapore and Taiwan, cable typically has 15-30 per cent of the fixed broadband market, having gone through several rounds of network upgrades, consolidation and expansion. In many instances, cable operators have had to take on well-entrenched incumbent telecommunications companies with nationwide fixed network coverage, and yet managed to gain substantial market share. In India, BSNL is the only major competition to cable, and Airtel's ADSL and fiber networks are currently restricted to tier 1 cities. The market therefore remains wide open for cable operators who are willing to make long-term investments. (*Source: MPA Report 2013*)



(*Source: Media Route Report*)

The importance of India's cable networks in boosting broadband penetration appears to have been recognized by the DoT. In July 2014, it was reported that the ministry is re-examining how cable networks could be revitalized to step in and play a bigger role by simplifying the ISP license structure.

The National Fibre Optic Network ("**NFON**"), launched in 2012 by the UPA II government, is India's national broadband initiative that aims to connect 225,000 gram panchayats or local administrative regions via a fiber network stretching 1 million kilometers. NFON is run by special-purpose entity Bharat Broadband Network Limited, which comprises state-owned enterprises, namely Bharat Sanchar Nigam Limited, Railtel Corporation of India Limited and Power Grid Corporation of India Limited. Initial targets for the entity included trenching and laying 500,000 kilometers of fiber to augment the other 500,000 kilometers previously laid by consortium members. The advantage to cable operators will come in the form of large-scale fiber backhaul availability, which could reduce capital expenditure as well as time required to expand to new territories. Additionally, it also allows operators to focus on last mile upgrades to coaxial networks

Wireless Broadband

There were about 60.87 million broadband subscribers at the end of March 2014 (equal to or above 512 kbps) out of which wired broadband subscription is 14.86 million and wireless broadband subscription is 46.01 million. Out of such subscribers, wireless (dongle and phone) services is the most preferred technology, constituting 74.9 per cent of broadband subscribers, followed by wired broadband subscribers (24.41 per cent) and fixed wireless subscribers (0.65 per cent). *(Source: TRAI).*

International Experience

The development of key cable markets globally provides important insight for India especially with respect to last mile consolidation, digitalization and the growth of broadband.

Globally, the development of the cable business has focused on ownership of the last mile with cable MSOs operating as B2C businesses. Successful B2C last mile MSOs around the world include: (1) Comcast, Time Warner Cable and Cablevision in the US; (2) Liberty Global and Virgin Media in Europe; (3) J:COM in Japan; (4) CJ Hello Vision and C&M in Korea; (5) First Media in Indonesia; and (6) Taiwan Broadband Communications, KBRO and CNS in Taiwan.

Globally, the cable industry typically consolidates under the last mile B2C model with a handful of players emerging with a majority share of the market. In the experience of the US, UK, Korea, Japan and Taiwan, each of these cable markets has undergone three distinct phases: (1) Over fragmented, un-regulated, chaotic market; (2) Over regulation, still fragmented market but with a large base of subscribers across an analog network without broadband or digital television; (3) Deregulated, digitized market with cable also providing broadband services and driving last mile consolidation.

International Cable Markets, The Path to Last Mile Consolidation and Digitalization

Country	Year	Pre-consolidation	Year	Triggers	Year	Key events during consolidation	Year	Post-consolidation	Growth trajectory	Digital pen./ cable TV subs	Cable broadband market share
USA	1970	50+ large MSOs	1994	DTH launches	1996	US West Inc acquisition of Continental Cablevision	2011	Top 5 players: 85 % market share of total CATV subs	▪ Cable (CATV & BB) industry revenue grows at 9% CAGR (2005-2010)	85%	55%
			1996	The Telecommunications Act and cable rate deregulation	1998	AT&T buys TCI in US$48 bil. deal			▪ Average operating margin of 40%		
			1997	Digital cable launches	2001	AT&T merged its cable business with Comcast, creating world's largest operator with 22 mil. subscdribers					
			2005	Digital cable passes 30 mil. subs	2010	Comcast buys NBCU					
UK	1980s	50+ players	Late 1980s	DTH gained market share	1994	International CableTel acquired Insight Communications	2011	Virgin Media: 95% market share of total CATV subs	▪ Cable (CATV & BB) industry revenue grows at 5% CAGR (2005-2010)	98%	25%
			1991	Rights granted to cable companies to offer telephony with TV services	1998-99	NTL acquired Comcast UK, ComTel, Diamond Cable, and Cable & Wireless			▪ Average operating margin of 37%		
					2006-07	NTL acquired Telewest Global					
						Virgin acquired NTL and rebranded it Virgin Media					
Japan	Pre 1993	686 players	1993	Regulation eased, companies allowed to own more than one operator	Late 1990s	Larger MSOs acquired small cable operators	2011	Top 3 players: 65% market share of total CATV subs	▪ Cable (CATV & BB) industry revenue grows at 9% CAGR (2005-2010)	80%	15%
				Government's mandate for complete digitalization by 2010	2000	J:COM and TITUS Communications merge, with Liberty and Microsoft emerging as major investors in partnership with local conglomerate Sumitomo.			▪ Average operating margin of 43%		
			1998	FDI increased to 100%							
Taiwan	1980s	600+ players	1996 - 2000	Government's thrust towards digitization; FDI at 60%.	1996-2003	Larger MSOs acquired local cable operators	2010	Top 4 players: 80% market share of total CATV subs	▪ Cable (CATV & BB) industry revenue grows at 9% CAGR (2005-2010)	10%	16%
			2009	Full scale launch of digital cable	2004	Carlyle acquires kbro			▪ Average operating margin of 50%		
					2005	Macquarie buys stake in Taiwan Broadband–					

(Source: MPA Report 2013)

The US is a key last mile cable market with consolidation ensuring that nine MSOs have more than 90 per cent of last mile cable subscribers.

MSO	Platform	Pay-TV Subs	Market Share
Comcast	Cable	22,294,000	22.9%
DirecTV	DTH	19,966,000	20.5%
Dish Network	DTH	14,071,000	14.4%
Time Warner Cable	Cable	12,653,000	13.0%
Cox Communications	Cable	4,756,000	4.9%
Verizon	IPTV	4,353,000	4.5%
Charter	Cable	4,341,000	4.5%
AT&T	IPTV	3,991,000	4.1%
Cablevision	Cable	3,257,000	3.3%

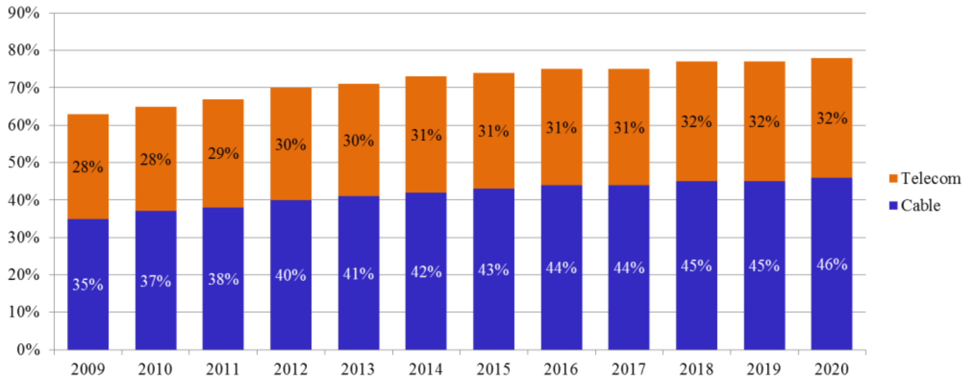
(Source: MPA Report 2013)

The key advantage for cable operators in global markets stems from return path or two way technological infrastructure. This allows cable operators to offer high-speed broadband services, bundled with digital television and various value added services such as VOD and DVR. Product innovation, attractive tiering of content and the bundling of broadband services are key drivers of the cable television business proposition, creating a significant pull for consumers. Once the cable network is upgraded and digitalized, the ability to offer new services such as high-speed internet and telephony makes for a compelling proposition.

Cable MSOs have rolled out DOCSIS 3.0 in more competitive, urban markets where telecommunications companies have deployed fiber; while in less-urban areas, cable has been competing with legacy DSL networks with average speeds of around 4 mbps. The growth of broadband has also driven significant changes in revenue composition with more than 30 per cent of Comcast Cable's revenues derived from broadband and telephony. The same trend is evident in markets such as Japan, Taiwan and Korea as well as emerging markets such as Indonesia.

Last Mile Cable dominates the broadband marketplace in the USA

US Broadband Penetration Trends (As a per cent of HHs)



(Source: MPA Report 2013)

Key International benchmarks in Cable television & Broadband

	US	UK	Korea	Japan	Taiwan	India
% Fixed BB HH Penetration	88%	82%	95%	77%	72%	5%
% Mobile BB Per Capita Penetration	37%	26%	45%	53%	10%	0.2%
% Cable Market Share of Fixed BB	58%	2%	24%	16%	18%	7%
% Telco Market Share of Fixed BB	42%	98%	76%	84%	82%	93%
Average BB Speed (Mbps)	10	8-10	30	50	10	1-2
Annual Consumer Spend on BB (US$)	564	456	264	564	258	115
% Pay-TV Penetration	89%	54%	100%	29%	95%	79%
% Cable TV Market Share of Pay-TV	57%	25%	64%	54%	86%	74%

Note: All broadband speed data from Akamai. By comparison, TRAI's data for average India broadband speed is lower because TRAI also includes GPRS and WAP (all data technologies >= 256 kbps).

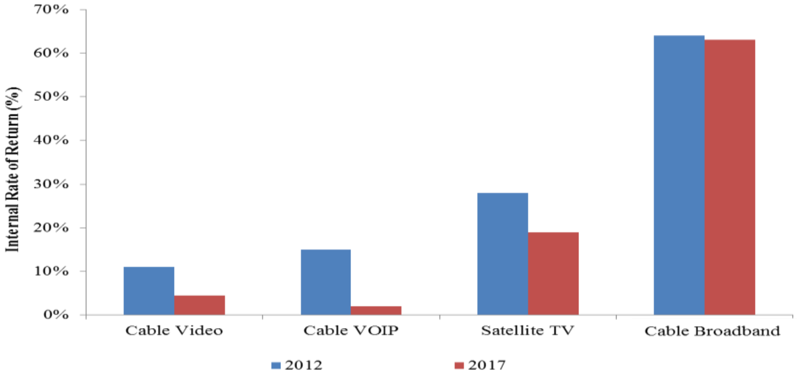
(Source: MPA Report 2013)

Key international trends:

- **USA.** Fixed broadband networks have stood their ground with cable incrementally upgrading networks to Docsis 3.0 and maintaining the lead over telecommunication companies on the broadband front. Deployments of HD, DVR, VOD, and recently 'TV Everywhere' has helped Cable face strong satellite-generated headwinds and maintain its edge in the video and broadband markets.
- **UK.** Despite consolidating into UK's largest last mile cable operator, Virgin Media has been unable to compete with BSkyB (the DTH market leader) on the video front – instead choosing to focus on its Docsis 3.0 enabled broadband network as a key differentiator. Deployments of VAS such as VOD, Tivo etc have helped the company address competition from Sky on the video front to a large extent
- **Korea.** Cable's high growth rate in Korea has been somewhat stunted in recent years by a revitalized telecom sector, deploying fiber aggressively and competing on price. Nonetheless, cable still retains more than 20 per cent of the broadband market and has more than 70 per cent market share in Pay-TV.
- **Taiwan.** Cable continues to be the dominant in spite of facing strong headwinds from competitors like Chunghwa Telecom (CT) who have been deploying fiber. Cable has stood its ground in the region by deploying Docsis 3.0 and digitalizing its networks rapidly.

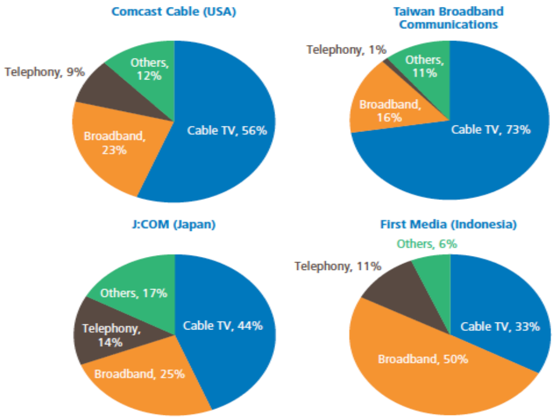
More broadly, broadband cable remains the highest return product for distribution platforms in the United States. In Pay-TV, satellite generates superior return to cable in general due to (i) lower operating costs from leveraging wireless infrastructure and lower churn levels due to national footprint and (ii) higher ARPUs vis-à-vis cable. However, cable broadband is the strongest solution in maximizing ARPU and margins and helps cable maintain superior returns to satellite.

Single Product IRR (USA)



(Source: MPA Report 2013)

Broadband is a key driver of the last mile cable business



(Source: MPA Report 2013)

OUR BUSINESS

Overview

We are a regional cable television and high speed broadband services provider focused in the Indian states of Odisha, Chhattisgarh, Andhra Pradesh and West Bengal. We have built a two-way communication network for 'Triple Play' services (video, data and voice capabilities) with control over the 'last mile'. We pioneered the primary point cable business model in India by offering digital and analog cable television, broadband and VAS services in Orissa, Chhattisgarh, West Bengal and Andhra Pradesh. We currently hold a dominant position in Orissa, with a fast-emerging presence in our three other markets, covering an addressable market of approximately five million homes (*Source: MPA Report, 2014*). We believe that our brand names, "Ortel Home Cable", "Ortel Digital" and "Ortel Broadband" are well known in the regions in which we operate. We commenced our business in 1995 and currently, our business is broadly divided into (i) cable television services comprising of (a) analog cable television services; (b) digital cable television services including other value added services such as HD services, NVoD, gaming and local content; (ii) broadband services; (iii) leasing of fibre infrastructure; and (iv) signal uplinking services.

Our business model is focused on the control over the 'last mile' connection. Owning the end connection allows us direct access to the cable television subscribers thereby helping us capture the entire subscription revenues paid by the cable television subscribers and reducing reliance on channel carriage fees and also enables us to provide multiple services to our cable television subscribers directly, such as broadband services, which help us increase the revenue realised per customer. As on March 31, 2014, 88.02 % of our cable subscriber base is on our own 'last mile' network. For the year ended March 31, 2014, of our total revenues from operations, 58.89% comes from cable television subscription fees and 15.92% from channel carriage fees. Globally, cable television operators provide bundled cable, broadband and phone services. This allows the operators to reduce the cost of reaching a household (three services offered through a single wire rather than three separate wires) and significantly improves profit margins *(Source: TRAI-Implementation of Digital Addressable Cable TV Systems in India, August 2010).*

We currently offer services in 48 towns and certain adjacent semi urban and rural areas with over 21,600 kilometers of cables supported by 34 analog head-ends and five digital head-ends. We use HFC (combination of optic fibre in the backbone and coaxial cable in the downstream) to build our network. We have the legal 'rights of way' for laying our network on utility poles as well as for underground cabling which are typically subject to renewal.

We were one of the first private sector companies in India to be granted an ISP license by the Government of India. We are capable of providing data services at a speed of up to 42.88 mbps through the use of cable modem with DOCSIS 2.0 standard through our HFC network. We are in the process of upgrading our modems with DOCSIS 3.0 standard which once implemented will enable provision of broadband services at a higher speed of over 340 mbps. We currently provide data services at speeds of up to 2 mbps to retail customers and as per the requirements for our corporate customers.

We service both retail and corporate customers. As of June 30, 2014, we had 3,88,115 retail subscribers for our analog cable television services, 74,213 retail subscribers for our digital cable television services and 55,861 broadband retail subscribers adding up to a total of 5,18,189 RGUs and provisioned bandwidth of 813 mbps to the broadband corporate customers.

We have grown both organically and inorganically through sale of our services directly to the cable television subscribers and through buyout of network equipments, infrastructure and subscribers of other MSOs and LCOs. We convert the acquired cable television subscribers to primary subscribers and improve the quality of services by upgrading or rebuilding the network with the 'last mile' connection. By improving the quality of cable services as well as providing value added services, we are able to limit large scale customer attrition to competing service platforms such as DTH providers and increase the revenue per user.

For the year ended March 31, 2014, our total income was ₹ 1,321.61 million and our PBDIT was ₹ 452.09 million. In Fiscal 2013 and 2012 our total income was ₹ 1,216.25 million and ₹ 1,211.99 million, respectively and our PBDIT was ₹ 353.21 million and ₹ 399.37 million, respectively.

Our Strengths

We control the 'last mile' connection

In India, the franchise model is predominant in the cable distribution industry where majority of the cable companies are dependent on the secondary point strategy. We have however invested in and have control over the 'last mile' connection which enables us minimise any revenue loss, limit large scale subscriber churn and allows us to cross sell our various services. As on March 31, 2014 88.02% of our cable subscriber base is on our own 'last mile' network and the remaining is connected through LCOs.

In the franchisee model, the LCOs typically retain 75-80% of the subscription revenues collected by them and the MSOs get a small fraction of the subscription collected (*Source: MPA Report, 2012*). Our control over the 'last mile' enables us to minimize any such revenue loss as we primarily collect subscription revenues directly from our customers without operating through LCOs. Control over the 'last mile' also enables us to better understand the customer needs and helps in better servicing the customers, cross selling our services and increasing revenues per user. Further, in a franchise model, the LCOs can shift from one MSO to another thereby causing large scale customer churn. In a 'last mile' model like ours, a customer may only shift individually. Hence we believe the 'last mile' control reduces risk of large scale loss of cable television subscribers and thereby helps in stable business operations. Further, since the last mile network is built and maintained by us, we ensure that the quality of network is uniformly maintained. Moreover, controlling and owning the last mile also enables us to build a two-way communication network through which we can offer broadband services and cable services over the same network.

The current business model of most other MSOs is largely based on the B2B platform whereby they operate through franchisees/ LCOs and they do not deal with customers directly. Digitization under the DAS Notification is aimed at transforming the industry dynamics as the business of the MSO will shift from B2B to B2C model. The MSOs would be required to remodel their businesses and will need to develop skill sets and necessary infrastructure as they transition to a B2C model oriented to delivering customer service. The MSOs will also need to take the responsibility for billing cable television subscribers, maintaining quality of service standards including customer care and call centre facilities. While many MSOs have managed to collate customer information, they need to address several anomalies such as ensuring: (1) details in customer application forms (CAF) are correct; (2) channels offered to consumers are in line with preferences indicated in CAF forms; and (3) bills reach relevant consumers. Most of the MSOs have yet to rollout packages and complete KYC exercises across Phase II markets (Source: *MPA Report 2014*). We, on the other hand, had adopted the B2C model since our inception and hence we believe we have the required capabilities and infrastructure to migrate to complete digitization.

We generate a steady revenue stream

Our 'last mile' model results in a reduced large scale churn of cable television subscribers and facilitates collections of fees directly. Hence, our revenues are driven largely by sale of cable and broadband services which includes subscription and connection fees and are less dependent on carriage fees as compared to other cable MSOs. For the year ended March 31, 2014, carriage & placement revenue contributed 15.92% of the total revenues from operations. Our business model also helps us control trade receivables and reduce bad debts resulting in better margins and cash flows. Our trade receivables as on March 31, 2014 were at ₹ 177.95 million, i.e. 13.46 % of total income, which was substantially lower than other listed national MSOs.

We maintain high quality network infrastructure with legal 'rights of way'

We have built a two-way communication network that can provide video, data and voice services, supported by network operating centers for analog, digital and broadband services. We currently offer up to 228 digital channels including 4 high definition channels and 23 radio channels. Our network is ready for deployment of digital services without any requirement for further up gradation. We offer services in 48 towns and certain adjacent semi urban and rural areas with over 21,600 kilometers of cables as of March 31, 2014 supported by 34 analog head-ends and five digital head-ends. We follow stringent network design parameters and constantly upgrade the technology relating to our network to maintain a high quality of service. We have predefined network designs for providing each of our services. The network backbone is built with high capacity fibre optic cable and the downstream network is built using co-axial cable. For providing digital television and broadband services, we also install digital set top boxes ("**STBs**") and cable modems at customer locations. We procure equipment from reputed vendors such as Cisco Systems International B.V., Sumavision International Group Co. Limited, Irdeto B.V, PPC Broadband INC. and Shenzen Skyworth Digital Technology C.o. Ltd.

We have legal ‘rights of way’ for our entire network which are typically subject to renewal. These rights are state-wide in Odisha and Chhattisgarh and in certain areas in which we operate in Andhra Pradesh and West Bengal. This facilitates smooth operations and helps provide services without any legal hindrance. It further reduces risks of damage, loss and eviction. Additionally, legal rights of way facilitates our use of public infrastructure (such as utility poles, underground ducts etc) to lay cable and install equipment.

We are capable of offering ‘Triple Play’ services to our customers

Our ability to offer ‘Triple Play’ services (i.e., video, data and voice capabilities) on our network helps us earn from multiple streams of revenues with marginal additional capital expenditure and differentiates us from competing platforms such as DTH and other cable competitors. We also provide our customers with after-sales service through a dedicated 24x7 call centre and streamlined customer complaint/ request redressal process.

Our cable television subscribers have choice of multiple services over the same cable leading to customer convenience and satisfaction. Our range of services enables us to cross sell our products, including our cable broadband services, HD services, NVoD and other interactive video content. As of June 30, 2014, our broadband subscribers, digital and analog cable television subscribers were 10.78%, 14.32% and 74.90%, respectively, of our total RGU base.

As a regional player, our service offerings are tailored to our customer needs

Being a regional player allows us to cater to the local and regional interests of our cable television subscribers such as regional language channels, films, general entertainment, local events and news programming. With our network typically providing up to 228 channels in digital (including 4 high definition channels and 23 radio channels) and up to 100 channels in analog services, we have an advantage over DTH providers, in providing regional content. We have head-ends located in 34 towns and certain semi urban and rural areas which provide us the ability to tailor content in each of these locations in contrast to the DTH providers who have a uniform pan-India platform which constrains them in providing regional channels.

We have strong execution skills and an experienced management team

Our management team is trained and experienced in building and managing the ‘last mile’ business over 19 years. Our promoters, Ms. Jagi Mangat Panda, who is also our Managing Director, and Mr. Baijayant Panda have extensive experience in the cable television distribution industry and have provided strategic direction to the Company since inception. Our key management personnel have been with the Company for an average of eight years. Our technical personnel include engineers and information technology experts who have significant experience in this area. Our management team has an established track record of buying out equipments, infrastructure and subscribers from MSOs/LCOs and successfully integrating them in our business, which is key for a successful B2C model. We believe that the knowledge and experience of our management team enables us to rapidly respond to the market opportunities, adapt to changes in the business landscape and competitive environment and bring innovations to our business, marketing and strategy.

Our Strategy

Deeper penetration in our existing geographies and entry into new geographies

We have in the past successfully expanded our operations and increased our RGU base. Our strategy is to continue to invest in the expansion of our existing network and tapping new geographies. We have expanded our presence from 24 towns as of March 31, 2010 to 48 towns and certain adjacent semi urban and rural areas as of June 30, 2014. We intend to expand further to new locations in the states of Odisha, Andhra Pradesh, Chhattisgarh and West Bengal and enter new markets such as Madhya Pradesh.

We intend to continue increasing our customer penetration and income from sales of cable and broadband services in the areas in which our cable network is laid. Our average cable penetration ratio (cable television subscriber base as a percentage of estimated homes passed) is approximately 50.55% as of June 30, 2014. We intend to improve this ratio in locations with lower than average penetration thereby improving the overall connection efficiency across our network. We intend to expand our cable television subscriber base through a combination of competitive pricing, multiple service offerings, extensive marketing and acquiring network equipments, infrastructures and subscribers from LCOs/MSOs in such areas, as the case may be.

Increased penetration of digital television services

Ministry of Information and Broadcasting, Government of India has announced a digitalization schedule to complete digitisation of all analog connections across India by December 31, 2014. Even though our network is 100% digital ready and we possess the capability to digitise our customers on analog platform as we have invested in digital head-ends, billing systems, CAS and 'subscriber management systems', as on June 30, 2014, only 16.05% of our cable television subscribers are digitised. To further digitise the remaining customers, we will require more digital head-ends and STBs. We intend to digitise our entire cable television subscription base to meet the government mandated timelines. Further, we intend to acquire new cable television subscribers on the digital platform in cities where our digital services are operational, by converting DTH subscribers to the digital service through competitive pricing and by converting our analog cable television subscribers and by rolling out digital services in more number of locations. As part of our digital strategy, we plan to provide more content including regional content and make our service packages and offerings more attractive than competing platforms such as DTH. Digitisation of our entire subscription base will also enable us to improve our revenues as our average subscription price for a digital cable connection is generally higher than analog cable connection as of June 30, 2014.

Increase our broadband subscriber base

Fixed broadband penetration in India is expected to reach 6% by Indian homes by 2023, while mobile per capita penetration is expected to reach 3% by 2023. (*Source: MPA Report, 2014*). The GoI has announced its 'National Broadband Policy' providing emphasis on broadband penetration. The personal computer penetration pegged at 4% at the end of 2009 is expected to reach 17% by 2015 (*Source: TRAI Recommendations on National Broadband Plans dated December 8, 2010*). We intend to tap this potential and substantially increase our broadband penetration.

We hold a pan India ISP license which enables us to provide broadband services in all our areas of operations. Our broadband subscriber base is 55,861 as of June 30, 2014 which constitutes 10.78 % of our RGUs. We also provide high bandwidth dedicated leased line services to our corporate subscribers. As on June 30, 2014, we have 132 corporate customers with provisioned bandwidth of 813 mbps. Our network allows us to offer broadband services to existing customers as part of 'triple play'. We have identified the following initiatives for improvement so as to increase our subscriber base for broadband services, (i) improving network uptime by providing for power backups at nodes; (ii) expanding to newer locations and deeper penetration in existing locations; and (iii) improving the customer service delivery infrastructure (iv) Aggressively offer bundled cable and data services. Further we intend to improve network penetration by cross selling our broadband services aggressively to our existing cable television customers and attracting new customers through competitive pricing, better customer support service, providing higher data transfer speed and other features such as home wireless.

Expansion through buyout of network equipments, infrastructure and subscribers of other MSOs and LCOs

Buying out network equipments, infrastructure and subscribers of other MSOs and LCOs, especially in the newer markets in which we have expanded, has contributed to our growth. We have entered into agreements with 486 MSOs/ LCOs between April 1, 2009 and June 30, 2014, resulting in an acquisition of 212,980 cable television subscribers. We have successfully managed to acquire network equipments, infrastructure and subscribers from such MSOs and LCOs through a unique payment model. Typically, we enter into a sale deed for the purchase of the network equipments and infrastructure of an MSO/LCO in consideration of one-time payment. However, in case of buyout from the LCOs, we also enter into an additional agreement with the LCO, whereby it is agreed that the LCO will assist us, in relation to the particular area where he operated prior to such buyout, in guarding and protecting the network systems, including the equipments, cables, distribution chain and help prevent any untoward occurrence, illegal growth of connections and unauthorised entry of cable operators into the area. In consideration of this agreement we pay a non-compete fee to the LCOs typically at the rate of 25-30% of the monthly collection per subscriber transferred to our Company. Such payments are made over an extended period of time. This helps in staggered capital outflows and reduces the risk of re-entry of the LCOs into the same market as us. We have built key elements in our organization geared towards acquiring and assimilating entire LCO networks and their cable television subscribers in a smooth, fast and effective manner. We intend to continue to acquire network equipments, infrastructure and subscribers from select MSOs and

LCOs.

Leasing of fibre infrastructure to corporates

Being a 'last mile' operator, we have extensive presence of our network in various towns in the areas we operate. We leverage our network infrastructure by leasing out capacity on our network to corporates for their communication requirements. As on June 30, 2014, we leased out around 513.86 km of optical fibre cable network to various corporate and have recently signed an agreement for further leasing a minimum 500 km of optical fibre cable network. With rapid industrialization in our target markets, we expect continued growth of revenues from providing these services and we have a dedicated sales, projects and service team concentrating on expanding such business.

History and Background

Our Company was incorporated on June 2, 1995 as 'Ortel Communications Limited', a public limited company under the Companies Act. It received the certificate for commencement of business on July 19, 1995.

Our Company was incorporated in order to undertake the business of operating satellite television network, cable television network, telephone, telegraph, cabletronic mail, telenewspaper, conferencing, video conferencing, mobile text, mobile videotext, radio paging and any other system of communication. At the time of incorporation, the registered office of our Company was located at B-4/147, Safdarjang Enclave, New Delhi 100 029. Subsequently, pursuant to a board resolution dated March 20, 1999, our registered office was shifted to B-7/122A, Safdarjang Enclave, New Delhi 110 029 for adm0inistrative convenience.

Key awards and milestones

Year	Events
1995	• Incorporation of our Company • Started our cable business in Odisha
1998	• One of the first private sector companies in India to obtain ISP license and start its high speed internet services [(2)]
1999	• Investment of ₹ 85 million by South Asia Regional Fund which is managed by a Mauritian subsidiary of Commonwealth Development Corporation, United Kingdom
2000	• Operations expanded to other parts of Odisha
2004	• ISO 9001 : 2000 certified
2005	• Crossed 100,000 RGUs
2006	• Legal right of way granted outside Odisha in Chattisgarh[(2)]
2007	• Legal right of way granted outside Odisha in West Bengal and Andhra Pradesh [(2)] • Commencement of provision of digital services
2008	• Investment of ₹ 600 million by NSR [(1)] • Crossed 200,000 RGUs • Services launched outside Odisha, in the states of West Bengal, Andhra Pradesh and Chattisgarh
2009	• Crossed 300,000 RGUs
2010	• Best Small and Medium Enterprise by Orissa Computer and Application Centre, Government of Odisha • Pilot project of internet telephony successfully launched
2011	• Crossed 400,000 RGUs
2014	• Crossed 500,000 RGUs

[(1)] For further details, see the section titled "*History and Corporate Structure – Shareholders Agreements*" on page 164.
[(2)] For further details, see the section titled "*Government and Other Approvals*" on page 315.

Our Service Offerings

Our business is broadly divided into (i) cable television services comprising of (a) analog cable television services; (b) digital cable television services including other value added services such as HD services, NVoD, gaming and local content; (ii) broadband services; (iii) leasing of fibre infrastructure; and (iv) signal uplinking services.

Cable Television Services

We provide both analog and digital cable services for the retail market in the states of Odisha, Chhattisgarh, Andhra Pradesh and West Bengal. Our analog and digital cable services are provided over our HFC network. Digital compression expands channel capacity and encryption allows better protection of television signal from hacking and providing different bouquets for different target segments of customers. Further, HD services enable us to provide high resolution video content to our subscribers.

For the financial year ended March 31, 2014, our cable television subscription fees was ₹ 756.68 million, which grew by 12.29% from ₹ 673.84 million in the previous financial year. The following table sets forth information relating to our cable television services business as at the dates indicated:

	As at and for the financial year ended March 31			**As at and for the three months ended June 30, 2014**
	2012	**2013**	**2014**	
No. of towns	42	43	43	43
No. of Estimated Homes Reached	7,82,097	8,02,016	8,05,389	8,06,129
No. of Analog cable television subscribers	3,54,194	3,67,409	3,91,535	3,88,115
No. of Digital cable television subscribers	69,958	68,219	69,873	74,213
Total No. of cable television subscribers	4,24,152	4,35,628	4,61,408	4,62,328
Total Cable Television subscription fee *(In ₹ Million)*	648.25	673.84	756.68	N.A

Analog Cable Television Services

We provide analog cable services in 43 towns and certain adjacent semi urban and rural areas connecting 3,88,115 cable television subscribers, through our 34 analog head-ends. We provide up to 100 channels to our analog cable television subscribers. The channel mix in each market is driven by factors including customer's preference, demand of regional languages/ local channels and the competitor's packages.

For providing this service, satellite signals are received through multiple dish antennas located at various analog head-ends, and are connected to receivers for FTA channels and to the IRD for the encrypted/pay channels. The output of the receiver or the IRDs is connected to modulators to set carrier frequency for channels. The channels are combined before feeding to HFC network.

The HFC network has an optical system followed by the RF. The cable television signal is converted to optical signal and sent to optical receivers/nodes. The optical receiver/node converts the optical signal into an RF signal which is then carried through co-axial cable network till customer premises~~.~~ Amplifiers are used to boost the RF signal level wherever required and for delivery distribution of signals to customer premise.

Our network topology is established based on the density of homes, types of services to be provided and expected penetration of services. Based on our assessment of these factors, various network designs are standardized for different requirements.

Digital Cable Television services

We provide digital cable services in 9 towns and certain adjacent semi urban and rural areas connecting 74,213 cable television subscribers, through our 5 digital head-ends. We currently offer up to 228 video including 4 high definition channels and 23 radio channels. A digital platform enables us to offer content with superior picture quality, sound and value added services and additional channels of different genres. The additional features associated with digital service include EPG with program schedules, reminders, favorite settings, audio selection and games. We also provide other types of specialized programming, like live temple visuals. We provide certain value added services such as NVoD, HD TV and live active TV tour subscribers. NVOD is a technique used in digital television by MSO's to offer the same content on different channels at staggered start times. HD TV provides much better resolution than current televisions standard. HD TV is a digital TV broadcasting format where the broadcasters transmit widescreen pictures with more detail and quality than found in a standard analog television, or other digital television. Active TV- Live Contents are seen as split videos on single screen and when selected, plays the particular video on full screen.

In digital television head-end, similar to analog, channels are received from satellite through dish antenna. Encrypted channels are connected to respective IRDs. The IRD output is encoded using MPEG-2 Encoder. FTA channels are received through the receiver and the output is multiplexed with multiplexers to get a group of channels. The channels are encrypted through scramblers.

The delivery of digital signal is same as that of analog signal except for the customer's premise. At the customer's premises, STBs are provided to decrypt and receive the video signal. Every STB has a smart card to enable activation, deactivation and special service provisions. We procure set up boxes at a cost of ₹ 1,440 for installation at customer's premises for providing digital television services and collect a one-time connection fee per customer. The average one-time connection fee charged for three months ended June 30, 3014 is ₹ 600.

Our digital cable television services, being decentralised, allow us to offer more content in regional languages as compared to DTH services that cater to the all-India market requirement. We also offer different product lines in terms of PVR, high definition and other value added services to cater to the high-end digital subscribers.

Broadband services

We provide both retail and corporate broadband services in 19 towns and certain adjacent semi urban and rural area. Our network is capable of delivering data speed of up to 42.88 mbps. We have 55,861 retail subscribers and dedicated leased lines connectivity of 813 mbps to the corporate customers for our broadband services, as at June 30, 2014.

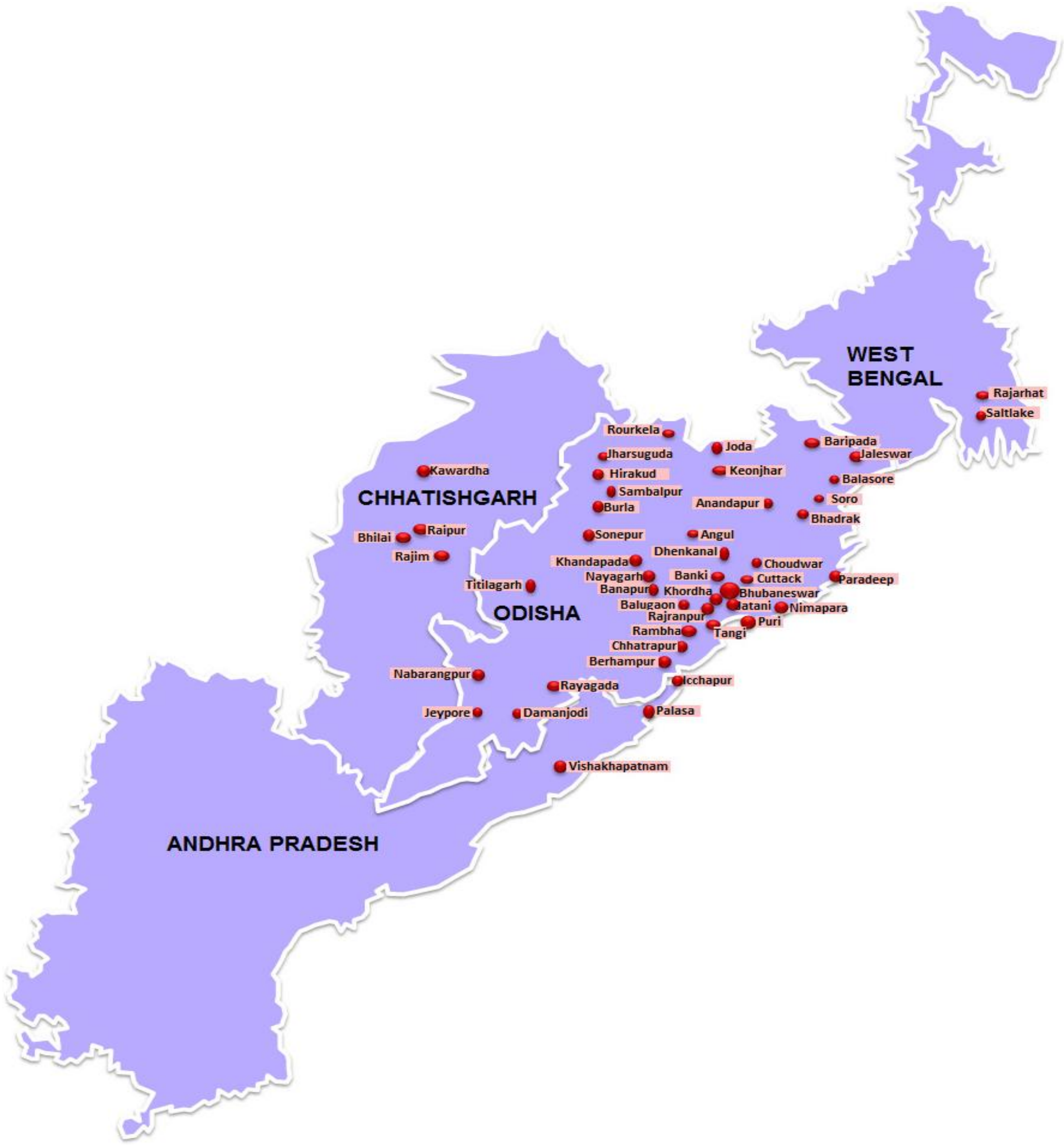
For the financial year ended March 31, 2014, our internet subscription fees were ₹ 257.82 million, which grew by 4.61% from ₹ 246.46 million in the previous financial year. The following table sets forth operation related information relating to our broadband services business as at the dates indicated:

	As at and for the financial year ended March 31			**As at and for the three months ended June 30, 2014**
	2012	**2013**	**2014**	
No. of towns	19	19	19	19
No. of Broadband Subscribers	52,456	50,627	54,427	55,861
Broadband Subscription Income *(In ₹ Million)*	247.61	246.46	257.82	N.A

We provide our broadband services through our HFC network. Our subscribers are currently able to access the broadband services by using a DOCSIS 2.0 cable modem. We are in the process of upgrading our modems with DOCSIS 3.0 standard, which once implemented will enable provision of broadband services at higher speeds of over 340 mbps. Our fibre backbone and the 'last mile' network enable our customers to access high speed services. We currently offer various packages to retail customers with speed ranging from 512 kbps to 2 mbps with various monthly plans. We also offer home wireless options to our broadband subscribers. We procure cable modems Docsis 2.0 (without home wireless) at an average cost of ₹ 1,360 for installation at the customers' premises for providing broadband services and collect a one-time connection fee from the customers. The average one-time connection fee charged for three months ended June 30, 2014 is ₹ 827. Our average procurement cost for cable modems with home wireless is ₹ 3,133 while the average one-time connection fee charged for three months ended June 30, 2014 is ₹ 1,182.

For corporate broadband services we use optical media converters at both ends which connect the customer and internet point of presence through a dedicated fibre. We offer packages to corporate customers catering to their specific requirements in terms of requisite speed.

The presence of our analog, digital and broadband services in the states of Odisha, Chhattisgarh, Andhra Pradesh and West Bengal is as illustrated below:



SL No	TOWN	ANALOG	DIGITAL	DATA
1	Anandapur	√		
2	Angul	√		√
3	Balasore	√		√
4	Balugaon	√		
5	Banapur	√		
6	Banki	√		
7	Baripada	√		
8	Berhampur	√		√
9	Bhadrak	√		
10	Bhubaneswar	√	√	√
11	Cuttack	√	√	√
12	Khordha	√		√
13	Jatani	√		√
14	Choudwar	√	√	√
15	Joda	√		
16	Damanjodi	√		
17	Dhenkanal	√		
18	Icchapur	√		
19	Jaleswar	√		
20	Jeypore	√		
21	Kawardha	√		
22	Keonjhar	√		
23	Nabarangpur	√		
24	Nayagarh	√		

SL No	TOWN	ANALOG	DIGITAL	DATA
25	Khandapada	√		
26	Nimapara	√		
27	Palasa	√		
28	Paradeep	√		√
29	Puri	√		√
30	Raipur	√	√	√
31	Rajim	√		
32	Rambha	√		
33	Chhatrapur	√		
34	Rayagada	√		
35	Rourkela	√	√	√
36	Sambalpur	√		√
37	Hirakud	√		
38	Burla	√		√
39	Sonepur	√		
40	Soro	√		
41	Tangi	√		
42	Rajranpur	√		
43	Titilagarh	√		
44	Vishakhapatnam		√	√
45	Jharsuguda		√	√
46	Saltlake		√	√
47	Rajarhat		√	√
48	Bhilai			√

Note – Map not to scale

Leasing of Fibre Infrastructure

We provide point-to-point fibre connectivity to corporates for their communication services by leasing our network. As on June 30, 2014, we have leased approximately 513.86 kms of optical fibre cable network to certain corporate customers and have recently signed an agreement for further leasing a minimum 500 km of optical of optical fibre cable network. For the Fiscal ending March 31, 2014, our revenue from these services was ₹ 7.80 million, which accounted for 0.59% of our total income.

Signal Uplinking Services

We have a commercial teleport providing uplink services to television channels, with 9 MHz transponders space from ISRO and we currently uplink five channels from the teleport. We also have facility for uplinking through DSNG for live telecast. Teleport and DSNG services are ancillary to our business. For the year ending March 31, 2014, our revenue from these services was ₹ 28.94 million, which accounted for 2.19% of our total income.

BUSINESS PROCESSES

Quality Management System

We have been certified for compliance to the QMS practices under the ISO 9001:2008. Our present certificate is valid until August 18, 2016. We have defined parameters for key processes affecting our business, quality and monitoring systems with key performance indicators for each process.

The QMS department carries out the regular internal/external audits, process alignment study and recertification compliance. Detailed gap analysis is regularly carried out to understand the current level of compliance and gaps in the systems with respect to ISO 9001 standards. On the basis of gap analysis and findings of audit reports, corrective measures are taken to ensure future adherence of quality standard.

Programming

We currently offer up to 100 channels of regional and national programming on our analog cable television platform and up to 228 channels including 4 high definition channels and 23 radio channels on our digital cable television platform to meet the diverse needs of the markets.

The number of channels offered is dependent on the location, demographics and other relevant market data in the target market. To meet the needs of various customer segments in the market, we offer a broad range of content. Over the years we have developed strong relationships with broadcasters and content providers across various genres

Our content offering, in each of the analog and digital platforms is structured with an objective to maximize the preferred channels in each genre and we ensure to cover all genres including general entertainment, news, sports, movies, music, infotainment, regional, religious, kids, lifestyle and other bouquets. The offering of these channels may vary from location to location across India.

An indicative channel list in the analog and digital platform that we currently provide is given below:

SL. NO	CATEGORY	ANALOG	DIGITAL		
1	**GENERAL ENTERTAINMENT**				
		COLORS	COLORS	9X	AXN
		STAR UTSAV	STAR UTSAV	SAHARA FIRANGI	COMEDY CENTRAL
		LIFE OK	LIFE OK	UTV STARS	FOX CRIME
		SAB TV	SAB TV	ZEE SMILE	ZEE CAFE
		SONY	SONY	DD INDIA	
		DD NATIONAL	DD NATIONAL	SAHARA ONE	
		STAR PLUS	STAR PLUS	UTV BINDASS	
		RISHTEY	RISHTEY	ZEE ANMOL	
		DD BHARTI	DD BHARTI		
		ZEE TV	ZEE TV		
		STAR WORLD	STAR WORLD		
2	**NEWS**				

SL. NO	CATEGORY	ANALOG	DIGITAL		
		AAJ TAK	AAJ TAK	NEWS XPRESS	ALJAZEERA
		ABP NEWS	ABP NEWS	ZEE NEWS	TIMES NOW
		LOK SABHA TV	LOK SABHA TV	FOCUS NEWS	FRENCH 24
		DD RAJYA SABHA	DD RAJYA SABHA	LIVE INDIA	NHK WORLD
		DD NEWS	DD NEWS	CNBC AWAZ	NDTV PROFIT
		INDIA TV	INDIA TV	NDTV INDIA	BLOOMBERG UTV
		INDIA NEWS	INDIA NEWS	TV 24	ET NOW
		NEWS NATION	NEWS NATION	SAHARA NCR	NEWS X
		SAHARA SAMAY	SAHARA SAMAY	SAHARA MUMBAI	HEADLINES TODAY
		CNN IBN	CNN IBN	ZEE BUSINESS	
		CNN	CNN		
		CNBC TV18	CNBC TV18		
		NDTV 24X7	NDTV 24X7		
3	**SPORTS**				
		DD SPORTS	DD SPORTS	NEO SPORTS	
		STAR SPORTS 1	STAR SPORTS 1	NEO PRIME	
		STAR SPORTS 4	STAR SPORTS 4		
		SONY SIX	SONY SIX		
		STAR SPORTS 3	STAR SPORTS 3		
4	**MOVIES**				
		MOVIES OK	MOVIES OK	ZEE ACTION	SONY PIX
		SAHARA FILMY	SAHARA FILMY	ENTER 10	WB
		SET MAX	SET MAX	ZEE CLASSIC	MGM
		STAR GOLD	STAR GOLD	ZEE PREMIER	WORLD MOVIES
		UTV ACTION	UTV ACTION	& PICTURES	ZEE STUDIO
		UTV MOVIES	UTV MOVIES	MANORANJAN TV	
		ZEE CINEMA	ZEE CINEMA		
		CINEMA TV	CINEMA TV		
		B4U MOVIES	B4U MOVIES		
		HBO	HBO		
		STAR MOVIES	STAR MOVIES		
5	**MUSIC**				
		9X MUSIC	9X MUSIC	VH 1	
		B4U MUSIC	B4U MUSIC	MUSIC INDIA	
		CHANNEL V	CHANNEL V	ZING	
		ETC MUSIC	ETC MUSIC	JOO MUSIC	
		M TV	M TV		
		SONY MIX	SONY MIX		
6	**INFOTAINMENT**				
		ANIMAL PLANET	ANIMAL PLANET	NGC PEOPLE	DD VYAS
		DISCOVERY	DISCOVERY	NGC WILD	GYAN DARSHAN
		NATIONAL GEOGRAPHIC	NATIONAL GEOGRAPHIC	FOX LIFE	ACTIVE NEWS
		HISTORY TV 18	HISTORY TV 18	ZEE Q	ACTIVE KIDS
7	**REGIONAL**				
		DD ODIA	DD ODIA	ATN BANGLA	KIRAN
		ASIANET MIDDLE EAST	ASIANET MIDDLE EAST	FOCUS BANGLA	DD SAPTAGIRI
		DD BANGLA	DD BANGLA	KOLKATA TV	Z 24 GHANTA
		DD URDHU	DD URDHU	GEMINI MUSIC	MAA GOLD
		ETV ODIA	ETV ODIA	MAA MOVIES	SANGEET BHOJPURI
		SARTHAK TV	SARTHAK TV	DD RAJASTHAN	KRANTIPUR
		FOCUS ODISHA	FOCUS ODISHA	TIME TV	DD PUNJABI
		GEMINI	GEMINI	STAR JHALSA	DD MALAYALUM
		JAYA TV	JAYA TV	ABN	KALAIGNAR TV
		KANAK TV	KANAK TV	NTV	DD KASHIR
		MAA TV	MAA TV	MI MARATHI	KASTHURI TV
		MBC TV	MBC TV	DD SAHYADRI	DD BIHAR
		OTV	OTV	SAAM TV	DD MP
		TARANG MUSIC	TARANG MUSIC	DD GIRNAR	SURYA
		TARANGA	TARANGA	SUN MUSIC	DD PODIGHAI
		ZEE KALINGA	ZEE KALINGA	PTC NEWS	ABP ANANDA
		ZEE BANGLA	ZEE BANGLA	DD NORTH EAST	ETV TELUGU
		PTC PUNJABI		DD UP	GEMINI MOVIES

SL. NO	CATEGORY	ANALOG	DIGITAL		
				ZEE 24 TAAS	PTC CHAKDE
				DD CHANDANA	CITY PLUS
				MAHUA	MAHAK TV
				SUN TV	OLLYWOOD TV
				SANGEET BANGLA	
8	**RELIGIOUS**				
		AASTHA	AASTHA	KALASH TV	JAGANNATH MANDIR
		PRATHANA	PRATHANA	SADHNA	PRAGYA
		SANSKAR	SANSKAR	GOD TV	ZEE JAGARAN
				AASTHA BHAJAN	ASEERVATAM TV
				ZEE SALAM	SVBC
				SATSANG TV	MH ONE SHRADHA
				DISHA TV	DIVYA
				BHAKTI	KATHYANI TV
				SAI MANDIR	RAM MANDIR
9	**KIDS**				
		CARTOON NETWORK	CARTOON NETWORK	SONIC	DISNEY JUNIOR
		NICK	NICK	POGO	HUNGAMA
				DISNEY	
				DISNEY XD	
				ANIMAX	
10	**LIFE STYLE**				
		HOMESHOP 18	HOMESHOP 18	CARE WORLD	NDTV GOOD TIMES
		FOOD FOOD TV	FOOD FOOD TV	TLC	TRAVEL TRENDZ
		FAISHON TV	FAISHON TV	ZEE TRENDZ	HBN
11	**HD**				
				M TUNE HD	
				MOVIES NOW HD	
				TRACE SPORTS HD	
				TRAVEL XP HD	

Content and Placement Negotiation

Availability of the right mix of channels at any given point of time is critical for customer satisfaction and retention. Since there are a large number of channels available we have to provide channels in different markets depending on the customer's expectations and competitor's offers. Once the desired channel list is decided, we negotiate the commercial aspects with the respective broadcasters in respect of pay channels.

Similarly, for gaining better viewership, broadcasters also negotiate and offer carriage fee to run their services in the desired frequency/band. Depending on our capacity to carry the channels and keeping in mind the customers' demands, we negotiate such fee with some of the broadcasters and place their channels on the agreed frequency/ band.

Marketing, Sales and Pricing

- **Marketing**

We promote our brand and services through extensive media planning and network. We follow a 360 degree approach using satellite television, radio, print and out-of-home media at locations with comparatively high footfalls including malls, shopping complexes, stores and airports.

Looking at the growing demand of regional television viewership, our media plan remains focused on satellite television channels and spots for running commercials are booked for programs/time band during which the viewership matches the target profile.

We also do road shows, participate in trade fairs and run different direct campaign in multi dwelling units and in different places/locations for our subscribers. We have participated in many local events and trade fairs for promoting our brand and highlighting our products and features to prospective subscribers. We have a dedicated team which undertakes these activities.

- **Analog Cable television**

There are two aspects of our product pricing- one-time connection fee and monthly subscription. In both categories, the pricing varies with each location. The connection fee which is charged at the time of installation is driven by the competition in that specific market. Monthly subscription within a location usually follows different pricing strategies to cater to the different income groups. The subscription is usually reviewed by us and if required revised periodically based on market conditions and guidelines issued by TRAI.

With a direct sales team in place, different sales schemes are introduced in different markets. Since we provide cable (analog & digital) as well as broadband services in the markets where we operate, it helps us attract subscribers from competitors.

- **Digital Cable television**

Our pricing is set keeping in mind the services provided by other cable service providers as well as the DTH operators. We have adopted a strategy of differential installation fee to suit the requirement of different market segments. We attempt to price our monthly subscription plans competitively. We also offer localized regional content and various choices in terms of add-on packages at competitive prices. Our decentralized operation gives us the advantage of choosing channels based on the requirement of locations. Digital sales are driven by conversions of DTH subscribers and our analog cable television subscribers to digital cable television subscribers.

Prospective customers are identified through various activities including tele-calling, road shows and door-to-door visits. We have also appointed DSAs to boost sales.

- **Broadband services**

The ability to offer 'Triple Play' services helps us to sell our broadband services along with our cable television services. While acquiring cable television subscribers, the data pertaining to computer ownership and other details including requirement of broadband is identified. The prospective list is also generated through customer referral programs and tele-calling. Customer acquisition is made by us directly as well as through DSAs.

The product mix has packages at different monthly subscription prices, speed, download limits and complimentary offerings, aimed at different market segments.

Customer service and call centers

One of our key strategic objectives is to build subscriber loyalty and retention. As on June 30, 2014, we have 18 local customer help centers and a centralized call centre with a dedicated 24x7 help line. We have a network monitoring system through which subscribers are informed about major network failures and restoration time to avoid call rush.

Our 24x7 call centre in Bhubaneswar is well equipped with high quality and capacity servers with trained customer service agents. We also have a grievance redressal system in place. Network complaints pertaining to our broadband services are referred to our highly skilled engineering team which resolve the complaints.

Retention

A dedicated retention team is in place to minimize and control likely churn. Our retention executives reach out to subscribers regularly to understand the reasons for discontinuing with our services. Our customer service efforts aids in customer retention.

Billing & Collections

The sales department submits 'customer application forms' with all details to the billing system after the receipt of accounts. Sales are recorded in the ERP and a 'connection card' is issued. For digital or data customers, the STB or modem is allocated and installed at the customer's premises. After connection and activation, the card is handed over to the billing department to activate the billing system.

Many of our subscribers also change the internet or digital plans they initially opted for. The billing department updates this information into the system on getting such a request and a bill is automatically generated. Disconnections and reconnections are also addressed whenever such request or demand is received.

The collection process is semi-automated. HHTs are used by collection agents and these machines can be uploaded and downloaded with data base and also can generate bills, receipts, disconnection advices etc. These HHTs are uploaded into the computer system by the collection department and then updated into the ERP system. Each location has a billing department which updates all the above relevant information into the centralized ERP system regularly. The I.T. department processes the bills centrally for all locations.

We have a strong collection mechanism and dedicated collection representatives which ensures smooth and timely collection and helps in collating feedback from subscribers on regular basis on our customer service, product pricing and competitor action on ground.

Buy out of network equipments, infrastructure and subscriber of other MSOs and LCOs

We have grown both organically and inorganically through sale of our services directly to the cable television subscribers and through buyout of network equipments, infrastructure and subscribers of other MSOs and LCOs. The identification of suitable MSOs and LCOs for buying out is based on many considerations, including the size of their subscriber base, expected ARPU, current and potential costs, payments made by the MSO/LCO to the broadcasters for the content and the value of their head-end and network equipment

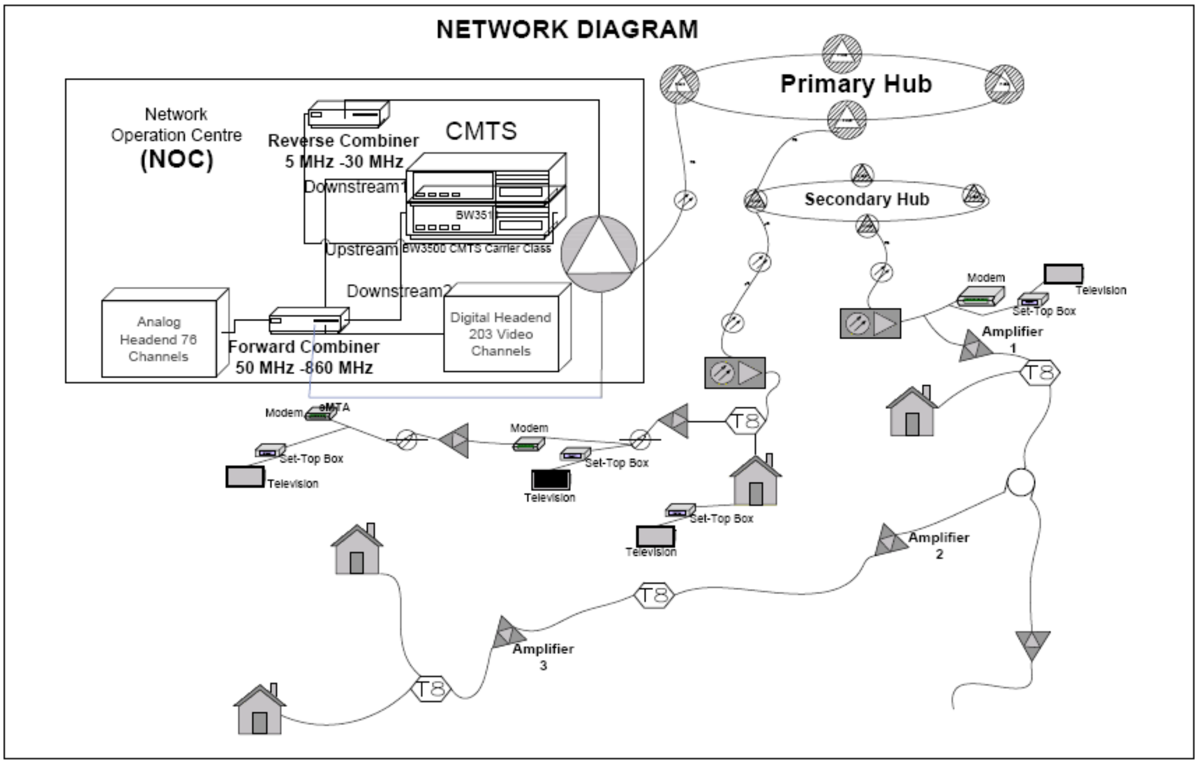
As a strategy, we buyout the equipments, infrastructure and subscribers of an MSO/ LCO through a series of agreements for different stages of the transaction. Typically, we enter into a sale deed for the purchase of the network equipments and infrastructure of an MSO/LCO in consideration of one-time payment. However, in case of buyout from the LCOs, we also enter into an additional agreement with the LCO, whereby it is agreed that the LCO will assist us, in relation to the particular area where he operated prior to such buyout, in guarding and protecting the network systems, including the equipments, cables, distribution chain and help prevent any untoward occurrence and illegal growth of connections. In consideration of this agreement we pay a non-compete fee to the LCOs typically at the rate of 25-30% of the monthly collection per subscriber transferred to our Company. Such payments are made over an extended period of time, usually being up to five years and are recognised as an intangible asset and amortised by us over the period of agreement (subject to a maximum of five years) with the LCO in equal instalments.

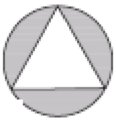
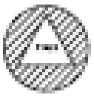
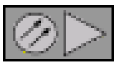
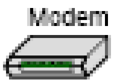
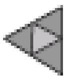
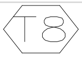
NETWORK AND INFRASTRUCTURE

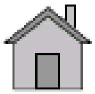
Our network system has three major hierarchies: Head-end or NOC, OFC and coaxial cable network. At our head-ends, channel signals are received, processed, amplified and then sent through our distribution network, which consists of fibre optic cables and coaxial cables. As of March 31, 2014, we over 21,600 km of cables which consist of optical fibre cable for major routes, superior low signal loss coaxial cable for secondary distribution routes and RG6 coaxial cable for 'last mile' connectivity to our cable television subscribers.

We deliver our services through the HFC network, which is a combination of optic fibre cable network and coaxial cable network. Fibre optic cable is used as a network backbone which is a communication medium that uses hair-thin glass fibres to transmit signals over long distances with less signal loss and zero distortion as compared to coaxial cable. Tri-shield coaxial cable is used in the downstream for broadband data and cable systems and has high-quality broadband frequency characteristics, noise immunity and physical durability.

A coaxial cable is laid over head following all safety precaution on electricity poles with legal right of way from the concerned/competent authorities. Our fibre is partially laid under-ground. We build the standardized HFC networks based on households and penetration strategy. The HFC networks deployed are of different versions and each design version has different loading capacity of video and data depending upon the location, geography, density and expected penetration. There is also a clearly defined migration/ upgradation plan in case the same is required.



SNo	Symbol	Meaning of the Symbol
1		NOC with two strands Fibre. One strand used for Optical Signal out at 1310nm in Forward 50-862 MHz and in reverse another strand 1310nm at 5-30MHz
2		Primary HUB with Two strand underground fibre connected to NOC in ring architecture.
3		Secondary HUB with two strand fibre connected to Primary HUB
4		Fibre Symbol
5		Two Way Optical Node. It connects to secondary HUB with two strand fibre - one for forward and second strand for reverse. It gives output in RF.
6		Television Set
7		DOCSIS 2.0, eMTA or Cable Modem
8		Set Top Box, connected to Television set for converting the digital signal
9		Two Way amplifier. Connected to distribution network
10		8 Port Tap-off. Used in distribution network for connectivity to the customer house for Customer Premise Equipment (CPE)

SNo	Symbol	Meaning of the Symbol
11		Customer House for CPE
12		Splitter to extend the network from one amplifier to another with branches

Engineering & Technology

Engineering

Our engineering team is responsible for projects, maintaining the NOC and HFC system and for servicing customer requests. The team consists of three groups:

- The *projects team* is responsible for onsite study and preparation of map layout and subsequent installation of cable and accessories as per defined design versions. They certify completion of the projects and report ‘passing’ to the management information systems.

- The *group dealing with ‘Drop’* is responsible for connection to the customer’s premises including installation and activation of CPEs which includes STBs and modems.

- *Maintenance team*: Each location is usually divided into multiple zones and each zone is taken care of by a team of technicians. Optical fibre is maintained by a centralized team and the coaxial network issues are addressed by zonal technicians. The complaints received at call centers are passed onto technicians to resolve and report.

Technology

Our technology department is responsible for introducing new technology devices and methods in the Company which can be deployed to upgrade the service delivery or offer new services. It also provides internal solutions to network downtime events faced from time to time. Before adoption of any new technology, study and test is done in-house with pilot projects. We offer broadband services through MEN in West Bengal, which engages different network topology capable of providing only broadband services currently and can provide IP television services in the future.

Intellectual Property

We own the trademarks for the logos “ ”, “Ortel.net” and “Home Grown, World Class” and we have filed applications for registration of certain trademarks. We believe that trademarks are important assets to our business. For further details, see the section titled “*Government and Other Approvals*” beginning on page 315.

Suppliers

We purchase all our equipment from reputed manufacturers. Some of our equipments are indigenous and some are imported. We procure equipments from reputed vendors like Cisco Systems International B.V., Sumavision International Group Co. Limited, Irdeto B.V., PPC Broadband INC. and Shenzen Skyworth Digital Technology C.o. Ltd.

OTHER CORPORATE FUNCTIONS

Insurance

We maintain comprehensive insurance coverage for our electronic equipment, vehicles, network assets and buildings. We have various insurance policies to protect our property including electronic equipment insurance, special contingency insurance, standard fire insurance, fidelity insurance, machinery breakdown insurance, vehicle insurance and director’s liability insurance, arranged by companies including the United India Insurance Company Limited, the Oriental Insurance Company Limited and Universal Sompo General Insurance Company Limited. We have obtained group insurance policies for all our employees.

Corporate Social Responsibility

We undertake various social works as part of our corporate social responsibility. We focus on programmes for the underprivileged girl child, contribute towards their overall learning and personal growth, open employment avenues and we attempt to bring about significant and sustainable improvements in their standard of living. Our flagship CSR activity known as 'Ortel Dayitwa' provides financial support to 89 girls for college education. Ortel Dayitwa encourages girls to pursue education after secondary education with an objective to reduce dropouts after secondary education. We have received the Laadli Media Award for Gender Sensitivity 2011-2012 (Eastern Region) presented by the United Nations Population Fund for our 'Ortel Dayitwa' initiative.

Health and Safety

We place considerable emphasis on health and safety throughout our operations and we are committed to ensuring that high standards are maintained in compliance with applicable laws and regulations. We try hard to eliminate/minimize the accidents due to unsafe work practices resulting out of negligence by the technicians.

Training programmes have been implemented for our employees, and we carry out regular safety audits in relation to our operations. We sensitize our employees regarding workplace safety and health issues through regular internal communications including trainings, team meetings and memorandums. All field employees are provided with safety equipment. Implementation of the safety guidelines issued by our Company is monitored at every location and a compliance report is prepared every month. A 'safety week' is observed annually for creating awareness. Various programs and seminars are organized during the week.

We provide a safe work environment to our technicians who are engaged in maintenance, project and complaint management and often work with electrical poles for cable network rectifications. They are regularly sensitized, supervised and checked for adherence with safety practices.

Employees and Employee Relations

We employ a number of well-qualified and skilled employees. As of June 30, 2014, we had a total permanent full-time work force of about 884 employees and 158 temporary employees. Our senior management, including the heads of each department, is professionally qualified. Our staff includes engineers, technicians, service representatives and sales and marketing executives.

Our success depends to a great extent on our ability to recruit, train and retain high quality professionals. Accordingly, we place special emphasis on the human resources function in our Company. We believe that our relations with our employees are satisfactory.

Competition

We face competition for our cable television services from regional and national MSOs and other competing alternative technology platforms including DTH satellite television. We believe that our strongest competitors providing cable television services include Hathway Cable & Datacom Limited, Digicable Network (India) Private Limited, DEN Networks, You Broadband,InCable and SITI Cable Network Limited, all of whom have a presence in multiple cities across India. Our competitors providing DTH satellite television services include Tata Sky Limited, Dish TV India Limited, Sun Direct TV Private Limited, Reliance BIG TV Limited, Videocon D2H and BhartiAirtel Limited. For our broadband services business, we compete with fixed telephony carriers and other broadband internet access providers, as well as providers of dial-up internet access and with emerging technologies for the provision of broadband internet services. We believe our main competitors in this market are Bharat Sanchar Nigam Limited (BSNL), Tata Teleservices Limited, BhartiAirtel Limited, Sify Technologies Limited, Hathway Cable &Datacom Limited, SITI Cable Network Limited, IDEA Cellular Limited, Aircel Limited and Reliance Communications Limited.

Property

Our corporate office is situated at C-1, Chandrasekharpur, Behind RMRC, Near BDA Colony, Bhubaneswar-751016, Odisha, and is owned by the Company. The registered office of our Company is situated at B-7/122A, Safdarjung Enclave, New Delhi-110029, India, which has been leased by us. We have entered into a lease deed dated October 1, 2010 with Surangi Services Ltd. (Formerly Calorx (India) Limited), which has been renewed up till April 30, 2015. Pursuant to the said lease deed, the Company pays an amount of ₹ 5,000 per month as rent to Surangi Services Ltd. (Formerly Calorx India Limited).

In addition, the following table sets out the details of our material owned and leased property:

Property	Owned/ Leased	Key terms and conditions
Property in Cuttack	Owned	*Date of Agreement:* February 21, 2006 *Seller:* United Friends Builders Private Limited *Details of property:* 2,290.80 sq. ft. of super built-up area of commercial establishment at Bhartia Tower, Badambadi, P.S. Madhupatna, Cuttack *Consideration:* ₹ 1,374,480, with an initial payment of ₹ 300,000 and remaining amount paid over 36 equal monthly instalments *Purpose:* Commercial establishment *Hypothecated/ collateral securities:* With Karnataka Bank Limited
Flat in Bhubaneswar	Owned	*Date of Agreement:* February 24, 1998 *Seller:* Mr. Jitendra Kumar Pattnaik *Description of property:* 0.938 acres at Plot No-185, Unit No-17, Nayapalli, Bhubaneswar, Khurda, Odisha *Consideration:* ₹ 61,200 *Purpose:* Office *Hypothecated/ collateral securities:* With Karnataka Bank Limited
Property in Bhubaneswar	Leased	*Date of Agreement:* August 28, 2001, and a supplementary lease dated July 26, 2006 *Lessor:* Governor of Orissa *Description of property:* 1.153 acres at Plot No. C-1, Behind R.M.R.C, Chandrasekharpur, Bhubaneswar *Rent:* Annual rent of ₹ 225, with a one-time payment of ₹ 375,000 as premium for the initial grant of 0.750 acres; and an additional annual rent of ₹ 121, with a one-time payment of ₹ 1,007,518 as additional premium pursuant to the supplementary lease *Purpose:* IT Industry/ office building. *Term of lease:* 90 years, which may be renewed for a further term of 90 years. *Hypothecated/ collateral securities:* With Karnataka Bank Limited
Property in Rourkela	Leased	*Date of Agreement:* September 21, 2010 *Lessor:* Government of Orissa, through the Additional District Magistrate, Rourkela *Details of property:* 18,294 sq. ft. at Plot No. 129/243, Khata No. 3, Anabadi, Rourkela Town, Unit 4, Chend, Rourkela *Rent:* Initial annual rent of ₹ 40,320, subject to enhancement at the end of each 20^{th} year up to a maximum increase of 50% over the rate of rent in force the previous year. Rent payable in equal half-yearly

Property	Owned/ Leased	Key terms and conditions
		instalments. *Purpose:* Office and research and development control room *Term of lease:* 90 years, which may be renewed for a further term of 90 years. Our Company was required to construct a house/ building as per the description provided by the Rourkela Development Authority within three years of the agreement, failure of which would entitle the lessor to determine the lease by giving one month's notice to our Company. *Hypothecated/ collateral securities:* None
Property in Raipur	Owned	*Date of Agreement:* July 24, 2010 *Seller:* Shri Mohammad Naushad *Description of property:* 20,020 sq. ft. bearing number Khasra 3/2, Village Pirda, P.C. No. 43, R.I.C. Raipur *Consideration:* ₹ 3,503,500 *Purpose:* Office *Hypothecated/ collateral securities:* with SREI Equipment Finance Limited

REGULATIONS AND POLICIES

Central Laws

Foreign Direct Investment

The DIPP has issued the Consolidated FDI Policy with effect from April 17, 2014. The Consolidated FDI Policy consolidates and subsumes all the press notes, press releases, and clarifications on FDI issued by DIPP which were in force on April 16, 2014.

FDI in activities pertaining to broadcasting carriage services (which includes, *inter alia*, DTH, cable network services, mobile television and HITS) is permitted up to 49% of the paid up equity capital of the Company under the automatic route. FDI beyond 49% and up to 74% is permitted under the government approval route. The FDI limit of 49% for cable networks services may be increased MSOs operating at the national, state or district level and undertaking up gradation of networks towards digitalization and addressability to 74% of the paid up equity capital with prior Government approval. However, such investment shall be subject to the licensing and security requirements prescribed by the DoT. The FDI limit in HITS broadcasting is permitted up to 49% in the automatic route and may be increased to 74% of the paid up equity capital with prior Government approval. The FDI limits for cable networks services by MSOs not undertaking upgradation of networks towards digitalization and addressability and LCOs is permitted to upto 49% under the automatic route.

Foreign investment in our Company will be subject to terms and conditions, as may be specified from time to time, by the MIB.

Furthermore, a company engaged in broadcasting carriage services, its directors, and key executives, such as its managing director/chief executive officer, chief financial officer, chief security officer, chief operating officer, and shareholders individually holding 10% or more of its paid up capital (or other categories of persons as specified by the MIB) are required to be security cleared. Furthermore, for such a company, prior permission of the MIB is required for:

(i) Appointment of directors and key executives, such as its managing director/chief executive officer, chief financial officer, chief security officer, chief operating officer, or any other officer as specified by the MIB; and
(ii) Effecting any change in its board of directors.

The Consolidated FDI Policy further permits the MIB to restrict any company from operating in any sensitive area from a national security perspective, or to temporarily suspend its license, on account of national security or public interest. Furthermore, the Consolidated FDI Policy also prescribes various requirements in relation to operation and interception of network infrastructure and software.

Cable Television

Cable television services are governed by Cable Television Act and the guidelines and notifications issued by the MIB and TRAI from time to time. The following acts, rules and regulations govern our cable television business:

*1. The Cable Television Networks (Regulation) Act, 1995 (“**Cable Television Act**”)*

The Cable Television Act regulates the operation of cable television networks in India. Section 3 of the Cable Television Act makes the registration of a person as a cable operator compulsory for operation of cable network Pursuant to the Cable Television Networks (Regulation) Amendment Act, 2011 a Company as defined under Section 2(20) of the Companies Act 2013 (earlier, section 3 of the Companies Act, 1956) may also apply for registration as a cable operator. The Cable Television Act further stipulates that no programme or advertisement shall be transmitted or re-transmitted unless it is in conformity with the prescribed programme and advertisement code provided in the Cable Television Rules, as defined hereinafter. The Cable Television Act also mandates that the equipment or digital addressable system to be used by a cable operator has to be in conformity with the standards prescribed by the Bureau of Indian Standards. Further, the Cable Television Act requires re-transmission of at least two Doordarshan terrestrial channels, and one regional language channel of a state in the prime band. In addition to above, it is mandatory for a cable operator to retransmit 24 channels as set out by an MIB notification of September 5, 2013 in areas where DAS has been introduced and eight channels in areas where DAS has not been introduced.

Pursuant to the Cable Television Networks (Regulation) Amendment Act, 2011, the central government has been empowered to notify areas in which every cable operator must transmit or retransmit programmes of any pay channel through a digital addressable system. The amendment also obliges every cable operator to publicise information including, but not limited to, subscription rates, standards of quality of service and mechanism for redressal of subscribers' grievances in such manner and at such periodic intervals as specified by the central government or the relevant authority for the benefit of the subscriber. Further, every cable operator is required to provide information relating to its cable services and networks in such format and at such periodic intervals to the central government or the state governments or the relevant authority or their authorised representatives, as may be specified by them from time to time.

*2. The Cable Television Network Rules, 1994 ("**Cable Television Rules**")*

The Cable Television Rules stipulate that any cable television network operator must be registered with the head post master of the head post office in which the cable television network is proposed to be set up and the central government for a MSO. Such registration should be renewed every 12 months. Pursuant to the Cable Television Networks (Second Amendment) Rules 2012, with effect from April 28, 2013, every MSO and cable operator shall be bound to give such information as may be sought for by the central government or the state government or any agency authorised by the central government or authorised officer. Every subscriber who seeks to recover one or more pay channels is required to apply to the MSO to supply and install a set-top box and deliver the requisite channels through the same. Every subscriber, however, is free to buy a set top box of approved quality from the open market, if available, and which is technically compatible with the system of the MSO and the MSO shall not compel any subscriber to buy or to take on rent the set top box from itself. Further, any cable operator can carry or include in its service, any programme in respect of which copyrights subsist, without requisite permission from the copyright holder.

The Cable Television Rules stipulates that no programme or advertisement shall be carried in a cable service which offends public morality, decency and religious susceptibilities of subscribers.

3. Regulations governing digital addressable systems

(i) **DAS Regulations**: Pursuant to notifications dated November 11, 2011 and June 21, 2012, the MIB has made it mandatory for every cable operator to transmit or re-transmit programmes of any channel in an encrypted form through a digital addressable system in a phased manner. According to the DAS Regulations, no broadcaster of television channels shall engage in any practice or activity or enter into any understanding or arrangement, including exclusive contract with any MSO for distribution of its channel which may prevent any other MSO from obtaining such television channels for distribution. Further, every broadcaster shall provide signals of its television channels on non-discriminatory basis to every MSO and registered under rule 11 of the Cable Television Rules, making a request for the same. Every broadcaster or his authorized agent shall provide the signals of television channels to an MSO in accordance with its reference interconnect offer or as may be mutually agreed, within sixty days from the date of receipt of the request and in case the request for providing signals of television channels is not agreed to, the reasons for such refusal to provide signals shall be conveyed to the person making a request within sixty days from the date of request. MSOs are also required to publish their reference inter connect offer for carriage of channels of a broadcaster for which no request has been made by such MSOs.

Pursuant to an amendment by the TRAI dated September 20, 2013 an MSO who seeks signals of a particular TV channel from a broadcaster, is permitted to demand carriage fees for carrying the channel on its distribution platform. No unreasonable terms can be imposed including the MSO providing access to its network to a broadcaster only on placement of the channel of such broadcaster in a particular slot or bouquet. No broadcaster is allowed to prohibit any digital addressable cable television system operator from providing its services to any subscriber. Regulation 5 of the DAS Regulations provides that an MSO may enter into interconnection agreements with a broadcaster in accordance with the terms and conditions of reference interconnect offer on such non-discriminatory terms and conditions. The DAS Regulations also contain provisions in relation to the disconnection of signals of televisions channels and conversion of free to air channels into pay channels and vice versa.

(ii) **QOS DAS Regulations**: The QOS DAS Regulations contain provisions relating to connection, disconnection, reconnection, transfer and shifting of cable television services, time limit for providing connection and disconnection of cable service to the subscriber and also provide for a unique identification number to be given to every subscriber once his application to the MSO or its linked LCO is accepted. The QOS DAS Regulations also ensure protection of consumers against change in composition of subscription packages and provides a time limit for redressal of complaints of the subscribers. The QOS DAS Regulations also deal with billing options provided to subscribers, quality of set top boxes and the minimum technical standards which have to be maintained.

(iii) **Consumer Complaint Redressal (Digital Addressable Cable TV Systems) Regulations, 2012**: These regulations require every MSO or the linked LCO to establish a complaint centre in his service area, for redressal of complaints and for addressing service requests of his consumers, before providing the digital addressable cable TV services. A toll free consumer care number is required to be provided and should be publicised every six months through a public notice in leading newspapers, websites, on the set top boxes provided and by scrolling of the information on channels transmitted or re-transmitted. A complaint monitoring system is also required to be set up. The regulations address handling of complaints by complaint centre, time limit for redressal of complaints of consumers, appointment of nodal officers for redressal of consumer's complaints and formation of a consumer's charter, which should contain the quality of service parameters specified by the relevant authority and prescribed by the MSO or the LCO.

(iv) **Quality of Service of Broadband Service Regulations, 2006**: These regulations provide for quality benchmarks that ISPs are required to meet for providing broadband services. Such benchmarks include (a) Service provisioning/ activation time; (b) Fault repair/ restoration time; (c) Billing performance; (d) Response time to the customer for assistance; (e) Bandwidth utilization; (f) Service availability/ uptime; (g) Packet loss; (h) Network latency; and (i) Customer perception of services. If an ISP providing broadband services fails to meet the quality parameters, such ISP is liable to pay an amount, by way of financial disincentive, not exceeding ₹ 50,000 per parameter, and in the event of a second or subsequent contravention, to pay an amount not exceeding rupees ₹ 1,00,000 per parameter for each contravention, as the TRAI may direct.

(v) **The Direct To Home Broadcasting Services (Standards Of Quality Of Service And Redressal Of Grievances) Regulations, 2007**: These regulations govern the distribution of multi-channel television programmes by DTH operators. In terms of these regulations, every DTH operator is required, upon fulfillment of the requisite requirements for providing DTH services, to provide, on non-discriminatory basis, DTH services to every person making request for the same, subject to technical and operational feasibility. Furthermore, every DTH operator is required to give an option to every person upon request, to make available to him, DTH customer premises equipment conforming to the Indian Standards set by the Bureau of Indian Standards as applicable, on an out-right purchase basis or hire purchase basis or rental basis, in accordance with schemes framed by TRAI, or, if such schemes have not been formulated, in accordance with schemes framed by the DTH operator, subject to compliance with certain stipulations under these regulations.

DTH operators are also required to establish one or more call centres for the purposes of registering of DTH service requests, answering queries, registering of complaints and redressal of grievances and such call centres shall be accessible to DTH subscribers round the clock.

(vi) Standards Of Quality Of Service (Duration Of Advertisements In Television Channels) Regulations, 2012: These regulations prohibit every broadcaster in its broadcast of a programme from carrying advertisements exceeding twelve minutes in an hour. The TRAI may, from time to time, issues orders or directions to ensure compliance with these regulations.

*4. The Indian Telegraph Act, 1885 ("**Telegraph Act**")*

The Telegraph Act governs all forms of the usage of 'telegraph' which means any appliance, instrument, material or apparatus used or capable of use for transmission or reception of signs, signals, writing, images, and sounds or intelligence of any nature by wire, visual or other electro-magnetic emissions, radio waves or hertzian waves, galvanic, electric or magnetic means. Under section 4 of the Telegraph Act, the central government or the Director-General of Posts and Telegraphs, if authorised by the central government to do so, may grant a license to any person to establish, maintain or work a telegraph within any part of India with such conditions as it may think fit. If any person establishes, maintains or works a telegraph within India in contravention of the provisions of section 4 or otherwise than as permitted by rules made thereunder, he shall be punished, if the telegraph is a wireless telegraph, with imprisonment which may extend to three years, or with fine, or both, and in any other case, with a fine which may extend to ₹ 1,000. In addition, the Telegraph Act provides that if the holder of a license granted under section 4 contravenes any condition contained in the license, such person shall be punished with fine which may extend to ₹ 1,000, and with a further fine that may extend up to ₹ 500 for every week during which the breach of the condition continues.

*5. The Indian Wireless Telegraphy Act, 1933 ("**Wireless Telegraphy Act**")*

In addition to a telegraph license under section 4 of the Telegraph Act, land–based wireless providers and users also require an additional license under the Wireless Telegraphy Act. Section 3 of the Wireless Telegraphy Act forbids any person from possessing a wireless telegraphy apparatus without a license. Under section 5 of the Wireless Telegraphy Act, the license to possess the wireless and radio equipment and to use it for wireless services is issued by the telegraph authority designated under the Telegraph Act, that is, the Director-General of Posts and Telegraphs. Section 11 of the Wireless Telegraphy Act states that a license under the Wireless Telegraphy Act does not authorize the licensee to do anything that is prohibited under the Telegraph Act and that such license shall not authorize any person to do anything for which a license or permission under the Telegraph Act is required.

*6. The Sports Broadcasting Signals (Mandatory Sharing with Prasar Bharati) Act, 2007("**Mandatory Signal Sharing Act**")*

The Mandatory Signal Sharing Act provides for access to the largest number of listeners and viewers, on a free to air basis, of sporting events of national importance through mandatory sharing of sports broadcasting signals with Prasar Bharati. Under this enactment, no content rights owner or holder and no television or radio broadcasting service provider can carry a live television broadcast on any cable or DTH network or radio commentary broadcast in India of "sporting events of national importance", unless it simultaneously shares the live broadcasting signal, without advertisements, with Prasar Bharati, to enable Prasar Bharati to re-transmit the signal on its terrestrial networks and DTH networks. "sporting events of national importance" are defined in the Mandatory Signal Sharing Act as any national or international sporting event, whether held in India or abroad, as may be notified by the central government to be one of national importance.

The Mandatory Signal Sharing Act further provides that Prasar Bharati's advertisement revenues from the broadcast of the shared signals shall be shared with the content rights owner or holder in the ratio of not less than 75:25 in case of television coverage and not less than 50:50 in case of radio coverage

*8. The Telecom Regulatory Authority of India Act, 1997 ("**TRAI Act**")*

TRAI was established in 1997 by the TRAI Act, to regulate telecommunication services in India, which pursuant to a notification dated January 9, 2004, include broadcasting and cable services. TRAI is vested with recommendatory, regulatory and tariff setting functions, including (a) making recommendations on the need and timing for introduction of new service providers; (b) making recommendations on the terms and conditions of license to a service provider; (c) ensuring compliance of terms and conditions of license; (d) ensuring technical capability and effective inter-connection between service providers; (e) specifying standards of quality of service to be provided by the service provider and ensuring the quality of service, and conducting a periodical survey of such service provided by the service providers; (f) protecting the interest of consumers of telecommunication services; (g) levying fees and other charges at such rates and in respect of such services as may be determined by regulations. In addition, the TRAI Act contains penalty provisions for offences committed by a company under the TRAI Act.

The following regulations have been notified by the TRAI:

The Telecommunication (Broadcasting and Cable Services) Interconnection Regulations, 2004 ("**Interconnection Regulations**"): The Interconnection Regulations apply to all arrangements among service providers, including MSOs, and LCO's for interconnection and revenue sharing for all telecommunication services, including cable services in India. Interconnection means the commercial and technical arrangements under which the service providers connect, including through electro-magnetic signals, their equipment networks and services to enable their customers to have access to the customers, services/and or networks of other service providers. The Interconnection Regulations issued by TRAI specify, *inter alia*, the following:

(a) *Must provide clause*: Broadcasters are required to provide signals on non-discriminatory terms to all distributors of television channels. Similarly, MSOs are required to re-transmit signals received from a broadcaster on a non-discriminatory basis to LCOs. Broadcasters are not allowed to engage in any practice or activity or enter into any understanding or arrangement, including exclusive contracts with any distributor of television channels, which prevents any other distributor of television channels from obtaining such television channels for distribution. However, these provisions do not apply in the event that a distributor of television channels has defaulted in payments. Any imposition of terms by the broadcaster which are unreasonable shall be deemed to constitute a denial of request.

(b) Disconnection with respect to any of television channel signals: No broadcaster/ MSO/HITS shall disconnect the television channel signals with respect to any distributor of television channels without giving three weeks' prior written notice and public notices in two newspapers briefly indicating the reasons for the proposed action.

(c) Interconnection agreements: It is mandatory for the broadcasters of pay channels and distributors of television channels to enter into written interconnection agreements. No broadcaster of pay channels or distributor of television channels, such as MSOs or HITS operator, shall make available signals of TV channels to any distributor of TV channels without entering into a written interconnection agreement

9. *The Policy Guidelines for Uplinking of Television Channels from India, 2011 ("**Uplinking Guidelines**")*

The Uplinking Guidelines came into effect in December 5, 2011 and regulate the gathering, uplinking and broadcasting of television-based content in India. The Uplinking Guidelines provide for, *inter alia*, permission for: (i) setting up of uplinking hub/teleports; (ii) uplinking of non-news and current affairs television channels (that is, channels which do not include elements of news and current affairs in their programme content); (iii) uplinking of news and current affairs television channels; and (iv) uplinking by Indian news agency; (v) use of SNG/DSNG equipment in C Band and Ku Band; and (vi) temporary uplinking. Setting up uplinking hub/teleports, uplinking of a non-news and current affairs television channels, or uplinking news and current affairs television channels requires a specific permission from the MIB, and the permission granted by the MIB is valid for a period of ten years.

While the specific requirements pertaining to aforementioned permission may vary, the following general terms and conditions are prescribed under the guidelines:

- The company shall comply with the programme & advertising codes, as laid down in the Cable Television Networks (Regulation) Act, 1995 and the rules framed there under;
- The company shall keep record of the content uplinked for a period of 90 days and produce the same before any agency of the government, as and when required;
- The company/channel shall provide for the necessary monitoring facility, at its own cost, for monitoring of programmes or content by the representatives of the MIB or any other Government agency as and when so required;
- The company shall permit the Government agencies to inspect the facilities as and when required;

- The company shall comply with the terms and conditions of 'Wireless Operational Licence' to be issued by the Ministry of Communications and IT;
- The company shall ensure its continued eligibility as applicable throughout the period of permission and adhere to all the terms and conditions of the permission, failing which the company shall be liable for penalty as mentioned under these guidelines;
- The MIB shall have the right to suspend the permission of the company for a specified period in public interest or in the interest of national security to prevent its misuse. The company shall immediately comply with any directives issued in this regard
- It will be obligatory on the part of the company to take prior permission from the MIB before effecting any change in the board of directors or the chief executive officer.

The guidelines also provide for offences and penalties. In case a channel/teleport/SNG/DSNG is found to have been/being used for transmitting/ uplinking any objectionable unauthorized content, messages, or communication inconsistent with public interest or national security or fails to abide by directives issued as aforementioned, the permission granted will be revoked and the company shall be disqualified to hold any such permission for a period of five years. In case any term or condition under the permission is violated, MIB shall have the right to impose the following penalties:

- In the event of first violation, suspension of the permission and prohibition of telecast for a period up to 30 days;
- In the event of second violation, suspension of the permission and prohibition of telecast for a period up to 90 days; and
- In the event of third violation, suspension of the permission and prohibition of telecast for a period up to the remaining period of permission.

Internet Services

The following acts, rules, regulations and guidelines govern our internet business:

1. *Guidelines and General Information for Grant of License for Operating Internet Services dated August 24, 2007 ("**ISP License Guidelines**")*

   The DoT issued the ISP License Guidelines for grant of license to provide Internet Services, as per provisions of the Telegraph Act, on a nonexclusive basis. The ISP License Guidelines provide for *inter alia*, the following

   (a) *Service area*: Licenses are awarded in categories, namely, Category A and B depending on the territory covered by the License.

   (b) *Foreign direct investment*: Foreign direct investment in the licensee company is permitted upto 100% with 49% under automatic route and beyond 49% through government approval route subject to observance of licensing and security conditions by licensee as well as investors as notified by the DOT from time to time vide notification dated December 23, 2013 (820-01/2006-LR (Vol. II) Pt-2.by DoT.

   (c) *Security conditions*: The licensee company is required to take adequate and timely measures to ensure that the information transacted through a network by subscribers is secure and protected. In addition, a majority of the board of directors of the licensee company is required to be Indian citizens.

   The licensee company is required to provide service within 24 months from the date of signing the license agreement. Pursuant to an amendment to the ISP License Guidelines dated January 25, 2010, the license is valid for an initial period of 20 years, which may be further extended for a period of five years. The licenses issued prior to this amendment would continue to remain valid for a period of 15 years initially, unless otherwise terminated.

   Pursuant to a notification dated June 29, 2012, DoT in public interest intimated the adoption of a uniform licence fee at the rate of 8% of the adjusted gross revenue in a phased manner. With respect to licence for provisioning of internet services including internet telephony, an annual licence rate of 7%

for the period from August 1, 2012 till March 31, 2013, is applicable and from the year 2013-2014 onwards the annual license fee rate would be 8%.

2. *License Agreement for Provision of Internet Service*

An internet service provider is required to obtain a license and enter into a standard agreement (the "**ISP License Agreement**") with the DoT before starting operations as an ISP. In addition to the conditions required to be followed by a licensee company under the ISP License Guidelines, the ISP License Agreement provides for further requirements to be adhered to by the licensee. The licensee is required to make its own arrangements for the infrastructure involved in providing the service and is solely responsible for the installation, networking and operation of the necessary equipment and systems, treatment of subscriber complaints, issue of bills to subscribers, collection of revenue, and attending to claims and damages arising out of its operations. The licensee is required to adhere to such quality of service standards and to provide timely information as required by DoT.

In addition, the licensee is required to ensure that objectionable, obscene, unauthorized or any other content, messages or communications infringing copyright, intellectual property rights or international and domestic cyber laws, in any form, or inconsistent with the laws of India, are not carried in its network.

The DoT may terminate the licence agreement in case the licensee company fails to perform any obligation(s) under the licence agreement including timely payments of fee due to the DoT, fails to commission or deliver internet services, goes into liquidation or is ordered to be wound up, is recommended for termination by the TRAI for non-compliance of the terms and conditions of the licence agreement or fails to rectify any defect/deficiency/correction in service/equipment by a written notice of 60 calendar days from the date of issue of such notice. Further, the DoT reserves the right to impose any penalty as it may deem fit for violations of terms and conditions of the license agreement.

3. Pursuant to the TRAI Press Release bearing number 73/2005 dated September 12, 2005, TRAI issued a direction to all ISPs making it mandatory for ISPs to obtain explicit consent of the subscribers before making value-added services chargeable.

4. *Broadband Policy, 2004 ("**Broadband Policy**")*

The Broadband Policy issued by the DoT provides a framework for the creation of infrastructure through various access technologies which can contribute to the growth of broadband services in India. The Broadband Policy states that a cable television network can be used as a franchisee network of the service provider for providing broadband services. However, all responsibilities for ensuring compliance with the terms and conditions of the license vest with the licensee company. The terms of the franchise agreement between the licensee company and its franchisee are to be settled mutually by negotiation between the two parties involved. Further, the licensee company must comply with the quality of service parameters for broadband services by the TRAI.

5. *Guidelines for Issue of Permission to Offer Internet Telephony Services, 2002 ("**Internet Telephony Guidelines**")*

As per the Internet Telephony Guidelines, only ISP licensees are permitted to offer internet telephony services within their service area. ISPs desirous of offering internet telephony services are required to sign an amendment to their ISP license to such effect. The Internet Telephony Guidelines also mandate security monitoring requirements.

7. *Guidelines for Permission to Offer Virtual Private Network (VPN) Services by Internet Service Providers (ISPs), 2004 ("**VPN Guidelines**")*

The VPN Guidelines provide for the provision of VPN services by ISPs in addition to the services envisaged by their respective licenses. ISPs desirous of offering VPN services are required to sign an amendment to their ISP license to such effect. Such amendment to the ISP license agreement is issued and governed by the provisions of the Telegraph Act, the Wireless Telegraphy Act and the TRAI Act. The VPN Guidelines also mandate security monitoring requirements.

8. *National Tariff Policy, 2012 (“**NTP 2012**”)*

The NTP 2012 attempts to review and harmonise the legal regulatory and licensing framework in a time bound manner by enabling seamless delivery of converged services in a technology and service neutral environment. It provides that convergence would cover:

(i) Convergence of services i.e. convergence of voice, data, video, VOIP, value added services and broadcasting services;
(ii) Convergence of networks i.e. convergence of access network, carriage network (NLD/ ILD) and broadcast network; and
(iii) Convergence of devices i.e. telephones, computer, television, radio, set top boxes and other connected devices.

Tariff orders in relation to broadcasting and cable services

The following tariff orders have been issued by TRAI, providing certain terms and conditions pursuant to which telecommunication services may be provided:

7. *The Telecommunication Tariff Order, 1999 (“**Tariff Order 1999**”)*

The Tariff Order 1999 issued by TRAI addresses the provision of telecommunication services within and outside India, including rates and related conditions under which messages shall be transmitted to any country outside India, deposits, installation fees, rentals, free calls, usage charges and any other related fees or service charge. Reporting requirements are not applicable for service provided to bulk customers, provided that all ISPs providing dialing internet services shall, within seven days after the close of every quarter, furnish brief details about the number of plans and the bulk customers availing of them along, with a certification for information and record.

A tariff plan once offered by a service provider is available to a subscriber for a minimum period of six months from the date of enrolment of the subscriber to that tariff plan, unless marketed or offered as valid for any prescribed period exceeding six months or as having lifetime or unlimited validity in lieu of an upfront payment. In the case of lifetime or unlimited validity plans, such tariff plans should continue as long as the service provider is permitted to provide such telecom service under the current license or renewed license, the validity of which shall be informed to the subscriber.

Service providers are free to reduce tariffs under any tariff plan at any time. However, no tariff item in a tariff plan can be increased:

(a) In respect of tariff plans with prescribed periods of validity of more than six months, including tariff plans with lifetime or unlimited validity and also involving an upfront payment to be made by the subscriber towards such validity period, during the entire period of validity specified in the tariff plan;

(b) In respect of other tariff plans, within six months from the date of enrolment of the subscriber; and

(c) In the case of recharge coupons with a validity of more than six months under any tariff plan, during the entire period of validity of such recharge coupon.

8. *The Telecommunication (Broadcasting and Cable) Services (Second) Tariff Order 2004*

TRAI has imposed a ceiling on tariffs of bouquets being offered by (i) Cable subscribers to cable operator, (ii) Cable operators to MSOs, and (iii) MSOs to broadcasters directly to subscribers. By an amendment in 2014, tariffs applicable were fixed at rates prevalent as of the date of the amendment plus 15%.

9. *The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff Order, 2010 (“**Tariff Order 2010**”)*

The Tariff Order 2010 was issued in connection with broadcasting services and cables services provided to subscribers through addressable systems in India, except for such areas would be notified by the Central Government under section 4A(1) of the Cable Television Act. The broadcasters have been mandated to offer all their pay channels on *a-la-carte* basis to distributors of television channels using addressable systems and specify the *a-la-carte* rate for each pay channel which cannot be more than 35% of the *a-la-carte* rate of the channels specified by the broadcaster for non-addressable systems. The Tariff Order 2010 also provides that every MSO or DTH operator or IPTV operator or HITS operator providing broadcasting services or cable services to its subscribers using an addressable system shall offer all channels offered by it to its subscribers on a-la-carte basis and shall specify the maximum retail price for each channel, as payable by a subscriber, provided that the *a-la-carte* rate of 'Free-to-Air' channels are uniform. Further, such service providers should also specify a minimum of monthly subscription of an amount not exceeding ₹100 or ₹150, as applicable, per month per subscriber towards channels chosen by the subscriber either on a-la-carte basis or bouquet basis. If a commercial subscriber charges his customer or any person for a programme of a broadcaster shown within his premises, he is required to, before he starts providing such service, enter into agreement with the broadcaster and the broadcaster may charge the commercial subscriber, for such programme, as may be agreed upon between them All service providers are also required to transmit or retransmit the channels of Doordarshan to each subscriber on its network.

10. *The Telecommunication (Broadcasting and Cable) Services (Fourth) (Addressable Systems) Tariff (First Amendment) Order, 2012 ("**Tariff Order 2012**")*

Pursuant to the Cable Television Networks (Regulation) Amendment Act, 2011, the Tariff Order 2012 was issued by TRAI, making the provisions of the Tariff Order 2010 and Tariff Order 2012 applicable to broadcasting services and cable services provided to subscribers through digital addressable systems, throughout India. In the event an MSO and an LCO fail to arrive at mutual agreement in relation to charges to be collected from the subscribers for the subscription of channels of basic service tier, free to air channel and bouquet of free to air channels shall be shared in the ratio of 55:45 between the MSO and the LCO respectively. The charges collected from the subscription of channels or bouquet of channels or channels and bouquet of channels other than those specified in the previous clause shall be shared in the ratio of 65:35 between the MSO and the LCO respectively. Further, MSOs, DTH operators, IPTV operators or HITS operators providing broadcasting services or cable services shall offer channels to its subscribers on *a-la-carte* basis and shall specify the maximum retail price for each channel. The order also provides for airing of minimum of 100 free to air channels as basic service tier which should include at least five channels of each genre namely news and current affairs, infotainment, sports, kids, music, lifestyle, movies and general entertainment in Hindi, English and regional language of the concerned region, and specifically including the channels of Prasar Bharati.

11. *The Telecommunication (Broadcasting And Cable) Services (Fifth) (Digital Addressable Cable Tv Systems) Tariff Order, 2013*

Every MSO shall offer to every ordinary subscriber the standard tariff package, for supply and installation of the set top box, conforming to the Indian Standard, as prescribed by the Bureau of Indian Standard. In addition to the option available under the Tariff Order 2010, three additional options shall be available to the ordinary subscriber under this order wherein the subscriber can acquire the set top box at the rate and the terms and conditions as specified and the MSO shall, on receipt of request from the ordinary subscriber, supply and install the set top box at the premises indicated by the subscriber. Every MSO shall report to the TRAI by the 15th of June 2013, the details of all tariff packages and other terms and conditions for supply and installation of the set top box. Any change in the tariff package and the introduction of a new tariff package for supply and installation of set top box shall be reported to the TRAI at least seven days prior to such change or introduction, as the case may be.

12. *The Telecommunication (Broadcasting and Cable) Services (Sixth)(The Direct To Home Services) Tariff Order, 2013*

Every direct to home operator shall offer every ordinary subscriber the standard tariff package, for supply and installation of customer premises equipment, conforming to the Indian Standards if any, set by the Bureau of Indian Standard. The two tariff options provided are ₹ 71.75 and ₹ 65.50 (exclusive of taxes) per month per the customer premises equipment for the first three years.

13. *The Telecommunication (Broadcasting and Cable) Services (Fourth)(Addressable Systems) Tariff (Second Amendment) Order, 2013*

Pursuant to this order, in case a MSO or direct to home operator or IP service provider or HITS operator providing broadcasting services or cable services to its subscribers, using a digital addressable system, offers channels as a part of a bouquet, the a-la-carte rate of a pay channel forming part of a bouquet shall not exceed two times the a-la carte rate of the channel offered by the broadcaster at wholesale rate for addressable systems and three times the ascribed value of the pay channel in the bouquet.

The provisions and charges with respect to mandatory offering of pay channels on a-la-carte basis to ordinary subscribers are no longer limited to pay channels. It shall be open to the service provider providing services through addressable system to specify a minimum monthly subscription, not exceeding ₹ 150 (exclusive of taxes) per month per subscriber, towards channels chosen by the subscriber; and the subscriber may subscribe to any bouquet or any bouquet and any pay or free-to-air channel or only free-to-air channels or only pay channels or pay channels and free-to-air channels.

14. *The Telecommunication (Broadcasting and Cable) Services (Fourth)(Addressable Systems) Tariff (Third Amendment) Order, 2014*

Pursuant to this order, the requirement for a broadcaster to obtain uplinking permission or downlinking permission, from the Central Government and for an MSO to get registered under rule 11C of the Cable Television Networks Rules has been incorporated.

15. *The Telecommunication (Broadcasting and Cable) Services (Fourth)(Addressable Systems) Tariff (Fourth Amendment) Order, 2014*

This order defines commercial establishments and commercial subscribers and provides that if a commercial subscriber charges his customer or any person for a programme of a broadcaster shown within his premises, he shall, before he starts providing such service, enter into agreement with the broadcaster and the broadcaster may charge accordingly.

Information Technology Act, 2000

The IT Act regulates and governs the communications made and services provided in the electronic form. The provisions of the IT Act are applicable to an internet service provider who is a third party and does not actually host any of the content. The IT Act prescribes punishment for publication of, inter alia, obscene, offensive materials through electronic means. The IT Act has been amended by the Information Technology Amendment Act, 2008.

According to section 66A of the IT Act, any person who sends information which is grossly offensive or has menacing character, or any information which he knows to be false, with the intention of, inter alia, causing annoyance or danger, by making use of a computer resource is punishable with imprisonment which may extend to three years as well as imposition of a fine. Under section 67 of the IT Act, publication of lascivious material or material which is likely to corrupt persons or causing such publication, in electronic form, is punishable with imprisonment up to three years and with fine which may extend to ₹ 500,000 on a first conviction, and in the event of a second or subsequent conviction with imprisonment up to five years and also with fine which may extend to ₹ 1 million.

Further, section 67A of the IT Act provides that whoever publishes or transmits or causes to be published or transmitted in the electronic form, any material which contains sexually explicit act or conduct will be punished on the first conviction with imprisonment for a term which may extend to five years and with a fine which may extend to ₹ 1 million and in the event of a second or subsequent conviction, with imprisonment which may extend to seven years and a similar fine, unless it can be proved that the publication is justified for religious purposes or for public good on the ground that it is in the interest of science, literature, art or learning or other objects of general concern. Similarly section 67B of the IT Act provides that whoever publishes or transmits or causes to be published or transmitted in the electronic form, any material which depicts children engaged in sexually explicit act or conduct, creates text or digital images, collects, seeks, browses, downloads, advertises, promotes, exchanges or distributes material which depicts children in obscene or indecent or sexually explicit manner, cultivates, entices or induces children to online relationships for sexually explicit acts or in any manner which is offensive, facilitates the abuse of children online, or records in any electronic form any sexually explicit acts with children, shall be liable to the similar penalties as that provided in section 67A of the IT Act.

Competition Act, 2002

The Competition Act 2002 has been enacted to prevent anti-competitive practices, promote and sustain competition, protect the interests of consumers and ensure freedom of trade in markets in India.

As per the notified sections of the Competition Act, entering into agreements between enterprises which *inter alia* affect the prices, supply, distribution or other such collusive arrangements are anti-competitive in nature and are prohibited under Section 3 of the Competition Act. Section 4 of the Competition Act, prohibits an enterprise that is in a dominant position from abusing its dominant position. Further, Section 5 of the Competition Act provides that assets / turnover thresholds applicable to acquisitions, merger and amalgamations in order to determine whether the transaction would be regarded as a combination for the purposes of the Competition Act. Section 6 (1) of the Competition Act provides that no person or enterprise shall enter into a combination which causes or is likely to cause an appreciable adverse effect on competition within the relevant market in India and such a combination shall be void.

Tax regulations

In majority of states in India, the payment of entertainment tax is a liability of the cable operators. Cable operators are required to register themselves under the respective state entertainment laws and to deposit the entertainment tax with the concerned department on a monthly basis. Cable operators are also required to file returns from time to time. In the States of West Bengal, Karnataka and Andhra Pradesh, the respective State Governments have amended the entertainment tax laws and rules such that the payment of entertainment tax is the liability of the MSOs.

HISTORY AND CORPORATE STRUCTURE

Brief History of our Company

Our Company was incorporated as "Ortel Communications Limited", a public limited company under the Companies Act, 1956 on June 2, 1995. It received the certificate for commencement of business on July 19, 1995.

Our Company was incorporated in order to undertake the business of operating satellite television network, cable television network, telephone, telegraph, cableronic mail, telenewspaper, conferencing, video conferencing, mobile text, mobile videotext, radio paging and any other system of communication.

Changes in the Registered Office

At the time of incorporation, the registered office of our Company was located at B-4/147, Safdarjang Enclave, New Delhi-100 029. Subsequently, pursuant to a board resolution dated March 20, 1999, our registered office was shifted to B-7/122A, Safdarjang Enclave, New Delhi – 100 029, for administrative convenience.

Shareholders

The total number of members of our Company as on the date of filing this Draft Red Herring Prospectus is 77 (which includes Mr. Shubhrakant Panda in his personal capacity and as trustee to Shaisah Foundation and Ms. Paramita Mahapatra in her personal capacity and as a trustee to Reva Foundation and Roumayne Foundation).

Major Events and Milestones

Year	Events
1995	• Incorporation of our Company • Started our cable business in Odisha
1998	• One of the first private sector companies in India to obtain ISP license and start its high speed internet services [2]
1999	• Investment of ₹ 85 million by South Asia Regional Fund which is managed by a Mauritian subsidiary of Commonwealth Development Corporation, United Kingdom
2000	• Operations expanded to other parts of Odisha
2004	• ISO 9001 : 2000 certified
2005	• Crossed 100,000 RGUs
2006	• Legal right of way granted outside Odisha in Chattisgarh[2]
2007	• Legal right of way granted outside Odisha in West Bengal and Andhra Pradesh[2] • Commencement of provision of digital services
2008	• Investment of ₹ 600 million by NSR [1] • Crossed 200,000 RGUs • Services launched outside Odisha, in the states of West Bengal, Andhra Pradesh and Chattisgarh
2009	• Crossed 300,000 RGUs
2010	• Best Small and Medium Enterprise by Orissa Computer and Application Centre, Government of Odisha • Pilot project of internet telephony successfully launched
2011	• Crossed 400,000 RGUs
2014	• Crossed 500,000 RGUs

(1) For further details, see the section titled "*History and Corporate Structure – Shareholders Agreements*" on page 164.
(2) For further details, see the section titled "*Government and Other Approvals*" on page 315.

Awards and Accreditations

(a) Awards

Year	Awards
2010	Best Small and Medium Enterprise by Orissa Computer and Application Centre, Government of Odisha

(b) Accreditations

Certifying Authority	Certification Details	Certificate Number	Facility	Validity
Bureau Veritas Certification (India) Private Limited	ISO 9001: 2008	IND13.5741U	Bhubaneswar, Cuttack, Rourkela and Sambalpur	August 18, 2016
Quality of service auditing division of Broadcast Engineering Consultants India Limited	Digital SMS	200901	Digital Encryption and Subscriber Management System	--

Pre-IPO Placement

Our Company and the Selling Shareholder, in consultation with the BRLM, is exploring the possibility of the Pre-IPO Placement. The issuance and transfer of Equity Shares pursuant to the Pre-IPO Placement, if any, will be completed prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued and transferred pursuant to the Pre-IPO Placement will be proportionately reduced from the Fresh Issue and the Offer for Sale, subject to a minimum Issue size of 25% of the post Issue paid-up Equity Share capital being offered to the public.

Time and Cost Overrun

In respect of projects undertaken by our Company since its incorporation, there have been no time and cost overruns.

Defaults or rescheduling of borrowing

Except as disclosed in the sections titled "*Financial Indebtedness*" and "*Risk Factors"* on pages 285 and 16, we have not defaulted or rescheduled our borrowings. Furthermore, none of our loans taken from banks and financial institutions have been converted into equity in the past.

Main Objects

The main objects of our Company as contained in our Memorandum are:

1. To carry on the business of operating satellite television network, cable television network, anywhere in the world and to establish studies, processing laboratories and all such arrangements which are required to make telefilms, serial and other programmes and printings thereof.
2. To carry on business of telephone, telegraph, cableronic mail, telenewspaper, telephone, conferencing, video conferencing, video telephone, mobile text, mobile video telephone, mobile fascimile, mobile videotext, radio paging and any other systems for communications whether consisting of sounds, visual images, electrical impulses or otherwise.
3. To carry on the business of Manufacturers, installers, maintainers, repairers and dealers in electrical and appliances, apparatus of every description, equipment, stores and spares required by the tele-communication industry.
4. To carry on the business of providing internet services, wireless communications, basic telephone services, multimedia, content creation and other value added services and also to provide research and know-how in these areas.
5. To carry on the business of leasing and hire purchase of the equipments relating to above mentioned business.

Amendments to our Memorandum

Since incorporation, the following changes have been made to the Memorandum:

Date of Shareholders' Approval	Amendment
October 18, 1995	The initial authorised share capital of our Company of ₹ 10 million comprising 1,000,000 Equity Shares was increased to ₹ 10.70 million divided into 1,070,000 Equity Shares.

Date of Shareholders' Approval	Amendment
December 25, 1995	The authorised share capital of our Company was increased to ₹ 20 million divided into 2,000,000 Equity Shares.
March 22, 1996	The authorised share capital of our Company was increased to ₹ 30 million divided into divided into 3,000,000 Equity Shares.
September 18, 1996	The authorised share capital of our Company was increased to ₹ 80 million divided into 8,000,000 Equity Shares.
September 16, 1998	The authorised share capital of our Company was increased to ₹ 100 million divided into 10,000,000 Equity Shares.
September 30, 1999	The authorised share capital of our Company was increased to ₹ 140 million divided into 14,000,000 Equity Shares.
September 30, 1999	Alteration of the Objects clause by addition of the following sub-clause (4) and (5) after sub-clause 3 of Clause IIIA. "*4. To carry on the business of providing internet services, wireless communications, basic telephone services, multimedia, content creation and other value added services and also to provide research and know-how in these areas.* *5. To carry on the business of leasing and hire purchase of the equipments relating to above mentioned business.*"
September 27, 2001	The authorised share capital of our Company was increased to ₹ 150 million divided into 15,000,000 Equity Shares.
May 3, 2005	The authorised share capital of our Company was increased to ₹ 200 million divided into 15,000,000 Equity Shares and 5,000,000 Preference Shares.
April 30, 2007	The authorised share capital of our Company was increased to ₹ 210 million divided into 15,000,000 Equity Shares and 6,000,000 Preference Shares.
July 23, 2007	The authorised share capital of our Company was increased to ₹ 230 million divided into 17,000,000 Equity Shares and 6,000,000 Preference Shares.
February 27, 2008	The authorised share capital of our Company was increased to ₹ 235 million divided into 17,500,000 Equity Shares and 6,000,000 Preference Shares.
March 7, 2008	The authorised share capital of our Company was increased to ₹ 897 million divided into 23,700,000 Equity Shares and 66,000,000 Preference Shares.
January 22, 2011	The authorised share capital of our Company was increased to ₹ 960 million divided into 30,000,000 Equity Shares and 66,000,000 Preference Shares.
August 14, 2014	The authorised share capital of our Company was increased to ₹ 1,010 million divided into 35,000,000 Equity Shares and 66,000,000 Preference Shares.

Holding Company

As on the date of this Draft Red Herring Prospectus, our Company does not have a holding company.

Subsidiaries

As on the date of this Draft Red Herring Prospectus, there are no subsidiaries of our Company.

Joint Ventures

As on the date of this Draft Red Herring Prospectus, there are no joint ventures of our Company.

NSR-PE Mauritius LLC

NSR-PE Mauritius, LLC ("NSR") is a company registered under the laws of the Republic of Mauritius having its registered office at 4th Floor, Tower A, 1 Cybercity, Ebene, Mauritius.

The shareholders of NSR are New Silk Route PE Asia Fund, L.P and New Silk Route PE Asia Fund-A, L.P. NSR is managed and controlled by its board of directors and the board of directors is elected by the shareholders of NSR. The members of the board of directors of NSR are:

a) Mr. Mohamed Javed Aboobakar;
b) Mr. Mohammad Yousouf Abbas; and
c) Ms. Margaret A. Riley.

NSR has not been debarred from accessing the capital market under any order or directions made by SEBI.

Other Confirmations

Our Company is not operating under any injunction or restraining order**.**

Strategic and Financial Partners

Our Company currently does not have any strategic or financial partners.

Shareholders Agreements

1. **Share Purchase Agreement dated February 12, 2008 among South Asia Regional Fund, NSR –PE Mauritius LLC and our Company**

South Asia Regional Fund (the "**Seller**"), NSR –PE Mauritius LLC (the "**Purchaser**") and our Company have entered into a share purchase agreement dated February 12, 2008 pursuant to which on September 1, 2008 the Seller has sold 2,361,100 Equity Shares representing 14.57% of the total issued, subscribed and paid-up equity share capital of our Company, to the Purchaser for a consideration of ₹ 93.45 per Equity Share aggregating to ₹ 221 million.

2. **Subscription Agreement dated February 12, 2008 among NSR –PE Mauritius LLC, Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited, MS Telecom Investments Private Limited, Calorx (India) Limited, Odisha Television Limited, formerly known as Orissa Television Limited, UMSL Limited, Orissa Telefilms Private Limited and our Company, as amended by a Supplement to the Subscription Agreement dated September 18, 2010.**

NSR –PE Mauritius LLC (the "**Investor**"), Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited, MS Telecom Investments Private Limited, Calorx (India) Limited, Odisha Television Limited, UMSL Limited, Orissa Telefilms Private Limited (the "**NSR SSA Promoters**") and our Company have entered into a subscription agreement dated February 12, 2008 ("**Subscription Agreement**") pursuant to which the Investor was allotted 45,000,000 and 15,000,000 compulsorily convertible preference shares of ₹ 10 each bearing a coupon rate of 0.001% p.a. ("**Preference Shares**") on April 20, 2008 and September 1, 2008, respectively for a subscription price of ₹ 10 per Preference Share aggregating to ₹ 600 million. The Subscription Agreement was amended by a supplement to the subscription agreement dated September 18, 2010 ("**Supplement Agreement**") between the Investor, Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited, Odisha Television Limited, UMSL Limited, Orissa Telefilms Private Limited, our Company and Metro Skynet Limited. Since on May 28, 2010, MS Telecom Investments Private Limited and Calorx (India) Limited, which were parties to the Subscription Agreement and Shareholders Agreement, transferred 2,254,001 Equity Shares and 393,520 Equity Shares, respectively, to Metro Skynet Limited, they ceased to be shareholders of our Company and were therefore not a party to the Supplement Agreement. On September 29, 2010, the Investor was allotted 5,821,498 Equity Shares pursuant to conversion of the Preference Shares.

The following are certain important terms of the Subscription Agreement:

- The NSR SSA Promoters, Finlay Corporation Limited, Pikika Limited and Orissa Stevedores Limited will not transfer any Equity Shares or Preference Shares until the occurrence of the Issue without the prior written approval of the Investor.

- Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited and Odisha Television Limited shall at all times, directly hold in aggregate at least 25.1% of the share capital or at least 51% of the voting rights in our Company.

3. **Shareholders Agreement dated February 12, 2008 among NSR, Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited, MS Telecom Investments Private Limited, Calorx (India) Limited, Odisha Television Limited, formerly known as Orissa Television Limited, UMSL Limited, Orissa Telefilms Private Limited and our Company and Inter-se NSR**

SSA Promoters Agreement dated March 21, 2008 between our Company and Finlay Corporation Limited, Pikika Limited, Ms. Jagi Mangat Panda, Panda Investments Limited, MS Telecom Investments Private Limited, Calorex India Limited, Odisha Television Limited, Orissa Stevedores Limited and UMSL Limited, as amended by an amendment agreement dated February 24, 2011.

Pursuant to the Subscription Agreement and NSR –PE Mauritius LLC's ("**NSR**") investment in our Company, the NSR SSA Promoters, NSR and our Company entered into a shareholders agreement dated February 12, 2008 (the "**Shareholders Agreement**") for regulating the relationship between the parties in relation to the functioning of our Company. Subsequently, our Company and Finlay Corporation Limited, Pikika Limited, Ms. Jagi Mangat Panda, Panda Investments Limited, MS Telecom Investments Private Limited, Calorex India Limited, Odisha Television Limited, Orissa Stevedores Limited and UMSL Limited entered into an inter-se promoters' agreement dated March 21, 2008, as amended by an amendment agreement dated February 24, 2011 (the "**Inter-Se NSR SSA Promoters' Agreement**").

The important terms of the Shareholders Agreement and the Inter-Se NSR Promoters' Agreement, as set forth in our Articles and which would survive on completion of the Issue are as follows:

Nominee Director: After the listing of the Equity Shares on a recognized stock exchange, NSR shall have the right to nominate directors proportionate to the number of directors that the NSR SSA Promoters are entitled to nominate based on respective shareholding percentages, so long as it holds 5% or more Equity Shares.

Directors' and Officers' Liability Insurance: Till such time as NSR is a shareholder of our Company, our Company will obtain and maintain, at its own cost, a directors' and officers' liability insurance for each Director for an amount of ₹ 5 million from a reputable insurance company in respect of losses, liabilities, damages, deficiencies, demands, claims and actions arising out of or resulting from any act of omission or commission of the nominee directors. Further, the nominee directors shall not be identified as officers in default of the Company or employers under applicable laws.

Confidentiality: All parties will keep confidential any information relating to the negotiations and contents of the Shareholders Agreement, the Subscription Agreement and the Inter-Se NSR SSA Promoters' Agreement or the business and affairs of the other parties to the Shareholders Agreement ("**Confidential Information**"). However, Confidential Information can be disclosed, among others, pursuant to legal requirements. This clause on confidentiality will survive for two years following the termination of the Shareholders Agreement and the Inter-Se NSR SSA Promoters' Agreement, as the case may be.

Termination: The Shareholders Agreement and the Inter-Se NSR SSA Promoters' Agreement will terminate on the earlier of completion of the Issue or till such time that NSR holds at least 1,000,000 Equity Shares.

Under the Shareholders Agreement, NSR has the right, exercisable at its sole discretion, by furnishing a written notice to the NSR SSA Promoters, to sell its Equity Shares in the Company to any one or more persons if, on or before March 31, 2012, the Company has not been able to complete an initial public offering of its Equity Shares and if NSR has not been able to sell all its Equity Shares to any person acceptable to them. Upon receipt of the notice, the Company and the NSR SSA Promoters shall be obligated to take all actions required by NSR to successfully complete the sale. Further, at all times on or after October 1, 2012, all the Equity Shares held by NSR in the Company shall be free from any lien or lock-in, except as required under the SEBI Regulations. The Equity Shares held by NSR shall also be freely tradeable and capable of being transferred in full or in part to any person including financial investors, strategic investors or certain named competitors of the Company.

Other Agreements

- **Memorandum of Agreement dated March 31, 2005 between our Company and Ortel Metronet Limited (presently known as Odisha Television Limited)**

Our Company had entered into a memorandum of agreement dated March 31, 2005 ("**MOU**") with Ortel Metronet Limited ("**OML**"), presently known as Odisha Television Limited, pursuant to which our Company in the process of restructuring its business has sold/ transferred its local television channel "OTV" to OML on a going concern basis, with effect from April 1, 2005 for a consideration of ₹ 5.50 million. Under the terms of the MOU, our Company will carry the existing two channels of OML, "OTV" and "OTV Chamatkar" in prime band through its cable network and shall also carry any other additional channels launched by OML in future through its cable network.

- **Grant of Permission Agreement entered into between the Ministry of Information and Broadcasting, GoI and our Company dated June 25, 2007**

Our Company has entered into a grant of permission agreement with the MIB to establish, maintain and operate up linking hub (teleport) at Bhubaneswar in compliance with the 'Guidelines for Up linking from India' notified on December 2, 2005. The permission shall be governed by the TRAI, the Telegraph Act and the Wireless Telegraph Act.

Under the agreement, our Company shall not uplink television channels which have not been approved or permitted by the MIB for up linking. Further, all foreign personnel likely to be deployed by our Company for installation, maintenance and operation of its services shall be required to obtain security clearance from the MIB prior to their deployment. Any change in the Board of Directors of our Company would also be subject to the prior approval of the MIB. The permission is not transferable.

The permission is valid for a period of ten years from the date of operationalization of the teleport, unless terminated earlier. In the event of a teleport which is used for transmitting or up linking any objectionable unauthorized content, messages or communication inconsistent with public interest or national security, the permission would be revoked and our Company would be disqualified from holding any such permission for a period of five years, apart from liability for punishment.

OUR MANAGEMENT

Under our Articles, our Company is required to have not less than three Directors and not more than 15 Directors. Our Company currently has 11 Directors on its Board.

Pursuant to the Shareholders' Agreement and as set forth in our Articles, upon listing of the Equity Shares of the Company on a recognized stock exchange, Mr. Shantanu Yeshwant Nalavadi, the NSR nominee director shall cease to be a Director on our Board in the event NSR's shareholding reduces to less than 5% of the Equity Share capital of our Company.

Our Board

The following table sets forth details regarding our Board as on the date of this Draft Red Herring Prospectus.

Name and other particulars	Age (years)	DIN	Nationality	Other Directorships
Mr. Baijayant Panda S/o Dr. Banshidhar Panda Plot No-8, Bhoi Nagar, Unit-8 Bhubaneswar- 751 012, Odisha, India. *Designation:* Non Executive Director cum Chairman *Occupation*: Industrialist *Term:* Liable to retire by rotation	50	00297862	Indian	1. Indian Metals & Carbide Limited 2. B. Panda & Company Private Limited 3. Madhuban Investments Private Limited 4. K B Investments Private Limited 5. Paramita Investment & Trading Company Private Limited 6. Barabati Investment and Trading Company Private Limited 7. Indian Metals & Ferro Alloys Limited 8. Panda Investments (Private) Limited 9. Metro Skynet Limited 10. Quippo Telecom Infrastructure Limited 11. KEDA Enterprises Private Limited
Ms. Jagi Mangat Panda D/o Mr. Randhir Singh Mangat Plot No-8, Bhoi Nagar, Unit-8 Bhubaneswar- 751 012, Odisha, India. *Designation:* Executive Director and Managing Director *Occupation:* Service *Term:* For a period of five years commencing from December 22, 2012 to December 22, 2017.	47	00304690	Indian	1. Odisha Television Limited 2. Panda Investments Private Limited 3. Metro Skynet Limited 4. Kishangarh Environment Development Action Private Limited 5. KEDA Enterprises Private Limited 6. Orissa Telefilms Private Limited 7. Tarang Broadcasting Company Limited 8. Kahani Unlimited Private Limited 9. Ortel Wireless Services Private Limited 10. News Broadcasters Association 11. VISHWAS-Vision for Health, Welfare and Special Needs
Mr. Subhrakant Panda S/o Dr. Banshidhar Panda 30, Green Avenue, Vasant Kunj, New Delhi-110 070, India. *Designation:* Non Executive Director *Occupation:* Business *Term*: Liable to retire by rotation	43	00171845	Indian	1. Indian Metals & Ferro Alloys Limited 2. Utkal Coal Limited 3. Utkal Power Limited 4. Utkal Real Estate Private Limited 5. Indimet Mining Pte. Limited, Singapore 6. Carolina Consulting Private Limited
Mr. Shantanu Yeshwant Nalavadi S/o Mr. Yeshwant Fakirappa	44	02104220	Indian	1. Destimoney India Services Private Limited 2. Destimoney Commodities Private

Name and other particulars	Age (years)	DIN	Nationality	Other Directorships
Nalavadi RM 2903/4/5/6, FL 29, C 107, Ashok Towers, 63/74 Dr. S. S. Rao Road, Parel, Mumbai - 400012, India. *Designation:* Non Executive Director/ Investor Nominee Director *Occupation:* Service *Term:* Not liable to retire by rotation				Limited 3. Destimoney Securities Private Limited 4. New Silk Route Advisors Private Limited 5. 9X Media Private Limited 6. Gastronomy Management Services Private Limited 7. Vasudev Adigas Fastfood Private Limited 8. Paul Entertainments Private Limited 9. Rolex Rings Private Limited 10. Moshe's Fine Foods Private Limited
Dr. Gautam Sehgal S/o Dr. A. D. Sehgal B-29, Kailash Colony, New Delhi-110 048, India. *Designation:* Non Executive Director *Occupation:* Service *Term:* Liable to retire by rotation	49	0034243	Indian	1. ADS Diagnostic Limited 2. Cardiovas Medical Private Limited 3. Ved Med Software & Trading Private Limited
Mr. Jyoti Bhusan Pany S/o Mr. Rajani Bhusan Pany 212, Kharwel Nagar Bhubaneswar- 751 001 Odisha, India. *Designation:* Non Executive and Independent Director *Occupation:* Business *Term:* For a period of five years with effect from August 14, 2014	61	0020453	Indian	1. Radiant Telesystem Limited 2. Swosti Premium Limited 3. inDNA Lifesciences Private Limited
Mr. K. V. Seshasayee S/o Mr. K S Varadarajan 2 B Century Habitat No. 9, 4th Main Road, Gandhi Nagar, Adyar Chennai - 600 020, India *Designation:* Non Executive and Independent Director *Occupation:* Service *Term:* For a period of five years with effect from August 14, 2014	71	00659784	Indian	1. Win Broadband Services Private Limited 2. Fuel Automation Private Limited 3. Indhan Innovations Private Limited 4. Green Ark Eversol Private Limited
Major (Retd.) R.N. Misra S/o Mr. Lingaraj Mishra 6-D, 'Regency Park',	76	00146138	Indian	Indian Metals & Ferro Alloys Limited

Name and other particulars	Age (years)	DIN	Nationality	Other Directorships
Endenwood, Pokhran 2, Thane (West) - 400 601, India *Designation:* Non Executive and Independent Director *Occupation:* Retired from service *Term:* For a period of five years with effect from August 14, 2014				
Dr. P.T. Joseph S/o Mr. Puliparambil Thomas 6-XLRI, PB 222, C H Area (East) Jamshedpur- 831 001, India *Designation:* Non Executive and Independent Director *Occupation:* Service *Term:* For a period of five years with effect from August 14, 2014	61	03396028	Indian	NIL
Mr. Debaraj Biswal S/o Mr. Gangadharbaraj Biswal Unit -9, Sahidnagar, Bhubaneswar-751 022 Odisha, India *Designation:* Non Executive and Independent Director *Occupation:* Service *Term:* For a period of five years with effect from August 14, 2014	65	01318134	Indian	1. Bhubaneswar Stock Exchange Limited 2. The Odisha State Police Housing and Welfare Corporation Limited 3. Industrial Promotion and Investment Corporation of Odisha Limited 4. Odisha State Road Transport Corporation Limited
Mr. Gautam Buddha Mukherji S/o Mr. Subodh Chandra Mukherji C-4/6, Chandrama Complex, Unit-3, Bhubaneswar-751 001 Odisha, India *Designation:* Non Executive and Independent Director Occupation: Retired from Service as Government employee. Term: For a period of five years with effect from August 14, 2014	64	06461981	Indian	NIL

Brief Profile of our Directors:

Mr. Baijayant Panda, aged 50 years, is our Chairman and co-founder and was appointed as the Director of our Company on September 30, 1999. Mr. Panda holds a bachelor's degree of science in scientific and technical communication from the Michigan Technological University. He has experience in media sector operations, strategic and financial planning, capital structuring, mergers and acquisitions. Mr. Panda also serves as the vice chairman of Indian Metals & Ferro Alloys Limited, one of our Promoter Group companies. He is also a Member of Parliament (Lok Sabha) from the state of Odisha. Further, Mr. Panda has been awarded the prestigious 'Bharat Asmita National Award', the award for best parliamentary practices by the Chief Justice of India in 2008.

Ms. Jagi Mangat Panda, aged 47 years, was appointed as the Director of our Company on October 5, 1995. Ms. Panda is the Promoter of our Company. She was appointed as the Managing Director of our Company on December 22, 2007. She holds a bachelor's degree in biology and chemistry from Osmania University and also participated in the middle management programme of the three-tier programme for management development at the Indian Institute of Management, Ahmedabad. She has been awarded and recognized as the "Young Global Leader" at the World Economic Forum in 2008. She has more than 19 years of experience in the media and broadcasting industry.

Mr. Subhrakant Panda, aged 43 years, was appointed as the Director of our Company on May 13, 2006. He holds a bachelor's degree of science in business administration from the School of Management, Boston University. He is presently the managing director of Indian Metals & Ferro Alloys Limited, one of our Promoter Group companies. He is also a member of the executive committee of FICCI. He has been recognised as a member of the "Beta Gamma Sigma Honour Society for Collegiate Schools of Business", "Golden Key National Honour Society" and named amongst the "Who's Who Among Students in American Universities and Colleges".

Mr. Shantanu Yeshwant Nalavadi, aged 44 years was appointed as a Director of our Company on February 29, 2008. He is a chartered accountant, having qualified from the Institute of Chartered Accountants of India. Mr. Nalavadi is working with New Silk Route Advisors Private Limited, Mumbai as a partner. He focuses on private equity opportunities in the Indian sub-continent and advises NSR on investment and exit opportunities in this relation. Mr. Nalavadi has previously worked with Walt Disney Company (India) Private Limited and Star India Private Limited. Mr. Nalavadi has also been associated with ANZ Grindlays Bank and has worked across project finance (financial advisory and debt placement) and corporate finance (acquisitions, divestitures, mergers and joint venture advisory) businesses. Mr. Nalavadi has a combined work experience of more than 20 years in corporate finance, investment and general management.

Dr. Gautam Sehgal, aged 49 years, was appointed as an additional Director of our Company on March 31, 2000. He holds a bachelor's degree in medicine and surgery from the University of Mysore and owns the Sehgal Neurological Research Institute in New Delhi. He has more than 23 years of experience in the medical profession.

Mr. Jyoti Bhusan Pany, aged 61 years, was appointed as an additional Director of our Company on December 21, 2001. He holds a bachelor's degree in chemical engineering from the, Nagpur University. Mr. Pany is currently a Director on the board of Radiant Telesystem Limited, a member of the Radiant Group of Companies, Odisha and has more than 25 years of experience in various industries including telecom manufacturing, information technology and mechanical engineering.

Mr. K V Seshasayee, aged 71 years, was appointed as an Independent Director of our Company on February 2, 2011. He holds a master's degree in mechanical engineering from the Indian Institute of Technology, Madras. Mr. Seshasayee has over 35 years of experience in the telecom and media industry.

Major (Retd.) R.N. Misra, aged 76 years, was appointed as an Independent Director of our Company on February 2, 2011. He joined the Indian Metals and Ferro Alloys group in the year 1981 as the deputy general manager and retired in the year 1993 as the executive vice president. During this period, he was responsible for the overall operations of the group and had detailed experience in project management, operations, maintenance, marketing, finance and public relations. Major Misra is currently a director on the board of Indian Metals & Ferro Alloys Limited.

Dr. P.T. Joseph, aged 61 years, was appointed as an Independent Director of our Company on February 2, 2011. He holds a master's degree in science from the University of Madras. He also holds a masters' degree in business administration from St. Joseph's University, Philadelphia. He was awarded a doctorate of philosophy in electrical and computer engineering from Marquette University. He is currently serving as the director of Marian International Institute of Management, Kuttikkanam and has previously has been associated with XLRI and Xavier Institute of Management, Bhubaneswar, Odisha as a professor. He was a visiting scholar at Campion Hall, Oxford University, United Kingdom in 2007.

Mr. Debaraj Biswal, aged 65 years, was appointed as an Independent Director of our Company on February 2, 2011. He is a fellow member of the Institute of Cost Accountants of India. He has 30 years of experience in power sector. He has also served as the chief executive officer and administrator of the CESU. He is currently acting as the managing director of the Bhubaneswar Stock Exchange Limited.

Mr. Gautam Buddha Mukherji, aged 64 years, was appointed as an Independent Director of our Company on December 11, 2012. He has served in the Indian Administrative Service since 1973 in various positions in Odisha and New Delhi and retired on July 31, 2010. He was the Secretary to Ministry of Tribal Welfare from June 2007 till July 31, 2010. He has also served as the chairman-cum-managing director of Orissa Electronics Development Corporation. In addition, he has held positions on various boards of public sector undertakings, including in the Ministry of Coal, Government of India, for about five years.

Remuneration details of our Directors:

(a) Remuneration details of our Managing Director:

Ms. Jagi Mangat Panda was inducted on our Board pursuant to a resolution of our Board dated October 5, 1995 and was reappointed as Managing Director by resolution of our Board dated August 25, 2012, for a period of 5 years, which was subsequently confirmed by the shareholders of our Company at the AGM held on September 28, 2012. The details of remuneration paid and payable to Ms. Panda for the last Fiscal are as follows:

Particulars	Monthly Remuneration (in ₹)	Annual Remuneration (in ₹)
Basic Salary	180,000	2,160,000
House Rent	72,000	864,000
Conveyance Allowance	800	9,600
Special Allowance	2,396	28,752
Professional Pursuits	20,000	240,000
Medical Reimbursement	1,250	15,000
Uniform Reimbursement	1,500	18,000
Petrol Reimbursement	30,000	360,000
Vehicle Ownership Reimbursement	1,800	216,000
LTA	10,000	120,000
Provident Fund	21,600	259,200
Gratuity	8,640	103,680
Leave Salary	9,000	108,000
Provident Fund Administrative Charges	1,980	23,760
Total	**360,966**	**4,331,692**

(b) Remuneration details of our Non-executive and Independent Directors

The sitting fees of ₹ 5,000 had been approved by our Board pursuant to a Board resolution dated December 22, 2006, to be paid to the non-executive and independent Directors for attending the meetings of the Board, the Audit Committee, Remuneration Committee and other committee meetings. Accordingly, the said amount is being paid for each such meeting with effect from November 20, 2006. The non-executive and independent Directors of our Company do not receive any other remuneration.

The details of sitting fees paid to our non-executive and independent Directors for the last Fiscal are as follows:

Name of Director	Sitting fees paid (₹)
Mr. Baijayant Panda	15,000*
Mr. Subhrakant Panda	20,000
Mr. Shantanu Yeshwant Nalavadi	-**
Dr. Gautam Sehgal	10,000

Name of Director	Sitting fees paid (₹)
Mr. Jyoti Bhusan Pany	30,000
Mr. K. V. Seshasayee	20,000
Major (Retd.) R.N. Misra	15,000
Dr. P.T. Joseph	5,000
Mr. Debaraj Biswal	40,000
Mr. Gautam Buddha Mukherji	10,000

* *Such sitting fees have been paid at the instructions of the Director.*

** *While Mr. Shantanu Yeshwant Nalavadi is entitled to receive sitting fees for attending meetings of our Board, he has not accepted any such sitting fees in the last Fiscal.*

Remuneration paid or payable from subsidiaries and associate companies

Our Company does not have any subsidiary or associate companies and consequently, no remuneration has been paid to our Directors from any subsidiaries/ associate companies.

Bonus or Profit Sharing Plan for the Directors

There is no bonus or profit sharing plan for the Directors of our Company.

Contingent and Deferred Compensation payable to Directors

As a whole time Director, Ms. Jagi Mangat Panda is also eligible for deferred payments, including gratuity, leave salary as per the Company policy apart from her regular remuneration. Except Ms. Jagi Mangat Panda, no other Director has received or is entitled to any contingent or deferred compensation.

Shareholding of Directors in our Company

Pursuant to Article 136 of the Articles of Association of the Company, the Directors of the Company are not required to hold any qualification shares. For details of shareholding of our Directors in our Company, see the section titled "*Capital Structure*" on page 67.

Our Company does not have any subsidiaries or Associates, and consequently, none of our Directors own any shares in any subsidiaries/ associate companies.

Relationships between Directors

Except as provided below, none of our other Directors are related to each other:

S. No.	Names of Directors	Nature of Relationship
1.	Mr. Baijayant Panda and Ms. Jagi Mangat Panda	Husband – Wife
2.	Mr. Baijayant Panda and Mr. Subhrakant Panda	Brothers
3.	Ms. Jagi Mangat Panda and Mr. Subhrakant Panda	Sister in law – Brother in law

Details of Service Contracts

There are no service contracts entered into with any Directors for provision of benefits or payments of any amount upon termination of employment.

Interest of Directors

All of our Directors may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, any options that may be granted to them under the ESOS 2010 as well as to the extent of other remuneration and reimbursement of expenses, if any, payable to them under our Articles. Further, our Directors may also be regarded as interested in the equity shares if any, held by them or by the companies/firms/ventures promoted by them or held by relatives of our Directors or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue.

Ms. Jagi Mangat Panda, our Managing Director and Mr. Baijayant Panda, our Chairman are also our Promoters and are responsible for management of the affairs of our Company.

Our Directors have no interest in any property acquired by our Company within two preceeding years from the date of filing of this Draft Red Herring Prospectus, or presently intended to be acquired by our Company as disclosed in this Draft Red Herring Prospectus.

Except as stated in "*Related Party Transactions*" on page 199, and to the extent of shareholding in our Company, our Directors do not have any other interest in our business.

Except as stated in this section, respectively, no amount or benefits were paid or were intended to be paid to our Directors within two preceeding years from the date of filing of this Draft Red Herring Prospectus.

None of the relatives of the Directors have been appointed to an office or place of profit with our Company.

Directorships of our Directors in Listed Companies

The Directors of our Company are not, and for a period of five years prior to the date of filing the DRHP have not been on the board of any listed company whose shares have been / were suspended from being traded on the BSE Limited or the National Stock Exchange of India Limited.

Except as mentioned below, none of our Directors have been or are directors on the board of listed companies which have been/were delisted from any stock exchange(s).

1. Mr. Baijayant Panda, the Chairman of our Company, Mr. Subhrakant Panda, our Director and Major (Retd.) R.N. Misra, an independent Director on our Board, are presently directors on the board of Indian Metals & Ferro Alloys Limited. Indian Metals & Ferro Alloys Limited ("**IMFA**") was listed on the Bhubaneswar Stock Exchange, the BSE and the Calcutta Stock Exchange and delisted from these stock exchanges on January 17, 2005, March 15, 2005 and April 4, 2005, respectively. IMFA was delisted in compliance with regulation 21(3) of the Takeover Regulations. IMFA was listed again on the BSE on January 28, 2009 and on the NSE on July 23, 2010. Mr. Baijayant Panda and Major (Retd.) R.N. Misra have been on the board of IMFA since 1986 and 1993, respectively and Mr. Subhrakant Panda has been on the board of IMFA since October 30, 1999.

2. Dr. Gautam Sehgal, a Director of our Company, is on the board of directors of ADS Diagnostic Limited which was listed on the Delhi Stock Exchange and was consequently delisted on March 20, 2006. The delisting was voluntary in nature. Listing on only one national stock exchange is mandatory and ADS Diagnostic Limited is currently listed on BSE Limited. He has been a director on the board of ADS Diagnostic Limited with effect from March 31, 1986 and his current term will end on May 31, 2016.

For details of our directors associated with securities market, see the section titled "*Other Regulatory and Statutory Disclosures*" on page 321.

Changes in our Board during the last three years

Name	Date of Appointment	Date of Cessation	Reason of appointment/cessation
Mr. Jacob Kurian	August 25,2012	December 11, 2012	Resignation
Mr. R.R.N. Prasad	February 2, 2011	September 28,2012	Resignation
Mr. Gautam Buddha Mukherji	December 11, 2012	-	Appointment as Independent Director
Ms. Manjula Shroff	January 12, 1998	July 30, 2013	Retirement

Borrowing Powers of the Directors in our Company

Pursuant to a resolution of the shareholders of our Company passed in the AGM dated August 14, 2014, the Board has been authorized to borrow sums of money for the purpose of our Company with or without security upon such terms and conditions as the Board may think fit which, together with the moneys borrowed by the company (apart from the temporary loans obtained or to be obtained from the Company's banker in the ordinary course of business), may exceed the aggregate paid up capital of our Company and its free reserves provided that the total amount of such borrowing shall not exceed the amount of ₹ 5,000 million at any time.

Corporate Governance

The provisions of the listing agreement to be entered into with the Stock Exchanges and the Companies Act, 2013 with respect to corporate governance will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company has complied with the corporate governance code in accordance with Clause 49 of such listing agreement and the Companies Act, 2013, particularly, in relation to appointment of independent Directors to our Board and constitution of the audit committee, the stakeholders' relationship committee, the nomination and remuneration committee and the risk management committee. Our Company undertakes to take all necessary steps to continue to comply with all the requirements of Clause 49 of the listing agreement to be entered into with the Stock Exchanges and the Companies Act, 2013.

Currently our Board has 11 Directors, of which the Chairman of the Board is a non-executive Director and a Promoter of our Company, and in compliance with the requirements of Clause 49 of the listing agreement and the Companies Act, 2013, our Company has one executive Director and 10 non-executive Directors, on our Board, of whom six are independent Directors.

In terms of the Clause 49 of the listing agreement and the provisions of the Companies Act, 2013, our Company has constituted the following committees:

(a) Audit Committee;
(b) Stakeholders Relationship Committee;
(c) Nomination and Remuneration Committee; and
(d) Risk Management Committee.

Furthermore, to facilitate the process of the Issue, our Company has also constituted the IPO Committee.

Audit Committee

The audit committee ("**Audit Committee**") was constituted on November 25, 1999 as per the requirements of Section 292A of the Companies Act, 1956 and was re-constituted as per the requirements under the Listing Agreement by our Directors at their Board meeting held on February 2, 2011. The terms of reference of the Audit Committee was amended by our Directors at their Board meeting held on July 21, 2014 to comply with the amended Listed Agreement. As of date, the Audit Committee is in compliance with section 177 of the Companies Act, 2013 and the Listing Agreement. The Audit Committee currently comprises of:

Name of the Directors	Designation
Mr. Jyoti Bhusan Pany	Chairman
Mr. Debaraj Biswal	Member
Ms. Jagi Mangat Panda	Member
Mr. K.V. Seshasayee	Member
Mr. Shantanu Yeshwant Nalavadi	Permanent Invitee

The Company Secretary, Mr. Lalit Kumar Mohanty is the secretary to the Audit Committee.

Scope and terms of reference: The Audit Committee would perform the following functions with regard to accounts and financial management:

1. Oversight of our Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommending to the Board, the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:

    - Matters required to be included in the 'Director's Responsibility Statement' to be included in the Board's report in terms of clause (2c) of Section 134 of the Companies Act, 2013;
    - Changes, if any, in accounting policies and practices and reasons for the same;
    - Major accounting entries involving estimates based on the exercise of judgment by management;

- Significant adjustments made in the financial statements arising out of audit findings;
- Compliance with listing and other legal requirements relating to financial statements
- Disclosure of any related party transactions; and
- Qualifications in the draft audit report.

5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;
8. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
9. Discussion with internal auditors any significant findings and follow up there on;
10. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
11. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
12. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
13. To review the functioning of the whistle blower mechanism;
14. Approval of appointment of CFO (ie., the whole time finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background etc. of the candidate;
15. To investigate any activity within its terms of reference;
16. To seek information from any employee;
17. To obtain outside legal or other professional advice;
18. To secure attendance of outsiders with relevant expertise, if it considers necessary;
19. To review and monitor the auditor's independence and performance, and effectiveness of audit process;
20. To approve or effect any subsequent modification of transactions of the Company with related parties;
21. Scrutiny of inter-corporate loans and investments;
22. Valuation of undertakings or assets of the Company, wherever it is necessary;
23. Evaluation of internal financial controls and risk management systems; and
24. Carry out any other functions as mentioned in the terms of reference.

The Audit Committee is also required to mandatorily review the following information:

1. Management discussion and analysis of financial condition and results of operations;
2. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of our Company;
3. Management letters / letters of internal control weaknesses issued by the statutory auditors of the Company;
4. Internal audit reports relating to internal control weaknesses; and
5. Appointment, removal and terms of remuneration of the chief internal auditor.

Stakeholders Relationship Committee

The stakeholders relationship committee ("**Stakeholders Relationship Committee**") was originally constituted as the "Shareholders/ Investors Grievance Committee" by our Directors at their Board meeting held on February 2, 2011. This committee was merged with the share transfer committee of the Board and renamed as the Stakeholders Relationship Committee by our Directors at their Board meeting on July 21, 2014.

The Stakeholders Relationship Committee currently comprises of:

Name of the Directors	Designation
Mr. Debaraj Biswal	Chairman
Mr. Jyoti Bhusan Pany	Member
Dr. Gautam Sehgal	Member

The Company Secretary, Mr. Lalit Kumar Mohanty is the secretary to the Investor Grievance Committee.

Scope and terms of reference: The Investor Grievance Committee shall be responsible, amongst others, for:

1. Redressal of all security holders' and investors' grievances such as complaints related to transfer of shares, including non receipt of share certificates and review of cases for refusal of transfer/transmission of shares and debentures, non-receipt of balance sheet, non-receipt of declared dividends, non – receipt of annual reports, etc;
2. Giving effect to all transfer/transmission of shares and debentures, dematerialization of shares and rematerialization of shares, split and issue of duplicate/consolidated share certificates, allotment and listing of shares, buy back of shares, compliance with all the requirements related to shares, debentures and other securities from time to time; and
3. Overseeing the performance of the registrars and transfer agents of our Company and to recommend measures for overall improvement in the quality of investor services and also to monitor the implementation and compliance of the code of conduct for prohibition of insider trading pursuant to the Insider Trading Regulations and other related matters as may be assigned by the Board.

Nomination and Remuneration Committee

The nomination and remuneration Committee ("**Nomination and Remuneration Committee**") was originally constituted as the "Remuneration/ Compensation Committee" by the Directors at their Board meeting held on November 25, 1999 and was re-constituted as per the requirements under the Listing Agreement by our Directors at their Board meeting held on February 2, 2011. The committee was renamed as the Nomination and Remuneration Committee by the Directors at their Board meeting held on July 21, 2014. The Nomination and Remuneration Committee shall meet at least once in every quarter of the year. The Nomination and Remuneration Committee currently comprises of:

Name of the Directors	Designation
Dr. P.T. Joseph	Chairperson
Mr. Baijayant Panda	Member
Dr. Gautam Sehgal	Member
Mr. Shantanu Yeshwant Nalavadi	Member

The Company Secretary, Mr. Lalit Kumar Mohanty is the secretary to the Nomination and Remuneration Committee.

Scope and terms of reference: The Nomination and Remuneration Committee is responsible, among other things, for:

1. To formulate criteria for determining qualifications, positive attributes and independence of a director on our Board and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. To formulate criteria for evaluation of Independent Directors and the Board;
3. To recommend offer and issue of employee stock options to eligible employees;
4. To devise a policy on Board diversity;
5. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
6. To evaluate of the performance of the Directors on the Board;
7. To fix and finalise remuneration including salary, perquisites, benefits, bonuses, allowances, etc.;
8. Fixed and performance linked incentives along with the performance criteria;
9. Increments and promotions;
10. Service contracts, notice period, severance fees;
11. Ex-gratia payments; and

12. Such other matters as may from time to time be required by any statutory, contractual or other regulatory requirements to be attended to by the Nomination and Remuneration Committee.

Risk Management Committee

The risk management committee ("**Risk Management Committee**") was constituted by the Directors at the Board meeting held on July 21, 2014. The Risk Management Committee currently comprises of:

Name of the Members	Designation
Ms. Jagi Mangat Panda	Chairperson
Mr. K. V. Seshasayee	Member
Mr. Shantanu Yeshwant Nalavadi	Member
Mr. Debaraj Biswal	Member

Scope and terms of reference: The Risk Management Committee is responsible, among other things, for:

1. To review and assess the risk management system and policy of the Company from time to time and recommend for amendment or modification thereof;
2. To frame and devise risk management plan and policy of the Company;
3. To review and recommend potential risk involved in any new business plans and processes;
4. Any other similar or other functions as may be laid down by Board from time to time.

IPO Committee

The IPO Committee was constituted by the Directors at Board meeting held on February 2, 2011. The IPO Committee comprises:

Name of the Members	Designation
Ms. Jagi Mangat Panda	Chairperson
Mr. Shantanu Yeshwant Nalavadi	Member- Director
Mr. Bibhu Prasad Rath	Member
Mr. Manoj Kumar Patra	Member

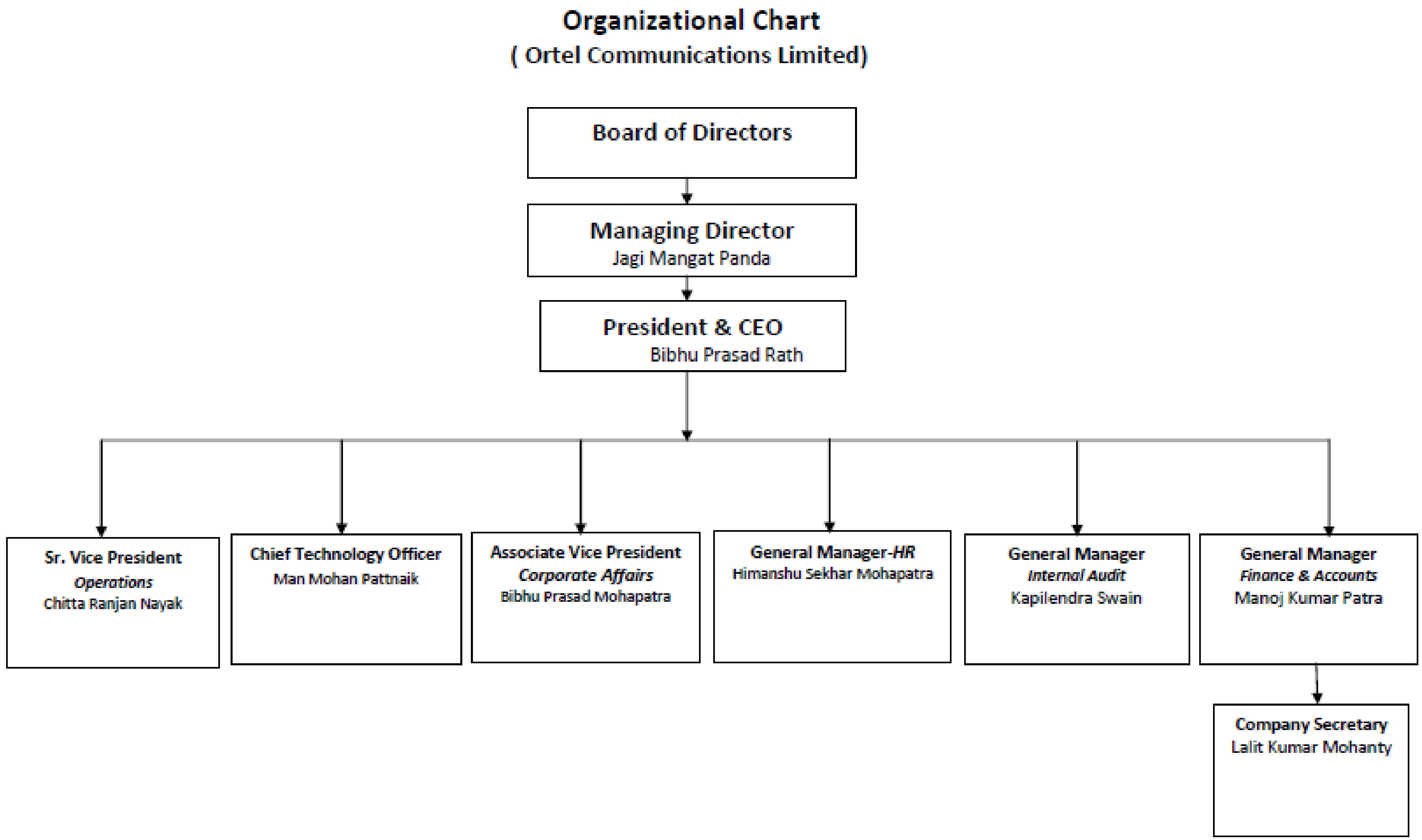
The Company Secretary, Mr. Lalit Kumar Mohanty is the secretary to the IPO Committee.

Scope and terms of reference: The IPO Committee shall have the powers:

1. To decide all matters relating to initial public offering and allotment of shares of our Company in consultation with the stock exchanges concerned and SEBI and also for issue of share certificates in accordance with the relevant rules and regulations;
2. To obtain outside legal or other professional advice including under rule 144A of the US Securities Act;
3. To secure the attendance of outsiders with relevant expertise, if it considers necessary;
4. To decide on the timing, pricing and all the terms and conditions of the issue of the shares for the public issue, including the price, price band, issue opening and closing and to accept any amendments, modifications, variations or alterations thereto;
5. To appoint and enter into arrangements with the book running lead manager, underwriters, syndicate members, brokers, escrow collection bankers, registrars, legal advisors and any other agencies or persons or intermediaries to the public issue and to negotiate and finalise the terms of their appointment, including but not limited to execution of the book running lead manager's mandate letter, negotiation, finalization and execution of the memorandum of understanding with the book running lead manager etc;
6. To finalise, settle, determine timing of filing, execute and deliver or arrange the delivery of the draft red herring prospectus, the red herring prospectus, the final prospectus, syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements and instruments and any amendments, supplements, corrigenda to the foregoing, as may be required or desirable in relation to the Public Issue;
7. To open account with the bankers to the public issue, such accounts as are required by the regulations issued by SEBI;

8. To do all such acts, deeds, matters and things and execute all such other documents, etc. as it may, in its absolute discretion, deem necessary or desirable for such purpose, including without limitation, finalise the 'Basis of Allotment', to allot the shares to the successful allottees as permissible in law and issue of share certificates in accordance with the relevant rules;
9. To do all such acts, deeds and things as may be required to dematerialize the equity shares of our company and to sign agreements and/or such other documents as may be required with the National Securities Depository Limited, the Central Depository Services (India) Limited and such other agencies, authorities or bodies as may be required in this connection;
10. To make applications for listing of the shares in one or more stock exchange(s) for listing of the equity shares of our Company and to execute and to deliver or arrange the delivery of necessary documentation to the concerned stock exchange(s); and
11. To settle all questions, difficulties or doubts that may arise in regard to such issues or allotment as it may, in its absolute discretion deem fit.

Management Organisation Structure



Key Managerial Personnel and Senior Management Personnel

Our Key Managerial Personnel consist of Ms. Jagi Mangat Panda, our Managing Director; Mr. Bibhu Prasad Rath, our President and Chief Executive Officer; Mr. Manoj Kumar Patra, our General Manager (Finance and Accounts), who performs the functions of the chief financial officer of our Company; and Mr. Lalit Kumar Mohanty, our Company Secretary and Compliance Officer.

Our Senior Management Personnel consist of Col. Man Mohan Pattnaik, our Chief Technical Officer; Mr. Chitta Ranjan Nayak, our Senior Vice President (Operations); Mr. Bibhu Prasad Mohapatra, our Associate Vice President (Corporate Affairs); Mr. Himanshu Sekhar Mohapatra, our General Manager (Human Resources); and Mr. Kapilendra Swain, our General Manager (Internal Audit).

Brief Biographies of our Key Managerial Personnel and our Senior Management Personnel

Key Managerial Personnel

The details of our Key Managerial Personnel as of the date of this Draft Red Herring Prospectus are as follows:

Mr. Bibhu Prasad Rath, aged 48 years, is the President and CEO of our Company and has been associated with our Company since October 1, 1999. He holds a bachelor’s degree in science from Utkal University. He has undergone a management education program from the Indian Institute of Management, Ahmedabad. He is also a qualified cost and works accountant from Institute of Cost and Works Accountants of India. He has previously worked at Indian Metals & Ferro Alloys Limited as manager (commercial). He is instrumental in the strategic decision making processes in our Company. The remuneration paid to him for the last Fiscal was ₹ 4,608,423.

Mr. Manoj Kumar Patra, aged 41 years, is the General Manager (Finance and Accounts) of our Company and has been associated with our Company since November 4, 2008. He holds a bachelor’s degree in science from Berhampur University. He is a fellow member of Institute of Chartered Accountants of India. He was previously associated with Reliance Retail Limited. He heads the accounts and finance area of our Company. The remuneration paid to him for the last Fiscal was ₹ 1,880,396.

Mr. Lalit Kumar Mohanty, aged 36 years, is the Company Secretary of our Company and has been associated with our Company since May 18, 2010. He holds a bachelor’s degree in science from Utkal University and a bachelor’s degree in law from Utkal University. He is also a qualified cost and works accountant from Institute of Cost and Works Accountants of India. He is a fellow member of the Institute of Company Secretaries of India. He has more than eight years of experience in media and metal and refractory industries. He was previously associated with Tata Refractories Limited, Raj Television Network Limited, Ipisteel Limited and Sahebramka Projects Limited. The remuneration paid to him for the last Fiscal was ₹ 1,128,369.

For a brief profile of Ms. Jagi Mangat Panda, our Managing Director, see the sub-section titled “– *Brief Profile of our Directors*” on page 170.

Senior Management Personnel

The details of our Senior Management Personnel as of the date of this Draft Red Herring prospectus are as follows:

Col. Man Mohan Pattnaik, aged 56 years, is the Chief Technical Officer in our Company and has been associated with our Company since January 5, 2001. He holds a bachelor’s degree in electronics and telecommunications from the Institute of Electronics and Telecommunications Engineers, Delhi. He has completed the advanced level course in computer science from and is a fellow of the Institute of Electronics and Telecommunications Engineers, Delhi. He holds a post graduate diploma in business management from the Indian Institute of Management Studies, New Delhi. He is responsible for installation, implementation and upgradation of technology for our Company. Previously, he had served in the Indian Army (Corps of Signals) for 20 years and retired as a lieutenant colonel. The remuneration paid to him for the last Fiscal was ₹ 2,795,874.

Mr. Chitta Ranjan Nayak, aged 46 years, is the Senior Vice President (Operations) of our Company and has been associated with our Company since March 16, 2004. He holds a bachelor’s degree in engineering from the

Institute of Engineers India and a post graduate diploma in business management from Institute of Management Technology. He is currently heading the Odisha operations of our Company, apart from heading marketing activities. Previously, he was associated with Integrated Technology Solutions Private Limited. The remuneration paid to him for the last Fiscal was ₹ 3,073,814.

Mr. Bibhu Prasad Mohapatra, aged 53 years, is the Associate Vice President (Corporate Affairs) of our Company and has been associated with our Company since July 31, 2009. He holds a bachelor's degree in commerce from Sambalpur University and a master's degree in commerce from the Ravenshaw College, Cuttack. He also holds a bachelor's degree in law from the Utkal University and a post graduate diploma in management from the Xaviers Institute of Management, Bhubaneswar. He was previously associated with JSS Consultancy Services Private Limited as an executive director. He heads the corporate affairs department of our Company. The remuneration paid to him for the last Fiscal was ₹ 1,966,000.

Mr. Himanshu Sekhar Mohapatra, aged 44 years, is the General Manager (Human Resources) of our Company and has been associated with our Company since June 1, 2006. He holds a bachelor's degree in science from Sambalpur University and a post graduate diploma in personnel management and industrial relations from the LN Mishra Institute of Economic Development and Social Change, Patna. He heads the human resources and administration functions at our Company. The remuneration paid to him for the last Fiscal was ₹ 1,557,009.

Mr. Kapilendra Swain, aged 46 years, is the General Manager (Internal Audit) of our Company and has been associated with our Company since March 1, 2007. He holds a bachelor's degree in commerce from Utkal University. He is a fellow member of Institute of Chartered Accountants of India. He was previously associated with the Western Electricity Supply Company of Orissa Limited and the Swosti Group of Hotels. He heads the internal audit wing of our Company. The remuneration paid to him for the last Fiscal was ₹ 1,605,622 million.

All the Key Managerial Personnel and Senior Management Personnel are permanent employees on the rolls of our Company and all the Key Managerial Personnel and senior management mentioned above are officers of our Company vested with executive powers and function at a level immediately below the Board.

Details of Service Contracts of our Key Managerial Personnel and Senior Management Personnel

Except for terms set forth in the appointment letters, our Key Management Personnel and Senior Management Personnel have not entered into any other contractual arrangements with our Company.

Contingent and Deferred Compensation payable to Key Managerial Personnel and Senior Management Personnel

As per the service contract, the following contingent and deferred compensation are payable to the Key Managerial Personnel and the Senior Management Personnel:

- Accidental benefits tied up with the insurance company;
- Gratuity as per the Payment of Gratuity Act; and
- Leave encashment benefits at the time of cessation/retirement from service.

Interest of Key Managerial Personnel and Senior Management Personnel

None of our Key Managerial Personnel and Senior Management Personnel have any interest in our Company except to the extent of remuneration, benefits, stock options and grants as disclosed in the section titled "*Capital Structure*" beginning on page 67, and reimbursement of expenses incurred by them in the ordinary course of business. None of our Key Managerial Personnel and Senior Management Personnel have been appointed pursuant to any arrangement or understanding with our company's major shareholders, customers or suppliers or others.

Shareholding of the Key Managerial Personnel and Senior Management Personnel

For details of shareholding of our Key Managerial Personnel and Senior Management Personnel in our Company, see the section titled "*Capital Structure*" on page 67.

Changes in our Key Managerial Personnel and Senior Management Personnel

The changes in our Key Managerial Personnel and Senior Management Personnel during the last three years are as follows:

Sl. No	Name	Date of Leaving*	Reason
1.	Mr. Shubhro Goswami	March 31, 2012	Resignation
2.	Mr. D. Ravi Shankar	May 31, 2012	Resignation
3.	Mr. Sanjay Katyal	June 30, 2014	Resignation
4.	Mr. Nihar Ranjan Bhuyan	December 30, 2013	Resignation

* *No new Key Managerial Personnel or Senior Management Personnel have joined our Company in the last three years*

Bonus or Profit Sharing Plan for the Key Managerial Personnel and Senior Management Personnel

As per the normal practice of the Company, the Chief Executive Officer/ Chief Operating Officer announce variable pay, based on the performances of senior executives, which includes certain of the Key Managerial Personnel and Senior Management Personnel, on achieving of key targets for the Company.

Scheme of Employee Stock Option or Employee Stock Purchase

For details of scheme of employee stock option or employee stock purchase in our Company, see the section titled "*Capital Structure*" on page 67.

Payment of Benefit to Officers of our Company (Non-Salary Related)

No amount of benefit has been paid or given to any officer of our Company within the two preceding years from the date of filing of this Draft Red Herring Prospectus or is intended to be paid, other than in the ordinary course of their employment, except for stock options under OSOP 2000, OSSOP 2006 and ESOS 2010, reimbursement of mobile telephone bills and free lunch.

Except statutory benefits upon termination of their employment in our Company or superannuation, no officer of our Company is entitled to any benefit upon termination of such officer's employment in our Company or superannuation.

Loans taken by Directors / Key Managerial Personnel / Senior Management Personnel

Following are the details of the loans availed by our Key Managerial Personnel / Senior Management Personnel:

S. No	Name	Loan Amount (In ₹)	Amount Outstanding as on June 30, 2014 (in ₹)
1.	Mr. Kapilendra Swain	127,250	27,364
	Total	**127,250**	**27,364**

Arrangements and Understanding with Major Shareholders

Except for our nominee Director, Mr. Shantanu Yeshwant Nalavadi, none of our Directors, Key Managerial Personnel or Senior Management Personnel have been appointed pursuant to any arrangement or understanding with our major shareholders, customers, suppliers or others. For details of the shareholder's agreement pursuant to which Mr. Shantanu Yeshwant Nalavadi was appointed on our Board, see the section titled "*History and Corporate Structure – Shareholders Agreements*" on page 164.

Nature of Family Relationship between the Key Managerial Personnel and Senior Management Personnel

There is no family relationship between the Key Managerial Personnel and our Senior Management Personnel.

OUR PROMOTERS AND PROMOTER GROUP

Our Promoters

The following individuals are the Promoters of our Company:

1. Mr. Baijayant Panda; and
2. Ms. Jagi Mangat Panda.

For details of the build-up of our Promoters' shareholding in our Company, see the section titled "*Capital Structure – Notes to Capital Structure*" beginning on page 69.

The details of our Promoters who are individuals are as follows:

Identification Particulars	Details
PAN	ADYPP5309A
Passport No.	D1104157
Voter ID Number	OR/09/050/176020
Driving License Number	DL-0219900035377
Bank Account Number	167601000000003

Mr. Baijayant Panda, aged 50 years, is on our Board. For further details, see the section titled "*Our Management*" on page 167.

Identification Particulars	Details
PAN	AARPP3145Q
Passport No.	D1104158
Voter ID Number	KLX2930295
Driving License Number	OR-0220070081319
Bank Account Number	167601000000004

Ms. Jagi Mangat Panda, aged 47 years, is on our Board. For further details, see the section titled "*Our Management*" on page 167.

The details of our corporate Promoters are as follows:

1. **Panda Investments Private Limited**

Panda Investments Private Limited was incorporated on June 4, 1999 under the Companies Act, 1956. Its CIN is U65993DL1999PTC100092. Its registered office is situated at B-4/147, Safdarjung Enclave, New Delhi – 110 029, India. Panda Investments Private Limited is engaged in the business of investments and dealing in shares and securities.

The equity shares of Panda Investments Private Limited are not listed and it has not made any public or rights issue in the preceding three years.

It has not become a sick company nor is it subject to a winding-up order or petition under the laws of India. It does not have negative net worth.

Board of Directors

The board of directors of Panda Investments Private Limited currently comprises of:

1. Mr. Baijayant Panda; and
2. Ms. Jagi Mangat Panda.

Financial Performance

The audited financial results of Panda Investments Private Limited for Fiscals 2012, 2013 and 2014 are set forth below:

(In ₹ million, except per share data)

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Total income	0.05	0.02	0.02
Profit/ (Loss) after tax	(0.05)	(0.01)	(0.02)
Equity capital	29.97	29.97	29.97
Reserves and Surplus (excluding revaluation reserves) [(1)]	(0.42)	(0.43)	(0.45)
Earnings/ (Loss) per share (diluted) [(2)]	(0.02)	(0.01)	(0.01)
Earnings/ (Loss) per share (basic)	(0.02)	(0.01)	(0.01)
Net asset value [(2)]	9.86	9.86	9.84

[(1)] *Net of miscellaneous expenditure not written off.*
[(2)] *Face value of each equity share is ₹ 10.*

Shareholding Pattern

Set forth below is the shareholding pattern of Panda Investments Private Limited as on September 8, 2014.

S. No.	Name of the Shareholder	No. of equity shares of ₹ 10 each	Percentage of paid-up capital (%)
1.	Mr. Baijayant Panda	3,852,250	94.02
2.	Ms. Jagi Mangat Panda	185,100	4.52
3.	Metro Skynet Limited	60,000	1.46
	Total	**4,097,350**	**100.00**

Change in capital structure in the last six months

Except as stated below, there has been no change in the capital structure in the last six months preceding the filing of this DRHP:

The issued, subscribed and paid-up capital of Panda Investments Private Limited was increased from ₹ 29.97 million to ₹ 40.97 million on September 1, 2014 by the allotment of 1,100,000 equity shares of ₹ 10 each to Mr. Baijayant Panda.

Change in management

There has been no change in control or management of Panda Investments Private Limited in the past three years preceding the filing of this DRHP.

Details of Promoters

Mr. Baijayant Panda and Ms. Jagi Mangat Panda are the promoters of Panda Investments Private Limited, holding 98.54% of the paid up capital of the company.

2. UMSL Limited

UMSL Limited was incorporated as "Utkal Manufacturing & Services Limited" on November 7, 1990 under the Companies Act, 1956. Subsequently, on July 28, 2014, its name was changed to its present name. On November 13, 1990, it received a certificate of commencement of business. Its CIN No. is U27106AP1990PLC018706. Its registered office is situated at Door No. 50-40-19, 2nd Floor, T.P.T Colony, Visakhapatnam – 530 013, Andhra Pradesh, India. UMSL Limited is engaged in the business of providing logistic services.

The equity shares of UMSL Limited are not listed and it has not made any public or rights issue in the preceding three years.

It has not become a sick company nor is it subject to a winding-up order or petition under the laws of India. It does not have negative net worth.

Board of Directors

The board of directors of UMSL Limited currently comprises of:

1. Mr. C. R Ray;
2. Mr. T. C. Hota;
3. Ms. Paramita Mahapatra; and
4. Mr. Dhirendra Kumar Roy.

Financial Performance

The audited financial results of UMSL Limited for Fiscals 2012, 2013 and 2014 are set forth below:

(In ₹ million, except per share data)

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Total income	2,530.57	2,086.66	2,340.02
Profit/ (Loss) after tax	117.79	109.86	137.26
Equity capital	10.10	10.41	11.13
Reserves and Surplus (excluding revaluation reserves) [(1)]	911.95	1,044.08	1,238.00
Earnings/ (Loss) per share (diluted) [(2)]	116.63	105.54	123.26
Earnings/ (Loss) per share (basic)	116.63	105.54	123.26
Net asset value [(2)]	912.93	1,013.00	1,121.71

[(1)] *Net of miscellaneous expenditure not written off.*
[(2)] *Face value of each equity share is ₹ 10.*

Shareholding Pattern

Set forth below is the shareholding pattern of UMSL Limited as on September 8, 2014.

S. No.	Name of the Shareholder	No. of equity shares of ₹ 10 each	Percentage of paid-up capital (%)
1.	Barabati Investment and Trading Company Private Limited	283,387	25.44
2.	K.B. Investments Private Limited	250,809	22.52
3.	Madhuban Investments Private Limited	194,633	17.48
4.	Paramita Investments and Trading Company Private Limited	201,399	18.08
5.	B. Panda and Company Private Limited	167,370	15.03
6.	Ms. Paramita Mahapatra	4,000	0.36
7.	Ms. Nivedita Panda	4,000	0.36
8.	Shaisah Foundation	4,000	0.36
9.	Mr. Baijayant Panda	4,000	0.36
	Total	**1,113,598**	**100.00**

Change in capital structure in the last six months

There has been no change in the capital structure in the last six months preceding the filing of this DRHP.

Change in management

There has been no change in control or management of UMSL Limited in the past three years preceding the filing of this DRHP.

Details of Promoters

The promoters of UMSL Limited are:

- B. Panda and Company Private Limited;

- Barabati Investment and Trading Company Private Limited;
- K. B. Investments Private Limited;
- Madhuban Investments Private Limited; and
- Paramita Investments and Trading Company Private Limited

Names of natural persons in control (i.e. holding 15% or more of the voting rights) of and the directors of the promoter of UMSL Limited, one of our corporate Promoters

Dr B. D. Panda holds 53.36% of the paid-up capital of B. Panda and Company Private Limited. No other natural person holds more than 15% in the promoters of UMSL Limited.

The board of directors of B. Panda and Company Private Limited as on date comprises of:

1. Dr. B.D. Panda
2. Mr. Baijayant Panda
3. Ms. Paramita Mahapatra

There has been no change in control or management of B. Panda and Company Private Limited in the past three years preceding the filing of the DRHP.

The board of directors of Barabati Investment and Trading Company Private Limited as on date comprises of:

1. Dr. B.D. Panda
2. Mr. Baijayant Panda
3. Ms. Paramita Mahapatra

There has been no change in control or management of Barabati Investment and Trading Company Private Limited in the past three years preceding the filing of the DRHP.

The board of directors of K. B. Investments Private Limited as on date comprises of:

1. Dr. B.D. Panda
2. Mr. Baijayant Panda
3. Ms. Paramita Mahapatra

There has been no change in control or management of K. B. Investments Private Limited in the past three years preceding the filing of the DRHP.

The board of directors of Madhuban Investments Private Limited as on date comprises of:

1. Dr. B.D. Panda
2. Mr. Baijayant Panda
3. Ms. Paramita Mahapatra

There has been no change in control or management of Madhuban Investments Private Limited in the past three years preceding the filing of the DRHP.

The board of directors of Paramita Investments and Trading Company Private Limited as on date comprises of:

1. Dr. B.D. Panda
2. Mr. Baijayant Panda
3. Ms. Paramita Mahapatra

There has been no change in control or management of Paramita Investments and Trading Company Private Limited in the past three years preceding the filing of the DRHP.

Other Undertakings and Confirmations

Our Company undertakes that the details of the PAN, passport number, bank account numbers, CIN and the address of the relevant registrar of companies, wherever applicable, in relation to our Promoters will be submitted to the Stock Exchanges at the time of submission of the DRHP with the Stock Exchanges.

Except as stated below, there are no violations of securities laws committed by our Promoters, any member of our Promoter Group or any Group Company, in the past or are currently pending against them and neither our Promoters, nor the directors of our Promoters or the persons in control of our Promoters have been prohibited from accessing or operating in the capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other authority nor have they been detained as wilful defaulters by the RBI or any other authority.

ICCL, now merged with IMFA vide merger order of High Court of Orissa dated October 13, 2006, one of our Promoter Group entities of which our Promoter, Mr. Baijayant Panda, and our Directors, Mr. Subhrakant Panda and Major (Retd.) R.N. Misra, are the directors, has made certain defaults in payments in the past towards Andhra Bank, Canara Bank, Central Bank of India, Union Bank of India, Vijaya Bank and IDBI Bank. ICCL presently appears on the list of defaulters as per the database of the Credit Information Bureau (India) Limited for these past defaults. Pursuant to a scheme of arrangement and amalgamation, approved by the High Court of Orissa on October 13, 2006, the assets and liabilities of ICCL stood transferred to IMFA, with effect from April 1, 2005. The scheme envisaged a 'Structured Settlement Plan' for the debt ("**SSP**") approved by ICCL and its creditors including Andhra Bank, Canara Bank, Central Bank of India, Vijaya Bank and IDBI Bank. Union Bank of India, though being a secured creditor of ICCL, opted for a one time settlement amounting to ₹ 62.09 million and a 'no dues' certificate was issued by the bank on October 16, 2007.

One of the Promoters, UMSL Limited held 562,200 equity shares, amounting to 0.97% in ICCL, the pre merged entity as of November 26, 2006. Further as of December 31, 2012, two of the Promoters, Mr. Baijayant Panda and UMSL Limited held 217,539 and 608,078 equity shares amounting to 0.84% and 2.34%, respectively in IMFA, the merged entity. IMFA, the Promoter Group entity, has not been declared as willful defaulter by Reserve Bank of India.

With respect to the liabilities pertaining to Central Bank of India, Union Bank of India, Canara Bank and Vijaya Bank, the respective banks have issued their no dues certificates to the Company. With respect to the liabilities pertaining to Andhra Bank, the company has made payment for settlement of its dues, and the no dues certificate is pending. With respect to the liabilities pertaining to IDBI Bank, the bank has refinanced and re-phased the loan and since then IMFA has been regular in paying the instalments in accordance with the terms of refinancing.

Further, none of the Promoters was or is a promoter or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the Board.

Outstanding Litigation

There is no outstanding litigation against our Promoters except as disclosed in the sections titled "*Risk Factors*" and "*Outstanding Litigation and Material Developments*" on pages 16 and 292, respectively.

Disassociation by the Promoters in the Last Three Years

Our Promoters have not disassociated with any venture during the three years preceding the date of filing of this DRHP.

For details of the build-up of our Promoters' shareholding in our Company, see the section titled "*Capital Structure – Notes to Capital Structure*" on page 70.

Experience of the Promoters in the business of our Company

Our individual Promoters, Mr. Baijayant Panda and Ms. Jagi Mangat Panda have an experience of over 15 years each, in the business of our Company. Our Promoters are assisted by a team of highly qualified professionals to manage the operations of our Company.

Common Pursuits of our Promoters

Our Promoter and the Managing Director, Ms. Jagi Mangat Panda, is on the board of directors of our Group Companies, Metro Skynet Limited, Odisha Television Limited, Tarang Broadcasting Company Limited and Ortel Wireless Services Private Limited. Our Promoter, Mr. Baijayant Panda is on the board of directors of Metro Skynet Limited. These companies are enabled under their objects to carry out the same business activities as that of our Company including satellite television network, cable television network, internet services, wireless communications, basic telephony services, video conferencing, video telephone, radio paging, mobile facsimile, mobile telephone and any other system for communication.

Interest of Promoters in the Promotion of our Company

Our Company is promoted by Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited and UMSL Limited in order to carry on its present business. Our Promoters are interested in our Company as mentioned above in the sub-section titled "*Our Promoters and Promoter Group – Common Pursuits of our Promoters*" on page 188 and to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Interest of Promoters in the Property of our Company

Our Promoters have confirmed that they do not have any interest in any property acquired by our Company within two years preceding the date of this DRHP or proposed to be acquired by our Company as on the date of filing of the DRHP. Further, other than as mentioned in the sections titled "*Our Business*", our Promoters do not have any interest in any transactions in the acquisition of land, construction of any building or supply of any machinery.

Payment of Amounts or Benefits to our Promoters or Promoter Group during the last two years

Except for transactions as stated in "*Related Party Transactions*" on page 199, no amount or benefit has been paid by our Company to our Promoters or the members of our Promoter Group in the last two years preceding the date of this DRHP.

Interest of Promoters in our Company other than as Promoters

Other than as promoters, our Promoters are interested in our Company to the extent of their shareholding and directorship in our Company and the dividend declared, if any, by our Company.

Except as mentioned in this section and the sections titled "*Our Business*", "*History and Corporate Structure*", "*Financial Indebtedness*" and "*Related Party Transactions*" on pages 132, 161, 285 and 199, respectively, our Promoters do not have any interest in our Company other than as promoters.

Related Party Transactions

Except as stated in "*Related Party Transactions*" on page 199, our Company has not entered into related party transactions with our Promoters or our Group Companies.

Shareholding of the Promoter Group in our Company

For details of shareholding of members of our Promoter Group as on the date of filing of this DRHP see the section titled "*Capital Structure – Notes to Capital Structure*" beginning on page 69.

Other confirmations

Our Company has neither made any payments in cash or otherwise to the Promoters or to firms or companies in which our Promoters are interested as members, directors or promoters nor have our Promoters been offered any inducements to become directors or otherwise to become interested in any firm or company, in connection with the promotion or formation of our Company otherwise than as stated in the section "*Related Party Transactions*" on page 199.

Promoter Group

In addition to our Promoters named above, the following natural persons and companies form part of our Promoter Group.

(a) Natural Persons

The natural persons who are part of our Promoter Group (being the immediate relatives of our Promoters), apart from our individual Promoters mentioned above, are as follows:

S. No.	Name	Relation with Promoters
a.	Dr. Banshidhar Panda	Father of Mr. Baijayant Panda
b.	Mr. Subhrakant Panda	Brother of Mr. Baijayant Panda
c.	Ms. Nivedita Panda	Sister of Mr. Baijayant Panda
d.	Ms. Paramita Mahapatra	Sister of Mr. Baijayant Panda
e.	Mr. Randhir Singh Mangat	Father of Ms. Jagi Mangat Panda
f.	Ms. Uma Devi	Mother of Ms. Jagi Mangat Panda
g.	Mr. Bhupender Singh	Brother of Ms. Jagi Mangat Panda
h.	Ms. Manju Corrigan	Sister of Ms. Jagi Mangat Panda

(b) Promoter Group Companies and Entities

The companies that form part of our Promoter Group are as follows:

S. No.	Name of Promoter Group company
1.	BP Developers Private Limited
2.	B. P. Solar Private Limited
3.	B. Panda & Company Private Limited
4.	Barabati Investment & Trading Co. Private Limited
5.	Barabati Realtors Private Limited
6.	Barunei Farm and Nature Resorts Private Limited
7.	Indian Metal and Ferro Alloys Limited
8.	Indmet Commodities Private Limited
9.	K. B. Investment Private Limited
10.	Kahani Unlimited Private Limited
11.	Kalinga Airways Private Limited
12.	Keda Enterprises Private Limited
13.	Kishangarh Environmental Development Action Private Limited
14.	Madhuban Investments Private Limited
15.	Metro Skynet Limited
16.	Odisha Infra-tech Private Limited
17.	Odisha Television Limited
18.	Orissa Coal and Services Private Limited
19.	Orissa Telefilms Private Limited
20.	Ortel Wireless Services Private Limited
21.	Paramita Investment & Trading Co. Private Limited
22.	Paramita Realtor Private Limited
23.	Tarang Broadcasting Company Limited
24.	Utkal Coal Limited
25.	Utkal Housing and Infrastructure Development Limited
26.	Utkal Real Estate P Limited

OUR GROUP COMPANIES

The following companies are promoted by our Promoter (including companies under the same management pursuant to Section 370 (1B) of the Companies Act, 1956) and thus, are our Group Companies as defined under Schedule VIII of the SEBI Regulations:

No equity shares of our Group Companies are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years.

	Name of Group Companies
Five Largest Group Companies (based on turnover- Fiscal 2014)	
1.	Odisha Television Limited
2.	Orissa Coal and Services Private Limited
3.	Odisha Infra-Tech Private Limited
4.	Orissa Telefilms Private Limited
5.	Kishangarh Environmental Development Action Private Limited
Other Group Companies	
6.	Metro Skynet Limited
7.	Barunei Farm and Nature Resorts Private Limited
8.	Keda Enterprises Private Limited
9.	Tarang Broadcasting Company Limited
10.	Kahani Unlimited Private Limited
11.	Ortel Wireless Services Private Limited

Five Largest Group Companies (based on turnover- Fiscal 2014)

1. Odisha Television Limited ("OTL")

OTL was incorporated on November 13, 1998 as 'Ortel Metronet Private Limited' under the Companies Act, 1956. Its CIN is U74899DL1998PLC097081. Subsequently on August 23, 1999, upon conversion to a public company, the word 'Private' was removed from its name. Subsequently, on January 20, 2006, its name was changed to 'Orissa Television Limited'. On February 11, 2011, its name has been changed to its present name. The registered office of OTL is situated at B-7/122A, Safdarjung Enclave, New Delhi – 110 029, India.

OTL is enabled under its objects to carry on the business of satellite television network, cable television network, internet services, telephone, telegraph, teleconferencing and video conferencing and all types of communication whether consisting of sounds, visual images, electrical impulses or otherwise and carrying on the business of manufacturers, installers, maintainers, repairers and dealers in electrical appliances, apparatus of every description, equipment, stores and spares required by the telecommunication industry. However, OTL is currently engaged only in the business of broadcasting.

Shareholding Pattern

The shareholding pattern of OTL as of August 31, 2014 is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10	Percentage of issued capital (%)
1.	Mr. Baijayant Panda	43,95,100	45.73
2.	Orissa Telefilms Private Limited	1,200,000	12.49
3.	Panda Investments Private Limited	1,187,500	12.36
4.	Ms. Jagi Mangat Panda	1,180,100	12.28
5.	UMSL Limited	871,428	9.07
6.	Ortel Communications Limited	325,500	3.39
7.	B. Panda Company Private Limited	150,000	1.56
8.	K.B. Investments Private Limited	85,714	0.89
9.	Barabati Investment and Trading Company Private Limited	85,714	0.89
10.	Calorx India Limited	65,715	0.68
11.	Paramita Investment Private Limited	42,857	0.45
12.	Mr. Subhrakant Panda	10,000	0.10
13.	Ms. Paramita Mahapatra	10,000	0.10
14.	Mr. Ravinder Kumar Gupta	100	*Negligible*

S. No.	Name of shareholder	No. of equity shares of ₹ 10	Percentage of issued capital (%)
15.	Mr. J.K. Pahwa	100	Negligible
16.	Mr. B. P. Rath	100	Negligible
17.	Col. M.M. Pattnaik	100	Negligible
	Total	**9,610,028**	**100.00**

Board of Directors

The board of directors of OTL comprises the following persons:

1. Ms. Jagi Mangat Panda
2. Mr. Bibhu Prasad Rath
3. Col. Man Mohan Pattnaik
4. Ms. Manjula Shroff; and
5. Ms. Paramita Mahapatra

Financial Performance

The audited financial results of OTL for the Fiscals 2012, 2013 and 2014 are set forth below:

(₹ in million, unless otherwise stated)

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Sales and other income	586.10	670.32	730.72
Profit after tax	64.92	80.86	106.83
Equity capital (par value ₹ 10 per share)	68.10	91.10	91.10
Reserves and Surplus (excluding revaluation reserves) (1)	147.70	228.56	335.39
Earnings/ (Loss) per share (basic) (₹) (2)	10.07	11.48	11.73
Earnings/ (Loss) per share (diluted) (₹) (2)	10.07	11.48	11.73
Book value per equity share (₹) (2)	31.69	35.09	46.82

(1) *Net of miscellaneous expenditure not written off.*
(2) *Face value of each equity share is ₹ 10.*

Significant Notes of Auditors for the last three Fiscals

There are no significant notes of auditors in respect of the financial results of OTL for the last three Fiscals.

2. Orissa Coal and Services Private Limited ("OCSPL")

OCSPL was incorporated on September 6, 2007 as "Orissa Coal and Services Private Limited" under the Companies Act, 1956. Its CIN is U51102OR2007PTC009516. The registered office of OCSPL is situated at Kalinga Bazar, Kapaleswar, Choudwar, Cuttack – 754 071, Odisha, India. OCSPL is engaged in carrying on the business relating to mining and trading in coal.

Shareholding Pattern

The shareholding pattern of OCSPL as of August 31, 2014 is as follows:

S. No.	Name of share holder	No. of equity shares of ₹ 10	Percentage of Issued Capital (%)
1.	UMSL Limited	9,900	99.00
2.	Mr. A.K Dash	100	1.00
	Total	**10,000**	**100.00**

Board of Directors

The board of directors of OCSPL comprises the following persons:

1. Ms. Paramita Mahapatra; and
2. Mr. B.D Sahoo

Financial Performance

The audited financial results of OCSPL for Fiscals 2012, 2013 and 2014 are set forth below:

(₹ in million, except per share data)

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Sales and other income	0.39	0.86	7.83
Profit/ (Loss) after tax	0.00	0.01	0.09
Equity capital (par value ₹ 10 per share)	0.10	0.10	0.10
Reserves and Surplus (excluding revaluation reserves) (1)	0.04	0.04	0.14
Earnings/ (Loss) per share (basic) (₹) (2)	0.03	0.06	0.92
Earnings/ (Loss) per share (diluted) (₹) (2)	0.03	0.06	0.92
Book value per equity share (₹) (2)	13.64	14.28	23.52

(1) *Net of miscellaneous expenditure not written off.*
(2) *Face value of each equity share is ₹ 10.*

Significant Notes of auditors for the last three Fiscals

There are no significant notes of auditors in respect of the financial results of OCSPL for the last three Fiscals.

3. Odisha Infra-tech Private Limited ("OITPL")

OITPL was incorporated on September 23, 2008 as "Odisha Infra-tech Private Limited" under the Companies Act, 1956. Its CIN is U70101OR2008PTC010334. The registered office of OITPL is situated at C-1, Chandrasekharpur, BDA Colony, Bhubaneswar – 751 016, Odisha, India. The main object of OITPL is to carry on the business of real estate.

Shareholding Pattern

The shareholding pattern of OITPL as of August 31, 2014 is as follows:

S. No.	Name of shareholder	No. of equity share of ₹ 10	Percentage of issued capital (%)
1.	Mr. Baijayant Panda	1,590,000	63.39
2.	Ms. Jagi Mangat Panda	906,218	36.13
3.	Panda Investments Private Limited	12,000	0.48
4.	Mr. Bibhu Prasad Rath	100	*Negligible*
	Total	**25,08,318**	**100.00**

Board of Directors

The board of directors of OITPL comprises the following persons:

1. Mr. Bibhu Prasad Rath
2. Mr. Manoranjan Sarangi

Financial Performance

The audited financial results of OITPL for the last three fiscals are as follows:

(₹ in million, unless otherwise stated)

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Total Income	0.00	0.45	5.99
Profit after tax	0.00	0.03	0.30
Equity share capital (paid up)	9.58	18.08	25.08
Reserves and Surplus (excluding revaluation reserves)	0.00	0.03	0.33
Earnings/(Loss) per share (basic) (₹)	0.00	0.01	0.01
Earnings/(Loss) per share (diluted) (₹)	0.00	0.01	0.01
Book Value per share (₹)	10.00	10.01	10.13

Significant Notes of auditors for the last three Fiscals

There are no significant notes of auditors in respect of the financial results of OITPL for the last three Fiscals.

4. Orissa Telefilms Private Limited ("OTPL")

OTPL was incorporated on August 22, 2007 as Orissa Telefilms Private Limited under the Companies Act, 1956. Its CIN is U92132OR2007PTC009487. The registered office of OTPL is situated at C-1, Chandrasekharpur, Bhubaneswar 751 016, Odisha, India. OTPL is presently engaged in the business of production, distribution and marketing of films, serials and ad films.

Shareholding Pattern

The shareholding pattern of OTPL as of August 31, 2014 is as follows:

S. No.	Name of shareholder	No. of equity shares of ₹ 10	Percentage of Issued Capital (%)
1.	Odisha Television Limited	1,264,000	95.47
2.	Mr. Baijayant Panda	50,000	3.78
3.	Ms. Jagi Mangat Panda	9,900	0.75
4.	Mr. Bibhu Prasad Rath	100	0.01
	Total	**1,324,000**	**100.00**

Board of Directors

The board of directors of OTPL comprises the following persons:

1. Mr. Bibhu Prasad Rath;
2. Mr. Manoranjan Sarangi; and
3. Ms. Jagi Mangat Panda

Financial Performance

The audited financial results of OTPL for Fiscals 2012, 2013 and 2014 are set forth below:

(₹ in million, except per share data)

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Sales and other income	4.17	3.06	4.09
Profit/ (Loss) after tax	0.13	0.11	0.11
Equity capital (par value ₹ 10 per share)	5.60	5.60	13.24
Reserves and Surplus (excluding revaluation reserves) (1)	0.04	0.20	0.32
Earnings/ (Loss) per share (basic) (₹) (2)	0.24	0.21	0.09
Earnings/ (Loss) per share (diluted) (₹) (2)	0.24	0.21	0.09
Book value per equity share (₹) (2)	10.07	10.36	10.24

(1) *Net of miscellaneous expenditure not written off.*
(2) *Face value of each equity share is ₹ 10.*

Significant Notes of auditors for the last three Fiscals

There are no significant notes of auditors in respect of the financial results of OTPL for the last three Fiscals.

5. Kishangarh Environmental Development Action Private Limited ("KEDAPL")

KEDAPL was incorporated on March 26, 2001 as 'Kishangarh Environmental Development Action Private Limited' under the Companies Act, 1956. Its CIN is U73200DL2001PTC110184. The registered office of KEDAPL is situated at B-4/147, Safdarjung Enclave, New Delhi – 110 029, India. The main object of KEDAPL is to carry the work on environment and environmental issues.

Shareholding Pattern

The shareholding pattern of KEDAPL as of August 31, 2014 is as follows:

S. No.	Name of shareholder	No. of equity share of ₹ 1,000	Percentage of issued capital (%)
1.	KEDA Enterprises Private Limited	919	99.89
2.	Mr. Bibhu Prasad Rath	1	0.11
	Total	**920**	**100.00**

Board of Directors

The board of directors of KEDAPL comprises the following persons:

1. Ms. Jagi Mangat Panda; and
2. Ms. Manjula Shroff.

Financial Performance

The audited financial results of KEDAPL for the last three fiscals are as follows:

(₹ in million, unless otherwise stated)

	Fiscal 2012	Fiscal 2013	Fiscal 2014
Sales and other income	2.17	2.63	3.02
Profit after tax	1.53	1.82	2.06
Equity share capital (paid up)	0.92	0.92	0.92
Reserves and Surplus (excluding revaluation reserves)	10.24	12.05	14.41
Earnings/(Loss) per share (basic) (₹)	1,660.45	1,975.50	2,243.77
Earnings/(Loss) per share (diluted) (₹)	1,651.47	1,975.50	2,243.77
Book Value per share (₹)	12,125.10	14,097.83	16,663.04

Significant Notes of auditors for the last three Fiscals

There are no significant notes of auditors in respect of the financial results of KEDAPL for the last three Fiscals.

Other Group Companies

6. Metro Skynet Limited (“MSL”)

MSL was incorporated on November 24, 1999 as Metro Skynet Limited under the Companies Act, 1956. On November 24, 1999 MSL received a certificate of commencement of business. Its CIN is U64203DL1999PLC102527. The registered office of MSL is situated at B-4/147, Safdarjung Enclave, New Delhi – 110 029, India. MSL is enabled under its objects to carry on the business of satellite television network, cable television network, internet services, wireless communications, basic telephony services, video conferencing, video telephone, radio paging, mobile facsimile, mobile telephone and any other system for communication, establishing studio laboratories and carrying on the business of manufacturers, installers, maintainers, repairers and dealers in electrical appliances, apparatus of every description, equipment, stores and spares required by the telecommunication industry.

Shareholding Pattern

The shareholding pattern of MSL as of August 31, 2014 is as follows:

S. No.	Name of shareholder	No. of equity share of ₹ 10	Percentage of issued capital (%)
1.	Panda Investments Private Limited	450,100	86.86
2.	Ms. Jagi Mangat Panda	67,600	13.05
3.	Brigadier D.K.Obroy	100	0.02
4.	Mr. Shantanu Mishra	100	0.02
5.	Mr. Manoj Kumar Meher	100	0.02
6.	Mr. Harender Swain	100	0.02
7.	Mr. Bibhu Prasad Rath	100	0.02

S. No.	Name of shareholder	No. of equity share of ₹ 10	Percentage of issued capital (%)
	Total	**518,200**	**100.00**

7. Barunei Farm and Nature Resorts Private Limited ("BFNR")

BFNR was incorporated on October 6, 2006 as "Barunei Farm and Nature Resorts Private Limited" under the Companies Act, 1956. Its CIN is U02001OR2006PTC008966. The registered office of BFNR is situated at C-1, Chandrasekharpur, Bhubaneswar - 751016, Odisha, India. The main object of BFNR is to develop, grow, take on lease and acquire farm houses; deal in plantation and process timbers, woods and make products from the same; purchase, sell, develop and take in exchange real or personal estates; and to carry on business of hoteliers, hotel proprietors, hotel managers and operators.

Shareholding Pattern

The shareholding pattern of BFNR as of August 31, 2014 is as follows:

S. No.	Name of shareholder	No. of equity share of ₹ 10	Percentage of issued capital (%)
1.	Mr. Baijayant Panda	3,500	33.33
2.	Ms. Paramita Mahapatra	3,500	33.33
3.	Mr. Subhrakant Panda	3,500	33.33
	Total	**10,500**	**100.00**

8. KEDA Enterprises Private Limited ("KEDA")

KEDA was incorporated on March 12, 2009 as "KEDA Enterprises Private Limited" under the Companies Act, 1956. Its CIN is U74120DL2009PTC188353. The registered office of KEDA is situated at B-7/122A, Safdarjung Enclave, New Delhi – 110 029, India. The main object of KEDA is to carry on business as a buyer, seller and distributor and to deal with all kinds of general goods and merchandise.

Shareholding Pattern

The shareholding pattern of KEDA as of August 31, 2014 is as follows:

S. No.	Name of shareholder	No. of equity share of ₹ 10	Percentage of issued capital (%)
1.	Mr. Baijayant Panda	104,000	99.90
2.	Ms. Jagi Mangat Panda	100	0.10
	Total	**104,100**	**100.00**

9. Tarang Broadcasting Company Limited ("TBCL")

TBCL was incorporated on December 21, 2010 under the Companies Act, 1956. Its CIN is U64100DL2010PLC211649. The registered office of TBCL is situated at B-7/122A, Safdarjung Enclave, New Delhi - 110 029. The main object of TBCL is to carry on business of broadcasting and satellite television network.

Shareholding Pattern

The shareholding pattern of TBCL as of August 31, 2014 is as follows:

S. No.	Name of shareholder	No. of equity share of ₹ 10	Percentage of issued capital (%)
1.	Mr. Baijayant Panda	40,000	80.00
2.	Ms. Jagi Mangat Panda	5,000	10.00
3.	Odisha Television Limited	4,500	9.00
4.	Mr. Bibhu Prasad Rath	125	0.25
5.	Col. Manmohan Pattnaik	125	0.25
6.	Mr. Maoranjan Sarangi	125	0.25
7.	Mr. Chittaranjan Nayak	125	0.25
	Total	**50,000**	**100.00**

10. Kahani Unlimited Private Limited ("KUPL")

KUPL was incorporated on January 11, 2013 under the Companies Act, 1956. Its CIN is U92100OR2013PTC016447. The registered office of KUPL is situated at C-1, Chandrasekharpur, BDA Colony, Bhubaneswar-751016, Odisha. The main object of KUPL is to carry on the business of production, distribution and marketing of films, serials, advertising films, documentaries, music videos, music cassettes, and other works in audio and/ or video format, multimedia services, information/content providers on media industry and other related activities and to facilitate the film lab service for research and development.

Shareholding Pattern

The shareholding pattern of KUPL as of August 31, 2014 is as follows:

S. No.	Name of shareholder	No. of equity share of ₹ 10	Percentage of issued capital (%)
1.	Ms. Jagi Mangat Panda	9,900	99.00
2.	Mr. Bibhu Prasad Rath	100	1.00
	Total	**10,000**	**100.00**

11. Ortel Wireless Services Private Limited ("OWSPL")

OWSL was incorporated on December 8, 2009 under the Companies Act, 1956. Its CIN is U64200DL2009PTC196706. The registered office of OWSL is situated at B-7/122A, Safdarjung Enclave, New Delhi – 110029. OWSPL is enabled under its objects to carry on the business of providing wireless communication, basic telephone services, internet services, multimedia, content creation, and other related services thereto.

Shareholding Pattern

The shareholding pattern of OWSL as of August 31, 2014 is as follows:

S. No.	Name of shareholder	No. of equity share of ₹ 10	Percentage of issued capital (%)
1.	Odisha Infra-Tech Private Limited	9,000	90.00
2.	Bibhu Prasad Rath	1,000	10.00
	Total	**10,000**	**100.00**

Registered offices of the Group Companies

The registered offices of certain of the Group Companies, namely Odisha Television Limited, Tarang Broadcasting Company Limited, KEDA Enterprises Private Limited and Ortel Wireless Services Private Limited is the same as the registered offices of the Company situated at B-7/122A, Safdarjung Enclave, New Delhi – 110 029, India. Further, the registered offices of certain of the Group Companies, namely Orissa Telefilms Private Limited, Odisha Infra-tech Private Limited and Barunei Farm, Nature Resorts Private Limited and Kahani Unlimited Private Limited is the same as the corporate offices of the Company situated at C-1, Chandrasekharpur, Bhubaneswar 751 010, Odisha, India.

Except for Odisha Television Limited whose corporate office is situated at C-1, Chandrasekharpur, Bhubaneswar 751 010, Odisha, India, for which it pays rent of ₹ 60,000 to the Company, pursuant to a lease agreement dated July 15, 2005, none of the Group Companies pay rent/ compensation to the Company, for the use of the property and no formal rent/lease agreement has been entered into between the Company and the Group Companies for sharing of the office premises.

Defunct Group Companies

There are no Group Companies, which had remained defunct or for which application was made to the registrar of companies for striking off its name, during the five years preceding the date of filing of this DRHP.

Other Confirmations

None of our Group Companies have been become sick companies under the meaning of the SICA or are under winding up, or have incurred losses in the last three Fiscals, or have negative net worth. There are no adverse factors related to our Group Companies in relation to losses incurred by them in the immediately preceding three years prior to the filing of this DRHP.

Interest of our Promoters in our Group Companies

Except to the extent of their shareholding and/or directorships as detailed above in our Group Companies, our Promoters have no other interest in our Group Companies.

Outstanding Litigation

There are no outstanding litigation against our Promoters and Group Companies, except as disclosed in the sections "*Risk Factors*" and "*Outstanding Litigation and Material Developments*" on page 16 and 292, respectively.

Companies with negative net worth

None of our Group Companies have negative net worth.

Previous Public Issues by Group Companies and Promise v/s Performance

None of our Group Companies have made any public issue (including any rights issue to the public) during the last three years and the equity shares of such Group Companies are not listed on any stock exchange.

Common Pursuits of our Group Companies

There is no common pursuit among our Company and our Group Companies, other than as follows:

1. Metro Skynet Limited is enabled under its objects to carry on the business of satellite television network, cable television network, internet services, wireless communications, basic telephony services, video conferencing, video telephone, radio paging, mobile facsimile, mobile telephone and any other system for communication, establishing studio laboratories and carrying on the business of manufacturers, installers, maintainers, repairers and dealers in electrical appliances, apparatus of every description, equipment, stores and spares required by the telecommunication industry. However, currently MSL is not is not carrying out any business activities;

2. Odisha Television Limited is enabled under its objects to carry on the business of satellite television network, cable television network, internet services, telephone, telegraph, tele and video conferencing and all types of communication whether consisting of sounds, visual images, electrical impulses or otherwise and carrying on the business of manufacturers, installers, maintainers, repairers and dealers in electrical appliances, apparatus of every description, equipment, stores and spares required by the telecommunication industry. However, currently Odisha Television Limited is not engaged in activities similar to the business of our Company and is engaged in the business of broadcasting;

3. Tarang Broadcasting Company Limited is enabled under its objects to carry on the business of broadcasting and satellite television network, cable television network, carry on the business of telephone, telegraph, cableronic mail, tele-newspaper, telephone conference, video conferencing, mobile text, facsimile, radio paging and all type of communication whether consisting of sounds, visual images, electrical impulses or otherwise. To carry on the business of manufacturers, installers, maintainers, repairers and dealers in electrical and electronic appliances, apparatus of every description, equipment, stores and spares required by the telecommunication industry. However, currently TBCL is not is not carrying out any business activities; and

4. Ortel Wireless Services Private Limited is enabled under its objects to carry on the business of providing wireless communication, basic telephone services, internet services, multimedia, content creation and other services related thereto, to carry on the business to buy, acquire, lease, take on hire, install, commission, provide or otherwise allow using basic telecom services, data communication services, value-added services and information services and to carry on the business of procuring, leasing, establishing and operation all types of telecommunication and space linkage systems. However, currently OWSPL is not carrying out any business activities

For, further details on the related party transactions, to the extent of which our Company is involved, see "*Related Party Transactions*" on page 199.

Related Party Transactions

For details of the related party transactions, see "*Related Party Transactions*" on page 199.

Sales or purchases exceeding 10% in aggregate of the total sales or purchases of our Company

Except as stated in "*Related Party Transactions*" on page 199, there are no sales or purchase between Group Companies exceeding 10% in aggregate in value the total sales or purchases of our Company.

Interest of Group Companies in promotion of our Company

Other than shareholding in our Company, none of our Group Companies have any other interest in the promotion of our Company.

For details of the shareholding of our Group Companies in our Company, see the section titled "*Capital Structure*" on page 67.

Interest of our Group Companies in the property of our Company

None of our Group Companies have any interest in any property acquired by our Company since its incorporation preceding the date of this DRHP or proposed to be acquired by our Company.

Payment of amount or benefits to our Group Companies during the last two years

Except as disclosed in the section "*Related Party Transactions*" beginning on page 199, no amount or benefits were paid or were intended to be paid to our Group Companies since the incorporation of our Company.

Interest of Group Companies in any transaction by our Company

Except as disclosed in the section "*Related Party Transactions*" beginning on page 199, none of our Group Companies were interested in any transaction by our Company involving acquisition of land, construction of building or supply of any machinery.

Business interests of our Group Companies in our Company

Except as disclosed in the section "*Related Party Transactions*" beginning on page 199, there are no business interests of our Group Companies in our Company.

Shareholding of our Group Companies in our Company

Except as stated in the section "*Capital Structure*" on page 67, none of our Group Companies hold any Equity Shares in our Company.

RELATED PARTY TRANSACTIONS

The Company has entered into following related party transactions in the last five Fiscals.

A. Name of the Related Parties and their relationship

Enterprise having significant influence :	Panda Investment Private Limited
Company is an associate of the investing party:	Metro Skynet Limited (from 28 May 2010)
	New Silk Route- PE Mauritius LLC (from 29 September 2010)
Key Managerial Personnel :	Ms. Jagi Mangat Panda
Relative of Key Managerial Personnel :	Mr. Baijayant Panda - Husband of Ms. Jagi Mangat Panda
Enterprise over which Key Managerial	B Panda & Company Pvt. Ltd.
Personnel / Relative of such individual has significant influence :	Barabati Investment & Trading Company Pvt. Ltd.
	Indian Metals & Ferro Alloys Ltd.
	Odisha Television Limited (Formerly Orissa Television Ltd.)
	Panda Investment Private Limited
	Orissa Telefilms Private Limited
	Keda Enterprises Private Limited
	Kishangarh Environmental Development Action Private Limited
	Orissa Infratech Private Limited
	Barunei Farms and Nature Resorts Private Limited
	Tarang Broadcasting Company Limited

B. Details of Transactions with related parties are as follows:

	31 March				
	2014	2013	2012	2011	2010
Particulars	**Transaction Value/ Balance**	**Transaction Value/ Balance**	**Transaction Value/ Balance**	**Transaction Value/ Balance**	**Transaction Value/ Balance**
Key Managerial Personnel					
Remuneration	4.33	4.38	4.35	4.34	1.69
Interest Paid	-	-	-	-	0.05
Outstanding at closing - Debit	-	-	-	-	-
Outstanding at closing - Credit	0.36	1.36	0.48	0.30	0.29
Enterprise over which Key Managerial Personnel has significant influence					
Signal Uplinking Income	28.87	29.07	26.15	25.11	21.46
Rent Received	0.72	0.72	0.72	0.72	0.69
Interest Received	-	-	-	1.61	3.31
Behalf payment made to others	8.75	0.59	11.34	9.11	4.69
Payment Received	-	73.19	34.75	25.59	28.39
Advertisement Expenses	-	2.50	3.83	4.58	3.90
Advance Given	-	-	0.50	-	-
Payment Made	-	4.00	0.42	-	-
Refund of Advance	-	-	0.50	16.50	14.00
Marketing Income	-	-	-	4.39	-
Leaseline Bandwidth	1.60	0.93	0.71	-	-
Channel Carriage Income	15.00	15.00	15.00	-	-
Programming Costs	15.40	15.40	15.40	-	-
Unsecured Loan Received	50.00	-	-	-	-
Unsecured Loan Repaid	6.46	-	-	-	-
Interest and Processing Fees on Unsecured Loan	6.17	-	-	-	-
Outstanding at closing - Debit	-	-	30.52	27.77	29.57
Outstanding at closing - Credit	43.14	6.94	-	-	-
Company is an associate of the investing party					
Conversion of Compulsorily Convertible Preference Shares into Equity Shares	-	-	-	600.00	-

	31 March				
	2014	**2013**	**2012**	**2011**	**2010**
Particulars	**Transaction Value/ Balance**	**Transaction Value/ Balance**	**Transaction Value/ Balance**	**Transaction Value/ Balance**	**Transaction Value/ Balance**
Reimbursement of Share of IPO Expenses	-	-	4.95	-	-
Balance Written off	-	-	-	0.01	-
Outstanding at closing - Debit	-	-	-	-	0.01
Outstanding at closing - Credit	-	-	-	-	-
Relative of Key Managerial Personnel					
Sitting fees as nominee	0.02	0.02	0.04	0.03	0.02
Interest and Processing Fees on Unsecured Loan	0.20	-	-	-	-
Outstanding at closing – Debit	-	-	-	-	-
Outstanding at closing – Credit	-	10.09	-	0.01	-

Note: Mr. Baijayant Panda was paid ₹ 0.90 million as interest against unsecured loan given by him to the Company of which, ₹ 0.20 million was paid to him in Fiscal 2014 and ₹ 0.70 million in Fiscal 2013. This note is to be read in conjunction with the table above.

DIVIDEND POLICY

The declaration and payment of dividend will be recommended by our Board and approved by the shareholders of our Company at their discretion and will depend on a number of factors, including the results of operations, earnings, capital requirements and surplus, general financial conditions, contractual restrictions, applicable Indian legal restrictions and other factors considered relevant by the Board. The Board may also from time to time pay interim dividend. Our Company has not declared any dividends since its incorporation.

SECTION V – FINANCIAL INFORMATION

Report of the Independent Auditor on the Restated Summary Financial Statements

To,
The Board of Directors,
Ortel Communications Limited,
B-7/122A, Safdarjung Enclave,
New Delhi – 110 029,
India

Dear Sirs,

1. We have examined the financial information of Ortel Communications Limited ("the Company") for the purpose of its inclusion in the Draft Red Herring Prospectus("DRHP") prepared by the Company in connection with its proposed Initial Public Offering ("IPO"). Such financial information comprises of (A) Financial Information as per Restated Summary Financial Statements and (B) Other Financial Information which have been approved by the Board of Directors of the Company and prepared in accordance with the requirements of:

   (a) section 26(1)(b) of the Companies Act, 2013 ("The Act") read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 ; and

   (b) the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended ("SEBI Regulations").

2. We have examined such financial information with regard to:

   a. the terms of reference agreed with the Company vide engagement letter dated August 30, 2014 relating to work to be performed on such financial information, proposed to be included in the DRHP of the Company in connection with its proposed IPO; and

   b. the Guidance Note (Revised) on Reports in Company Prospectuses issued by the Institute of Chartered Accountants of India.

3. **Financial Information**

   The financial information referred to above, relating to losses, assets and liabilities and cash flows of the Company is contained in the following annexures to this report (collectively referred to as the "Restated Summary Financial Statements") :

   a) **Annexure I** containing the Summary Statement of Assets and Liabilities, As Restated as at March 31, 2010, 2011, 2012, 2013 and 2014.

   b) **Annexure II** containing the Summary Statement of Profit and Loss, As Restated for the years ended March 31, 2010, 2011, 2012, 2013 and 2014.

   c) **Annexure III** containing the Summary Statement of Cash Flows, As Restated for the years ended March 31, 2010, 2011, 2012, 2013 and 2014.

   d) **Annexure IV** containing the Statement of Significant Accounting Policies.

   e) **Annexure V** containing the Notes to Restated Summary Financial Statements.

The aforesaid Restated Summary Financial Statements have been extracted by the Management from the audited financial statements of the Company for those years. We have not audited the financial statements of the Company for the financial years ended March 31, 2014,2013,2012,2011 and 2010.

The financial statements of the Company for the financial years ended March 31, 2014, 2013, 2012, and 2011 have been audited by Lovelock & Lewes, Chartered Accountants and they have issued unqualified audit reports dated 30 June 2014, 28 June 2013, 25 August 2012 and 02 September 2011 respectively.

The financial statements of the Company for the financial year ended March 31, 2010 has been audited by Price Waterhouse, Chartered Accountants and they have issued an unqualified audit report dated 29 September 2010.

4. **Other Financial Information**

Other Financial Information relating to the Company which is based on the Restated Summary Financial Statements / audited financial statements prepared by the management and approved by the Board of Directors is attached in Annexures VI to XVI to this report as listed hereunder:

1. Annexure VI – Statement on Adjustments to Audited Financial Statements
2. Annexure VII – Statement of Secured Borrowings, As Restated
3. Annexure VII(A) – Statement of Principal Terms of Secured Borrowings outstanding as at March 31, 2014, As Restated.
4. Annexure VIII – Statement of Unsecured Borrowings, As Restated
5. Annexure VIII(A) – Statement of Principal Terms of Unsecured Borrowings outstanding as at March 31, 2014, As Restated.
6. Annexure IX – Statement of Non Current Investments, As Restated
7. Annexure X – Statement of Trade Receivables, As Restated
8. Annexure XI – Statement of Loans and Advances, As Restated
9. Annexure XII – Statement of Other Income, As Restated
10. Annexure XIII – Statement of Accounting Ratios
11. Annexure XIV – Statement of Capitalisation
12. Annexure XV – Statement of Dividends Paid / Proposed
13. Annexure XVI – Statement of Tax Shelter

5. The Restated Summary Financial Statements do not contain all the disclosures required by the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 applied in the preparation of the audited financial statements of the Company. Reading the Restated Summary Financial Statements, therefore, is not a substitute for reading the audited financial statements of the Company.

6. **Management Responsibility on the Restated Summary Financial Statements and Other Financial Information**

Management is responsible for the preparation of Restated Summary Financial Statements and Other Financial Information relating to the Company in accordance with section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

7. **Auditors' Responsibility**

Our responsibility is to express an opinion on the Restated Summary Financial Statements based on our procedures, which were conducted in accordance with Standard on Auditing (SA) 810, "Engagement to Report on Summary Financial Statements" issued by the Institute of Chartered Accountants of India.

8. **Opinion**

In our opinion, the financial information of the Company as stated in Para 3 above and Other Financial Information as stated in Para 4 above, read with the Statement of Significant Accounting Policies enclosed in **Annexure IV** to this report, after making such adjustments / restatements and regroupings as considered appropriate, as stated in Statement on Adjustments to Audited Financial Statements enclosed in **Annexure VI** , have been prepared in accordance with section 26(1)(b) of the Act read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 and the SEBI Regulations.

The Restated Summary Financial Statements have been arrived at after making such adjustments and regroupings as, in our opinion, are appropriate and more fully described in the Statement on Adjustments to Audited Financial Statements in **Annexure VI** to this report. Based on our examination of the same, we confirm that:

a) there are no qualifications in the auditors' reports that require an adjustment in the Restated Summary Financial Statements;
b) adjustments for the material amounts in the respective financial years to which they relate to have been adjusted in the attached Restated Summary Financial Statements;
c) the impact arising on account of changes in accounting policies adopted by the Company as at year end March 31, 2014, is applied with retrospective effect in the Restated Summary Financial Statements;
d) there are no further extraordinary items other than those disclosed in the Restated Summary Financial Statements.

M/s. Price Waterhouse in their audit report dated September 29, 2010 for the financial year ended March 31, 2010 reported the following:-

"Without qualifying our opinion, we draw attention to Note 16 of Schedule 18 to the financial statements. The Company had issued 5121897 Nos of 10.5% cumulative Non Convertible Redeemable Preference Shares (NCRPS) to Finlay Corporation Ltd. which was due for redemption on 3rd March 2010. The said shares were not redeemed and the Company has applied to the Foreign Investment promotion Board (FIPB) on 23 July 2010 for extension of redemption period of said NCRPS for a further period of five (05) years w.e.f. 03 March 2010. The FIPB vide its letter dated 20th August has not extended the redemption period. In view of above rejection by FIPB, the company has decided to redeem the above NCRPs." (Refer Note 37 of Notes to Restated Summary Financial Statements).

9. The figures included in the Restated Summary Financial Statements and Other Financial Information do not reflect the events that occurred subsequent to the date of the audit reports on the respective periods referred to above.

10. This report should not in any way be construed as a reissuance or redating of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

11. We did not perform audit tests for the purposes of expressing an opinion on individual balances or summaries of selected transactions, and accordingly, we express no such opinion thereon.

12. We have no responsibility to update our report for events and circumstances occurring after the date of the report.

13. This report is issued at the specific request of the Company for your information and inclusion in the DRHP to be filed by the Company with SEBI and Stock Exchanges in connection with the Proposed IPO of equity shares of the Company. This report may not be useful for any other purpose.

For Haribhakti & Co. LLP, Chartered Accountants
Chartered Accountants
ICAI Firm Registration No.103523W

Anand Kumar Jhunjhunwala
Partner
Membership No. 056613

Place: Bhubaneswar
Date: September 10, 2014

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Ortel Communications Limited, as Restated		
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Ortel Communications Limited

Annexure I- Summary Statement of Assets and Liabilities, As Restated

(Rs. in Million)

Sr. No.	Particulars	Note/ Annexure	As at March 31, 2014	2013	2012	2011	2010
	Equity & Liabilities						
	Shareholder's Fund						
a	Share Capital	Note 1 of Annexure V	372.67	284.02	283.86	283.86	823.33
b	Reserves and Surplus	Note 2 of Annexure V	(27.80)	96.32	322.56	442.87	34.95
	Non - Current Liabilities						
a	Long -term Borrowings	VII, VIII	1,254.87	1,303.33	643.06	1,196.77	626.57
b	Other Long-term Liabilities	Note 3 of Annexure V	68.99	85.72	114.98	161.99	139.51
c	Long-term Provisions	Note 4 of Annexure V	2.66	11.58	10.95	7.12	8.54
	Current Liabilities						
a	Short- term Borrowings	VII, VIII	96.62	100.00	100.00	100.00	51.04
b	Trade Payables	Note 5 of Annexure V	196.01	113.02	102.84	48.65	71.74
c	Other Current Liabilities	Note 6 of Annexure V	573.25	632.17	1,315.11	683.61	491.83
d	Short-term Provisions	Note 7 of Annexure V	0.05	0.13	0.79	2.01	0.30
	Total		**2,537.32**	**2,626.29**	**2,894.15**	**2,926.88**	**2,247.81**
	Assets						
	Non - Current Assets						
a	Fixed Assets						
	Tangible Assets	Note 8 of Annexure V	1,994.91	2,106.79	2,239.89	1,953.82	1,562.82
	Intangible Assets		112.09	157.14	180.35	235.35	197.76
	Capital Work-In-Progress	Note 18 of Annexure V	49.12	52.90	105.35	183.75	159.24
b	Non - current Investments	IX	3.26	3.26	3.26	3.26	3.26
c	Long-term Loans and Advances	XI	27.22	30.12	35.37	41.48	29.60
d	Other non-current Assets	Note 9 of Annexure V	39.17	26.58	16.48	66.36	41.83
	Current Assets						
a	Inventories	Note 10 of Annexure V	1.18	1.32	1.70	2.75	2.45
b	Trade Receivables	X	177.95	118.60	132.96	65.54	72.16
c	Cash and Bank Balances	Note 11 of Annexure V	51.69	59.23	62.13	235.25	43.97
d	Short-term loans and Advances	XI	70.60	59.41	107.44	128.67	128.40
e	Other Current Assets	Note 12 of Annexure V	10.13	10.94	9.22	10.65	6.32
	Total		**2537.32**	**2626.29**	**2894.15**	**2926.88**	**2,247.81**

Note:

The above statement should be read with the Statement of Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Summary Financial Statement appearing in Annexure V and Statement of Adjustments to Audited Financial Statements appearing in Annexure VI.

Annexure II - Summary Statement of Profit and Loss, As Restated

(Rs. In Million)

Particulars	Note/ Annexure	For the year ended March 31,				
		2014	2013	2012	2011	2010
Income						
Revenue from Operations	Note 13 of Annexure V	1285.00	1197.98	1193.34	952.63	746.27
Other Income	XII	36.61	18.27	18.65	27.35	68.27
Total Income (A)		**1321.61**	**1,216.25**	**1,211.99**	**979.98**	**814.54**
Expenses						
Programming Cost		316.91	310.36	287.48	229.84	203.24
Bandwidth Cost		61.33	58.62	58.89	57.22	63.39
Employee Benefits Expense	Note 14 of Annexure V	142.01	170.66	163.32	135.53	96.61
Finance Costs	Note 15 of Annexure V	234.16	249.14	273.58	198.53	115.55
Depreciation and Amortisation Expenses	Note 16 of Annexure V	214.81	220.66	215.68	175.59	116.71
Fixed Assets written off		79.62	105.51	17.47	14.48	8.74
Non Compete Fee Pay Outs		6.77	5.81	-	-	-
Other Expenses	Note 17 of Annexure V	349.27	323.40	302.93	311.42	203.75
Total Expenses (B)		**1404.88**	**1444.16**	**1319.35**	**1122.61**	**807.99**
Profit/ (Loss) before exceptional and extraordinary items and tax, as restated (A-B)		**(83.27)**	**(227.91)**	**(107.36)**	**(142.63)**	**6.55**
Exceptional items **(C)**	Note 19 of Annexure V	16.64	-	13.76	-	-
Profit / (Loss) before extraordinary item and Tax, as restated (A-B-C)		**(99.91)**	**(227.91)**	**(121.12)**	**(142.63)**	**6.55**
Tax Expenses						
Current Tax		-	-	-	-	-
Deferred Tax		-	-	-	-	-
Total (D)		-	-	-	-	-
Profit/(Loss) before extraordinary item, as restated (A-B-C-D)		**(99.91)**	**(227.91)**	**(121.12)**	**(142.63)**	**6.55**
Extraordinary items **(E)**	Note 20 of Annexure V	25.10	-	-	-	-
Net Profit / (Loss) after extraordinary item, as restated (A-B-C-D-E)		**(125.01)**	**(227.91)**	**(121.12)**	**(142.63)**	**6.55**

Note:

The above statement should be read with the Statement of Significant Accounting Policies appearing in Annexure IV, Notes to the Restated Summary Financial Statement appearing in Annexure V and Statement of Adjustments to Audited Financial Statements appearing in Annexure VI.

Annexure III - Summary Statement of Cash Flows, As Restated

(Rs. In Million)

	Particulars	For the year ended March 31,				
		2014	2013	2012	2011	2010
A.	**Cash flow from operating activities:**					
	Profit/(loss) before Tax and extra ordinary items but after exceptional items, As Restated	(99.91)	(227.91)	(121.12)	(142.63)	6.55
	Adjusted for:					
	Depreciation and Amortisation Expenses	214.81	220.66	215.68	175.59	116.71
	Finance Costs	234.16	249.14	273.58	198.53	115.55
	Interest Income	(4.88)	(3.39)	(5.64)	(10.19)	(9.05)
	Fixed Assets written off	79.62	105.51	17.47	14.48	8.74
	Non Compete Fee Payouts	6.77	5.81	-	-	-
	Liability no Longer Required, written back	(15.19)	(0.42)	(0.91)	(0.50)	(29.13)
	Allowance for Doubtful Receivable	33.72	49.96	27.95	17.67	10.12
	Allowance for Doubtful Receivable written back	-	(25.21)	(29.19)	(12.71)	(7.80)
	Bad Debts Written off	35.16	60.85	77.35	96.26	46.12
	Advances Written off	0.01	(0.06)	(0.01)	0.12	0.07
	Employee Stock Option Expenses	0.41	1.55	0.81	3.59	-
	Unrealised Foreign Exchange (Gain)/Loss [net]	8.12	6.95	2.21	(0.59)	(3.32)
	Operating profit before working capital changes	**492.80**	**443.44**	**458.18**	**339.62**	**254.56**
	Adjustments for changes in:					
	Increase / (Decrease) in Trade Payables	82.99	10.24	54.20	(23.20)	28.71
	Increase / (Decrease) in Provisions	(9.00)	(0.03)	2.62	0.28	(0.79)
	Increase / (Decrease) in Other Liabilities	18.96	85.96	1.11	65.25	(7.99)
	Decrease / (Increase) in Trade receivable	(128.24)	(71.24)	(143.53)	(94.60)	(49.32)
	Decrease / (Increase) in Inventories	0.14	0.38	1.05	(0.30)	1.18
	Decrease / (Increase) in Loans & Advances	3.44	57.61	22.92	(0.10)	24.97
	Decrease / (Increase) in Other current assets	(0.77)	(2.50)	(1.42)	(0.36)	(1.97)
	Cash generated from / (used in) operations	**460.32**	**523.86**	**395.13**	**286.59**	**249.35**
	(Payment) / Refund of Taxes (Net)	(10.84)	(10.10)	(3.06)	(5.24)	(4.64)
	Net cash from / (used in) operating activities before exceptional items	**449.48**	**513.76**	**392.07**	**281.35**	**244.71**
	Exceptional Items	16.64	-	13.76	-	-
	Net cash from / (used in) operating activities (a)	**466.12**	**513.76**	**405.83**	**281.35**	**244.71**
B.	**Cash flow from investing activities:**					
	Purchase of Fixed Assets	(133.58)	(82.87)	(288.11)	(568.43)	(443.83)
	Payment for Non Compete Fee to LCOs	(66.76)	(81.96)	(75.99)	(54.96)	(56.16)
	Interest Received	6.45	4.17	8.48	6.22	14.08
	Net cash from / (used in) investing activities (b)	**(193.89)**	**(160.66)**	**(355.62)**	**(617.17)**	**(485.91)**
C.	**Cash flow from financing activities:**					
	Proceeds from Long Term Borrowings	70.60	45.76	1,203.84	1,189.63	376.70
	Repayment of Long Term Borrowings	(67.22)	(224.12)	(1,205.65)	(519.79)	(138.86)
	Proceeds from Short Term Borrowings	-	-	-	48.97	1.64
	Repayment of Short Term Borrowings	(3.38)	-	-	-	(1.04)
	Issue of Share Capital	89.23	0.29	-	7.49	0.33
	Reimbursement of Share Issue Expenses	-	-	4.95	-	-
	Share Issue Expenses	(1.90)	(14.83)	(1.13)	(17.58)	-
	Interest Paid	(248.90)	(224.19)	(251.58)	(173.80)	(95.24)
	Other Borrowing Costs paid	(4.01)	(5.34)	(18.76)	(17.43)	(19.61)
	Net cash from / (used in) financing activities (c)	**(165.58)**	**(422.43)**	**(268.32)**	**517.49**	**123.92**
	Net Increase /(Decrease) in Cash & Cash Equivalents (a+b+c)	**106.65**	**(69.33)**	**(218.11)**	**181.67**	**(117.28)**
	Opening Cash and Cash Equivalents	**(43.29)**	**26.03**	**244.14**	**62.47**	**179.75**

	Particulars	For the year ended March 31,				
		2014	**2013**	**2012**	**2011**	**2010**
	Closing Cash and Cash Equivalents	**63.36**	**(43.29)**	**26.03**	**244.14**	**62.47**

Notes:

	Particulars	For the year ended March 31,				
		2014	**2013**	**2012**	**2011**	**2010**
1	Cash and cash equivalents as at closing comprises:					
	Cash	0.26	0.16	0.84	3.74	1.15
	Cheques on hand	0.02	4.40	12.65	1.08	0.90
	Temporary overdraft from Banks	(27.50)	(114.27)	(52.58)	(39.89)	(23.33)
	Balance with Scheduled Banks:					
	in Current Accounts	40.75	26.82	28.10	112.78	16.77
	in Deposit Accounts (note a & b)	49.83	39.60	37.02	166.43	66.98
		63.36	**(43.29)**	**26.03**	**244.14**	**62.47**

Note:

a)	Includes Fixed Deposits pledged with banks against certain loan	35.27	31.72	28.50	33.30	41.59
b)	Includes Margin Money Deposit	9.06	7.49	7.98	28.14	15.39

c) Also refer note 11 of Annexure V for constituent of Cash and Cash Equivalents having deposits with maturity greater than 3 months and other restricted balances.

2. The above Summary Statement of Cash Flows, as restated has been prepared under the Indirect Method as given in the Accounting Standard on Cash Flow Statement (AS-3) as per Companies Accounting Standard Rules, 2006.

Financial Year 2013-14

3. The company has incurred an extraordinary loss of material amounting to Rs.25.10 million on account of cyclone. Also refer note 20 of Annexure V to the financial statements. Since the transactions stated above does not involve the use of cash & cash equivalent, the same has not been considered in the cash flow statement.

4. The allotment of 7,000 valid grants during the year as loyalty bonus at Rs.103 per grant did not involve any cash flow in current year, hence excluded from the cash from financing activity.

Financial Year 2012-13

5. The allotment of 13,900 valid options during the year as loyalty bonus at Rs.105 per option did not involve any cash flow in current year, hence excluded from the cash from financing activity.

Financial Year 2010-11

6. The Conversion of 60,000,000, 0.001% Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid into 5,821,498 equity shares on 29 September 2010 at a premium of Rs. 93 each did not involve any cash inflow in the current year, hence excluded from the cash from financing activity.

7. The allotment of 17,050 valid options as loyalty bonus at Rs.35 per option did not involve any cash inflow in the current year, hence excluded from the cash flow from financing activity.

Ortel Communications Limited

Annexure IV- Statement of Significant Accounting Policies

a) Basis of preparation

The Summary Statement of Assets and Liabilities, As Restated of Ortel Communications Limited (the "Company") as at March 31, 2014, 2013, 2012, 2011 & 2010 and the Summary Statement of Profit and Loss, as restated and the summary Statement of Cash Flows, as restated for years ended March 31, 2014, 2013, 2012, 2011 & 2010 (collectively referred to as "Restated Summary Financial Statements') and Other Financial Information have been derived by the Management from the then audited financial statements of the Company for the corresponding years. These Restated Summary Financial Statements and Other Financial Information have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with Securities and Exchange Board of India (SEBI) in connection with the proposed Initial Public Offering of equity shares of the Company (referred to as the "Issue").

(a) The Restated Summary Financial Statements have been prepared in accordance with the requirements of sub clause (i) and (iii) of clause (b) of sub section (1) of section 26 of the Companies Act, 2013.

(b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued, as amended from time to time (the "SEBI Regulations").

(c) To comply with Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/ 2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, (as amended)] and the relevant provisions of the Companies Act, 1956.

    All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

These Restated Summary Financial Statements and Other Financial Information have been prepared after incorporating:

(a) the adjustments made with retrospective effect to reflect the changes in Accounting Policies of the Company (as disclosed in Annexure VI to this report) to reflect the same accounting treatment as per the accounting policies as at March 31, 2014 for all the reporting years.

(b) Adjustments for the material amounts in respective years to which they relate.

(c) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the year ended 31 March 2014 (prepared in accordance with Revised Schedule VI of the Company's Act, 1956) and the requirements of the SEBI Regulations.

(d) The resultant impact of tax, if any, due to these adjustments.

These Restated Summary Financial Statements and Other Financial Information were approved by the Board of Directors on 10th September 2014

b) Use of Estimates

The preparation of restated summary financial statements in conformity with Generally Accepted Accounting Principles in India requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management`s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the future periods. Any revision to accounting estimates is recognised prospectively in the current and future periods.

c) Fixed Assets

(i) Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes inward freight, duties and taxes and expenses incidental to and directly attributable to acquisition and installation of fixed assets. Own manufactured assets are capitalized at cost including an appropriate share of directly attributable overheads. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statement. Any expected loss is recognized immediately in the Statement of Profit and Loss.

(ii) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets comprise of amounts relating to Computer Software, Non Compete Fee and Goodwill and are recognised only if they are separately identifiable and the company expects to receive future economic benefits arising out of them. The amortisation period and amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimate, the amortisation period is changed accordingly.

d) Depreciation and amortization

(i) Depreciation on fixed assets other than Freehold and Leasehold Land, including assets acquired under finance lease, is provided on Straight Line Method (SLM) over the estimated useful life of the assets as determined by the management in accordance with Schedule XIV to the Companies Act, 1956. Upto the year ended 31 March 2013, the rates were equal to or higher than the rates specified in the Schedule XIV to the Companies Act, 1956.

During the financial year 2013-14, the management has carried out an independent estimate of the life of assets and accordingly the estimated life of assets are revised from 1st April 2013. Now the estimated life of assets are as per Schedule XIV to the Companies Act, 1956. The revised estimated useful life of assets were also applied for financial year ended 31 March 2010, 31 March 2011, 31 March 2012 and 31 March 2013 and the depreciation on the same was accordingly calculated and accounted for.

Leasehold Land is amortised over the period of lease.

(ii) The intangible assets are amortised on a straight line basis over their expected useful life as follows:

a. Non compete fees is amortised over the period of agreement with the LCOs in equal installments.

b. Computer software and Goodwill are amortised over a period of five years.

(iii) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

e) Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investment are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

f) Inventories

Inventories comprising of Stores and Spares are stated at lower of cost and net realisable value. The Company follows First-in, First-out (FIFO) basis for valuation of inventory utilised/consumed.

Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Obsolete, slow moving and defective inventories are identified at the time of physical verification and where necessary, provision is made for such inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

g) Foreign Currency Transactions

Initial Recognition: On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition: As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reporting using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reporting using the exchange rates that existed when the values were determined. Monetary current assets and monetary current liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the Statement of Profit and Loss.

h) Revenue Recognition

Service revenue comprises income from subscription, channel carriage fee, use of infrastructure facilities and other services. Income from services is recognised upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognised prorata over the contractual period.

Connection fees is recognised as revenue in the month of activation of service.

The company collects service tax on behalf of the Government and therefore, it is not an economic benefit flowing to the company. Hence it is excluded from revenue.

i) Other Income

Income is recognised in the Statement of Profit and Loss on an accrual basis.

Interest : Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

j) Employee Benefits

Post Employment Benefits:

(i) Provident Fund

This is a defined contribution plan. Contributions to the recognised Provident Fund maintained by the Regional Provident Fund Commissioner are charged to the Statement of Profit and Loss on accrual basis. The Company has no further obligations for future provident fund benefits other than its contributions.

(ii) Gratuity

This is a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment. The Company's scheme is administered by Life Insurance Corporation of India (LICI). The liability is determined based on year end actuarial valuation using projected unit credit method. Actuarial gains/losses are recognized immediately in the Statement of Profit and Loss as income or expense. The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on net basis. Past Service Costs, to the extent its benefits already vested, is recognised immediately in the Statement of Profit and Loss.

(iii) Leave Encashment

Accumulated compensated absences, which are expected to be available or encashed beyond twelve months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(iv) Superannuation Fund

The Company operates a superannuation scheme for its eligible employees with LICI towards which the Company contributes upto a maximum of 15% of the employees' current salary, which is charged to the Statement of Profit and Loss. The above benefit is in the nature of defined contribution plan. The scheme, which is fully funded, is managed by Trustees and is independent of the Company's finance.

(v) Other Employee Benefits:

Short-term Employee Benefits are recognised in the period in which employee services are rendered.

k) Leases

As a lease:

(i) Assets acquired under leases where all the risks and rewards of ownership have been substantially transferred in favour of the Company are classified as finance leases. Such Leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

(ii) Assets acquired as leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals are charged to the Statement of Profit and Loss on accrual basis.

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in Fixed Assets. Lease income on an operating lease is recognised in the Statement of Profit and Loss on accrual basis. Costs, including depreciation are recognised in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc are recognised immediately in the Statement of Profit and Loss.

l) Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions. Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets, if any. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deferred tax liabilities relate to taxes on income levied by the same governing taxation laws.

m) Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

n) Employee stock compensation costs

Measurement and disclosure of the employee share based plans is done in accordance with Employee stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option.

o) Programming Cost

Programming Cost represents amount paid / payable to pay channel Companies to telecast the programs of those channels.

p) Unamortised Expenses

Expenses incurred in relation to issue of shares is adjusted against Security Premium Account.

In case of Initial Public Offer the expenses is adjusted against Security Premium Account on completion of the Initial Public Offer, or charged to the Statement of Profit and Loss, whichever is earlier. Refer Note 19 of Annexure V.

q) Impairments

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exits, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

r) Provisions and Contingent Liabilities

Provisions: Provisions are recognized when there is a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities : Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

s) Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

t) Earning per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

u) Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. There is no inter-segment revenue. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses net of income".

Ortel Communications Limited

Annexure V- Notes to the Restated Summary Financial Statements

1. Share Capital

(Rs. In Million)

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Share Capital					
Authorised					
30,000,000 (31 March 2013 : 30,000,000 ; 31 March 2012 : 30,000,000 ; 31 March 2011: 30,000,000 ; 31 March 2010 : 23,700,000) Equity Shares of Rs.10/- each	300.00	300.00	300.00	300.00	237.00
66,000,000 (31 March 2013 : 66,000,000 ; 31 March 2012 : 66,000,000 ; 31 March 2011: 66,000,000 ; 31 March 2010 : 66,000,000) Redeemable Preference Shares of Rs. 10/- each	660.00	660.00	660.00	660.00	660.00
	960.00	**960.00**	**960.00**	**960.00**	**897.00**
Issued, Subscribed and Paid-Up					
Equity Shares	232.94	232.80	232.64	232.64	172.11
23,294,409 (31 March 2013 : 23,280,409 ; 31 March 2012 : 23,263,759 ; 31 March 2011: 23,263,759; 31 March 2010 : 17,211,111) Equity Shares of Rs. 10/- each fully paid.					
Cumulative Non Convertible Redeemable Preference Shares	51.22	51.22	51.22	51.22	51.22
5,121,897 (31 March 2013 : 5,121,897 ; 31 March 2012 : 5,121,897 ; 31 March 2011: 5,121,897 ; 31 March 2010 : 5,121,897), 10.5% Cumulative Non Convertible Redeemable Preference Shares of Rs. 10/- each fully paid.					
Non Cumulative Compulsory Convertible Preference Share	88.51	-	-	-	600.00
8,850,940 (31 March 2013 : Nil; 31 March 2012 : Nil; 31 March 2011: Nil; 31 March 2010 : 60,000,000), 0.001% Non Cumulative Compulsory Convertible Preference share of Rs 10/- each fully paid					
	372.67	**284.02**	**283.86**	**283.86**	**823.33**

a) The Company has three classes of shares referred as Equity Shares, Redeemable Preference Shares and Compulsorily Convertible Preference Shares having par value of Rs.10/- per share. Each holder of Equity Share is entitled to one vote, when present in person on a show of hand. In case of poll, each holder of Equity Shares shall be entitled to vote in proportion to his paid up Equity Share capital. Preference Share holder is eligible to vote only on the resolutions directly affecting the rights attached to his Preference shares.

In the event of liquidation, the Equity Share holders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their paid up value of Capital.

b1) Financial Year 2013-14

The Company had issued 5,121,897 Nos. of 10.5% Cumulative Non Convertible Redeemable Preference Shares (NCRPS) to Finlay Corporation Ltd which were due for redemption on 3 March 2010. The said shares were not redeemed and the Company had applied to the Foreign Investment Promotion Board (FIPB) on 23 July 2010 for extension of redemption period of said NCRPS for a further period of five years w.e.f. 03 March 2010. The FIPB vide its letter dated 20 August 2010 had not extended the redemption period and advised to confirm to ECB Guidelines for any further extension. Subsequently the Company has redeemed the above cumulative Non Convertible Redeemable Preference Shares on 30 December 2010, by fresh issue of 5,121,897 number of 10.5% cumulative Non Convertible Redeemable Preference Shares of Rs. 10 each redeemable at par to Odisha Television Ltd. (formerly Orissa Television Ltd.). The whole of the above 10.5% Cumulative Non Convertible Redeemable Preference Shares were allotted as fully paid up and are due for redemption at par at any time before 28 December 2015. However, the Shareholders have approved conversion of the above10.50% Non Convertible Redeemable Preference shares into 0.001% Non Cumulative Compulsorily Convertible Preference Share of Rs.10/- each in their meeting held on 10 February 2014.

b2) Financial Year 2010-11

60,000,000, 0.001% Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid has been converted into 5,821,498 equity shares on 29 September 2010 at a premium of Rs. 93 each.

b3) Financial Year 2009-10

5,121,897, 10.5% Cumulative Non Convertible Redeemable Preference Shares of Rs. 10/- each fully paid Redeemable at par on 03 March 2010.

c) 60,000,000, 0.001% Compulsorily Convertible Preference Shares of Rs. 10/- each fully paid issued to NSR PE Mauritius LLC in the year 2008-09, was converted into 5,821,498 Equity Shares on 29 September 2010 at a premium of Rs. 93 each.

8,850,940, 0.001% Compulsorily convertible Preference shares were allotted as fully paid up and shall be converted in to fully paid equity shares of Rs. 10/- each of the Company before filing of the Red Herring prospectus (RHP) of the Company at a conversion price ("price") equivalent to the Mid Value of the price band to be decided in the proposed Initial Public offer (IPO) of the Company or at a price to be decided in the case of private Equity Placement if any by the company which ever is earlier. In case, there is no IPO or Private Equity happened within the validity period of SEBI final observation, i.e. on or before 26 June 2014, the conversion will be decided at a price not less than Rs.140/- per share.

d) Reconciliation of the Number of Shares Outstanding:

	31-Mar-14		31-Mar-13		31-Mar-12		31-Mar-11		31-Mar-10	
Equity Shares of Rs. 10 each fully paid	**Nos**	**Amt**	**Nos**	**Amt**	**Nos**	**Amt**	**Nos**	**Amt**	**Nos**	**Amt**
Balance as at the beginning of the year	232,80,409	232.80	232,63,759	232.64	232,63,759	232.64	172,11,111	172.11	172,00,111	172.00
Add: Shares issued:										
- on exercise of employee stock Options	14,000	0.14	16,650	0.16	-	-	2,31,150	2.31	11,000	0.11
- on conversion of 0.001% Compulsorily Convertible Preference Shares in to Equity Shares	-	-	-	-	-	-	58,21,498	58.22	-	-
Balance as at the end of the year	**232,94,409**	**232.94**	**232,80,409**	**232.80**	**232,63,759**	**232.64**	**232,63,759**	**232.64**	**172,11,111**	**172.11**
10.5% Cumulative Non Convertible Redeemable Preference Shares of Rs. 10 each fully paid	**Nos**	**Amt**	**Nos**	**Amt**	**Nos**	**Amt**	**Nos**	**Amt**	**Nos**	**Amt**
Balance as at the beginning of the year	51,21,897	51.22	51,21,897	51.22	51,21,897	51.22	51,21,897	51.22	51,21,897	51.22
Less : Redemption of shares	-	-	-	-	-	-	51,21,897	51.22	-	-
Add : Fresh issue of shares	-	-	-	-	-	-	51,21,897	51.22	-	-
Balance as at the end of the year	**51,21,897**	**51.22**	**51,21,897**	**51.22**	**51,21,897**	**51.22**	**51,21,897**	**51.22**	**51,21,897**	**51.22**
0.001% Non cumulative Compulsorily Convertible Preference Shares of Rs. 10 each fully paid	**Nos**	**Amt**	**Nos**	**Amt**	**Nos**	**Amt**	**Nos**	**Amt**	**Nos**	**Amt**
Balance as at the beginning of the year	-	-	-	-	-	-	600,00,000	600.00	600,00,000	600.00
Less : Redemption of shares	-	-	-	-	-	-	600,00,000	600.00	-	-
Add : Fresh issue of shares	88,50,940	88.51	-	-	-	-	-	-	-	-
Balance as at the end of the year	**88,50,940**	**88.51**	**-**	**-**	**-**	**-**	**-**	**-**	**600,00,000**	**600.00**

e) Details of shares held by each shareholder holding more than 5% of the aggregate shares in the company:

Name of the Shareholder	31-Mar-14		31-Mar-13		31-Mar-12		31-Mar-11		31-Mar-10	
	No of shares	% of Shareholding	No of shares	% of Shareholding	No of shares	% of Shareholding	No of shares	% of Shareholding	No of shares	% of Shareholding
Equity Shares of Rs. 10 each fully paid.										
NSR PE Mauritius LLC	81,82,598	35.13%	81,82,598	35.15%	81,82,598	35.17%	81,82,598	35.17%	23,61,100	13.72%
Metro Skynet Limited	48,59,512	20.86%	48,59,512	20.87%	48,59,512	20.89%	48,59,512	20.89%	-	-
Panda Investments Private Limited	46,36,510	19.90%	46,36,510	19.92%	46,36,510	19.93%	46,36,510	19.93%	63,38,435	36.83%
Utkal Manufacturing and Services Limited	25,80,441	11.08%	25,80,441	11.08%	25,80,441	11.09%	25,80,441	11.09%	16,97,441	9.86%
Odisha Television Limited	16,05,730	6.89%	16,05,730	6.90%	16,05,730	6.90%	16,05,730	6.90%	10,74,080	6.24%
Medium & Small Infrastructure Fund	-	-	-	-	-	-	-	-	15,90,900	9.24%
Finlay Corporation Ltd	-	-	-	-	-	-	-	-	15,86,991	9.22%
10.5% Cumulative Non Convertible Redeemable Preference Shares of Rs. 10 each fully paid										
Odisha Television Limited	51,21,897	100.00%	51,21,897	100.00%	51,21,897	100.00%	51,21,897	100.00%	-	-
Finlay Corporation Limited	-	-	-	-	-	-	-	-	51,21,897	100.00%
0.001% Compulsorily Convertible Preference Shares of Rs. 10 each fully paid										
NSR PE Mauritius LLC	-	-	-	-	-	-	-	-	600,00,000	100.00%
Hermanus FZE	38,50,940	43.51%	-	-	-	-	-	-	-	-
Baijayant Panda	22,00,000	24.86%	-	-	-	-	-	-	-	-
B Panda & Co Pvt. Ltd.	15,00,000	16.95%	-	-	-	-	-	-	-	-
Barabati Trading & Investment Pvt. Ltd.	10,00,000	11.30%	-	-	-	-	-	-	-	-

f) Shares Reserved for issue under options:

Refer note 22 of Annexure V for details of shares to be issued under Employee Stock Option Plans.

2. Reserves and Surplus

(Rs. In Million)

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Securities Premium Account					
Balance as at the beginning of the year	707.11	705.53	705.53	157.97	157.75
Less: Share issue expenses adjusted	0.09	-	-	-	-
Add:					
Transfer from conversion of 0.001% Compulsorily Convertible Preference Shares into Equity Shares	-	-	-	541.79	-
Transfer from allotment of Employee Stock Options	1.30	1.58	-	5.77	0.22
Balance as at the end of the year	708.32	707.11	705.53	705.53	157.97
Employee Stock Options Outstanding					
Balance as at the beginning of the year	4.17	4.08	3.27	0.28	0.28
Add: Compensation for options during the year	0.40	1.55	0.81	3.59	-
Less: Exercise of Stock Options during the year	0.72	1.46	-	0.60	-
Balance as at the end of the year	3.85	4.17	4.08	3.27	0.28
Surplus / (Deficit) in the Statement of Profit and Loss					
Balance as at the beginning of the year	(614.96)	(387.05)	(265.93)	(123.30)	(129.85)
Add : Transferred from Surplus / (Deficit) in Summary Statement of Profit and Loss during the year, as restated	(125.01)	(227.91)	(121.12)	(142.63)	6.55
Balance as at the end of the year	(739.97)	(614.96)	(387.05)	(265.93)	(123.30)
Total	**(27.80)**	**96.32**	**322.56**	**442.87**	**34.95**

3. Other Long-term Liabilities

(Rs. In Million)

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Long term LCO Liability	48.03	80.77	110.60	158.93	136.41
Salary Payable	-	0.95	2.29	1.73	1.10
Advance from customers	14.60	-	-	-	-
Creditors for capital goods	2.19	-	-	-	1.10
Security Deposit	4.17	4.00	2.09	1.33	0.90
Total	**68.99**	**85.72**	**114.98**	**161.99**	**139.51**

4. Long-term Provisions

(Rs. In Million)

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Provision for employee benefits:					
Gratuity	-	-	-	-	2.48
Leave Entitlement	2.66	11.58	10.95	7.12	6.06
Total	**2.66**	**11.58**	**10.95**	**7.12**	**8.54**

5. Trade Payables

(Rs. In Million)

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Trade Payables*	196.01	113.02	102.84	48.65	71.74
Total	**196.01**	**113.02**	**102.84**	**48.65**	**71.74**

* There are no Micro, Small and Medium Enterprises as required to be disclosed under the 'Micro, Small and Medium Enterprise Development Act, 2006' identified by the Company on the basis of information available with the Company.

6. Other Current Liabilities

(Rs. In Million)

Particulars	As at March 31,				
	2014	**2013**	**2012**	**2011**	**2010**
Current maturities of Long Term Debt (Refer Annexure VII & VIII)	72.76	18.77	852.32	294.49	201.23
Current maturities of Finance Lease obligation (Refer Annexure VII)	12.65	14.80	19.89	25.82	19.43
Interest accrued but not due on borrowings	14.06	32.66	12.61	9.03	1.93
Interest accrued and due on borrowings	1.49	1.65	2.08	2.43	2.23
Temporary book overdraft (Unsecured)	27.50	114.27	52.58	39.89	23.33
Other Payable:					
Statutory Dues	22.28	21.89	21.74	32.31	7.36
Employee Related Liability	44.73	56.06	31.81	23.74	10.38
Advance from Customers	81.96	69.59	25.60	30.29	27.70
LCO Liability	51.95	61.41	63.87	71.81	49.66
Creditors for Capital Goods	139.07	134.15	151.15	102.09	120.18
Earnest Money Deposits	36.06	32.63	30.70	9.23	9.23
Administrative Expenses Payable	68.74	74.29	50.76	42.48	19.17
Total	**573.25**	**632.17**	**1,315.11**	**683.61**	**491.83**

7. Short-term Provisions

(Rs. In Million)

Particulars	As at March 31,				
	2014	**2013**	**2012**	**2011**	**2010**
Provision for Employee Benefits:					
Gratuity	-	-	0.47	1.72	0.03
Leave Entitlement	0.05	0.13	0.13	0.10	0.08
Fringe Benefit Tax (net of advance payment of tax)	-	-	0.19	0.19	0.19
Total	**0.05**	**0.13**	**0.79**	**2.01**	**0.30**

8. Tangible Assets and Intangible Assets:

a) For the year ended 31 March 2014

Tangible Assets

In Rs. Million

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1 April 2013	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2014	As on 1 April 2013	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2014	As on 31 March 2014	As on 31 March 2013
Land (Leased hold)	5.92	-	-	5.92	0.27	0.06	-	0.33	5.59	5.65
Owned Assets										
Land	3.79	-	-	3.79	-	-	-	-	3.79	3.79
Building	21.98	-	0.11	21.87	2.81	0.36	0.06	3.11	18.76	19.17
Cable Network	2,033.06	149.71	162.85	2,019.92	468.43	115.67	40.55	543.55	1,476.37	1,564.63
Head End Equipments	363.97	10.14	24.42	349.69	84.28	17.55	5.78	96.05	253.64	279.69
Maintenance Equipments	48.51	3.85	1.44	50.92	17.89	5.06	0.90	22.05	28.87	30.62
ISP-Equipments	46.73	2.09	5.32	43.50	21.90	1.57	0.08	23.39	20.11	24.83
Furniture & Fixtures	26.84	5.42	0.24	32.02	9.67	3.37	-	13.04	18.98	17.17
Computers	58.37	2.69	0.33	60.73	38.23	7.33	0.32	45.24	15.49	20.14
Office Equipments	25.27	5.40	0.54	30.13	8.38	2.94	-	11.32	18.81	16.89
Vehicles	8.45	-	1.17	7.28	4.22	0.65	0.05	4.82	2.46	4.23
Electrical Installation	30.61	50.37	5.22	75.76	8.86	13.09	1.90	20.05	55.71	21.75
Total Owned Assets	**2,667.58**	**229.67**	**201.64**	**2,695.61**	**664.67**	**167.59**	**49.64**	**782.62**	**1,912.99**	**2,002.91**
Assets held under Finance Lease										
Cable Network	81.94	19.97	43.69	58.22	9.91	2.64	7.71	4.84	53.38	72.03
Head End Equipments	0.86	-	0.86	-	0.15	-	0.15	-	-	0.71
ISP-Equipments	0.57	-	-	0.57	0.01	0.03	-	0.04	0.53	0.56
Computers	2.33	-	-	2.33	0.18	0.38	-	0.56	1.77	2.15
Total Finance Leased Assets	**85.70**	**19.97**	**44.55**	**61.12**	**10.25**	**3.05**	**7.86**	**5.44**	**55.68**	**75.45**
Assets given on Operating Lease										
Teleport Equipments	21.36	-	0.89	20.47	4.75	1.11	0.21	5.65	14.82	16.61
DSNG	7.72	-	-	7.72	1.55	0.34	-	1.89	5.83	6.17
Total Operating Leased Assets	**29.08**	**-**	**0.89**	**28.19**	**6.30**	**1.45**	**0.21**	**7.54**	**20.65**	**22.78**

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1 April 2013	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2014	As on 1 April 2013	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2014	As on 31 March 2014	As on 31 March 2013
Total Tangible Assets	**2,788.28**	**249.64**	**247.08**	**2,790.84**	**681.49**	**172.15**	**57.71**	**795.93**	**1,994.91**	**2,106.79**

Note: Addition to owned assets includes:

(i) Addition to owned assets includes Rs. 44.55 million (accumulated depreciation: Rs.7.86 million) which has been re-classified as owned assets on closure of Finance Leases of a lessor and accordingly the above amount has been deducted from the leased assets.

(ii) This year, certain category of assets have been reclassified. Accordingly Rs.56.86 million (accumulated depreciation: Rs.13.28 million) has been added to both addition and deletion amount of the Fixed Assets.

(iii) Addition & deletion to depreciation/amortisation include Rs.13.25 million & 13.28 million respectively on account of adjustment for regrouping of certain assets.

Also refer Note 32 of Annexure V for capitalisation of expenses.

Intangible Assets

In Rs. Million

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As on 1 April 2013	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2014	As on 1 April 2013	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2014	As on 31 March 2014	As on 31 March 2013
Owned Assets										
Computer Software	9.26	0.29	-	9.55	6.06	1.32	-	7.38	2.17	3.20
Goodwill	6.50	-	-	6.50	1.09	1.29	-	2.38	4.12	5.41
Non Compete Fee	332.55	21.29	42.51	311.33	184.02	60.52	39.01	205.53	105.80	148.53
Total Intangible Assets	**348.31**	**21.58**	**42.51**	**327.38**	**191.17**	**63.13**	**39.01**	**215.29**	**112.09**	**157.14**

b) For the year ended 31 March 2013

Tangible Assets

In Rs. Million

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1 April 2012	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2013	As on 1 April 2012	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2013	As on 31 March 2013	As on 31 March 2012
Land (Leased hold)	5.92	-	-	5.92	0.21	0.06	-	0.27	5.65	5.71
Owned Assets										
Land	3.79	-	-	3.79	-	-	-	-	3.79	3.79
Building	21.98	-	-	21.98	2.45	0.36	-	2.81	19.17	19.53
Cable Network	2,050.46	116.72	134.12	2,033.06	379.12	114.01	24.70	468.43	1,564.63	1,671.34
Head End Equipments	342.10	24.57	2.70	363.97	63.57	22.22	1.51	84.28	279.69	278.53
Maintenance Equipments	47.65	2.45	1.59	48.51	15.84	2.83	0.78	17.89	30.62	31.81
ISP-Equipments	46.04	8.19	7.50	46.73	21.53	1.34	0.97	21.90	24.83	24.51
Furniture & Fixtures	25.56	1.36	0.08	26.84	8.21	1.46	-	9.67	17.17	17.35
Computers	57.31	1.34	0.28	58.37	31.73	6.61	0.11	38.23	20.14	25.58
Office Equipments	24.00	1.77	0.50	25.27	7.42	1.07	0.11	8.38	16.89	16.58
Vehicles	8.45	-	-	8.45	3.57	0.65	-	4.22	4.23	4.88
Electrical Installation	29.82	0.90	0.11	30.61	7.60	1.37	0.11	8.86	21.75	22.22
Total Owned Assets	**2,657.16**	**157.30**	**146.88**	**2,667.58**	**541.04**	**151.92**	**28.29**	**664.67**	**2,002.91**	**2,116.12**
Assets held under Finance Lease										
Cable Network	90.01	23.40	31.47	81.94	11.65	3.41	5.15	9.91	72.03	78.36
Head End Equipments	19.44	-	18.58	0.86	4.08	0.05	3.98	0.15	0.71	15.36
ISP-Equipments	-	0.57	-	0.57	-	0.01	-	0.01	0.56	-
Computers	-	2.33	-	2.33	-	0.18	-	0.18	2.15	-
Total Finance Leased Assets	**109.45**	**26.30**	**50.05**	**85.70**	**15.73**	**3.65**	**9.13**	**10.25**	**75.45**	**93.72**
Assets given on Operating Lease										
Teleport Equipments	21.36	-	-	21.36	3.74	1.01	-	4.75	16.61	17.62
DSNG	7.72	-	-	7.72	1.00	0.55	-	1.55	6.17	6.72
Total Operating Leased Assets	**29.08**	**-**	**-**	**29.08**	**4.74**	**1.56**	**-**	**6.30**	**22.78**	**24.34**

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1 April 2012	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2013	As on 1 April 2012	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2013	As on 31 March 2013	As on 31 March 2012
Total Tangible Assets	**2,801.61**	**183.60**	**196.93**	**2,788.28**	**561.72**	**157.19**	**37.42**	**681.49**	**2,106.79**	**2,239.89**

Note: Addition to owned assets includes Rs. 50.05 million (accumulated depreciation: Rs.9.13 million) which has been re-classified as owned assets on closure of Finance Leases of a lessor and accordingly the above amount has been deducted from the leased assets.

Also refer Note 32 of Annexure V for capitalisation of expenses.

Intangible Assets

In Rs. Million

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As on 1 April 2012	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2013	As on 1 April 2012	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2013	As on 31 March 2013	As on 31 March 2012
Owned Assets										
Computer Software	9.30	0.06	0.10	9.26	4.79	1.30	0.03	6.06	3.20	4.51
Goodwill	0.95	5.55	-	6.50	0.08	1.01	-	1.09	5.41	0.87
Non Compete Fee	299.33	35.32	2.10	332.55	124.36	70.30	10.64	184.02	148.53	174.97
Total Intangible Assets	**309.58**	**40.93**	**2.20**	**348.31**	**129.23**	**72.61**	**10.67**	**191.17**	**157.14**	**180.35**

c) For the year ended 31 March 2012

Tangible Assets

In Rs. Million

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1 April 2011	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2012	As on 1 April 2011	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2012	As on 31 March 2012	As on 31 March 2011
Land (Leased hold)	5.92	-	-	5.92	0.15	0.06	-	0.21	5.71	5.77
Owned Assets										
Land	3.79	-	-	3.79	-	-	-	-	3.79	3.79
Building	21.72	0.26	-	21.98	2.09	0.36	-	2.45	19.53	19.63
Cable Network	1,711.72	355.91	17.17	2,050.46	285.34	98.63	4.85	379.12	1,671.34	1,426.38
Head End Equipments	289.32	55.62	2.84	342.10	48.86	16.28	1.57	63.57	278.53	240.46
Maintenance Equipments	38.63	9.26	0.24	47.65	11.41	4.62	0.19	15.84	31.81	27.22
ISP-Equipments	36.00	10.10	0.06	46.04	20.27	1.26	-	21.53	24.51	15.73
Furniture & Fixtures	23.60	2.29	0.33	25.56	6.97	1.34	0.10	8.21	17.35	16.63
Computers	49.46	8.05	0.20	57.31	23.90	7.94	0.11	31.73	25.58	25.56
Office Equipments	19.73	4.32	0.05	24.00	6.50	0.94	0.02	7.42	16.58	13.23
Vehicles	8.31	0.14	-	8.45	2.93	0.64	-	3.57	4.88	5.38
Electrical Installation	23.36	6.53	0.07	29.82	5.72	1.95	0.07	7.60	22.22	17.64
Total Owned Assets	**2,225.64**	**452.48**	**20.96**	**2,657.16**	**413.99**	**133.96**	**6.91**	**541.04**	**2,116.12**	**1,811.65**
Assets held under Finance Lease										
Cable Network	104.41	-	14.40	90.01	9.16	4.75	2.26	11.65	78.36	95.25
Head End Equipments	22.03	-	2.59	19.44	3.57	1.00	0.49	4.08	15.36	18.46
Total Finance Leased Assets	**126.44**	**-**	**16.99**	**109.45**	**12.73**	**5.75**	**2.75**	**15.73**	**93.72**	**113.71**
Assets given on Operating Lease										
Teleport Equipments	21.36	-	-	21.36	2.73	1.01	-	3.74	17.62	18.63
DSNG	4.63	3.09	-	7.72	0.57	0.43	-	1.00	6.72	4.06
Total Operating Leased Assets	**25.99**	**3.09**	**-**	**29.08**	**3.30**	**1.44**	**-**	**4.74**	**24.34**	**22.69**

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1 April 2011	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2012	As on 1 April 2011	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2012	As on 31 March 2012	As on 31 March 2011
Total Tangible Assets	**2,383.99**	**455.57**	**37.95**	**2,801.61**	**430.17**	**141.21**	**9.66**	**561.72**	**2,239.89**	**1,953.82**

Note: Addition to owned assets includes Rs. 16.99 million (accumulated depreciation: Rs.2.75 million) which has been re-classified as owned assets on closure of Finance Leases of a lessor and accordingly the above amount has been deducted from the leased assets.

Also refer Note 32 of Annexure V for capitalisation of expenses.

Intangible Assets

In Rs. Million

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As on 1 April 2011	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2012	As on 1 April 2011	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2012	As on 31 March 2012	As on 31 March 2011
Owned Assets										
Computer Software	7.73	1.57	-	9.30	3.44	1.35	-	4.79	4.51	4.29
Goodwill	-	0.95	-	0.95	-	0.08	-	0.08	0.87	-
Non Compete Fee	313.89	92.70	107.26	299.33	82.83	75.80	34.27	124.36	174.97	231.06
Total Intangible Assets	**321.62**	**95.22**	**107.26**	**309.58**	**86.27**	**77.23**	**34.27**	**129.23**	**180.35**	**235.35**

d) For the year ended 31 March 2011

Tangible Assets

In Rs. Million

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1 April 2010	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2011	As on 1 April 2010	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2011	As on 31 March 2011	As on 31 March 2010
Land (Leased hold)	1.55	4.37	-	5.92	0.09	0.06	-	0.15	5.77	1.46
Owned Assets										
Land	-	3.79	-	3.79	-	-	-	-	3.79	-
Building	21.38	0.34	-	21.72	1.74	0.35	-	2.09	19.63	19.64
Cable Network	1,332.35	399.75	20.38	1,711.72	214.32	76.23	5.21	285.34	1,426.38	1,118.03
Head End Equipments	237.33	52.38	0.39	289.32	36.29	12.61	0.04	48.86	240.46	201.04
Maintenance Equipments	28.68	9.99	0.04	38.63	6.91	4.52	0.02	11.41	27.22	21.77
ISP-Equipments	34.69	4.67	3.36	36.00	19.18	1.09	-	20.27	15.73	15.51
Furniture & Fixtures	19.94	3.70	0.04	23.60	5.87	1.13	0.03	6.97	16.63	14.07
Computers	40.07	9.62	0.23	49.46	17.07	7.00	0.17	23.90	25.56	23.00
Office Equipments	16.17	3.86	0.30	19.73	5.82	0.68	-	6.50	13.23	10.35
Vehicles	6.34	1.97	-	8.31	2.41	0.52	-	2.93	5.38	3.93
Electrical Installation	20.28	3.10	0.02	23.36	4.64	1.08	-	5.72	17.64	15.64
Total Owned Assets	**1,757.23**	**493.17**	**24.76**	**2,225.64**	**314.25**	**105.21**	**5.47**	**413.99**	**1,811.65**	**1,442.98**
Assets held under Finance Lease										
Cable Network	79.91	28.56	4.06	104.41	5.16	4.97	0.97	9.16	95.25	74.75
Head End Equipments	22.03	-	-	22.03	2.43	1.14	-	3.57	18.46	19.60
Total Finance Leased Assets	**101.94**	**28.56**	**4.06**	**126.44**	**7.59**	**6.11**	**0.97**	**12.73**	**113.71**	**94.35**
Assets given on Operating Lease										
Teleport Equipments	21.36	-	-	21.36	1.72	1.01	-	2.73	18.63	19.64
DSNG	4.63	-	-	4.63	0.24	0.33	-	0.57	4.06	4.39
Total Operating Leased Assets	**25.99**	**-**	**-**	**25.99**	**1.96**	**1.34**	**-**	**3.30**	**22.69**	**24.03**
Total Tangible Assets	**1,886.71**	**526.10**	**28.82**	**2,383.99**	**323.89**	**112.72**	**6.44**	**430.17**	**1,953.82**	**1,562.82**

Note: Addition to owned assets includes Rs. 4.06 million (accumulated depreciation: Rs.0.97 million) which has been re-classified as owned assets on closure of Finance Leases of a lessor and accordingly the above amount has been deducted from the leased assets.

Also refer Note 32 of Annexure V for capitalisation of expenses.

Intangible Assets

In Rs. Million

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As on 1 April 2010	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2011	As on 1 April 2010	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2011	As on 31 March 2011	As on 31 March 2010
Owned Assets										
Computer Software	5.95	1.78	-	7.73	2.19	1.25	-	3.44	4.29	3.76
Non Compete Fee	242.22	137.65	65.98	313.89	48.22	62.59	27.98	82.83	231.06	194.00
Total Intangible Assets	**248.17**	**139.43**	**65.98**	**321.62**	**50.41**	**63.84**	**27.98**	**86.27**	**235.35**	**197.76**

e) For the year ended 31 March 2010

Tangible Assets

In Rs. Million

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1 April 2009	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2010	As on 1 April 2009	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2010	As on 31 March 2010	As on 31 March 2009
Land (Leased hold)	1.55	-	-	1.55	0.07	0.02	-	0.09	1.46	1.48
Owned Assets										
Building	17.36	4.02	-	21.38	1.41	0.33	-	1.74	19.64	15.95
Cable Network	760.53	590.98	19.16	1,332.35	147.91	71.37	4.96	214.32	1,118.03	612.62
Head End Equipments	132.51	105.15	0.33	237.33	23.59	12.70	-	36.29	201.04	108.92
Maintenance Equipments	15.36	13.32	-	28.68	4.38	2.53	-	6.91	21.77	10.98
ISP-Equipments	24.42	10.27	-	34.69	14.08	5.10	-	19.18	15.51	10.34
Furniture & Fixtures	18.02	2.24	0.32	19.94	4.88	0.99	-	5.87	14.07	13.14
Computers	21.91	18.16	-	40.07	10.69	6.38	-	17.07	23.00	11.22
Office Equipments	10.12	6.05	-	16.17	4.55	1.27	-	5.82	10.35	5.57
Vehicles	5.66	1.22	0.54	6.34	2.37	0.36	0.32	2.41	3.93	3.29
Electrical Installation	5.77	14.55	0.04	20.28	1.55	3.09	-	4.64	15.64	4.22
Total Owned Assets	**1,011.66**	**765.96**	**20.39**	**1,757.23**	**215.41**	**104.12**	**5.28**	**314.25**	**1,442.98**	**796.25**
Assets held under Finance Lease										
Cable Network	144.87	42.64	107.60	79.91	32.83	8.11	35.78	5.16	74.75	112.04
Head End Equipments	32.18	0.86	11.01	22.03	5.81	1.48	4.86	2.43	19.60	26.37
Maintenance Equipments	3.52	-	3.52	-	0.70	0.15	0.85	-	-	2.82
ISP-Equipments	6.57	-	6.57	-	4.25	0.30	4.55	-	-	2.32
Computers	1.32	-	1.32	-	0.77	0.19	0.96	-	-	0.55
Office Equipments	2.16	-	2.16	-	0.78	0.10	0.88	-	-	1.38
Electrical Installation	1.30	-	1.30	-	0.26	0.06	0.32	-	-	1.04
Total Finance Leased Assets	**191.92**	**43.50**	**133.48**	**101.94**	**45.40**	**10.39**	**48.20**	**7.59**	**94.35**	**146.52**
Assets given on Operating Lease										
Teleport Equipments	20.25	1.19	0.08	21.36	0.73	0.99	-	1.72	19.64	19.52
DSNG	-	4.63	-	4.63	-	0.24	-	0.24	4.39	-
Total Operating Leased Assets	**20.25**	**5.82**	**0.08**	**25.99**	**0.73**	**1.23**	**-**	**1.96**	**24.03**	**19.52**

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As on 1 April 2009	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2010	As on 1 April 2009	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2010	As on 31 March 2010	As on 31 March 2009
Total Tangible Assets	**1,225.38**	**815.28**	**153.95**	**1,886.71**	**261.61**	**115.76**	**53.48**	**323.89**	**1,562.82**	**963.77**

Note: Addition to owned assets includes Rs. 133.48 million (accumulated depreciation: Rs.48.20 million) which has been re-classified as owned assets on closure of Finance Leases of a lessor and accordingly the above amount has been deducted from the leased assets.

Intangible Assets

In Rs. Million

Particulars	GROSS BLOCK				AMORTISATION				NET BLOCK	
	As on 1 April 2009	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2010	As on 1 April 2009	Addition/ Adjustments	Deletion/ Adjustments	As on 31 March 2010	As on 31 March 2010	As on 31 March 2009
Owned Assets										
Computer Software	3.19	2.76	-	5.95	1.25	0.94	-	2.19	3.76	1.94
Non Compete Fee	-	242.22	-	242.22	-	48.22	-	48.22	194.00	-
Total Intangible Assets	**3.19**	**244.98**	**-**	**248.17**	**1.25**	**49.16**	**-**	**50.41**	**197.76**	**1.94**

9. Other Non Current Assets

(Rs. In Million)

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Unamortized Share Issue expenses	-	14.83	-	17.58	-
Deposits with maturity more than 12 months and pledged with Long-term borrowings*	39.17	11.75	16.48	48.78	41.83
(Refer Note 11 of Annexure V)					
	39.17	**26.58**	**16.48**	**66.36**	**41.83**
*Includes:					
-Margin Money Deposits	0.90	-	4.24	14.86	15.24
-Deposits pledged with banks against loans	35.27	11.75	11.70	31.42	26.59

10. Inventories

(Rs. In Million)

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Stores and Spare Parts	1.18	1.32	1.70	2.75	2.45
(Refer Note (f) of Annexure IV)					
Total	**1.18**	**1.32**	**1.70**	**2.75**	**2.45**

11. Cash and Bank Balances

(Rs. In Million)

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Cash & cash equivalents					
Balance with banks:					
On current accounts	40.75	26.82	28.10	112.78	16.77
Cheques on hand	0.02	4.40	12.65	1.08	0.90
Cash in hand	0.26	0.16	0.84	3.74	1.15
	41.03	31.38	41.59	117.60	18.82
Other bank balances					
Deposits with Original maturity for more than 3 months	5.50	0.39	0.54	105.00	10.00
Less: Deposits with maturity for more than 12 months	3.00	-	0.54	2.50	-
(Refer Note 9 of Annexure V)	2.50	0.39	-	102.50	10.00
Margin Money Deposit	9.06	7.49	7.98	28.13	15.39
Less: Deposits with maturity for more than 12 months	0.90	-	4.24	14.86	15.24
(Refer Note 9 of Annexure V)	8.16	7.49	3.74	13.27	0.15
Deposits pledged with Banks against Loans	35.27	31.72	28.50	33.30	41.59
Less: Deposits with maturity for more than 12 months	35.27	11.75	11.70	31.42	26.59
(Refer Note 9 of Annexure V)	-	19.97	16.80	1.88	15.00
Total	**51.69**	**59.23**	**62.13**	**235.25**	**43.97**

12. Other Current Assets

(Rs. In Million)

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Unsecured, Considered good					
Accrued Interest on Bank Deposits	2.83	4.41	5.19	8.04	4.07
Accrued Income	0.48	-	2.52	0.84	-
Insurance Claims receivable	-	0.67	1.51	1.77	2.25
Receivable on account of Gratuity	6.82	5.86	-	-	-
Total	**10.13**	**10.94**	**9.22**	**10.65**	**6.32**

13. Revenue from operations

(Rs. In Million)

Particulars	For the year ended March 31,				
	2014	2013	2012	2011	2010
Rendering of Services					
Cable Subscription Fees	756.68	673.84	648.25	539.09	465.43
Internet Subscription Fees	257.82	246.46	247.61	196.70	133.86
Channel Carriage fees	204.63	206.84	226.13	149.69	88.32
Connection Fees	29.13	19.89	26.51	32.23	32.88
Other Operating Revenues					
Income from Infrastructure	7.80	21.88	18.69	9.81	4.32
Signal Uplinking Income	28.94	29.07	26.15	25.11	21.46
Total	**1,285.00**	**1,197.98**	**1,193.34**	**952.63**	**746.27**

14. Employee Benefits Expense

(Rs. In Million)

Particulars	For the year ended March 31,				
	2014	2013	2012	2011	2010
Salary, Wages and Bonus	127.43	154.05	141.26	117.22	89.14
Contribution to Provident and Other Funds	9.34	10.46	13.90	9.31	4.91
Employee Stock Option Expenses	0.41	1.55	0.81	3.59	-
Staff Welfare Expenses	4.83	4.60	7.35	5.41	2.56
Total	**142.01**	**170.66**	**163.32**	**135.53**	**96.61**

15. Finance Costs

(Rs. In Million)

Particulars	For the year ended March 31,				
	2014	2013	2012	2011	2010
Interest Expenses	230.15	243.80	254.82	181.10	95.94
Other Borrowing cost	4.01	5.34	18.76	17.43	19.61
Total	**234.16**	**249.14**	**273.58**	**198.53**	**115.55**

16. Depreciation and Amortisation Expenses

(Rs. In Million)

Particulars	For the year ended March 31,				
	2014	2013	2012	2011	2010
Depreciation / Amortisation of tangible assets	151.04	148.05	138.45	111.75	67.55
CWIP written down due to efflux of time	0.64	-	-	-	-
Amortisation of intangible assets	63.13	72.61	77.23	63.84	49.16
Total	**214.81**	**220.66**	**215.68**	**175.59**	**116.71**

17. Other Expenses

(Rs. In Million)

Particulars	For the year ended March 31,				
	2014	2013	2012	2011	2010
Power and Fuel	51.16	50.14	43.67	33.09	21.88
Rent	24.97	24.37	24.57	18.90	10.53
Repairs to buildings	0.60	0.34	0.64	0.17	0.16
Repairs to plant and Machinery	18.25	17.83	18.73	19.79	14.64
Repair- Others	3.84	4.36	4.75	3.40	2.98

Particulars	For the year ended March 31,									
	2014		2013		2012		2011		2010	
Insurance		11.48		10.22		9.60		8.35		5.08
Travelling and Lodging		34.34		28.02		20.12		16.35		19.00
Rates and Taxes		10.54		8.01		5.21		8.03		6.14
Professional Charges		12.46		12.00		9.55		16.98		12.96
Postage and Telephone		4.83		4.49		5.02		6.42		6.53
Printing and Stationery		2.74		2.88		3.70		2.77		3.98
Allowances for doubtful receivables/Advances	33.72		49.96		27.95		17.67		10.12	
Less: Allowances for Doubtful Receivables written back	-	33.72	25.21	24.74	29.19	(1.24)	12.71	4.96	7.80	2.33
Bad Debts written off		35.16		60.85		77.35		96.26		46.12
Advances written off		0.01		(0.06)		(0.01)		0.12		0.07
Marketing Expenses		0.25		2.64		7.17		12.67		5.66
Commission and Incentive		39.44		17.25		20.35		21.36		16.80
Collection Charges		41.60		38.02		35.29		27.28		18.13
Foreign Exchange Loss (net)		11.81		6.25		4.31		-		-
Miscellaneous Expenses		12.07		11.05		14.15		14.52		10.76
Total		**349.27**		**323.40**		**302.93**		**311.42**		**203.75**

18. Capital work in progress

Capital Work-in-Progress includes capital inventory of Rs. 48.46 million as on 31 March 2014 (31 March 2013: Rs. 52.65 million, 31 March 2012: Rs.105.24 million, 31 March 2011: Rs.184.25 million and 31 March 2010: 156.54 million).

19. Exceptional Items

(Rs. In Million)

Particulars	For the year ended March 31,				
	2014	2013	2012	2011	2010
Expenses for DRHP filing	16.64	-	13.76	-	-
Total	**16.64**	**-**	**13.76**	**-**	**-**

Year 2011-12

The Company was in the process of an Initial Public Offer and in that connection had filed a Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) on 16 March 2011. In this context the Company incurred Share Issue Expenses amounting to Rs. 18.71 million. The same has been adjusted in the form of share of expenses of Rs. 4.95 million by NSR-PE Mauritius LLC (the exiting venturer) as per terms of Agreement. The balance amount has been charged off to the Statement of Profit and Loss as Exceptional Item on deferment of the proposed Initial Public Offer.

Year 2013-14

The Company was in the process of an Initial Public Offer and in that connection had filed a Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) on 29 January 2013. In this context the Company incurred Share Issue Expenses amounting to Rs. 16.64 million. This amount has been charged off to the Statement of Profit and Loss as Exceptional Item on deferment of the proposed Initial Public Offer.

20. Extraordinary items

On 12 October 2013, a very severe cyclonic storm named 'Pahilin' hit the coastal land of Odisha. The company has operations in some of its locations across the coastal area of Odisha. The business operations of the company including the Cable Network got affected. Based on the insurance of assets done with insurance company, Company has lodged claims with the insurance company. Material loss of net book value Rs.25.10 million due to the cyclone has been shown as extraordinary item in the Summary Statement of Profit and Loss, as restated.

21. Deferred Tax (Liabilities)/Assets

(a) Deferred tax asset is recognised only to the extent of deferred tax liability and accordingly, no amount has been provided for on account of deferred tax.
(b) The major components of deferred tax (liabilities)/assets on the tax effects on the timing difference as at respective Balance Sheet date are:

(Rs. In Million)

Particulars	For the year / As at March 31,				
	2014	2013	2012	2011	2010
Deferred Tax Liabilities					
Depreciation	(173.22)	(187.55)	(165.86)	(125.72)	(83.12)
Finance Lease	(6.68)	(13.91)	(18.98)	(4.96)	(2.48)
	(179.90)	(201.46)	(184.84)	(130.68)	(85.60)
Deferred Tax Assets					
Gratuity	-	-	-	-	0.78
Leave Entitlement	0.92	3.98	3.42	2.23	1.90
Allowance for Doubtful Receivables	23.27	23.51	13.77	4.24	2.82
Unabsorbed Depreciation Carried Forward	155.71	173.97	167.65	124.21	80.10
	179.90	201.46	184.84	130.68	85.60
Deferred Tax (Liabilities)/Assets (Net)	-	-	-	-	-

22) The Company ('transferee') acquires the "cable network business" (‘the Business’) of various local cable operators (‘LCOs’ or ‘the transferor'). The Company has entered into agreements (‘the agreement’) with various cable operators, whereby the transferor agrees to sell his entire network along with its rights not to compete with the transferee for a specified period. The amount payable for acquisition of the network has been capitalised under Cable Network and Head End Equipments and the amount payable for Non Compete Fee has been treated as Intangible Asset.

23) Advance from customers include 31 March 2014: Rs. 7.45 million (31 March 2013: Rs. 7.45 million, 31 March 2012: Rs. 7.45 million, 31 March 2011: Rs. 7.10 million and 31 March 2010: Rs.7.10 million), being Electricity Inspection Duty collected from the customers levied by the Department of Energy, Government of Odisha vide its notification dated 29 March 2002 under Indian Electricity Rules, 1956 but not deposited with the Appropriate authorities on the ground that neither the rules nor the notification is applicable to the Company and the charging chapter of the Notification does not authorise the electrical Inspector to levy fees on any person other than the owner of the Television connection. The Company has filed a writ petition before Hon'ble High Court of Orissa against the said Notification issued by the Department of Energy, Government of Odisha and obtained an order to the effect that no coercive action can be taken against the Company until the disposal of the case. However, as per the direction of Hon’ble High Court of Orissa vide its order dated 09 February 2007, Rs.2.90 million has been deposited with the said Court.

Subsequently, Hon’ble High Court of Orissa vide its order dated 5 November 2007 directed the Government of Odisha to take a decision as to whether the inspection charges so far as consumer of Television connections are concerned can be waived and/or imposed and also directed the Company not to collect any amount from any individual customer until a decision is taken by the Government of Odisha.

24) Employee Stock Option Plan

Brief descriptions about the plans:

Ortel Stock Option Plan, 2000 (OSOP 2000): The Board vide its resolution dated 25 September 2000 approved OSOP 2000 for granting stock options to the employees and associates of the Company in form of Equity Shares, monitored and supervised by the Compensation Committee of the Board of Directors. The OSOP 2000 entitles eligible employees to apply for Equity Shares after a minimum period of continued employment with the Company. Further, the Promoters, and their associates have a right of first refusal over the Equity Shares allotted to any optionee pursuant to OSOP 2000, if such optionee desires to transfer such Equity Shares at any time prior to the Initial Public Issue of shares. The right of first refusal shall be exercised within three months of the receipt of notice from the optionee and on the same price and terms and conditions which the optionee has negotiated with the third party. If the optionee is unable to find any buyer in the open market, prior to the Issue, the optionees can offer the Equity Shares to the Promoters and associates at an internal rate of return of 12% p.a.

Ortel Special Stock Option Plan, 2006 (OSSOP 2006): The Board vide its resolution dated 13 May 2006 approved OSSOP 2006 for granting stock options to the employees and associates of the Company in form of Equity Shares, monitored and supervised by the Compensation Committee of the Board of Directors. The OSSOP 2006 entitles eligible employees to apply for Equity Shares in lieu of loyalty bonus due to them after a minimum period of continued uninterrupted employment with the Company. The eligible employees for the purpose of OSSOP 2006 will be determined by the Compensation Committee from time to time.

Further, the Promoters, and their associates have a right of first refusal over the Equity Shares allotted to any optionee pursuant to OSSOP 2006, if such optionee desires to transfer such Equity Shares at any time prior to the Initial Public Issue of shares. The right of first refusal shall be exercised within three months of the receipt of notice from the optionee and on the same price and terms and conditions which the optionee has negotiated with the third party. If the optionee is unable to find any buyer in the open market, prior to the Issue, the optionees can offer the Equity Shares to the Promoters and associates at an internal rate of return of 12% p.a.

Employee Stock Option Scheme, 2010 (ESOS 2010): The Board vide its resolution dated 19 December 2010 approved ESOS 2010 for granting Employee Stock Options in form of Equity Shares linked to the completion of a minimum period of continued employment and Employee Performance Linked Stock Option to be issued at par in lieu of loyalty bonus linked to specified performance target to the eligible employees of the Company monitored and supervised by the Compensation Committee of the Board of Directors in compliance with the provisions of SEBI (Employee Stock Option Scheme And Employee Stock Purchase Scheme) Guidelines, 1999 and amendments thereof from time to time. An employee who is a promoter or belongs to the promoter group shall not be eligible to participate in the scheme. The eligible employees for the purpose of ESOS 2010 will be determined by the Compensation Committee from time to time. The Employee Performance Linked Stock Option shall be subject to 18 months lock in after the date of allotment whereas the Employee Stock Option is free from lock in. The vesting period of Employee Performance Linked Stock Option and Employee Stock Option are 18 and 36 months respectively with 3 months exercise period for exercising the option to subscribe.

OSOP 2000

The Company had granted (net of options lapsed) 14500, 450 and 11000 stock options in 2000-01, 2003-04 and 2005-06 respectively under the OSOP 2000 Scheme (Option I, II and III). All the options had already vested and allotted in earlier years. All the exercised options were allotted in form of Equity Shares.

The Company had granted (net of options lapsed) 40250, 43550, 41300 and 89000 stock options in 2006-07 respectively under the OSOP 2000 Scheme (Option IV, V, VI and VII). All the options had already vested and allotted in earlier years. All the exercised options were allotted in form of Equity Shares.

Details of OSOP, 2000 existing as on 31 March 2014

Particulars	Option X
Date of Grant	7-Oct-10
Numbers Granted	22,650
Vesting Conditions	Three years Service / IPO, whichever earlier
Exercise Period	3 months
Exercise Price	103

All the above valid options have been/would be allotted in form of Equity Shares on the basis of 1:1.

Particulars	31 March 2014		31 March 2013		31 March 2012		31 March 2011		31 March 2010	
	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)
Outstanding at the beginning of the year	14,750	103.00	50,000	104.00	1,07,900	104.58	4,01,800	60.65	6,17,800	51.16

Particulars	31 March 2014		31 March 2013		31 March 2012		31 March 2011		31 March 2010	
	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)
Granted during the year	-	-	-	-	-	-	22,650	103.00	-	-
Forfeited/Expired during the year	7,750	103.00	32,500	105.00	57,900	104.85	1,02,450	77.36	2,05,000	33.70
Exercised during the year	7,000	103.00	2,750	105.00	-	-	2,14,100	35.00	11,000	30.00
Outstanding at the end of the year	-	-	14,750	103.00	50,000	104.27	1,07,900	104.58	4,01,800	61.00
Exercisable at the end of the year	-	-	-	-	31,750	105.00	-	-	2,54,550	35.00

OSSOP 2006

The Company had granted 27400 and 1800 (net of grants lapsed) employee grants in 2006-07 as loyalty bonus under the OSSOP 2006 Scheme (Grant I and II). All the vested grants were allotted in form of Equity Shares.

The Company had granted 1800 and 15250 (net of grants lapsed) employee grants in 2006-07 as loyalty bonus under the OSSOP 2006 Scheme (Grant III and IV). All the vested grants were allotted in form of Equity Shares.

The Company had granted 13900 (net of grants lapsed) employee grants in 2008-09 as loyalty bonus under the OSSOP 2006 Scheme (Grant V and VI). All the vested grants were allotted in form of Equity Shares.

Details of OSSOP, 2006 existing as on 31 March 2014

Particulars	Grant VII
Date of Grant	07-Oct-10
Numbers Granted	22,650
Vesting Conditions	Three years Service / IPO, whichever earlier
Exercise Period	NA
Exercise Price	Nil

All the above valid options have been/would be allotted in form of Equity Shares on the basis of 1:1.

Particulars	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
	Numbers	Numbers	Numbers	Numbers	Numbers
Outstanding at the beginning of the year	14,750	32,150	47,550	37,650	64,750
Granted during the year	-	-	-	27,650	-
Forfeited/Expired during the year	7,750	3,500	15,400	700	27,100
Exercised during the year	7,000	13,900	-	17,050	-
Outstanding at the end of the year	-	14,750	32,150	47,550	37,650
Exercisable at the end of the year	-	-	13,900	-	17,750

Weighted Average Price for the above grants is Rs. Nil.

ESOS 2010

	Option XI	Option XII
Date of Grant	02-Feb-11	13-Sep-13
Numbers Granted	100,000	179,600
Exercise Price	51.5	70

All the above valid options would be allotted in form of Equity Shares on the basis of 1:1.

Particulars	31 March 2014		31 March 2013		31 March 2012		31 March 2011		31 March 2010	
	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)

Particulars	31 March 2014		31 March 2013		31 March 2012		31 March 2011		31 March 2010	
	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)	Numbers	Weighted Average Price (Rs.)
Outstanding at the beginning of the year	78,000	51.50	84,000	51.50	1,00,000	51.50	-	-	-	-
Granted during the year	1,79,600	70.00	-	-	-	-	1,00,000	51.50	-	-
Forfeited/Expired during the year	59,000	56.67	6,000	51.50	16,000	51.50	-	-	-	-
Exercised during the year	35,500	51.50	-	-	-	-	-	-	-	-
Outstanding at the end of the year	1,63,100	70.00	78,000	51.50	84,000	51.50	1,00,000	51.50	-	-
Exercisable at the end of the year	-	-	-	-	-	-	-	-	-	-

The Company has adopted the intrinsic value method as permitted by the SEBI Guidelines and the Guidance Note on Accounting for Employee Share Based Payment issued by the Institute of Chartered Accountants of India in respect of stock options granted. The value of the underlying Shares has been determined by an independent valuer.

The Company's net profit/(loss) and earnings per share would have been as under, had the compensation cost for employees' stock options been recognised based on the fair value at the date of grant in accordance with Black Scholes model.

The following assumptions were used for the calculation of fair value of the options / grants:

Risk Free Interest Rate (%)	8.20% to 8.52%
Expected life of Options (years)	3.25 years
Expected Annual Volatility (%)	61%
Dividend Yield	0%

Strike price and exercise price of the respective options as mentioned above have also been used.

In Rs. Million

Particulars	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Profit / (Loss) for the year as reported in audited financial statements	(137.85)	(247.25)	(192.91)	(137.12)	(59.64)
Add: ESOP Cost using intrinsic value method	0.41	1.55	0.81	3.59	-
Less: ESOP Cost using fair value method	-	0.59	0.78	(0.21)	11.33
Proforma Profit / (Loss) for the year	(137.44)	(245.11)	(191.32)	(133.74)	(48.31)

Earnings Per share (In Rupees) as reported in audited financial statements:
Basic and Diluted

- As reported	(6.15)	(10.85)	(8.52)	(6.82)	(3.78)
- Proforma	(6.13)	(10.76)	(8.46)	(6.58)	(2.81)

25) Contingent liabilities

(a) Claim against the Company not acknowledged as debt:

(I) Financial Year 2013-14, 2012-13 & 2011-12

The Company has been providing services in Paradeep Port Trust (PPT) area as per contracts. In an earlier year, the Company had committed to cover programmes/news of PPT in its news channel as "PARADIP PARIKRAMA". As per terms of the contract, the contents of the programmes were to be provided by PPT for coverage and transmission of the programmes by the Company. Subsequently, PPT had claimed that it incurred Rs. 5.27 million for shooting and covering the same. However, the said claim has not been accepted by the Company. By the time PPT raised this claim, the contract had expired and a new contract pursuant to fresh negotiation was executed. PPT then claimed that they would adjust the said amount with subscription money payable by PPT to the Company. Accordingly, the Company had filed a writ petition dated 10 July 2006 against the demand of PPT before Hon'ble High Court, Orissa. The demand has been stayed by the Hon'ble High Court vide its interim Order dated 20 July 2006. The matter is still pending for final hearing.

(II) Financial Year 2010-11

(i) The Company provides services in Paradeep Port Trust (PPT) area as per contracts and also committed to cover programmes/news of PPT in its news channel as "PARADIP PARIKRAMA". The contents of the programmes would be provided by PPT for coverage and transmission of the programmes. Subsequently PPT had claimed that it has incurred Rs. 5.27 million for shooting and covering the same. However the said claim has not been accepted by the Company. By the time PPT raised this claim, the contract had expired and a new contract pursuant to fresh negotiation was executed. PPT then claimed that they will be adjusting said amount with subscription money payable by PPT to the Company. The Company has filed a writ petition dated 10 July 2006 against the demand of PPT before Hon'ble High Court, Orissa. The demand has been stayed by the Hon'ble High Court vide its interim Order dated 20 July 2006.

(ii) Ms. Sudatta Jeevan has filed a consumer complaint on 28 November 2005 before the State Consumer Disputes Redressal Commission, Orissa against the Company. It is alleged that the complainant had availed the internet services of the Company and there was an explosion in the room where the computer of complainant was kept, thereby causing damage to complainant's computer. It is further alleged that the explosion was a result of faulty connection set up by the Company. The complainant claimed a sum of Rs. 2.05 million as compensation. By an order dated 26 October 2007, the State Consumer Disputes Redressal Commission, Orissa allowed the complaint and granted compensation of Rs. 0.10 million. The Company has filed an appeal on 26 November 2007 before the National Consumer Disputes Redressal Commission ("NCDRC"), New Delhi, against the said order. The complainant has filed an execution application on 10 December 2007 for executing the said order. The NCDRC has granted a stay on the operation of the order of State Commission subject to deposit of 50% of amount with the State Commission. The amount has been deposited on 12 January 2008 and appeal is pending for hearing.

(iii) The Court of the Deputy Labour Commissioner and Commissioner for Workmen's Compensation, Rourkela, has issued a notice to the Company on 12 August 2008, directing that a sum of Rs.0.27 million towards compensation be deposited in favour of wife of Late Satyendra Yadav, who died on account of accident during the course of his employment on 12 July 2008. The Company has disputed the liability and contesting the same on the grounds that the said person is not an employee of the Company and hence no Workmens' Compensation is payable. The matter is currently pending.

(III) Financial Year 2009-10

The Company provides services in Paradeep Port Trust (PPT) area as per contracts and also committed to cover programmes/news of PPT in its news channel as "PARADIP PARIKRAMA". The contents of the programmes would be provided by PPT for coverage and transmission of the programmes. Subsequently PPT has claimed that it has incurred Rs. 5.27 million for shooting and covering the same. However the said claim has not been accepted by the Company. By the time PPT raised this claim, the contract had expired and a new contract pursuant to fresh negotiation was executed. PPT then claimed that they will be adjusting said amount with subscription money payable by PPT to the Company. The Company has filed a writ petition dated 10 July 2006 against the demand of PPT before Hon'ble High Court, Orissa. The demand has been stayed by the Hon'ble High Court vide its interim Order dated 20 July 2006.

(IV) Financial Year 2013-14, 2012-13, 2011-12 and 2010-11

The Company has received legal notices of claims / lawsuits filed against it in relation to miscellaneous damages. In the opinion of the management supported by legal advise, no material liability is likely to arise on account of such claims / lawsuits.

Rs. In Million

	Particulars	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
(b)	Contingent Liability not provided for in respect of:					
	Bank Guarantee	-	-	-	0.50	0.50
	Entry Tax demand under Appeal	0.10	0.10	0.10	0.10	0.10
	Entertainment Tax demand under Appeal	6.98	6.98	6.98	6.98	6.98
	Arrear Preference Dividend- Earlier years	35.89	30.51	25.13	23.76	18.37
	Arrear Preference Dividend- Current year	5.38	5.38	5.38	1.37	5.39
	Income Tax and Interest for non-deduction of Tax Deducted at Source 2005-06, 2006-07, 2008-09 and 2010-11	17.51	17.51	16.19	3.96	-
	Service Tax & interest for FY 2006-07, 2007-08, 2008-09	28.36	28.36	28.36	-	-
	Penalty u/s 271 (1) (c) for furnishing of inaccurate particulars in the Return of Income 1996-97, 2006-07 and 2007-08	0.17	1.82	1.82	-	-
(c)	Estimated amount of Contracts remaining to be executed on Capital Account and not provided for [Net of advance Rs.3.86 million as on 31 March 2014 (31 March 2013: Rs. Nil, 31 March 2012: Rs. Nil, 31 March 2011: Rs.1.45 million and 31 March 2010: 3.60 million)]	62.87	25.80	29.94	96.39	75.94

In respect of the Contingent Liabilities mentioned in Note 25 (a) and (b) above, pending resolution of the respective proceedings, it is not practicable for the Company to estimate the timings of cash outflows, if any.

26) Leases

(a) Finance Leases

The minimum lease payments and their present value, for each of the following years are as follows:

Rs. In Million

Particulars	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Total Minimum Lease Payments Outstanding	43.11	38.87	36.03	67.28	68.00
Less: Interest not due	7.06	4.34	3.75	9.19	10.37
Minimum lease payments	36.05	34.53	32.28	58.09	57.63
Future Minimum Lease Payments Payable:					
Not later than one year	16.43	17.97	22.61	31.25	25.12
Later than one year and not later than five years	26.68	20.90	13.42	36.03	42.88
Later than five years	-	-	-	-	-
	43.11	38.87	36.03	67.28	68.00
Present Value of minimum lease payments:					
Not later than one year	15.21	14.41	19.89	25.82	23.70
Later than one year and not later than five years	20.86	15.65	12.39	32.28	34.56
Later than five years	-	-	-	-	-
	36.07	30.06	32.28	58.10	58.26

[The Company has acquired certain Cable network Equipments and Computers on finance lease for a period maximum upto forty eight months. The assets will be transferred to the Company at Rs. 100 at the end of the lease period. However till 2009-10 the buy back option with respect to certain leased assets was at maximum 1% of the asset cost. The Lease Agreements are non-cancellable as envisaged in the Accounting Standard (AS) 19 on Leases.]

(c) Operating Leases

Rs. In Million

Particulars	31 March 2014	31 March 2013	31 March 2012	31 March 2011	31 March 2010
Rent (Including minimum lease payment Rs. Nil for all years)	24.97	24.37	24.57	18.90	10.53

[Operating leases for office premises and pole rents are entered into for a period of one to three years and thereafter renewable by mutual consent of both parties. The operating leases are cancellable by either party giving one to three months notice].

27) Earnings Per Share

Rs. In Million unless otherwise stated

	Particulars	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
(A)	Net profit / (Loss) After Taxation including extraordinary items, as restated	(125.01)	(227.91)	(121.12)	(142.63)	6.55
	Less : Arrear Preference Dividend	5.38	5.38	5.38	1.37	5.39
		(130.39)	(233.29)	(126.50)	(144.00)	1.16
(B)	Weighted average number of Rs. 10 equity shares	232,83,286	232,73,479	232,63,759	203,19,938	172,03,758
	Basic & Diluted EPS including extraordinary items (A/B)	**(5.60)**	**(10.02)**	**(5.44)**	**(7.09)**	**0.07**
(C)	Net profit / (Loss) After Taxation excluding extraordinary items, as restated	(99.91)	(227.91)	(121.12)	(142.63)	6.55
	Less : Arrear Preference Dividend	5.38	5.38	5.38	1.37	5.39
		(105.29)	(233.29)	(126.50)	(144.00)	1.16
(D)	Weighted average number of Rs. 10 equity shares	232,83,286	232,73,479	232,63,759	203,19,938	172,03,758
	Basic & Diluted EPS excluding extraordinary Items (C/D)	**(4.52)**	**(10.02)**	**(5.44)**	**(7.09)**	**0.07**

28) Professional Charges include amount paid/payable to the Auditors:

Rs. In Million

Particulars	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Audit Fees	2.00	1.30	1.30	1.30	0.50
Tax Audit Fees	0.30	0.20	0.20	0.20	0.10
Other Services	1.40	7.30	-	3.00	0.30
Re-imbursement of expenses	0.02	0.02	0.03	0.09	0.02
	3.72	**8.82**	**1.53**	**4.59**	**0.92**

Note:

1. The above amounts are exclusive of Service Tax.

2. Rs.7.30 million of other services in financial year 2012-13 is pertaining to IPO related services included in unamortised share issue expenses.

3. Rs.3.00 million of other services in financial year 2010-11 is pertaining to IPO related services included in unamortised share issue expenses.

4. Rs.0.09 million of Re-imbursement of expenses in financial year 2010-11 includes Rs.0.04 million pertaining to IPO related services included in unamortised share issue expenses.

29) Value of imports calculated on CIF basis

Rs. In Million

Particulars		31-Mar-14		31-Mar-13		31-Mar-12		31-Mar-11		31-Mar-10
C.I.F. Value of Imports										
Capital Goods	93%	56.81	91%	25.39	96%	101.14	96%	190.21	95%	181.81

Particulars		31-Mar-14		31-Mar-13		31-Mar-12		31-Mar-11		31-Mar-10
Stores & Spare Parts	7%	3.97	9%	2.44	4%	4.10	4%	7.29	5%	8.67
		60.78		**27.83**		**105.24**		**197.50**		**190.48**

30) Expenditure in foreign currency

Rs. In Million

Particulars	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11	31-Mar-10
Annual Membership Fees	0.87	0.92	0.73	0.62	-
Other Administrative Expenses	-	-	0.43	-	-
Repairs to Plant & Machinery	0.21	0.14	0.62	0.17	-
Licence Fees	1.41	0.26	0.02	-	-
	2.49	**1.32**	**1.80**	**0.79**	**-**

31) Imported and Indigenous Stores and Spare Parts consumed

Repair & Maintenance and Printing and Stationery includes in the aggregate Stores and Spare Parts Consumed.

Rs. In Million

Particulars		31-Mar-14		31-Mar-13		31-Mar-12		31-Mar-11		31-Mar-10
Imported	21%	2.10	31%	3.78	36%	4.82	46%	6.60	49%	4.87
Indigenous *	79%	7.69	69%	8.61	64%	8.70	54%	7.70	51%	5.05
		9.79		**12.39**		**13.52**		**14.30**		**9.92**

* Indigenous amount includes the following:

In financial year 2013-14, Printing Rs.1.80 million and Staff welfare Rs.0.08 million

In financial year 2012-13, Printing Rs.2.06 million and Staff welfare Rs.0.64 million

32) Capitalization of expenses

During the year, the company has capitalized the following expenses to the cost of fixed asset under the head 'Cable Network'. Consequently, expenses disclosed under the respective notes are net of amounts capitalized by the Company.

Rs. In Million

Particulars	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Salaries & Wages	16.21	16.78	62.18	63.12
Travelling & Lodging	-	-	13.77	12.36
Project Contractor Expenses	6.12	6.11	16.07	21.95
	22.33	**22.89**	**92.02**	**97.43**

33) Unhedged Foreign Currency Exposure

Foreign currency exposure as on Balance Sheet date which is not hedged by derivative instruments or otherwise is as follows:

Payable in foreign Currency

Rs. In million

Particulars	31-Mar-14	31-Mar-13	31-Mar-12	31-Mar-11
Currency	USD	USD	USD	USD
Amount	1.79	1.62	1.69	0.58
INR	107.53	87.98	86.60	25.89

34) Gratuity and other post-employment benefit plan

The Company maintains a provident fund with Regional Provident Fund Commissioner. Contributions are made by the Company to the funds, based on the current salaries. In the provident fund schemes, contribution are also made by the employees. An amount of Rs.7.17 million, Rs. 8.03 million, Rs. 9.56 million, Rs. 5.49 million and Rs.4.16 million for the year ended on 31 March 2014, 2013, 2012, 2011 and

2010 respectively, has been charged to the Audited Statement of Profit & Loss on account of the above defined contribution schemes.

The Company operates a superannuation scheme for its eligible employees with Life Insurance Corporation of India (LICI) towards which the Company contributes upto a maximum of 15% of the employees' current salary amounting to Rs. 0.13 million, Rs. 0.13 million, Rs. 0.13 million, Rs. 0.07 million and Rs. 0.05 million for the year ended on 31 March 2014, 2013, 2012, 2011 and 2010 respectively, which is charged to the Audited Statement of Profit & Loss.

The Company has taken out a policy with Life Insurance Corporation of India (LICI) for future payment of gratuity liability to its employees, which is a defined benefit scheme. Annual actuarial valuations are carried out by an independent actuary based on the methods prescribed in the Accounting Standard 15 - "Employee Benefits" of the Companies (Accounting Standard) Rules, 2006. Annual Contributions are also made by the Company.

The Company also provides for leave encashment benefit to the employees. Annual actuarial valuations are carried out by an independent actuary based on the methods prescribed in the Accounting Standard 15 - "Employee Benefits" of the Companies (Accounting Standard) Rules, 2006. Employees are not required to make any contribution.

Gratuity (Funded)

Rs. In Million

Amount recognised in the Audited Balance Sheet are as follows:	**31 March 2014**	**31 March 2013**	**31 March 2012**	**31 March 2011**	**31 March 2010**
Present value of funded obligation	9.47	9.99	9.25	7.10	5.46
Fair Value of Plan Assets	16.29	15.85	8.78	5.38	2.95
Net (Asset)/Liability	(6.82)	(5.86)	0.47	1.72	2.51
Recognised under:					
Short term provision	-	-	0.47	1.72	0.03
Long term provision	-	-	-	-	2.48
Other Current Assets	6.82	5.86	-	-	-

Amount recognised in the Audited Statement of Profit and Loss and charged to Salaries, Wages and Bonus and Contribution to Provident and Other Funds as follows:

Current Service cost	1.34	1.67	1.89	1.43	1.24
Interest cost	0.80	0.69	0.51	0.42	0.48
Expected Return on Plan Assets	(1.39)	(0.70)	(0.43)	(0.24)	(0.13)
Net actuarial loss/(gain) recognised during the year	(0.94)	(1.70)	2.91	(0.04)	(2.18)
Capitalisation	-	-	-	-	0.11
Total	(0.19)	(0.04)	4.88	1.57	(0.48)

Reconciliation of opening and closing balances of the present value of the obligations:

Opening defined benefit obligation	9.99	9.25	7.10	5.46	6.24
Current Service cost	1.34	1.67	1.89	1.43	1.24
Interest cost	0.80	0.69	0.51	0.42	0.48
Actuarial loss/(gain)	(0.97)	(0.24)	1.27	0.21	(2.12)
Benefits paid	(1.69)	(1.38)	(1.52)	(0.42)	(0.38)
Closing Defined Benefit Obligation	9.47	9.99	9.25	7.10	5.46

Changes in the fair value of plan assets representing reconciliation of the opening and closing balances thereof are as follows:

Opening fair value of Plan Assets	15.84	8.78	5.38	2.95	1.57
Expected Return on Plan Assets	1.39	0.70	0.43	0.24	0.13
Contributions by employer	0.77	6.28	6.13	2.37	1.57
Actuarial loss/(gain)	(0.02)	1.46	(1.64)	0.24	0.06
Benefits paid	(1.69)	(1.38)	(1.52)	(0.42)	(0.38)

Closing Fair Value on Plan Assets	16.29	15.84	8.78	5.38	2.95

Planned assets consist of fund maintained with LICI

Actual Return on Plan Assets [Plan Assets consist of funds maintained with LICI for Gratuity Scheme]	1.39	0.70	0.43	0.24	0.13

Principal Actuarial Assumption Used:

Discount Rates	8.75%	8.00%	8.00%	8.00%	8.00%
Expected Return on Plan Assets	8.75%	8.00%	8.00%	8.00%	8.00%
Expected Salary increase rates	6.00%	6.00%	6.00%	5.00%	5.00%
Mortality Rates	LICI (1994-96) mortality tables				

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations.

Gratuity expenses (net) credited to the Audited Statement of Profit and Loss for the year ended 31 March 2014 is Rs.0.06 million (31 March 2013: Rs.0.12 million)

The table below illustrates experience adjustment disclosure for Gratuity as per para 120 (n) of Accounting Standard 15 - Employee Benefits.

Rs. In Million

Particulars	**31 March 2014**	**31 March 2013**	**31 March 2012**	**31 March 2011**	**31 March 2010**
Present value of obligation at the end of the year	9.47	9.99	9.25	7.10	5.46
Fair value of plan assets at the end of the year	16.29	15.85	8.78	5.38	2.95
(Surplus)/Deficit at the end of the year	(6.82)	(5.86)	0.47	1.72	2.51
Experience adjustments on plan liabilities [(Gain)/Loss]	0.11	(0.24)	0.27	(2.76)	(2.12)
Experience adjustments on plan assets [Gain/(Loss)]	(0.14)	1.46	0.39	0.11	0.06

Leave Salary

Rs. In Million

Amount recognised in the Audited Balance Sheet are as follows:	**31 March 2014**	**31 March 2013**	**31 March 2012**	**31 March 2011**	**31 March 2010**
Present value of unfunded obligation	2.71	11.71	11.08	7.22	6.14
Fair Value of Plan Assets	-	-	-	-	-
Net (Asset)/Liability	2.71	11.71	11.08	7.22	6.14

Recognised under:					
Long Term provision	2.66	11.58	10.95	7.12	6.06
Short term provision	0.05	0.13	0.13	0.10	0.08
Total	2.71	11.71	11.08	7.22	6.14

Amount recognised in the Audited Statement of Profit and Loss and charged to Salaries, Wages & Bonus and Contribution to Provident & Other Funds as follows:

Current Service cost	(1.67)	2.33	1.92	1.20	0.64
Interest cost	0.98	0.77	0.50	0.30	0.36
Expected Return on Plan Assets	-	-	-	-	-
Net actuarial loss/(gain)	(7.19)	0.41	3.25	4.25	0.87
Total	(7.88)	3.51	5.67	5.75	1.87

Reconciliation of opening and closing balances of the present value of the obligations:

Opening defined benefit obligation	11.71	11.08	7.22	6.14	4.71
Current Service cost	(1.67)	2.33	1.92	1.20	0.64
Interest cost	0.98	0.77	0.50	0.30	0.36
Actuarial loss/(gain)	(7.19)	0.41	3.25	4.25	0.87
Benefits paid	(1.12)	(2.88)	(1.81)	(4.67)	(0.44)
Closing Defined Benefit Obligation	2.71	11.71	11.08	7.22	6.14

Principal Actuarial Assumption Used:

Discount Rates	8.75%	8.00%	8.00%	8.00%	8.00%
Expected Return on Plan Assets	-	-	-	-	-
Expected Salary increase rates	6.00%	6.00%	6.00%	5.00%	5.00%
Mortality Rates	IALM (2006-2008) ult	LIC (1994-96) mortality tables	LIC (1994-96) mortality tables	LIC (1994-96) mortality tables	LIC (1994-96) mortality tables

The estimates of future salary increase considered in the actuarial valuation takes into account factors like inflation, seniority, promotion and other relevant factors. The expected return on plan assets is based on actuarial expectation of the average long term rate of return expected on investments of the funds during the estimated terms of the obligations.

Leave salary expenses (net) charged to the Audited Statement of Profit and Loss for the year ended 31 March 2013: Rs.3.36 million.

35) Related Party Disclosures:

(Related Parties with whom transaction have taken place during the years)

Name of the Related Parties and their relationship-

Enterprise having significant influence :	Panda Investment Private Limited
Company is an associate of the investing party:	Metro Skynet Limited (from 28 May 2010)
	New Silk Route- PE Mauritius LLC (from 29 September 2010)
Key Managerial Personnel :	Ms. Jagi Mangat Panda
Relative of Key Managerial Personnel :	Mr. Baijayant Panda - Husband of Ms. Jagi Mangat Panda
Enterprise over which Key Managerial Personnel / Relative of such individual has significant influence :	B Panda & Company Pvt. Ltd.
	Barabati Investment & Trading Company Pvt. Ltd.
	Indian Metals & Ferro Alloys Ltd.
	Odisha Television Limited (Formerly Orissa Television Ltd.)
	Panda Investment Private Limited
	Orissa Telefilms Private Limited
	Keda Enterprises Private Limited
	Kishangarh Environmental Development Action Private Limited
	Orissa Infratech Private Limited
	Barunei Farms and Nature Resorts Private Limited
	Tarang Broadcasting Company Limited

Details of Transactions with Related Parties:

Rs. In Million

	31 March				
	2014	2013	2012	2011	2010

Particulars	Transaction Value/ Balance	Transaction Value/ Balance	Transaction Value/ Balance	Transaction Value/ Balance	Transaction Value/ Balance
Key Managerial Personnel					
Remuneration	4.33	4.38	4.35	4.34	1.69
Interest Paid	-	-	-	-	0.05
Outstanding at closing - Debit	-	-	-	-	-
Outstanding at closing - Credit	0.36	1.36	0.48	0.30	0.29
Enterprise over which Key Managerial Personnel has significant influence					
Signal Uplinking Income	28.87	29.07	26.15	25.11	21.46
Rent Received	0.72	0.72	0.72	0.72	0.69
Interest Received	-	-	-	1.61	3.31
Behalf payment made to others	8.75	0.59	11.34	9.11	4.69
Payment Received	-	73.19	34.75	25.59	28.39
Advertisement Expenses	-	2.50	3.83	4.58	3.90
Advance Given	-	-	0.50	-	-
Payment Made	-	4.00	0.42	-	-
Refund of Advance	-	-	0.50	16.50	14.00
Marketing Income	-	-	-	4.39	-
Leaseline Bandwidth	1.60	0.93	0.71	-	-
Channel Carriage Income	15.00	15.00	15.00	-	-
Programming Costs	15.40	15.40	15.40	-	-
Unsecured Loan Received	50.00	-	-	-	-
Unsecured Loan Repaid	6.46	-	-	-	-
Interest and Processing Fees on Unsecured Loan	6.17	-	-	-	-
Outstanding at closing - Debit	-	-	30.52	27.77	29.57
Outstanding at closing - Credit	43.14	6.94	-	-	-
Company is an associate of the investing party					
Conversion of Compulsorily Convertible Preference Shares into Equity Shares	-	-	-	600.00	-
Reimbursement of Share of IPO Expenses	-	-	4.95	-	-
Balance Written off	-	-	-	0.01	-
Outstanding at closing - Debit	-	-	-	-	0.01
Outstanding at closing - Credit	-	-	-	-	-
Relative of Key Managerial Personnel					
Sitting fees as nominee	0.02	0.02	0.04	0.03	0.02
Interest and Processing Fees on Unsecured Loan	0.20	-	-	-	-
Outstanding at closing - Debit	-	-	-	-	-
Outstanding at closing - Credit	-	10.09	-	0.01	-

36) Segment Information, As restated

Segment Information as required by the Accounting Standard 17 - "Segment Reporting" of the Companies (Accounting Standard) Rules, 2006.

	For the year ended 31 March,														
Business Segment:	**2014**			**2013**			**2012**			**2011**			**2010**		
Particulars	**Cable TV**	**Broadband**	**Total**	**Cable TV**	**Broadband**	**Total**	**Cable TV**	**Broadband**	**Total**	**Cable TV**	**Broadband**	**Total**	**Cable TV**	**Broadband**	**Total**
Segment Revenue	973.54	274.72	1,248.26	892.33	254.70	1,147.03	869.36	279.14	1,148.50	702.87	214.84	917.71	586.63	133.86	720.49
Others			36.74			50.95			44.84			34.92			25.78
Total Revenue from operations			**1,285.00**			**1,197.98**			**1,193.34**			**952.63**			**746.27**
Segment Results	439.82	176.49	616.31	403.43	179.94	583.37	338.22	212.77	550.99	277.86	131.12	408.98	274.47	55.25	329.72
Less: Unallocable expenses net off income			469.10			565.25			390.41			363.27			219.98
Less: Interest & Finance Charges (net)			230.48			246.03			267.94			188.34			103.19
Profit/(Loss) before Taxation and Exceptional Items			(83.27)			(227.91)			(107.36)			(142.63)			6.55
Exceptional Items			16.64			-			13.76			-			-
Profit/(Loss) before extraordinary item and tax			(99.91)			(227.91)			(121.12)			(142.63)			6.55
Extraordinary item			25.10			-			-			-			-
Profit/(Loss) before tax			(125.01)			(227.91)			(121.12)			(142.63)			6.55
Provision for Taxation			-			-			-			-			-
Profit/(Loss)after Taxation			**(125.01)**			**(227.91)**			**(121.12)**			**(142.63)**			**6.55**
Segment Assets	447.14	41.95	489.09	563.42	58.77	622.19	724.22	41.46	765.68	723.50	36.67	760.17	503.21	23.60	526.81
Add: Unallocated Corporate Assets			2,048.23			2,004.10			2,128.47			2,166.71			1,721.00
Total Assets			**2,537.32**			**2,626.29**			**2,894.15**			**2,926.88**			**2,247.81**
Segment Liabilities	405.33	18.65	423.98	312.58	12.27	324.85	288.84	18.94	307.78	294.59	6.98	301.57	23.78	3.80	27.58
Add: Unallocated Liabilities			1,768.47			1,921.09			1,979.96			1,898.58			1,361.94
Total Liabilities			**2,192.45**			**2,245.94**			**2,287.74**			**2,200.15**			**1,389.52**
Capital Expenditure	30.57	2.09	32.66	41.31	8.20	49.51	145.73	10.10	155.83	190.04	4.67	194.71	95.00	3.69	98.69
Depreciation	84.70	1.61	86.31	88.58	1.32	89.90	92.60	1.26	93.86	76.33	1.08	77.41	9.32	0.86	10.18
Non Cash Expenses other than depreciation	52.39	10.69	63.08	61.70	11.43	73.13	63.80	11.15	74.95	89.25	11.09	100.34			

Notes:

a) The Company is engaged in the business of Cable TV and Broadband service and operates in domestic market only.

b) The segment wise revenue, results and assets and liabilities figures relate to the respective amounts directly identifiable to each of the segments. Unallocable income/expenditure relate to the Company as a whole and are earned/incurred at the Company level.

37) The Company had issued 5,121,897 Nos. of 10.5% Cumulative Non Convertible Redeemable Preference Shares (NCRPS) to Finlay Corporation Ltd which were due for redemption on 03 March 2010. The said shares were not redeemed and the Company had applied to the Foreign Investment Promotion Board (FIPB) on 23 July 2010 for extension of redemption period of said NCRPS for a further period of five years w.e.f. 03 March 2010. The FIPB vide its letter dated 20 August 2010 had not extended the redemption period and advised to confirm to ECB Guidelines for any further extension. In view of the above rejection by FIPB, the Company has decided to redeem the above NCRPS.

Annexure VI - Statement on Adjustments to Audited Financial Statements

Summarised below are the restatement adjustments made to the Audited Financial Statements for the fiscal years ended March 31, 2014, 2013, 2012, 2011 & 2010 and their impact on the Profit / (Loss) of the Company.

(A) Adjustments:

Rs. In Million

Particulars	For the year ended 31 March,				
	2014	**2013**	**2012**	**2011**	**2010**
a. Material Restatement Adjustments :					
(Excluding those on account of changes in accounting policies):					
Liability no longer required written back (Refer note 1 below)	(2.79)	(0.79)	0.58	(30.76)	27.07
Accounting of Insurance claims (Refer note 2 below)	(1.87)	(0.84)	0.34	(0.06)	2.15
Allowances for Doubtful receivables / Advances (Refer note 3 below)	34.73	(14.72)	(8.53)	(6.62)	(2.32)
Allowances for Doubtful receivables written back (Refer note 3 below)	(51.96)	14.65	24.60	6.41	6.30
Bad Debts written off (Refer note 4 below)	34.33	(15.94)	7.63	(20.46)	(0.23)
Advances written off (Refer note 5 below)	24.46	0.06	0.01	(0.12)	(0.07)
Deferred Tax impact of the above adjustments (Refer note 6 below)	-	-	-	-	-
Total (A):	**36.90**	**(17.58)**	**24.63**	**(51.61)**	**32.90**
b. Adjustments on account of changes in accounting policies :					
Depreciation & Amortisation (Refer note 7 below)	(15.97)	37.01	48.17	49.50	33.32
Fixed Assets written off (Refer note 7 below)	(8.10)	(0.09)	(1.01)	(3.40)	(0.03)
Deferred Tax impact of the above adjustments (Refer note 6 below)	-	-	-	-	-
Total (B):	**(24.07)**	**36.92**	**47.16**	**46.10**	**33.29**
Total impact of Adjustments (A+B)	**12.83**	**19.34**	**71.79**	**(5.51)**	**66.19**

Explanatory notes:

1. In the audited financial statements of the Company for the years ended 31 March 2014, 2013, 2012, 2011 & 2010, certain liabilities created in earlier years were written back. For the purpose of this statement, the said liabilities have been appropriately adjusted in the respective years in which they were originally created.

2. The Company is following the policy of accounting for insurance claims on settlement with the insurers. For the purpose of this statement, the said income has been appropriately adjusted in the respective years in which the claims were lodged. Accordingly, adjustments have been made to the financial statements, as restated, for the years ended 31 March 2014, 2013, 2012, 2011 & 2010.

3. Receivable/advances, which were considered doubtful and provided for and allowances for doubtful receivables/advances written back in the years ended 31 March 2014, 2013, 2012, 2011 & 2010 have been appropriately adjusted in the respective years to which they relate.

4. In the audited financial statements of the Company for the years ended 31 March 2014, 2013, 2012, 2011 & 2010, certain amounts had been written off as bad debts, which for the purpose of this statement have been appropriately adjusted in the respective years to which they relate.

5. In the audited financial statements of the Company for the years ended 31 March 2014, 2013, 2012, 2011 & 2010 certain advances paid earlier were written off as advance write off, which for the purpose of this statement have been appropriately adjusted in the respective years to which they relate.

6. There is no impact on deferred tax for the above adjustments as the Company has unabsorbed depreciation and brought forward taxable losses.

7. In the year 2013-14, the management carried out an independent estimate of the useful life of assets and accordingly the estimated useful life of assets are revised from 1st April 2013. Now the estimated useful life of assets are as per Schedule XIV to the Companies Act, 1956. The impact of depreciation on earlier years based on 2013-14 has been calculated and adjusted. Due to this change, the book value of fixed assets

written off also got revised and the effect of this has been given in the restated summary financial statements.

8. As stated in the audited financial statement in the financial year 2011-12, until 31 March 2011, the valuation of inventories was done on weighted average basis. From 1 April 2011, inventory valuation was determined on the basis of first-in, first-out (FIFO) basis. However, the impact of such change in the accounting policy is immaterial in the financial year 2011-12.

   The impact of such change is Rs.Nil in financial year 2010-11 and Rs.1.08 million in financial year 2009-10 has been correspondingly adjusted in Tangible Assets and/or Capital Work in Progress, as primarily the inventories are capitalised. The consequential impact of depreciation arising on such capitalisation as part of Tangible Assets is adjusted into Summary Statement of Profit and Loss, as restated.

9. Further, the deficit in the Statement of Profit & Loss as at 1 April 2009 has been adjusted to reflect the impact of the items pertaining to the years prior to 31 March 2009. The adjustments are as below:

Opening Reserves Reconciliation

Rs. In Million

Particulars	Amount
Deficit in Statement of Profit and Loss as per audited financial statement as at 1 April 2009	(104.59)
a) Material Restatement Adjustments (Excluding those on account of changes in accounting policies):	
Liabilities no longer required, written back (Refer Note 1 above)	6.68
Accounting of Insurance claims (Refer note 2 above)	0.27
Allowances for Doubtful receivables / Advances (Refer note 3 above)	(2.53)
Bad Debts written off (Refer Note 4 above)	(5.33)
Advances written off (Refer note 5 above)	(24.35)
Deferred tax impact of the above adjustments (Refer Note 6 above)	-
b) Adjustments on account of changes in accounting policies:	
Deferred tax impact of the above adjustments (Refer Note 6 above)	-
Deficit as at 01 April 2009 as considered in the restated summary financial statements	**(129.85)**

(B) Non-Adjustment Items:

1. Erstwhile Statutory Auditors (Financial Year 2009-10) have made the following comments in the Auditors' Report - Not requiring adjustment

Financial Year 2009-10

Without qualifying the audit opinion, the then Statutory Auditors had drawn attention in their report for the year ended 31 March 2010 with respect to non- redemption of 5,121,897 Nos. of 10.5% cumulative Non Convertible Redeemable Preference Shares which was due for redemption on 03 March 2010.

The Company had issued 5,121,897 Nos. of 10.5% cumulative Non Convertible Redeemable Preference Shares (NCRPS) to Finlay Corporation Ltd. which was due for redemption on 03 March 2010. The said shares were not redeemed and the Company had applied to the Foreign Investment Promotion Board (FIPB) on 23 July 2010 for extension of redemption period of said NCRPS for a further period of five (05) years w.e.f. 03 March 2010. The FIPB vide its letter dated 20 August had not extended the redemption period. In view of above rejection by FIPB, the Company had decided to redeem the above NCRPS.

2. Erstwhile Statutory Auditors (Financial Year 2013-14, 2012-13, 2011-12, 2010-11 & 2009-10) have made the following comments in terms with the requirement of the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of 'The Companies Act, 1956' of India (the 'Act') which are reproduced below:

(a) Financial Year 2009-10

The Company is in the process of updating the fixed assets records showing full particulars including quantitative details and situation of fixed assets.

(b1) Financial Year 2013-14

The fixed assets of the Company, except a significant portion of Cable and Network Equipment for which, as explained to us, physical verification is not practicable, have been physically verified by the management annually which in our opinion is reasonable having regard to the size of the Company and nature of its assets. Pursuant to the said program, fixed assets have been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(b2) Financial Year 2011-12

The fixed assets of the Company, except Cable and Network Equipment for which, as explained to us, physical verification is not practical, have been physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion is reasonable having regard to the size of the company and nature of its assets. Pursuant to the said programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification. In our opinion, the frequency of verification is reasonable.

(b3) Financial Year 2010-11, 2009-10

The fixed assets of the Company, except Cable and Network Equipment for which, we have been informed that, physical verification is not practical, have been physically verified by the management according to a phased programme designed to cover all the items over a period of three years, which in our opinion is reasonable having regard to the size of the company and nature of its assets. Pursuant to the said programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies between book records and physical inventory have been noticed.

(c1) Financial Year 2013-14, 2012-13, 2011-12

In our opinion and according to the information and explanations given to us, having regard to the explanation that, except for certain items of inventory/fixed assets which are of special/proprietary nature for which suitable alternative sources do not exists, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across, nor have been informed of, any continuing failure to correct major weaknesses in the aforesaid internal control system.

(c2) Financial Year 2010-11 and 2009-10

In our opinion and according to the information and explanations given to us, having regard to the explanation that certain items purchased are of special nature for which suitable alternative sources do not exist for obtaining comparative quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of services. Further, on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.

(d1) Financial Year 2013-14, 2012-13 and 2011-12

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues in respect of Professional Tax, Entertainment Tax though there has been a slight delay in a few cases and is regular in depositing undisputed statutory dues, including provident fund, employees' state insurance, income tax, wealth tax, service tax, customs duty, excise duty, as applicable, with the appropriate authorities.

(d2) Financial Year 2010-11 and 2009-10

According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues including provident fund, investor education and protection fund, employees' state insurance, income tax, wealth tax, service tax, customs duty, excise duty, cess and other material statutory dues as applicable with the appropriate authorities.

(e1) Financial Year 2013-14

According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty as at 31 March 2014 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. Millions)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Tax & Interest for non deduction of tax deducted at source	2.51*	2005-06	Commissioner of Income Tax, (Appeal), Bhubaneswar
Income Tax Act, 1961	Tax & Interest for non deduction of tax deducted at source	2.77**	2006-07	Commissioner of Income Tax, (Appeal), Bhubaneswar
Income Tax Act, 1961	Tax & Interest for non deduction of tax deducted at source	3.08	2008-09	Commissioner of Income Tax, (Appeal), Bhubaneswar
Income Tax Act, 1961	Tax & Interest for non deduction of tax deducted at source	9.15	2010-11	Commissioner of Income Tax, (Appeal), Bhubaneswar
Finance Act, 1994	Service Tax	10.36	2006-07	Commissioner Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act, 1994	Service Tax	10.81	2007-08	Commissioner Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act, 1994	Service Tax	7.20	2008-09	Commissioner Central Excise, Customs & Service Tax, Bhubaneswar

* An amount of Rs.0.63 million has been deposited in this regard.
** An amount of Rs.0.69 million has been deposited in this regard.

(e2) Financial Year 2012-13

According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of income tax, sales tax, wealth tax, service tax, customs duty and excise duty as at 31 March 2013 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. Millions)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Tax & Interest for non deduction of tax deducted at source	2.51*	2005-06	Commissioner of Income Tax, (Appeal), Bhubaneswar
Income Tax Act, 1961	Tax & Interest for non deduction of tax deducted at source	2.77**	2006-07	Commissioner of Income Tax, (Appeal), Bhubaneswar
Income Tax Act, 1961	Tax & Interest for non deduction of tax deducted at source	3.08	2008-09	Commissioner of Income Tax, (Appeal), Bhubaneswar
Income Tax Act, 1961	Tax & Interest for non deduction of tax deducted at source	9.15	2010-11	Commissioner of Income Tax, (Appeal), Bhubaneswar
Finance Act, 1994	Service Tax	10.36	2006-07	Commissioner Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act, 1994	Service Tax	10.81	2007-08	Commissioner Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act, 1994	Service Tax	7.20	2008-09	Commissioner Central Excise, Customs & Service Tax, Bhubaneswar

* An amount of Rs.0.63 million has been deposited in this regard.

** An amount of Rs.0.69 million has been deposited in this regard.

(e3) Financial Year 2011-12

According to the information and explanations given to us and the records of the Company examined by us, there are no dues of sales tax, wealth tax, customs duty and excise duty which have not been deposited on account of any dispute. The particulars of dues of income tax and service tax as at 31 March 2012 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. Millions)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Tax & Interest for non deduction of tax deducted at source	2.51*	2005-06	Commissioner of Income Tax, (Appeal), Bhubaneswar
Income Tax Act, 1961	Tax & Interest for non deduction of tax deducted at source	2.77**	2006-07	Commissioner of Income Tax, (Appeal), Bhubaneswar
Income Tax Act, 1961	Tax & Interest for non deduction of tax deducted at source	3.08	2008-09	Commissioner of Income Tax, (Appeal), Bhubaneswar
Income Tax Act, 1961	Tax & Interest for non deduction of tax deducted at source	9.15	2010-11	Commissioner of Income Tax, (Appeal), Bhubaneswar
Finance Act, 1994	Service Tax	10.36	2006-07	Commissioner Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act, 1994	Service Tax	10.81	2007-08	Commissioner Central Excise, Customs & Service Tax, Bhubaneswar
Finance Act, 1994	Service Tax	7.20	2008-09	Commissioner Central Excise, Customs & Service Tax, Bhubaneswar

* An amount of Rs.0.63 million has been deposited in this regard.
** An amount of Rs.0.69 million has been deposited in this regard.

(e4) Financial Year 2010-11

According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of entry tax, entertainment tax and income tax as 31 March 2011 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. Millions)	Period to which the amount relates	Forum where the dispute is pending
Orissa Entry Tax Act, 2000	Entry Tax	0.10	2000-01	Hon’ble High Court of Orissa
Entertainment tax Act, 2005	Entertainment Tax	6.98	2006-07	Assistant Commissioner of Entertainment Tax, Cuttack
Income Tax Act, 1961	Tax & Interest for non deduction of tax deducted at source	1.88	2005-06	Commissioner of Income Tax, (Appeal), Bhubaneswar
Income Tax Act, 1961	Tax & Interest for non deduction of tax deducted at source	2.08	2006-07	Commissioner of Income Tax, (Appeal), Bhubaneswar

(e5) Financial Year 2009-10

According to the information and explanations given to us and the records of the Company examined by us, the particulars of dues of entry tax and entertainment tax as at 31 March 2010 which have not been deposited on account of a dispute are as follows:

Name of the statute	Nature of dues	Amount (Rs. Millions)	Period to which the amount relates	Forum where the dispute is pending
Orissa Entry Tax Act, 2000	Entry Tax	0.10	2000-01	Hon’ble High Court of Orissa

Name of the statute	Nature of dues	Amount (Rs. Millions)	Period to which the amount relates	Forum where the dispute is pending
Entertainment tax Act, 2005	Entertainment Tax	6.98	2006-07	Assistant Commissioner of Entertainment Tax, Cuttack

(f1) Financial Year 2013-14

The accumulated losses of the Company exceeds fifty percent of its net worth as at 31 March 2014 and it has not incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.

(f2) Financial Year 2012-13

The accumulated losses of the Company exceeds fifty percent of its net worth as at 31 March 2013 and it has not incurred cash losses in the financial year ended on that date and in the immediately preceding financial year.

(g) Financial Year 2012-13

According to the records of the Company examined by us and the information and explanations given to us, except for dues for the period from November 2012 to December 2012 aggregating Rs. 51.78 million (as mentioned in the table below), the company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.

Bank / Financial Institution	Loan Number	Amount (Rs. Million)	Period (Months)
SREI Equipment Finance Pvt. Ltd.	HL0054373	16.63	November 2012 & December 2012
SREI Equipment Finance Pvt. Ltd.	HL0054342	6.25	November 2012 & December 2012
SREI Equipment Finance Pvt. Ltd.	HL0033680	4.08	November 2012 & December 2012
SREI Equipment Finance Pvt. Ltd.	HL0033155	1.18	November 2012 & December 2012
SREI Equipment Finance Pvt. Ltd.	HL0037747	0.80	November 2012 & December 2012
SREI Equipment Finance Pvt. Ltd.	HL0041049	0.85	November 2012 & December 2012
SREI Equipment Finance Pvt. Ltd.	HL0043743	2.17	November 2012 & December 2012
Karnataka Bank Limited	Term Loan 324	3.87	November 2012 & December 2012
Karnataka Bank Limited	Term Loan 378	12.49	November 2012 & December 2012
UCO Bank	00090610001134	3.46	November 2012 & December 2012

(h1) Financial Year 2013-14

According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that the company has used funds raised on short-term basis for long-term investment. The company has generated working capital amounting to Rs.0.01 million on a short term basis, which has been used for investments in fixed assets and repayment of long-term borrowing.

(h2) Financial Year 2012-13

According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that the company has used funds raised on short-term basis for long-term investment. The company has generated working capital amounting to Rs.478.01 million on a short term basis, which has been used for investments in fixed assets and repayment of long-term borrowings.

(h3) Financial Year 2011-12

According to the information and explanations given to us and on overall examination of the balance sheet of the company, we report that the company has used funds raised on short-term basis for long-term investment. The company has generated working capital amounting to Rs.251.02 million on a short term basis, which has been used for investments in fixed assets and repayment of long-term borrowings.

(I) Financial Year 2010-11

In our opinion, and according to the information and explanations given to us, on an overall basis, the term loans to the extent of Rs.145.78 million have not been applied for the purposes for which they were obtained and term loans to the extent of Rs.115.00 million have not been utilised.

ANNEXURE VII - Statement of Secured Borrowings, As Restated

(Rs. In Million)

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Long-term Borrowings (Secured):					
From Banks					
Term Loans	260.17	272.61	368.00	482.99	462.87
Less: Current Maturities of Long Term Debt *	24.78	12.44	126.70	119.44	91.92
	235.39	**260.17**	**241.30**	**363.55**	**370.95**
Vehicle Loans	-	0.01	0.45	0.98	1.67
Less: Current Maturities of Long Term Debt *	-	0.01	0.43	0.54	0.99
	-	**-**	**0.02**	**0.44**	**0.68**
From Others					
Term Loans	1,000.52	1,006.81	1,114.54	975.02	325.18
Less: Current Maturities of Long Term Debt *	31.51	6.32	725.19	174.51	108.32
	969.01	**1,000.49**	**389.35**	**800.51**	**216.86**
Finance Lease Obligations	36.05	32.47	32.28	58.09	57.51
Less: Current Maturities of Finance Lease Obligation *	12.65	14.80	19.89	25.82	19.43
	23.40	**17.67**	**12.39**	**32.27**	**38.08**
Sub-total (A)	**1,227.80**	**1,278.33**	**643.06**	**1,196.77**	**626.57**
Short-term Borrowings					
From Banks (Secured)					
Working Capital Loan repayable on demand from Bank	96.62	100.00	100.00	100.00	50.00
Sub-total (B)	**96.62**	**100.00**	**100.00**	**100.00**	**50.00**
Total (A+B)	**1,324.42**	**1,378.33**	**743.06**	**1,296.77**	**676.57**

Short Term Borrowings represent Bank Overdraft and does not include Temporary Bank Overdraft of Rs. 27.50 million as at 31 March 2014 (31 March 2013 Rs. 114.27 million; 31 March 2012 Rs. 52.58 million; 31 March 2011 Rs. 39.89 million and 31 March 2010 Rs. 23.33 million. The same has been included in Other Current Liabilities (*).

* Refer Note 6 of Annexure V

ANNEXURE VII (A) - Statement of Principal Terms of Secured Borrowings outstanding as at March 31, 2014, As Restated

Sl. No.	Lender	Nature of Facility (Term Loan-INR/FCY, Working Capital Facility-Cash credit/ Packing credit, Short term Loan, Loan for leased assets)	Loan currency	Amount Sanctioned (Rs. in Millions)	Amount Outstanding as at March 31, 2014 (Rs. in Millions)	Rate of Interest %	Repayment Terms	Details of Security and Guarantee *
1	Karnataka Bank Limited	Term Loan	INR	300.00	140.17	KBL Base Rate + 3.5%	Repayable in 25 equated installments commencing from 29th January 2015 and last instalment due	Hypothecation of Fixed asset. Collateral : Already hypothecated fixed assets purchased out of term loan availed from IPICOL and SREI charged on pari passu

Sl. No.	Lender	Nature of Facility (Term Loan-INR/FCY, Working Capital Facility-Cash credit/ Packing credit, Short term Loan, Loan for leased assets)	Loan currency	Amount Sanctioned (Rs. in Millions)	Amount Outstanding as at March 31, 2014 (Rs. in Millions)	Rate of Interest %	Repayment Terms	Details of Security and Guarantee *
							on 29th January 2017. Interest to be served monthly during the holiday period upto 29th December 2014.	basis. Equitable mortgage of leasehold property at Bhubaneswar. Equitable mortgage of immovable property and flat at Cuttack and Bhubaneswar. Pledge of Term Deposits of Rs.10.90 million. Personal guarantee of one of the Directors of the Company
2	Karnataka Bank	Working Capital Facility-Cash credit	INR	100.00	96.62	14.25% (Per annum compounded monthly, rising or falling with the base rate interest as fixed by the Karnataka Bank from time to time)	Repayable on demand and interest payable monthly.	Hypothecation of stock and assignment of book debts. Collateral : Equitable mortgage of leasehold property at Bhubaneswar. Equitable mortgage of Immovable property and flat at Cuttack and Bhubaneswar. Pledge of Term Deposits of Rs.6.59 million. Personal guarantee of one of the Directors of the Company
3	UCO Bank	Term Loan	INR	200.00	120.00	UCO Base rate + 4.05%	12 quarterly installments of Rs.10.00 million commencing from January 2015. Interest to be served on monthly basis as and when charged.	Pari passu charge on assets/equipments acquired on the said Term Loan on pari passu with other banks . Second charge on fixed assets already hypothecated to other banks and institutions. Collateral : Equitable mortgage of leasehold property at Bhubaneswar. Equitable mortgage of Immovable property and flat at Cuttack and Bhubaneswar. Pledge of Term Deposits of Rs.17.78 million. Personal guarantee of one of the Directors of the Company

Sl. No.	Lender	Nature of Facility (Term Loan-INR/FCY, Working Capital Facility-Cash credit/ Packing credit, Short term Loan, Loan for leased assets)	Loan currency	Amount Sanctioned (Rs. in Millions)	Amount Outstanding as at March 31, 2014 (Rs. in Millions)	Rate of Interest %	Repayment Terms	Details of Security and Guarantee *
4	L & T Finance Limited	Term Loan	INR	9.05	1.59	13.00%	Repayable in 6 equal monthly installments of Rs. 0.09 million from November 2010 to April 2011 and 41 equal installments of Rs. 0.27 million from May 2011 to September 2014. Installments are inclusive of interest.	Hypothecation of various assets.Personal guarantee of one of the Directors of the Company
5	Srei Equipment Finance (P) Limited	Term Loan	INR	145.51	145.51	16% (Floating rate based on the SBR (SREI Benchmark Rate) which is subject to variations)	Repayable in 1monthly installment of Rs.7.94 million in April 2013, 20 equal monthly installments of Rs. 1.94 million from May 2013 to December 2014 and 51 equal monthly installments Of Rs. 3.96 million from January 2015 to March 2019. Installments are inclusive of interest.	First/exclusive charge created by way of hypothecation of assets including various equipments. Personal guarantee given by one of the Directors.
6	Srei Equipment Finance (P) Limited	Term Loan	INR	853.42	853.42	16% (Floating rate based on the SBR (SREI Benchmark Rate) which is subject to variations)	Repayable in 1monthly installment of Rs.34.50 million in April 2013, 21 equal monthly installments of Rs. 11.38 million from May 2013 to January 2015 and 51 equal monthly	First/exclusive charge created by way of hypothecation of assets including various equipments. Personal guarantee given by one of the Directors.Equitable mortgage of immovable property at Raipur together with all buildings and structures thereon and all plant and machinery attached

Sl. No.	Lender	Nature of Facility (Term Loan-INR/FCY, Working Capital Facility-Cash credit/ Packing credit, Short term Loan, Loan for leased assets)	Loan currency	Amount Sanctioned (Rs. in Millions)	Amount Outstanding as at March 31, 2014 (Rs. in Millions)	Rate of Interest %	Repayment Terms	Details of Security and Guarantee *
							installments Of Rs. 23.20 million from February 2015 to April 2019. Installments are inclusive of interest.	to the earth or permanently fastened to anything attached to the earth, both present and future.
7	CISCO India Pvt. Limited	Finance Lease	INR	66.55	36.05	Interest rate is different for different phases, average interest rate being approx 12%.	Repayable in 15 equal quarterly installments which vary for each phase. 21 phases have been disbursed till March 2014. Repayment for Phase I started on June 2008. Repayment for the 21st Schedule will end on June 2017.	Secured on equipment together with all parts, accessories and substitutions taken on lease.
			Total	**1,674.53**	**1,393.36**			

Note: Amounts stated above does not include Interest Accrued and due.

* As per Loan agreement.

ANNEXURE VIII - Statement of Unsecured Borrowings, As Restated

(Rs. In Million)

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Long-term borrowings (Unsecured):					
From Promoter / Promoter group company:					
Baijayant Panda	-	10.00	-	-	-
B. Panda & Company Private Limited	-	15.00	-	-	-
Odisha Infra-Tech Pvt. Ltd.	43.54	-	-	-	-
Less: Current maturities of long-term debt (Refer Note 6 of Annexure V)	16.47	-	-	-	-
Sub-total (A)	27.07	25.00	-	-	-
Short-term borrowings (Unsecured):					
Repayable on demand:					
From Promoter / Promoter group company :					
Odisha Television Limited	-	-	-	-	0.49
Paramita Investment & Trading Co. Private Limited	-	-	-	-	0.25
Barabati Investment & Trading Co. Private Limited	-	-	-	-	0.20

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
B. Panda & Company Private Limited	-	-	-	-	0.10
Sub-total (B)	-	-	-	-	1.04
Total (A+B)	27.07	25.00	-	-	1.04

The list of persons/ entity classified as 'Promoters' and 'Promoter group company' has been provided by the management and relied upon by the auditors.

ANNEXURE VIII (A) - Statement of Principal Terms of Unsecured Borrowings outstanding as at March 31, 2014, As Restated

Sl. No.	Lender	Nature of Facility (Term Loan-INR/FCY, Working Capital Facility-Cash credit/ Packing credit, Short term Loan, Loan for leased assets)	Loan currency	Amount Sanctioned (Rs. in millions)	Amount Outstanding as at March 31, 2014 (Rs. in millions)	Rate of Interest %	Repayment Terms	Other Principal Terms and Conditions
1	Odisha Infra-Tech Pvt. Ltd.	Term Loan	INR	50.00	43.54	18.00%	Repayable in 34 equal monthly installments of Rs. 1.92 million from October 2013 to July 2016. Installments are inclusive of interest.	Interest to be served monthly on the balance outstanding at the end of every month.
			Total		43.54			

Annexure IX - Statement of Non Current Investments, As Restated

(Rs. In Million)

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Non-current investments					
At Cost- Trade - Unquoted - Long Term					
Investments in Equity Instruments:					
Odisha Television Limited	3.26	3.26	3.26	3.26	3.26
(325,500 Equity Shares of Rs 10/- each, fully paid)					
Total	3.26	3.26	3.26	3.26	3.26

Annexure X - Statement of Trade Receivables, As Restated

(Rs. In Million)

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Trade Receivables (Unsecured)					
a) Outstanding for a period exceeding six months from the date they are due for payment					
Considered good	12.51	34.45	25.76	2.18	2.56
Considered doubtful	60.75	54.66	29.33	3.96	4.77
	73.26	**89.11**	**55.09**	**6.14**	**7.33**
Less : Allowances for Doubtful Receivables	60.75	54.66	29.33	3.96	4.77
Total (A)	**12.51**	**34.45**	**25.76**	**2.18**	**2.56**
b) Others					
Considered good	165.44	84.15	107.20	63.36	69.60

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Considered doubtful	7.70	14.52	15.25	9.72	4.37
	173.14	**98.67**	**122.45**	**73.08**	**73.97**
Less : Allowances for Doubtful Receivables	7.70	14.52	15.25	9.72	4.37
Total (B)	**165.44**	**84.15**	**107.20**	**63.36**	**69.60**
Total (A + B)	**177.95**	**118.60**	**132.96**	**65.54**	**72.16**

Annexure XI - Statement of Loans and Advances, As Restated

(Rs. In Million)

Particulars	As at March 31,				
	2014	2013	2012	2011	2010
Long-term Loans and Advances (Unsecured)					
Capital Advances					
Considered good	7.83	6.94	12.71	20.19	13.38
Other Advances	0.06	0.12	-	-	-
Security Deposit					
Considered Good *	19.33	23.06	22.66	21.29	16.22
Considered doubtful	0.06	0.06	-	0.06	0.06
Less: Allowance for Doubtful Security Deposits	(0.06)	(0.06)	-	(0.06)	(0.06)
Total (A)	**27.22**	**30.12**	**35.37**	**41.48**	**29.60**
Short-term loans and advances:					
(Unsecured and considered good)					
Loans and Advances to related parties					
Odisha Television limited	1.08	3.32	30.52	27.77	29.57
Security Deposits	1.89	-	0.60	0.24	-
Advance Income Tax (net of provision for tax)	40.51	29.67	19.57	16.51	11.27
Prepaid Expenses	16.72	17.42	16.55	15.68	9.95
Advances/Loans to Employees	0.86	1.01	1.76	3.15	1.10
Balances with Statutory/Government Authorities	9.00	7.83	17.94	14.49	33.82
Advance for Supplies / Services	0.54	0.16	20.50	50.83	33.79
Other Advances	-	-	-	-	8.90
Total (B)	**70.60**	**59.41**	**107.44**	**128.67**	**128.40**
Total (A+B)	**97.82**	**89.53**	**142.81**	**170.15**	**158.00**

* Includes deposit with Hon'ble High Court of Orissa Rs 2.90 million as on 31 March 2014 (31 March 2013 : Rs 2.90 million; 31 March 2012 : Rs 2.90 million; 31 March 2011 : Rs 2.90 million and 31 March 2010 : Rs 2.90 million) .Refer Note 23 of Annexure V.

Annexure XII - Statement of Other Income, As Restated

(Rs. In Million)

Particulars	Nature (Recurring /Non recurring)	For the year ended March 31,				
		2014	2013	2012	2011	2010
Interest						
Fixed deposits with bank	Recurring	3.68	3.11	5.63	8.58	9.05
Others	Recurring	1.20	0.28	0.01	1.61	-
Liability no longer required, written back	Recurring	15.19	0.42	0.91	0.50	29.13
Rental Income	Recurring	1.91	0.72	0.72	0.72	0.69
Foreign Exchange Gain (net)	Non Recurring	-	-	-	1.86	8.38
Miscellaneous Income	Recurring	14.63	13.74	11.38	14.08	21.02
Total		**36.61**	**18.27**	**18.65**	**27.35**	**68.27**

Notes:

1. The classification of other income into recurring and non-recurring is based on the current operations and business activities of the Company.

2. All items of Other Income are from normal business activities.

Annexure XIII - Statement of Accounting Ratios

Sl. No.	Particulars	As at/ For the year ended March 31,				
		2014	2013	2012	2011	2010
1	Net Profit / (Loss) after Tax and extra ordinary items, as restated (Rs. in Million)	(125.01)	(227.91)	(121.12)	(142.63)	6.55
2	Preference Dividend during the year (not provided for in the books) (Rs in Million)	5.38	5.38	5.38	1.37	5.39
3	Net Profit / (Loss) available to Equity Shareholders (Rs. in Million)	(130.39)	(233.29)	(126.50)	(144.00)	1.16
4	Weighted average number of Equity Shares outstanding during the year	232,83,286	232,73,479	232,63,759	203,19,938	172,03,758
5	Number of Equity Shares outstanding at the end of the year	232,94,409	232,80,409	232,63,759	232,63,759	172,11,111
6	Net Worth for Equity Shareholders and Preference Shareholders (Rs. in Million)	344.87	380.34	606.41	726.73	858.28
7	Preference Share Capital (Rs. in Million)	139.73	51.22	51.22	51.22	651.22
8	Preference Dividend during the year (not provided for in the books) (Rs in Million)	5.38	5.38	5.38	1.37	5.39
9	Restated Net Worth for Equity Shareholders (Rs. in Million)	199.76	323.74	549.81	674.14	201.67
10	Accounting Ratios:					
a)	Basic and Diluted Earnings / (Loss) per Share (Rs.) (3)/(4)	(5.60)	(10.02)	(5.44)	(7.09)	0.07
b)	Return on Net Worth for Equity Shareholders (3)/(9) in %	(65.27)	(72.06)	(23.01)	(21.36)	0.57
c)	Net Asset Value Per Share (Rs.) (9)/(5)	8.58	13.91	23.63	28.98	11.72

Notes:

(i) The above ratios have been computed on the basis of the Restated Summary Financial Statements.

(ii) The impact of potential convertible instruments in the nature of Employee Stock Options and Compulsorily Convertible Preference Share, for the year ended 31 March 2010 was not included in the calculation of Diluted Earnings / (Loss) per share as they are anti- dilutive for the year.

(iii) The ratio has been computed as below

a) Basic and Diluted Earnings / (Loss) per share= $\dfrac{\text{Net Profit / (Loss) available to Equity Shareholders}}{\text{Weighted average number of Equity Shares outstanding during the year}}$

b) Return on Net Worth for Equity Shareholders(%)= $\dfrac{\text{Net Profit / (Loss) available to Equity Shareholders}}{\text{Restated Net Worth for Equity Shareholders}}$

c) Net Asset Value Per Share= $\dfrac{\text{Restated Net Worth for Equity Shareholders}}{\text{Number of Equity Shares outstanding at the end of the financial year}}$

iv) Earning per share (EPS) calculation is in accordance with the notified Accounting Standard 20 'Earnings per share' prescribed by the Companies (Accounting Standards) Rules, 2006.

Annexure XIV - Statement of Capitalisation

(Rs. In Million)

Particulars	Pre-Issue as at March 31, 2014	Post Issue*
Debt:		
Short-term Borrowings	96.62	[•]
Long-term Borrowings	1,340.29	[•]
Total Debt (A)	**1,436.91**	**[•]**
Shareholders Fund:		
Equity Share Capital	232.94	[•]
Preference Share Capital	139.73	[•]
Reserves and Surplus	(27.80)	[•]
Total Shareholders Fund (B)	**344.87**	**[•]**
Total Borrowings / Shareholders Fund (A/B)	**4.17**	**[•]**

Note:

i) The above has been computed on the basis of the Restated Summary Financial Statement.

ii) Short Term Borrowings represents Bank Overdraft and does not include Temporary Bank Overdraft of Rs 27.50 million as at 31 March 2014. The same has been included in Other Current Liabilities (Refer Note 6 of Annexure V).

* Will be updated at the time of Prospectus.

Annexure XV - Statement of Dividends Paid / Proposed

(Rs. in Million, except otherwise stated)

Particulars	For the year ended March 31,				
	2014	2013	2012	2011	2010
Dividend on 0.001% Compulsorily Convertible Preference Shares:					
Number of Preference Shares	88,50,940	-	-	-	600,00,000
Face Value per share (Rs.)	10	-	-	-	10
Dividend paid on Preference Shares (Rs. In Million)	-	-	-	-	-
Dividend on 10.5% Cumulative Non Convertible Redeemable Preference Shares:					
Number of Preference Shares	51,21,897	51,21,897	51,21,897	51,21,897	51,21,897
Face Value per share (Rs.)	10	10	10	10	10
Dividend paid on Preference Shares (Rs. In Million)	-	-	-	-	-
Dividend on Equity Shares:					
Number of Equity Shares	232,94,409	232,80,409	232,63,759	232,63,759	172,11,111
Face Value per share (Rs.)	10	10	10	10	10
Dividend paid on Equity Shares (Rs. In Million)	-	-	-	-	-

Note: Also refer Note 25(b) of Annexure V, with respect to arrears of preference dividend.

Annexure XVI - Statement of Tax Shelter

(Rs. in Million, except otherwise stated)

Sl. No.	Particulars	For the year ended March 31,				
		2014	2013	2012	2011	2010
A	Profit / (Loss) before extraordinary item and Tax, as restated	(99.91)	(227.91)	(121.12)	(142.63)	6.55
B	Statutory Tax Rate applicable	30.90%	30.90%	30.90%	30.90%	30.90%
C	Tax thereon at the above rate	(30.87)	(70.42)	(37.43)	(44.07)	2.02
D	Adjustment for Permanent Differences:					
	Fixed assets written off	79.62	105.51	17.47	14.48	8.74
	Others	(25.10)	-	-	-	-
	Total Permanent Difference	**54.52**	**105.51**	**17.47**	**14.48**	**8.74**
E	Adjustment for Timing Difference					
	1. Difference in net block of fixed assets as per Income Tax Act, 1961 and Companies Act, 1956	(362.36)	(360.89)	(407.43)	(327.42)	(251.60)

Sl. No.	Particulars	For the year ended March 31,				
		2014	**2013**	**2012**	**2011**	**2010**
	2. Disallowances under the Income Tax Act, 1961	-	47.88	69.15	69.17	21.44
	3. Allowance for doubtful receivables (net)	33.72	24.74	(1.24)	4.96	2.33
	Total Timing Difference	**(328.64)**	**(288.27)**	**(339.52)**	**(253.29)**	**(227.83)**
F	Total adjustments (D + E)	(274.12)	(182.76)	(322.05)	(238.81)	(219.09)
G	Tax expenses / (savings) thereon	(84.70)	(56.47)	(99.51)	(73.79)	(67.70)
H	Tax Liability [negative figures are considered zero]	-	-	-	-	-
I	Tax Liability as per Minimum Alternate Tax under Section 115JB of Income Tax Act, 1961 including other taxes	-	-	-	-	-
J	Net Tax Liability (Higher of H &I)	-	-	-	-	-
K	Total Current Tax	-	-	-	-	-
L	Current Tax Liability on material Adjustments for restatement in corresponding years	-	-	-	-	-
M	Taxable Profit / (Loss) after adjustments, as Restated	(374.03)	(410.67)	(443.17)	(381.44)	(212.54)
N	Total Tax Liability after tax impact of adjustments	(115.57)	(126.89)	(136.94)	(117.86)	(65.68)
O	Tax Liability as per Restated Statement of Profit and Loss [negative figures are considered zero]	-	-	-	-	-

Note:

1. Permanent and Timing differences for the year ended 31 March 2013, 2012, 2011 and 2010 have been computed based on the acknowledged copies of Income Tax returns of the respective years.

2. Permanent and Timing differences for the year ended 31 March 2014 has been derived on the basis of provisional computation of total income prepared by the Company in line with the final return of income filed for the Assessment year 2013-14 and are subject to any change that may be considered at the time of filing of final return of the income for the Assessment year 2014-15.

3. Statutory tax rate excludes applicable surcharge of the year concerned.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF OUR COMPANY

You should read the following discussion and analysis of our financial condition and results of operations together with our restated financial information together with the notes thereto included in the section titled "Financial Information beginning on page 202. You should also read the section titled "Risk Factors" beginning on page 16, which discusses a number of factors and contingencies that could impact our financial condition and results of operations. The following discussion is based on the restated financial information as of and for the Fiscal years ended March 31, 2014, 2013 and 2012.

We prepare our financial information in accordance with the Companies Act and the SEBI Regulations, which differs in some respects from IFRS and U.S. GAAP. Accordingly, the degree to which financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with the Indian GAAP, Companies Act, and the SEBI Regulations. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited. We have not attempted to quantify the impact of IFRS or U.S. GAAP on the financial data included in this Draft Red Herring Prospectus, nor do we provide a reconciliation of our financial information to those under U.S. GAAP or IFRS and we urge you to consult your own advisors regarding such differences and their impact on our financial data.

This discussion contains forward-looking statements and reflects our current views with respect to future events and financial performance. Actual results may differ materially from those anticipated in these forward-looking statements. Given these uncertainties, prospective investors are cautioned not to place undue reliance on such forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those discussed in the sections titled "Risk Factors", "Forward-Looking Statements" and "Our Business" on pages 16, 15, and 132, respectively. Unless otherwise indicated, references in this discussion and analysis to our results of operations or financial condition for a specified year are to our Fiscal year ended March 31 of such year. In this section, any reference to "we", "us" or "our" refers to Ortel Communications Limited.

OVERVIEW

We are a regional cable television and high speed broadband services provider focused in the Indian states of Odisha, Chhattisgarh, Andhra Pradesh and West Bengal. We have built a two-way communication network for 'Triple Play' services (video, data and voice capabilities) with control over the 'last mile'. We pioneered the primary point cable business model in India by offering digital and analog cable television, broadband and VAS services in Orissa, Chhattisgarh, West Bengal and Andhra Pradesh. We currently hold a dominant position in Orissa, with a fast-emerging presence in our three other markets, covering an addressable market of approximately five million homes. (*Source: MPA Report, 2014*). We believe that our brand names, "Ortel Home Cable", "Ortel Digital" and "Ortel Broadband" are well known in the regions in which we operate. We commenced our business in 1995 and currently, our business is broadly divided into (i) cable television services comprising of (a) analog cable television services; (b) digital cable television services including other value added services such as HD services, NVoD, gaming and local content; (ii) broadband services; (iii) leasing of fibre infrastructure; and (iv) signal uplinking services.

Our business model is focused on the control over the 'last mile' connection. Owning the end connection allows us direct access to the cable television subscribers thereby helping us capture the entire subscription revenues paid by the cable television subscribers and reducing reliance on channel carriage fees and also enables us to provide multiple services to our cable television subscribers directly, such as broadband services, which help us increase the revenue realised per customer. As on March 31, 2014, 88.02 % of our cable subscriber base is on our own 'last mile' network. For the year ended March 31, 2014, of our total revenues from operations, 58.89% comes from cable television subscription fees and 15.92% from channel carriage fees. Globally, cable television operators provide bundled cable, broadband and phone services. This allows the operators to reduce the cost of reaching a household (three services offered through a single wire rather than three separate wires) and significantly improves profit margins *(Source: TRAI-Implementation of Digital Addressable Cable TV Systems in India, August 2010).*

We currently offer services in 48 towns and certain semi urban and rural areas with over 21,600 kilometers of cables supported by 34 analog head-ends and five digital head-ends. We use HFC (combination of optic fibre in the backbone and coaxial cable in the downstream) to build our network. We have the legal 'rights of way' for laying our network on utility poles as well as for underground cabling which are typically subject to renewal.

We were one of the first private sector companies in India to be granted an ISP license by the Government of India. We are capable of providing data services at a speed of up to 42.88 mbps through the use of cable modem with DOCSIS 2.0 standard through our HFC network. We are in the process of upgrading our modems with DOCSIS 3.0 standard which once implemented will enable provision of broadband services at a higher speed of over 340 mbps. We currently provide data services at speeds of up to 2 mbps to retail customers and as per the requirements for our corporate customers.

We service both retail and corporate customers. As of June 30, 2014, we had 3,88,115 retail subscribers for our analog cable television services, 74,213 retail subscribers for our digital cable television services and 55,861 broadband retail subscribers adding up to a total of 5,18,189 RGUs and provisioned bandwidth of 813 mbps to the broadband corporate customers.

We have grown both organically and inorganically through sale of our services directly to the cable television subscribers and through buyout of network equipments, infrastructure and subscribers of other MSOs and LCOs. We convert the acquired cable television subscribers to primary subscribers and improve the quality of services by upgrading or rebuilding the network with the 'last mile' connection. By increasing the quality of cable services through digitization as well as providing value added services, we are able to limit large scale customer attrition to competing service platforms such as DTH providers and increase the revenue per user.

For the year ended March 31, 2014, our total income was ₹ 1,321.61 million and our PBDIT was ₹ 452.09 million. In Fiscal 2013 and 2012 our total income was ₹ 1216.25 million and ₹ 1,211.99 million, respectively and our PBDIT was ₹ 353.21 million and ₹ 399.37 million, respectively.

PRINCIPAL FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION

Our business, results of operations and financial condition are affected by a number of factors, including:

Primary subscriber base

Our business model is focussed on the control over 'the last mile' connection. As on March 31, 2014, 88.02%, of our cable television subscribers base was on our 'last mile' network. Primary subscriber numbers allows us to benefit from higher revenues per subscriber as we control the service and collection directly without involving any intermediary and reduces large scale customer churn. For details see the section titled *"Our Business – Our Strengths- We control the 'last mile' connection"* on page 50.

Number and mix of subscribers

Our revenues are significantly impacted by our ability to increase the number of our cable television subscribers. Our cable television subscribers (both digital and analog) have increased from 278,905 as of March 31, 2010 to 461,408 as of March 31, 2014. We had 68,219 digital cable television subscribers (constituting 15.66% of our total cable television subscribers for the period) as of March 31, 2013, which increased to 69,873 digital cable television subscribers (constituting 15.14% of our total cable television subscribers for the period) as of March 31, 2014. During this period, our income from cable subscription fees increased by 12.29% from ₹ 673.84 million in Fiscal 2013 to ₹ 756.68 million in Fiscal 2014, on account of increase in the subscribers. We believe that the increase in digital penetration among our cable television subscriber base has helped minimise large scale churn to competing players and technologies like DTH. This also enables us to launch various value added services which we believe will allow us to earn higher revenues in future.

Our broadband internet subscribers have increased by 7.51% from 50,627 as of March 31, 2013 to 54,427 as of March 31, 2014 and consequently our income from internet subscription fee increased by 4.61% from ₹ 246.46 million in Fiscal 2013 to ₹ 257.82 million in Fiscal 2014.

Our subscriber numbers are affected by the following factors, among others:

- *Our geographic reach* – We commenced operations in Odisha in 1996 and expanded to Andhra Pradesh in 2008, West Bengal and Chhattisgarh in 2009. As of March 31, 2014, 89.25% of our RGUs were in Odisha. Our ability to maintain and expand our market share in Odisha and increase our revenues from other states will have a significant impact on the results of our operations; and

- *Competition* – We face competition in respect of digital and analog cable television services from national MSOs as well as providers of television services through alternative technology platforms, such as DTH and IPTV. We also face significant competition from national telecom operators for our broadband internet access service. Our business model is focussed on the control over the 'last mile' connection, which reduces large scale churn among our subscribers.

Buyout of network equipments, infrastructure and subscribers

Our growth strategy has been focused on the buyout of network equipments, infrastructure and subscribers from other MSOs and LCOs. We have entered into agreements with 482 MSOs/ LCOs between April 1, 2009 and March 31, 2014, resulting in an acquisition of 227,887 cable television subscribers. Such acquisitions have facilitated expansion of our geographical reach and increase in our primary subscriber base. Our strategy is to continue to acquire the 'last mile' connections from LCOs and selected MSOs. Success of these buyouts depend on quick integration with our network, limiting increase in cost over and above the cost anticipated at the time of acquisition, improving customer service and quality of service and expansion of services. For further details relating to the buyout of network equipments, infrastructure and subscribers from other MSOs and LCOs, see the section titled *"Our Business"* on page 132.

Channel carriage fees

We receive channel carriage fees from certain television broadcasters to carry their channels in our network on their preferred signals and frequency bands. This is of particular relevance for analog cable transmission because a limited number of channels can be transmitted on analog and therefore, when the channel is placed in a given frequency band, it can impact the viewership of the channel. Some frequencies therefore command a premium in the market. Channel carriage fees are generally negotiated and paid by the broadcasters pursuant to carriage agreements ranging for periods from one to three years. Our channel carriage fee was ₹ 204.63 million for Fiscal 2014 constituting 15.48% of our total income. The amount we receive for placement fees is dependent on the availability of preferred frequency bandwidth, the geographic regions we operate in and the demand for the preferred frequency band.

Broadband spread and density

There is low penetration of broadband services in India with only 5.9% of total households in India accessing fixed broadband (*Source: MPA Report 2014*). The key reason for low broadband penetration has been lack of supply of high speed broadband services and evolving consumer preference for broadband internet over other options. TRAI's 'National Broadband Plan' envisions the nation's vast cable networks playing a significant role in rolling out broadband across the country, given that cable television's reach is significantly larger than wireline networks. TRAI's 'National Broadband Plan' estimates that cable broadband subscribers will reach 28 million by the end of 2012 and will grow to 72 million by 2014, accounting for approximately 50% of the market share of total broadband subscribers. Our cable network comprises over 21,600 kilometers of cables reaching an estimated 0.81 million homes passed as of June 30, 2014, which we believe gives us access to a large potential broadband subscriber base. Switching from dial-up internet connections and personal computer penetration are key factors affecting the increase in our broadband subscribers. We believe that the current low internet penetration rate in households within our network area offers us a significant growth potential over time. A majority of our subscription income is generated by cable television and broadband subscription fees.

Capital expenditure and interest rate

We incur capital expenditure (i) to expand our network in existing and new areas of operations; (ii) buyout of network equipments, infrastructure and subscribers from LCOs and MSOs; (iii) to upgrade the 'last mile' connections that we acquire through our acquisition strategy; (iv) for upgrading our network; (v) to purchase set-top boxes as part of our digitization strategy; (vi) to purchase cable modems to increase our broadband subscriber base. Historically, we have met this expenditure using a combination of equity capital, debt financing and internal accruals. For details regarding our planned capital expenditure, see the sections titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital Expenditure - Planned Capital Expenditure*" and "*Objects of the Issue*" beginning on pages 281 and 97, respectively. Availability of funds for capital expenditure and at right cost and terms is significant factor affecting our results of operations. Further, interest rate fluctuations may also affects the results of operations of our Company.

Programming cost

Programming cost is the fees we pay to television broadcasters or content aggregators for the right to telecast their channels on our network. If the number of pay television channels in India increases, our programming costs will increase. In addition, if our subscriber base and/ or geographical reach increase, our programming cost will also increase.

Regulations

Our business is subject to regulation by the Telecom Regulatory Authority of India, the MIB, DoT and other Government bodies. Changes in regulations influence our business strategies and thus our financial performance. The subscription fees that we levy on our cable television subscribers are limited by applicable regulations. Under the Telecommunication (Broadcasting and Cable) Services (Second) Tariff Order 2004, TRAI has imposed a ceiling on tariffs of bouquets being offered by (i) Cable subscribers to cable operator, (ii) Cable operators to MSOs, and (iii) MSOs to broadcasters directly to subscribers. By an amendment in 2014, tariffs applicable were fixed at rates prevalent as of the date of the amendment plus 15%. As a result, the prices which broadcasters charge us to include pay channels in our bouquets, and the prices we charge our subscribers for pay channels, are subject to ceilings fixed by TRAI.

The TRAI has announced a digitalization schedule to complete digitisation of all analog connections across India in a timely manner. While the first two phases, consisting of the four metros of Delhi, Mumbai, Kolkata and Chennai, and 38 cities with a population of over one million, have been largely digitised, the remaining urban areas, having a municipal corporation or a municipality, are required to be completely digitized by September 30, 2014 and the rest of country by December 31, 2014. Our network in Kolkata and Vishakhapatnam, which form part of the first and the second phases, respectively, are already 100% digitised and the rest of our locations will be digitised in the remaining phases of digitisation.

BASIS OF PREPARATION

The Summary Statement of Assets and Liabilities, As Restated of Ortel Communications Limited (the "Company") as at March 31, 2014, 2013, 2012, 2011 & 2010 and the Summary Statement of Profit and Loss, as restated and the Summary Statement of Cash Flows, as restated for years ended March 31, 2014, 2013, 2012, 2011 & 2010 (collectively referred to as 'Restated Summary Financial Statements') and Other Financial Information have been derived by the Management from the then audited financial statements of the Company for the corresponding years. These Restated Summary Financial Statements and Other Financial Information have been prepared specifically for the purpose of inclusion in the offer document to be filed by the Company with Securities and Exchange Board of India (SEBI) in connection with the proposed Initial Public Offering of equity shares of the Company (referred to as the "Issue").

(a) The Restated Summary Financial Statements have been prepared in accordance with the requirements of sub clause (i) and (iii) of clause (b) of sub section (1) of section 26 of the Companies Act, 2013.

(b) The SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 issued, as amended from time to time (the "SEBI Regulations").

(c) To comply with Generally Accepted Accounting Principles in India under the historical cost convention on accrual basis. Pursuant to circular 15/ 2013 dated 13.09.2013 read with circular 08/2014 dated 04.04.2014, till the standards of Accounting or any addendum thereto are prescribed by Central Government in consultation and recommendation of the National Financial Reporting Authority, the existing Accounting Standards notified under the Companies act, 1956 shall continue to apply. Consequently, these financial statements have been prepared to comply in all material aspects with the accounting standards notified under Section 211(3C) [Companies (Accounting Standards) Rules, 2006, (as amended)] and the relevant provisions of the Companies Act, 1956.

    All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Revised Schedule VI to the Companies Act, 1956. The Company has ascertained its operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

These Restated Summary Financial Statements and Other Financial Information have been prepared after incorporating:

(a) the adjustments made with retrospective effect to reflect the changes in Accounting Policies of the Company (as disclosed in Annexure VI to this report) to reflect the same accounting treatment as per the accounting policies as at March 31, 2014 for all the reporting years.

(b) Adjustments for the material amounts in respective years to which they relate.

(c) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company as at and for the year ended 31 March 2014 (prepared in accordance with Revised Schedule VI of the Company's Act, 1956) and the requirements of the SEBI Regulations.

(d) The resultant impact of tax, if any, due to these adjustments.

These Restated Summary Financial Statements and Other Financial Information were approved by the Board of Directors on 10th September, 2014.

SIGNIFICANT ACCOUNTING POLICIES

Use of Estimates

The preparation of restated summary statements in conformity with Generally Accepted Accounting Principles in India requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management`s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in the future periods. Any revision to accounting estimates is recognised prospectively in the current and future periods.

Fixed Assets

i) Tangible Assets

Tangible Assets are stated at acquisition cost, net of accumulated depreciation and accumulated impairment losses, if any. Cost includes inward freight, duties and taxes and expenses incidental to and directly attributable to acquisition and installation of fixed assets. Own manufactured assets are capitalized at cost including an appropriate share of directly attributable overheads. Subsequent expenditures related to an item of fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance. Items of fixed assets that have been retired from active use and are held for disposal are stated at the lower of their net book value and net realizable value and are shown separately in the financial statement. Any expected loss is recognized immediately in the Statement of Profit and Loss.

ii) Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortisation and accumulated impairment losses, if any. Intangible assets comprise of amounts relating to Computer Software, Non Compete Fee and Goodwill and are recognised only if they are separately identifiable and the company expects to receive future economic benefits arising out of them. The amortisation period and amortisation method are reviewed at least at each financial year end. If the expected useful life of the asset is significantly different from the previous estimate, the amortisation period is changed accordingly.

Depreciation and amortisation

i) Depreciation on fixed assets other than Freehold and Leasehold Land, including assets acquired under finance lease, is provided on Straight Line Method (SLM) over the estimated useful life of the assets as determined by the management in accordance with Schedule XIV to the Companies Act, 1956. Upto the year ended 31 March 2013, the rates were equal to or higher than the rates specified in the Schedule XIV to the Companies Act, 1956.

During the financial year 2013-14, the management has carried out an independent estimate of the life of assets and accordingly the estimated life of assets are revised from 1st April 2013. Now the estimated life of assets are as per Schedule XIV to the Companies Act, 1956. The revised estimated useful life of assets were also applied for financial year ended 31 March 2010, 31 March 2011, 31 March 2012 and 31 March 2013 and the depreciation on the same was accordingly calculated.

Leasehold Land is amortised over the period of lease.

ii) The intangible assets are amortised on a straight line basis over their expected useful life as follows

a. Non compete fees is amortised over the period of agreement with the LCOs in equal installments.

b. Computer software and Goodwill are amortised over a period of five years.

iii) Losses arising from the retirement of, and gains or losses arising from disposal of fixed assets which are carried at cost are recognised in the Statement of Profit and Loss.

Investments

Investments that are readily realizable and are intended to be held for not more than one year from the date, on which such investment are made, are classified as current investments. All other investments are classified as long term investments. Current investments are carried at cost or fair value, whichever is lower. Long-term investments are carried at cost. However, provision for diminution is made to recognize a decline, other than temporary, in the value of the investments, such reduction being determined and made for each investment individually.

Inventories

Inventories comprising of Stores and Spares are stated at lower of cost and net realisable value. The Company follows First-in First-out (FIFO) basis for valuation if inventory utilised/consumed. Cost comprises of expenditure incurred in the normal course of business in bringing such inventories to their location and condition. Obsolete, slow moving and defective inventories are identified at the time of physical verification and where necessary, provision is made for such inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

Foreign Currency Transactions

Initial Recognition: On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

Subsequent Recognition: As at the reporting date, non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reporting using the exchange rate at the date of the transaction. All non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reporting using the exchange rates that existed when the values were determined. Monetary current assets and monetary current liabilities denominated in foreign currency are translated at the exchange rate prevalent at the date of the balance sheet. The resulting difference is also recorded in the Statement of Profit and Loss.

Revenue Recognition

Service revenue comprises income from subscription, channel carriage fee, use of infrastructure facilities and other services. Income from services is recognised upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognised prorata over the contractual period.

Connection fee is recognised as revenue in the month of activation of service.

The company collects service tax on behalf of the Government and therefore, it is not an economic benefit flowing to the company. Hence it is excluded from revenue.

Other Income

Income is recognised in the Statement of Profit and Loss on an accrual basis.

Interest: Interest income is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Employee Benefits

Post Employment Benefits:

(i) Provident Fund

This is a defined contribution plan. Contributions to the recognised Provident Fund maintained by the Regional Provident Fund Commissioner are charged to the Statement of Profit and Loss on accrual basis. The Company has no further obligations for future provident fund benefits other than its contributions.

(ii) Gratuity

This is a defined benefit plan covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee’s salary and the tenure of employment. The Company’s scheme is administered by Life Insurance Corporation of India (LICI). The liability is determined based on year end actuarial valuation using projected unit credit method. Actuarial gains/losses are recognized immediately in the Statement of Profit and Loss as income or expense. The fair value of the plan assets is reduced from the gross obligation under the defined benefit plan, to recognise the obligation on net basis. Past Service Costs, to the extent its benefits already vested, is recognised immediately in the Statement of Profit and Loss.

(iii) Leave Encashment

Accumulated compensated absences, which are expected to be available or encashed beyond 12 months from the end of the year are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses / gains are recognised in the Statement of Profit and Loss in the year in which they arise.

(iv) Superannuation fund

The Company operates a superannuation scheme for its eligible employees with LICI towards which the Company contributes upto a maximum of 15% of the employees’ current salary, which is charged to the Statement of Profit and Loss. The above benefit is in the nature of defined contribution plan. The scheme, which is fully funded, is managed by Trustees and is independent of the Company’s finance.

(v) Other Employee Benefits:

Short-term Employee Benefits are recognised in the period in which employee services are rendered.

Leases

As a lessee:

(i) Assets acquired under leases where all the risks and rewards of ownership have been substantially transferred in favour of the Company are classified as finance leases. Such Leases are capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost, so as to obtain a constant periodic rate of interest on the outstanding liability for each period.

(ii) Assets acquired as leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Operating lease rentals are charged to the Statement of Profit and Loss on accrual basis.

As a lessor:

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in Fixed Assets. Lease income on an operating lease is recognised in the Statement of Profit and Loss on accrual basis. Costs, including depreciation are recognised in the Statement of Profit and Loss. Initial direct costs such as legal costs, brokerage costs, etc are recognised immediately in the Statement of Profit and Loss.

Current and Deferred Tax

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the period. Current tax is measured at the amount expected to be paid to the tax authorities in accordance with the taxation laws prevailing in the respective jurisdictions. Deferred tax is recognized for all the timing differences, subject to the consideration of prudence in respect of deferred tax assets. Deferred tax assets are recognized and carried forward only to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. At each Balance Sheet date, the Company reassesses unrecognized deferred tax assets, if any. Current tax assets and current tax liabilities are offset when there is a legally enforceable right to set off the recognized amounts and there is an intention to settle the asset and the liability on a net basis. Deferred tax assets and deferred tax liabilities are offset when there is a legally enforceable right to set off assets against liabilities representing current tax and where the deferred tax assets and the deffered tax liabilities relate to taxes on income levied by the same governing taxation laws.

Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognized in Statement of Profit and Loss in the period in which they are incurred.

Employee stock compensation costs

Measurement and disclosure of the employee share based plans is done in accordance with Employee stock Option Scheme and Employee Stock Purchase Guidelines, 1999, issued by Securities and Exchange Board of India and the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India. The Company measures compensation cost relating to employee stock options using the intrinsic value method. The deferred employee compensation is charged to Statement of Profit and Loss on straight line basis over the vesting period of the option.

Programming Cost

Programming Cost represents amount paid / payable to pay channel Companies to telecast the programs of those channels.

Unamortised Expenses

Expenses incurred in relation to issue of shares is adjusted against Security Premium Account. In case of Initial Public Offer the expenses is adjusted against Security Premium Account on completion of the Initial Public Offer, or charged to the Statement of Profit and Loss, whichever is earlier. Refer Note 44.

Impairments

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exits, an estimate of the recoverable amount of the asset/cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognized for an asset in prior accounting periods may no longer exist or may have decreased.

Provisions and Contingent Liabilities

Provisions: Provisions are recognized when there is a present obligation as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date and are not discounted to its present value.

Contingent Liabilities: Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

Cash and Cash Equivalents

In the cash flow statement, cash and cash equivalents include cash in hand, demand deposits with banks, other short-term highly liquid investments with original maturities of three months or less.

Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period after deducting preference dividends and any attributable tax thereto for the period. The weighted average number of equity shares outstanding during the period and for all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

Segment Reporting

The accounting policies adopted for segment reporting are in conformity with the accounting policies adopted for the Company. There is no inter-segment revenue. Revenue and expenses have been identified to segments on the basis of their relationship to the operating activities of the segment. Revenue and expenses, which relate to the Company as a whole and are not allocable to segments on a reasonable basis, have been included under "Unallocated expenses net of income".

KEY COMPONENTS OF OUR INCOME STATEMENT

Income

Our total income consists of revenue from operations and other income. The following table sets out our income from sales and services and other income for the periods described below:

	For the year ended March 31					
	2014		2013		2012	
Particulars	**₹ Million**	**% of total income**	**₹ Million**	**% of total income**	**₹ Million**	**% of total income**
Revenue from Operations	1,285.00	97.23	1,197.98	98.5	1,193.34	98.46
Other Income	36.61	2.77	18.27	1.50	18.65	1.54
Total Income	**1,321.61**	**100**	**1,216.25**	**100**	**1,211.99**	**100**

Revenue from Operations

The following table sets forth certain information relating to our revenue from operations for the periods described therein:

	For the year ended March 31					
	2014		2013		2012	
Particulars	**₹ Million**	**% of total**	**₹ Million**	**% of total**	**₹ Million**	**% of total**
Cable Subscription Fees	756.68	58.89	673.84	56.25	648.25	54.32
Internet Subscription Fees	257.82	20.06	246.46	20.57	247.61	20.75
Channel Carriage Fees	204.63	15.92	206.84	17.27	226.13	18.95
Connection Fees	29.13	2.27	19.89	1.66	26.51	2.22
Income from Infrastructure	7.80	0.61	21.88	1.83	18.69	1.57
Signal Uplinking Income	28.94	2.25	29.07	2.43	26.15	2.19
Total	**1,285.00**	**100**	**1,197.98**	**100**	**1,193.34**	**100**

Cable Subscription Fees

Our cable subscription fees primarily consist of fees from analog and digital subscribers and franchisee subscribers.

Internet Subscription Fees

Internet subscription fee primarily consists of subscription fees received from broadband retail and corporate customers.

Channel Carriage Fees

Our channel carriage fee primarily consists of the placement charges received from select broadcasters to carry their channels in our network on their preferred signal and frequency band.

Connection Fees

Our Connection Fees primarily consists of activation and reactivation charges of the connections given for analog and digital cable television subscribers and internet subscribers.

Income from Infrastructure

Income from infrastructure primarily comprises of the fees received for providing fibre connectivity by leasing our network to corporates for communication services.

Signal Uplinking Income

Signal uplinking income primarily comprises of the fees received from providing uplinking services to television channels through our teleport and DSNG vans for live telecasts.

Other Income

Other income primarily consists of interest on fixed deposits, liability no longer required and written back and other miscellaneous income including insurance claims, sale of scrap.

The following table sets forth certain information relating to our other income for the periods described therein:

Particulars	For the year ended March 31					
	2014		2013		2012	
	₹ Million	% of total	₹ Million	% of total	₹ Million	% of total
Fixed deposits with bank	3.68	10.04	3.11	17.02	5.63	30.19
Others	1.20	3.28	0.28	1.53	0.01	0.05
Liability no longer required, written back	15.19	41.50	0.42	2.30	0.91	4.88
Rental Income	1.91	5.22	0.72	3.94	0.72	3.86
Miscellaneous Income	14.63	39.96	13.74	75.21	11.38	61.02
Total	**36.61**	**100**	**18.27**	**100**	**18.65**	**100**

Expenses

The following table shows our total expenses for the periods described therein:

Particulars	For the year ended March 31					
	2014		2013		2012	
	₹ Million	% of total	₹ Million	% of total	₹ Million	% of total
Programming Cost	316.91	22.56	310.36	21.49	287.47	21.79
Bandwidth Cost	61.33	4.37	58.62	4.06	58.89	4.46
Employee benefits Expense	142.01	10.11	170.66	11.82	163.32	12.38
Finance Costs	234.16	16.67	249.14	17.25	273.58	20.74
Depreciation and Amortisation Expense	214.81	15.29	220.66	15.28	215.68	16.35
Fixed Assets written off	79.62	5.67	105.51	7.31	17.47	1.32
Non compete Pay-out	6.77	0.48	5.81	0.40	0.00	0.00
Other expenses	349.27	24.86	323.40	22.39	302.93	22.96
Total	1,404.88	**100**	1,444.16	**100**	1,319.35	**100**

Programming cost

Programming cost primarily consist of pay channel costs that we pay to the broadcasters for including those pay television channels as part of our programming packages and the cost of decoders to activate the channels.

Bandwidth cost

Bandwidth cost primarily consists of lease rentals for international bandwidth capacity and inter-city lease circuits and satellite bandwidth for uplinking.

Employee benefits Expense

Employee benefits expense comprises of salaries and allowances paid/ payable to employees, contribution to provident and other funds, bonus, staff welfare expenses.

Finance Cost

Interest expenses primarily consist of interest charged on loans from banks and financial institutions, working capital loans and interest on finance leases. Finance charges primarily consist of bank charges, loan processing fees and loan foreclosure charges.

Depreciation and amortization expense

Depreciation expense primarily consists of depreciation of our fixed assets. Amortization expenses primarily represent amortization of the non-compete fees for acquisition of LCOs and MSOs amortized over a period of time.

Fixed Assets written off

Fixed Assets written off primarily consists of assets taken out from fixed assets on account of lost during the process of customer disconnection and assets for which insurance claim lodged.

Non Compete pay-out

Non compete pay-out primarily consists of amount paid to LCOs/MSOs over and above the amortisation of the non-compete fees charged under depreciation and amortization expense above.

Other Expenses

Other expenses primarily consist of general repair and maintenance to plant and machinery, travelling expenses, power and fuel, rent, collection charges, bad debts written off and allowances for doubtful receivables. Allowances for doubtful receivables represents amounts provided for in respect of doubtful balances owed to us.

Provision for taxation

Tax expenses include current taxes payable.

RESTATEMENT ADJUSTMENTS

The financial information for the fiscal years ended March 31, 2014, 2013, 2012, 2011 & 2010 have been restated in compliance with the SEBI Regulations. Certain information in relation to the restatement adjustments for the years ended 31 March 2014, 2013 & 2012 is set out below

Adjustments made in the Restated Profit and Loss Account	**For the year ended March 31**		
	2014	**2013**	**2012**
Particulars	**₹ Million**	**₹ Million**	**₹ Million**
Net Profit/(Loss) before Restatement Adjustments	**(137.84)**	**(247.25)**	**(192.91)**
Material adjustments relating to previous years	36.90	(17.58)	24.63
Deferred tax impact of the above adjustments	-	-	-
Net Profit/ (Loss) before the adjustments on account of changes in accounting policies	(100.94)	(269.83)	(168.27)
a. Adjustments on account of changes in Accounting Policies	(24.07)	36.92	47.16
b. Deferred tax impact of the above adjustments	-	-	-
Net Profit/ (Loss) as Restated	**(125.01)**	**(227.91)**	**(121.12)**

For further information on the effects of restatement as set out above, see Annexure VI of our restated financial information beginning on page 249.

RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our revenues, expenses and profits, for the periods indicated.

	For the year ended March 31					
	2014		**2013**		**2012**	
Particulars	**₹ Million**	**% of total income**	**₹ Million**	**% of total income**	**₹ Million**	**% of total income**
Income						
Revenue from Operations	1,285.00	97.23	1,197.98	98.50	1,193.34	98.46
Other Income	36.61	2.77	18.27	1.50	18.65	1.54
A. Total Income	**1,321.61**	**100**	**1,216.25**	**100**	**1,211.99**	**100**
Expenses						
Programming Cost	316.91	23.98	310.36	25.52	287.48	23.72
Bandwidth Cost	61.33	4.64	58.62	4.82	58.89	4.86
Employee benefits Expense	142.01	10.75	170.66	14.03	163.32	13.48
Other Expenses	349.27	26.43	323.40	26.59	302.93	24.99

	For the year ended March 31					
	2014		2013		2012	
Particulars	**₹ Million**	**% of total income**	**₹ Million**	**% of total income**	**₹ Million**	**% of total income**
B. Operating Expenses	**869.52**	**65.79**	**863.04**	**70.96**	**812.62**	**67.05**
Profit/(Loss) Before Interest, Depreciation and Taxation (A-B)	**452.09**	**34.21**	**353.21**	**29.04**	**399.37**	**32.95**
Finance Cost	234.16	17.72	249.14	20.48	273.58	22.57
Depreciation and Amortisation Expense	214.81	16.25	220.66	18.14	215.68	17.80
Fixed assets written off	79.62	6.02	105.51	8.68	17.47	1.44
Non Compete Fee Pay Outs	6.77	0.51	5.81	0.48	0.00	0.00
C. Profit / (Loss) Before Exceptional item	**(83.27)**	**(6.30)**	**(227.91)**	**(18.74)**	**(107.36)**	**(8.86)**
D. Exceptional Item	**16.64**	**1.26**	**0.00**	**0.00**	**13.76**	**1.14**
E. Profit / (Loss) Before Extraordinary Items	**(99.91)**	**(7.56)**	**(227.91)**	**(18.74)**	**(121.12)**	**(9.99)**
F. Extraordinary Items	**25.10**	**1.90**	**0.00**	**0.00**	**0.00**	**0.00**
G. Profit / (Loss) Before Taxation	**(125.01)**	**(9.46)**	**(227.91)**	**(18.74)**	**(121.12)**	**(9.99)**
Tax Expenses	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**	**0.00**
H. Profit / (Loss) After Taxation	**(125.01)**	**(9.46)**	**(227.91)**	**(18.74)**	**(121.12)**	**(9.99)**

YEAR ENDED MARCH 31, 2014 COMPARED TO YEAR ENDED MARCH 31, 2013

INCOME

Our total income increased by 8.66% from ₹ 1,216.25 million in Fiscal 2013 to ₹ 1,321.61 million in Fiscal 2014. This was primarily on account of increase in subscription fees and connection fees during the year.

Revenue from Operations

Revenue from operations increased by 7.26%, from ₹ 1,197.98 million in Fiscal 2013 to ₹1,285.00 million in Fiscal 2014, primarily due to increase in RGUs from 486,255 as of March 31, 2013 to 515,835 as of March 31, 2014

- Our *cable subscription fees* increased by 12.29% from ₹ 673.84 million in Fiscal 2013 to ₹ 756.68 million in Fiscal 2014. This increase was on account of increase in the number of cable television subscribers from 435,628 in Fiscal 2013 to 461,408 in Fiscal 2014.

- Our *internet subscription fee* increased by 4.61% from ₹ 246.46 million in Fiscal 2013 to ₹ 257.82 million in Fiscal 2014 as a result of increase in the internet subscribers from 50,627 in Fiscal 2013 to 54,427 in Fiscal 2014.

- Our *channel carriage fees* decreased by 1.07% from ₹ 206.84 million in Fiscal 2013 to ₹ 204.63 million in Fiscal 2014, primarily due to non renewal of certain carriage agreements.

- Our *income from infrastructure* decreased by 64.35% from ₹ 21.88 million in Fiscal 2013 to ₹ 7.80 million in Fiscal 2014, primarily due to non renewal/termination of agreement with a corporate client.

- Our income from signal up linking decreased by 0.45% from ₹ 29.07 million in Fiscal 2013 to ₹ 28.94 million in Fiscal 2014.

Other income

Other income increased by 100.38% from ₹ 18.27 million in Fiscal 2013 to ₹ 36.61 million in Fiscal 2014, primarily due to write back of liability no longer required.

EXPENSES

Our total expenses decreased by 2.72% from ₹ 1,444.16 million in Fiscal 2013 to ₹ 1,404.88 million in Fiscal 2014. This was primarily on account of decrease in employee benefit expenses, Finance costs, depreciation and amortisation expenses and fixed assets written off.

Programming cost

Our programming cost increased by 2.11% from ₹ 310.36 million in Fiscal 2013 to ₹ 316.91 million in Fiscal 2014, on account of annual increase as per the terms of the agreements with our broadcasters and/or content providers.

Bandwidth cost

Our bandwidth cost increased by 4.62% from ₹ 58.62 million in Fiscal 2013 to ₹ 61.33 million in Fiscal, primarily due to increased lease rentals for international bandwidth capacity as a result of increase in the bandwidth usage/subscriber base.

Employee benefit expense

Our employee benefits expense decreased by 16.79% from ₹ 170.66 million in Fiscal 2013 to ₹ 142.01 million in Fiscal 2014, primarily due to change in the employee numbers in different functions of the Company.

Other expenses

Our other expenses increased by 8.00% from ₹ 323.40 million in Fiscal 2013 to ₹ 349.27 million in Fiscal 2014, primarily on account of increased operational cost.

Our bad debts written off and allowances for doubtful receivables / advances (net of write back) decreased by 19.52% from ₹ 85.59 million in Fiscal 2013 to ₹ 68.88 million in Fiscal 2014 primarily on account of improvement in collection.

Profit / (loss) before interest, depreciation and taxation

As a result of the foregoing, profit before interest, depreciation, fixed assets written off and taxation increased by 27.99% from ₹ 353.21 million in Fiscal 2013 to ₹ 452.09 million in Fiscal 2014.

Finance cost

Our finance costs decreased by 6.01% from ₹ 249.14 million in Fiscal 2013 to ₹ 234.16 million in Fiscal 2014, primarily due to reduction in the loan amount and revision of interest rate on certain loans from banks and financial institutions.

Depreciation and amortization expense

Our depreciation and amortization expense decreased by 2.65% from ₹ 220.66 million in Fiscal 2013 to ₹ 214.81 million in Fiscal 2014, primarily due to the revision in depreciation rates on certain assets.

Fixed assets written off

Our fixed assets written off decreased by 24.53% from ₹ 105.51 million in Fiscal 2013 to ₹ 79.62 million in Fiscal 2014 primarily on account of better recovery of consumer premises equipments.

Loss before taxation and extraordinary items

As a result of the foregoing, loss before taxation decreased from ₹ 227.91 million in Fiscal 2013 to ₹ 99.91 million in Fiscal 2014.

Tax expenses

We have not made any provision for current tax for the Fiscal 2014, as the Company has incurred net taxable loss.

Loss after taxation but before extraordinary items

As a result of the foregoing, loss after taxation decreased from ₹ 227.91 million in Fiscal 2013 to ₹ 99.91 million in Fiscal 2014.

Loss after extraordinary item

A cyclonic storm hit the costal land of Odisha in October 2013. The business operations of the Company including its cable networks were affected due to the cyclone resulting in a material loss of net book value ₹ 25.10 million. Therefore, the loss after extraordinary item is ₹ 125.01 million in Fiscal 2014.

YEAR ENDED MARCH 31, 2013 COMPARED TO YEAR ENDED MARCH 31, 2012

INCOME

Our total income increased by 0.35% from ₹ 1,211.99 million in Fiscal 2012 to ₹ 1,216.25 million in Fiscal 2013. This was primarily on account of increase in cable subscription fees, income from infrastructure and signal uplinking during the year.

Revenue from Operations

Revenue from operations increased by 0.39% from ₹ 1,193.34 million in Fiscal 2012 to ₹ 1,197.98 million in Fiscal 2013. This was primarily on account of increase in the subscriber base and hike in the subscription fee.

- Our *cable subscription fees* increased by 3.95% from ₹ 648.25 million in Fiscal 2012 to ₹ 673.84 million in Fiscal 2013. This increase was on account increase in the number of cable television subscribers from 424,152 in Fiscal 2012 to 435,628 in Fiscal 2013

- Our *internet subscription fee* decreased by 0.46% from ₹ 247.61 million in Fiscal 2012 to ₹ 246.46 million in Fiscal 2013, primarily on account of decrease in the number of broadband subscribers from 52,456 in Fiscal 2012 to 50,627 in Fiscal 2013.

- Our *channel carriage fees* decreased by 8.53% from ₹ 226.13 million in Fiscal 2012 to ₹ 206.84 million in Fiscal 2013. This was primarily on account of discontinuance of certain channels on our network**.**

- Our *connection fees decre*ased by 24.97% from ₹ 26.51 million in Fiscal 2012 to ₹ 19.89 million in Fiscal 2013. This was primarily on account of low growth of customer base.

- Our *income from infrastructure* increased by 17.07% from ₹ 18.69 million in Fiscal 2012 to ₹ 21.88 million in Fiscal 2013, primarily due to increase in the leasing of our own network to other corporate.

- Our *signal uplinking income* increased by 11.17% from ₹ 26.15 million in Fiscal 2012 to ₹ 29.07 million in Fiscal 2013, primarily due to addition of one more DSNG van for this service.

Other income

Other income decreased by 2.04% from ₹ 18.65 million in Fiscal 2012 to ₹ 18.27 million in Fiscal 2013, primarily due to decrease in interest income on fixed deposits**.**

EXPENSES

Our total expenses including finance costs and depreciation and amortization expense and fixed assets written off increased by 9.46% from ₹ 1,319.35 million in Fiscal 2012 to ₹1,444.16 million in Fiscal 2013. This was primarily on account of one time write off of fixed assets.

Programming cost

Our programming cost increased by 7.96% from ₹ 287.48 million in Fiscal 2012 to ₹ 310.36 million in Fiscal

2013, on account of annual increase as per the terms of the agreements with our broadcasters and/or content providers.

Bandwidth cost

Our bandwidth cost reduced by 0.45% from ₹ 58.89 million in Fiscal 2012 to ₹ 58.62 million in Fiscal 2013, due to decrease in broadband subscribers leading to lower bandwidth usage.

Employee benefit expense

Our employee benefit expenses increased by 4.49% from ₹ 163.32 million in Fiscal 2012 to ₹ 170.66 million in Fiscal 2013, primarily due to change in the employee numbers in different functions of the Company.

Other expenses

Our other expenses increased by 6.76% from ₹ 302.93 million in Fiscal 2012 to ₹ 323.40 million in Fiscal 2013, primarily due to increased operational cost.

Profit / (loss) before interest, depreciation and taxation

As a result of the foregoing, profit before interest, depreciation and taxation decreased by 11.56% from ₹ 399.37 million in Fiscal 2012 to ₹ 353.21 million in Fiscal 2013.

Finance Cost

Our finance charges decreased by 8.93% from ₹ 273.58 million in Fiscal 2012 to ₹ 249.14 million in Fiscal 2013, primarily due to reduction in the loan amount.

Depreciation and amortization expense

Our depreciation and amortization expenses increased by 2.31% from ₹ 215.68 million in Fiscal 2012 to ₹ 220.66 million in Fiscal 2013, primarily due to increase in depreciation on our new network infrastructure.

Fixed assets written off

Our fixed assets written off increased by 503.95% from ₹ 17.47 million in Fiscal 2012 to ₹ 105.51 million in Fiscal 2012 on account of write off of fixed assets**.**

Profit/(Loss) before taxation

As a result of the foregoing, loss before taxation increased from ₹ 121.12 million in Fiscal 2012 to ₹ 227.91 million in Fiscal 2013.

Tax expenses

We have not made any provision for current tax for the Fiscal 2013, as the Company has incurred net taxable loss

Loss after taxation

As a result of the foregoing, loss after taxation increased from ₹ 121.12 million in Fiscal 2012 to ₹ 227.91 million in Fiscal 2013.

LIQUIDITY AND CAPITAL RESOURCES

We have historically funded our working capital and capital expenditure requirements from cash flow from our operations, equity financing, credit facilities and long term loans from banks and financial institutions.

As at March 31, 2014 and as at March 31, 2013, we had cash and bank balances totalling ₹ 51.69 million and ₹ 59.23 million respectively. We expect that our principal use of cash for Fiscal 2014 and Fiscal 2015 will be for our operations and for investing in business opportunities in the existing as well as proposed new areas of our business.

We expect to meet our capital expenditure, repayment of debts and investment requirements for the next eighteen to twenty-four months primarily from the proceeds of this offering, vendor credit and internal accruals. We may also from time to time seek other sources of funding, which may include debt or equity financing, including Rupee and foreign currency denominated loans from Indian and foreign banks and financial institutions, and vendor credit depending on our financing needs and market conditions. For details of use of Net Issue proceeds see the section titled *"Objects of the Issue"* on page 97.

Cash Flow Data

The following table sets forth certain information about our cash flows, as restated for the periods indicated.

	For the year ended March 31		
	2014	**2013**	**2012**
Particulars	**₹ Million**		
Net cash from / (used in) operating activities	466.12	513.76	405.83
Net cash used in investing activities	(193.89)	(160.66)	(355.62)
Net cash from / (used in) financing activities	(165.58)	(422.43)	(268.32)
Cash and cash equivalents at end of period	63.36	(43.29)	26.03

Year ended March 31, 2014

As at March 31, 2014, we had cash and cash equivalents of ₹ 63.36 million.

Our restated loss before taxation and extraordinary items was ₹ 99.91 million in Fiscal 2014. This amount was adjusted for non-cash items and non operating expenses including ₹ 294.43 million for depreciation and amortization expense/ fixed assets written off, ₹ 237.40 million for interest expenses (net of interest income) including unrealized foreign exchange fluctuation and ₹ 54.11 million for bad debts written off, liability written back and allowances for doubtful receivables and ESOP provision. Our operating profit before working capital changes was ₹ 492.80 million. This amount was partially offset by working capital changes for increase of trade receivables of ₹ 128.24 million and decrease in loans and advances and other current assets of ₹ 3.44 million and decrease in inventories of ₹ 0.14 million. However, we also generated cash from working capital changes including ₹ 82.99 million due to increase in trade and other payables. Further we have used ₹ 10.84 million towards payment of taxes and adjusted exceptional items of ₹ 16.64 million. As a result of the foregoing, net cash generated from operating activities was ₹ 466.12 million for Fiscal 2014.

During the year, net cash used in investing activities was ₹ 193.89 million. This was primarily on account of ₹ 200.34 million used for purchase of fixed assets and payment of non-compete fee on account of acquisition of LCOs and MSOs and ₹ 6.45 million due to interest received on fixed deposits.

Net cash used on financing activities was ₹ 165.58 million. This was primarily on account of ₹ 70.60 million generated from the additional borrowings from banks and financial institutions, adjusted for ₹ 70.60 million repaid towards principal to banks, financial institutions and ₹ 252.92 million repaid towards interest, increased by ₹ 87.33 million received on account of issue of share capital net of share issue expenses including security premium.

Year ended March 31, 2013

As at March 31, 2013, we had cash and cash equivalents of ₹ (43.29**)** million.

Our restated loss before taxation and extraordinary items was ₹ 227.91 million in Fiscal 2013. This amount was adjusted for non-cash items and non operating expenses including ₹ 326.17 million for depreciation and amortization expense/ fixed assets written off, ₹ 252.70 million for interest expenses (net of interest income) including unrealised foreign exchange fluctuation and ₹ 86.73 million for bad debts written off and allowances for doubtful receivables, ESOP provision and liability written back. Our operating profit before working capital changes was ₹ 443.44 million. This amount was partially offset by working capital changes for increase of trade receivables of ₹ 71.24 million and decrease in loans and advances and other current assets of ₹ 55.11 million and decrease in inventories of ₹ 0.38 million. However, we also generated cash from working capital changes including ₹ 10.24 million due to an increase in trade and other payables. Further we have used ₹ 10.10 million towards payment of taxes. As a result of the foregoing, net cash used in operating activities was ₹ 513.76 million for Fiscal 2013.

During the year, net cash used in investing activities was ₹ 160.66 million. This was primarily due to ₹ 164.83 million used for purchase of fixed assets and payment of non-compete fee on account of acquisition of LCOs and MSOs and ₹ 4.17 million due to interest received on fixed deposits.

Net cash used in financing activities was ₹ 422.43 million. This was on account of ₹ 45.76 million generated from the additional borrowings from banks and financial institutions, adjusted for ₹ 224.12 million repaid towards principal to banks, financial institutions and ₹ 229.53 million repaid towards interest, decreased by ₹ 14.54 million received on account of issue of share capital net of share issue expenses including security premium.

Year ended March 31, 2012

As at March 31, 2012, we had cash and cash equivalents of ₹ 26.03 million.

Our restated loss before taxation was ₹ 121.12 million in Fiscal 2012. This amount was adjusted for non-cash items and non operating expenses including ₹ 233.15 million for depreciation and amortization expense/ fixed assets written off, ₹ 270.15 million for interest expenses (net of interest income) including unrealized foreign exchange fluctuation and ₹ 75.19 million for bad debts written off and allowances for doubtful receivables and liability written back. Our operating profit before working capital changes was ₹ 458.18 million. This amount was partially offset by working capital changes for increase of trade receivables of ₹ 143.53 million and decrease in loans and advances and other current assets of ₹ 21.50 million and decrease in inventories of ₹ 1.05 million. However, we also used cash from working capital changes including ₹ 54.20 million due to increase in trade and other payables. Further we have used ₹ 3.06 million towards payment of taxes and adjusted exceptional items of ₹ 13.76 million. As a result of the foregoing, net cash generated from operating activities was ₹ 405.83 million in Fiscal 2012.

During the year, net cash used in investing activities was ₹ 355.62 million. This was primarily due to ₹ 364.10 million used for purchase of fixed assets and payment of non-compete fee on account of acquisition of LCOs and MSOs and ₹ 8.48 million due to interest received on fixed deposits.

Net cash used in financing activities was ₹ 268.32 million. This was on account of ₹ 1,203.84 million generated from the additional borrowings from banks and financial institutions, adjusted for ₹ 1,205.65 million repaid towards principal to banks, financial institutions and ₹ 270.34 million repaid towards interest, increased by ₹ 3.82 million received on account of issue of share capital net of share issue expenses including security premium.

CAPITAL EXPENDITURE

Historical capital expenditure

Historically, we have incurred our capital expenditure using a combination of equity financing, debt financing and internal accruals. Our capital expenditure primarily comprises expenditure on tangible assets such as cable network, head end equipments, maintenance equipments, ISP-equipments, furniture & fixtures, office equipments, electrical installation, leased assets and intangible assets such as non compete fee, goodwill and computer software.

Planned capital expenditure

The following table shows our planned expenditures for the Fiscal 2016 and Fiscal 2017. Our capital expenditure plans are based on management estimates and are subject to a number of variables, including possible cost overruns, availability of financing on acceptable terms, changes in our views of the desirability of current plans and macroeconomic factors such as India's performance and interest rates. There can be no assurance that we will execute our capital expenditure plans as contemplated at or below estimated costs.

Sr. No	Particulars	Planned Capital Expenditure (₹ in Millions)	
		Fiscal 2016	Fiscal 2017
1.	Expansion of our network for providing video, data and telephony services	331.53	405.21
2.	Capital expenditure on development of our digital cable services	89.78	109.73
3.	Capital expenditure on development of our broadband services	46.60	56.96

Sr. No	Particulars	Planned Capital Expenditure (₹ in Millions)	
		Fiscal 2016	Fiscal 2017
	Total	467.91	571.9

For additional details of our expenditure plans, see the section titled *"Objects of the Issue"* on page 97.

INDEBTEDNESS, CONTRACTUAL OBLIGATIONS, COMMITMENTS, CONTINGENT LIABILITIES AND OFFBALANCE SHEET ARRANGEMENTS

The following table summarizes our indebtedness, contractual obligations and commitments to make future payments as of March 31, 2014, and the effect that such obligations and commitments are expected to have on liquidity and cash flow in future periods:

For the year ended March 31	2015	2016	2017	After 2017
	₹ in Millions			
Long Term Loans (Principal and Interest)	299.61	504.10	467.18	706.15
Short term loans (Interest on OD)	14.25	14.25	14.25	14.25 *p.a.*
Other Capital Commitments*	62.87	-	-	-
Total Contractual Obligations	**376.73**	**518.35**	**481.43**	**702.40**

**Other Capital Commitments does not have a proper backup about the periodicity, hence considered as the commitment for the year ended March 31, 2015.*

Contingent liabilities

As at March 31, 2014, we had the following contingent liabilities which have not been provided for in our financial information:

	March 31, 2014
Contingent Liability	**₹ in Million**
Entry Tax demand under Appeal	0.10
Entertainment Tax demand under Appeal	6.98
Arrear Preference Dividend – Earlier Years	35.89
Arrear Preference Dividend – Current Year	5.38
Income Tax and Interest for non-deduction of Tax Deducted at Source - 2005-06, 2006-07, 2008-09 and 2010-11	17.51
Service Tax and Interest for FY 2006-07, 2007-0 and 2008-09	28.36
Penalty u/s 271 (1) (c) for furnishing of inaccurate particulars in the Return of Income 1996-97, 2006-07 and 2007-08	0.17
Total	**94.39**

Off-balance sheet arrangements

We do not have any other off-balance sheet arrangements, derivative instruments or other relationships with other entities that have been established for the purpose of facilitating off-balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISK

We are, in the normal course of business, exposed to interest rate, foreign currency and liquidity risks. Our risk management strategy aims to minimize the adverse effects of financial risk on our financial performance.

Interest Rate Risk

We are exposed to market risk with respect to changes in interest rates related to our borrowings. Interest rate risk exists with respect our indebtedness that bears interest at floating rates tied to certain benchmark rates as well as borrowings where the interest rate is reset based on changes in interest rates set by RBI.

As of March 31, 2014, we had outstanding floating rate loans of ₹ 1,355.73 million, which comprised 94.35% of our total loan funds. Our indebtedness to banks was exposed to risk in the form of policy changes by the RBI with respect to interest rates. The interest rates on these borrowings follow the RBI's policies, which are generally announced through credit policy measures issued twice a year. Moreover, our interest rate risk is affected primarily by the short-term interest rates set by Indian banks.

Inflation

We do not believe that inflation has had a material impact on our business, financial condition and results of operations. If India were to experience significant inflation, we may not be able to fully offset the resulting higher costs through rate increases to subscribers or advertisers. Our failure or inability to do so could adversely affect our business, financial condition and results of operations.

Foreign currency risk

All our input costs, such as pay-channel cost, bandwidth and lease line costs and other input costs are denominated in Rupees. As a result, there is no foreign currency risk with respect to these purchases. However, our set-top boxes cable modem and other equipments are imported and denominated in US dollars. A decline in the value of the Rupee against the US dollar would increase the cost of purchase of such equipment. This would in turn result in increased depreciation costs for these equipments.

Related Party Transactions

For details on related party transactions, please see the section titled "*Related Party Transactions*" on page 199.

Information required as per Item IX(E) of Part A of Schedule VIII of the SEBI Regulations

Significant developments after March 31, 2014 that may affect our future results of operations

Except as stated in this DRHP, there is no development subsequent to March 31, 2014 that we believe is expected to have a material impact on the reserves, profits/(losses), earnings/(losses) per share and book value of our Company.

Unusual or infrequent events or transactions

On 12th October 2013, a very severe cyclonic storm named Phailin hit the coastal land of Odisha. The Company has operations in some locations across the coastal area of Odisha. The business operations of the Company including the cable network got affected. Based on the insurance of assets done with an insurance company, Company has lodged claims with the insurance company. Material loss of net book value ₹ 25.10 million due to the cyclone has been shown as extraordinary item in the statement of profit and loss.

The Company was in the process of an Initial Public Offer and in that connection had filed a Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) on 16 March 2013. In this context the Company incurred Share Issue Expenses amounting to ₹ 18.71 million. The same has been adjusted in the form of share of expenses of ₹ 4.95 million by NSR-PE Mauritius LLC (The existing venture) as per terms of agreement. The balance amount has been charged off to the Statement of Profit and Loss as Exceptional Item on deferment of the proposed Initial Public Offer.

The Company was in the process of an Initial Public Offer and in that connection had filed a Draft Red Herring Prospectus (DRHP) with the Securities and Exchange Board of India (SEBI) on 29 January 2013. In this context the Company incurred Share Issue Expenses amounting to ₹ 16.64 million. This amount has been charged off to the Statement of Profit and Loss as Exceptional Item on deferment of the proposed Initial Public Offer.

Apart from the above, there have been no unusual or infrequent transactions that have taken place during the last three Fiscals years.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Any changes in tax structure, may affect the profitability. Except the above, there are no significant economic changes that materially affected or are likely to affect our income from continuing operations.

Known trends or uncertainties

Other than as described in the section titled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" at pages 16 and 264 respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income from continuing operations.

Future changes in relationship between costs and revenues

Other than as described in the section titled "*Risk Factors*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" at pages 16 and 264 respectively, to our knowledge there are no future relationship between costs and revenues that have or had or are expected to have a material adverse impact on our operations and finances.

The extent to which material increases in net sales or revenue are due to increased sales volume, introduction of new products or services or increased sales prices.

Changes in income from operations during the last three Fiscal years are as explained in this section titled "*Management's Discussion and Analysis of Financial Conditions and Results of Operations*" on page 163.

Total turnover of each major industry segment in which the issuer operates

For details of the total turnover, please refer to the section titled "*Industry Overview*" on page 117.

New products or business segment

We have not entered into any agreements for new products or business segments or publicly announced introduction of any new products or services, after March 31, 2014.

Seasonality of business

Our business segments are not seasonal in nature.

Significant dependence on single supplier /customer

We are not dependent on a single customer or a small group of suppliers or customers for our revenues.

Competitive conditions

We face competition for our cable television services from regional and national MSOs and other competing alternative technology platforms including DTH satellite television. For further details, please refer to the discussions of our competition in the sections "*Risk Factors*" and "*Our Business*" at pages 16 and 132.

FINANCIAL INDEBTEDNESS

Our Company's outstanding borrowings amounted to ₹ 1,440.93 million as of July 31, 2014. Set forth below is a brief description of certain significant terms of the financing arrangements with our lenders.

Our Company has entered into certain secured debt facility agreements with:

a) SREI Equipment Finance Private Limited ("**SREI**");
b) Karnataka Bank Limited ("**Karnataka Bank**");
c) CISCO Systems Capital (India) Private Limited ("**CISCO**"); and
d) Karnataka Bank, UCO Bank and SREI ("**Karnataka Bank Consortium**").

Set forth below is a brief summary of the aforementioned secured facilities together with a brief description of certain significant terms of such financing arrangements.

I. Term Loans

A brief description of the abovementioned facilities availed from various lenders has been provided herein below:

Name of the lenders	Loan Documentation	Facility (₹ in Millions)	Amount outstanding as of July 31, 2014 (₹ in Million)	Key terms and conditions
SREI	Loan cum hypothecation agreement dated January 22, 2013, supplemental deed of hypothecation dated May 24, 2013 and letter dated March 31, 2013	853.42	853.42	1. <u>*Purpose*</u>: Part funding the purchase of various assets. 2. <u>*Interest rate*</u>: 16.00 *p.a.* (floating rate based on the SREI benchmark rate, subject to variations) 3. <u>*Tenor and repayment*</u>: Repayable in 73 monthly instalments, the first instalment being an amount of ₹ 34.50 million, the second through twenty second instalments (from May 2013 till January 2015) being of ₹ 11.38 million each and the twenty third through seventy third instalments (from February 2015 till April 2019) being of ₹ 23.20 million each. 4. <u>*Pre-payment terms*</u>: Our Company may pre-pay this facility with prior approval from SREI, which approval may be subject conditions imposed by SREI, including payment of pre-payment premium of 4% (exclusive of taxes, surcharges and/ or other levies). 5. <u>*Penalties*</u>: All sums payable by our Company under this facility which are overdue shall automatically stand increased at the rate of ₹ 1 per day for every ₹ 1,000 overdue, on monthly rests, from the date such sums become due and payable, till full and final repayment. 6. <u>*Events of default*</u>: Events of default under this facility include (a) default by our Company in repayment; (b) default by our Company of any of the terms and conditions of the facility agreements, including associated representations, warranties and undertakings; (c) cross-default by our Company under any of its other financing documents with other banks/ financial institutions/ NBFCs; (d) if the security for this facility is not kept adequately insured, or depreciate in value (and further security is not furnished by our Company); (e) a receiver is appointed for the assets securing this facility; (f) if an attachment or distrant is levied on the security; (g) if any extraordinary circumstances preclude our Company from performing

Name of the lenders	Loan Documentation	Facility (₹ in Millions)	Amount outstanding as of July 31, 2014 (₹ in Million)	Key terms and conditions
				its obligations under the facility agreements; (h) if the security for the facility is in jeopardy (in the opinion of SREI); (i) in the event of expropriation or nationalization of all or substantially all of our Company's assets; (i) on the occurrence of a material adverse change; and (k) upon the facility being utilized other than as agreed under the facility agreements. 7. *Security*: The facility is secured by (a) Hypothecation of various equipments financed by this facility; (b) mortgage (by deposit of title deeds) of immovable property owned by our Company in Raipur; and (b) personal guarantee of one of the Directors.
SREI (as part of the Karnataka Bank Consortium)	Loan cum hypothecation agreement dated January 1, 2013, supplemental deed of hypothecation dated May 21, 2013, sanction letter dated March 31, 2013 and supplementary agreement for reschedulement of term loan dated December 12, 2013	145.51	145.51	1. *Purpose*: Part funding the purchase of various assets. 2. *Interest rate*: 16.00% *p.a.* (floating rate based on the SREI benchmark rate, subject to variations) 3. *Tenor and repayment*: Repayable in 72 monthly instalments, the first instalment being an amount of ₹ 7.94 million, the second through twenty first instalments (from May 2013 till December 2014) being of ₹ 1.94 million each and the twenty second through seventy second instalments (from January 2015 till March 2019) being of ₹ 3.96 million each. Out of the repayment schedule, a payment holiday has been granted by SREI for the first 24 months (upto December 2014) and the facility will be repaid in 51 equated monthly instalments thereafter. Interest is to be serviced during the holiday period.* 4. *Pre-payment terms*: Our Company may pre-pay this facility with prior approval from SREI, which approval may be subject conditions imposed by SREI, including payment of pre-payment premium of 4% (exclusive of taxes, surcharges and/ or other levies). 5. *Penalties*: All sums payable by our Company under this facility which are overdue shall automatically stand increased at the rate of ₹ 1 per day for every ₹ 1,000 overdue, on monthly rests, from the date such sums become due and payable, till full and final repayment. 6. *Events of default*: Events of default under this facility include (a) default by our Company in repayment; (b) default by our Company of any of the terms and conditions of the facility agreements, including associated representations, warranties and undertakings; (c) cross-default by our Company under any of its other financing documents with other banks/ financial institutions/ NBFCs; (d) if the security for this facility is not kept adequately insured, or depreciate in value (and further security is not furnished by our Company); (e) a receiver is appointed for the assets securing this facility; (f) if an attachment or distrant is levied on the security; (g) if any extraordinary circumstances preclude our Company from performing its obligations under the facility agreements; (h) if the security for the facility is in jeopardy (in the opinion of SREI); (i) in the event of expropriation or

Name of the lenders	Loan Documentation	Facility (₹ in Millions)	Amount outstanding as of July 31, 2014 (₹ in Million)	Key terms and conditions
				nationalization of all or substantially all of our Company's assets; (i) on the occurrence of a material adverse change; and (k) upon the facility being utilized other than as agreed under the facility agreements. 7. *Security*: The facility is secured by (a) Hypothecation of various equipments financed by this facility; and (b) personal guarantee of one of the Directors.
Karnataka Bank Limited (as part of the Karnataka Bank Consortium)	Sanction letter dated August 27, 2008; term loan agreement dated October 29, 2008; hypothecation agreement dated October 23, 2009, sanction letter dated January 21, 2013 and supplementary agreement for reschedulement of term loan dated December 12, 2013	300.00	140.17	1. *Purpose*: Part funding the purchase of various assets. 2. *Interest rate*: 14.25% *p.a.* (Karnataka Bank base rate + 3.50%) 3. *Tenor and repayment*: After an initial repayment holiday 24 months till December 29, 2014, this facility is repayable in 25 equated monthly instalments commencing from January 29, 2015, with the last instalment due on January 29, 2017. Interest is to be serviced during the holiday period. * 4. *Pre-payment terms*: N.A. 5. *Penalties*: Penal interest of 2% *p.a.* to be charged on overdue instalments of principal/ interest. 6. *Events of default*: Events of default under this facility include: (a) non-payment of repayment instalments and interest payments by our Company on their due dates; and (b) failure by our Company to observe or perform any obligations under the loan documents. 7. *Security*: The facility is secured by (a) Hypothecation of various fixed assets of our Company; (b) *Collateral:* Already hypothecated fixed assets purchased out of term loans availed from IPICOL and SREI charged on a *pari passu* basis; (c) Equitable mortgage of leasehold property; (d) Equitable mortgage of immovable property and flats owned by our Company in Cuttack and Bhubaneswar; (e) Pledge of term deposits; and (f) Personal guarantee of one of the Directors.
UCO Bank (as part of the Karnataka Bank Consortium)	Sanction letter dated March 13, 2009, April 28, 2009 and September 24, 2009, sanction letter dated March 21, 2013 and supplementary agreement for reschedulement of term loan dated December 12, 2013	200.00	119.86	1. *Purpose*: Building and operating hybrid fiber coaxial broadband communication network to provide cable television, high speed internet access and internet telephony. 2. *Interest rate*: 14.25% *p.a.* (UCO Bank base rate + 4.5%) 3. *Tenor and repayment*: After an initial payment holiday of 24 months till December 31, 2014, this facility is repayable in 12 quarterly instalments of ₹ 10 million each commencing from January 2015 and ending on December 2017. Interest is to be serviced during the holiday period.* 4. *Pre-payment terms*: As per standard loan policy documents of the lender. 5. *Penalties*: Penal interest of 2% (or such percentage as

Name of the lenders	Loan Documentation	Facility (₹ in Millions)	Amount outstanding as of July 31, 2014 (₹ in Million)	Key terms and conditions
				decided by the lender from time to time) to be charged on overdue instalments of principal/ interest. 6. *Events of default*: Events of default under this facility include: (a) non-payment of repayment instalments and interest payments by our Company on their due dates; and (b) failure by our Company to observe or perform any obligations under the loan documents. 7. *Security*: The facility is secured by (a) Hypothecation of various fixed assets of our Company; (b) *Collateral:* Already hypothecated fixed assets purchased out of term loans availed from IPICOL and SREI charged on a *pari passu* basis; (c) Equitable mortgage of leasehold property; (d) Equitable mortgage of immovable property and a flat owned by our Company in Cuttack; (e) Pledge of term deposits; and (f) Personal guarantee of one of the Directors.

* *Our Company has approached its lenders in the Karnataka Bank Consortium, namely Karnataka Bank, UCO Bank and SREI to restructure the respective loans under Karnataka Bank Consortium for a payment holiday of principal due with effect from January 1, 2013 for a period of two years. The consortium members in their meeting dated December 26, 2012 agreed to consider the repayment holiday period of two years with effect from January 1, 2013 with their appropriate authorities respectively. Karnataka Bank, the leader of the Karnataka Bank Consortium, has approved the above restructuring and issued a sanction letter dated January 21, 2013. UCO Bank has approved the above restructuring and issued a sanction letter dated March 21, 2013. SREI has approved the above restructuring and issued a sanction letter dated March 31, 2013. Subsequently, on December 12, 2013, our Company entered into a supplementary agreement for reschedulement of term loan with the members of the Karnataka Bank Consortium.*

II. Working Capital debt facilities (fund and non-fund based)

Our Company has availed certain fund and non-fund based working capital debt facilities from Karnataka Bank, significant details of which have been provided herein below:

Name of the lenders	Loan Documentation	Facility (₹ in Million)	Amount outstanding as of July 31, 2014 (₹ in Million)	Key terms and conditions
Karnataka Bank	Sanction Letter dated February 13, 2012 and Hypothecation agreement dated March 19, 2012.	100.00	90.86	1. *Purpose*: Fund based and non-fund based working capital. 2. *Interest rate*: 14.25% (*p.a.* compounded monthly rising or falling with the base rate interest as fixed by the lender from time to time) 3. *Tenor and repayment*: The facility is repayable on demand as per OD rules and regulations and interest payable monthly. 4. *Pre-payment terms*: N.A. 5. *Penalties*: Penal interest of 3% to be charged on excess drawings/ ad-hoc limits/ default in repayment or interest payments. 6. *Events of default*: Events of default under this facility include: (a) non-payment of repayment instalments and interest payments by our Company on their due dates; and (b) failure by our Company to observe or perform any obligations under the facility documents.

Name of the lenders	Loan Documentation	Facility (₹ in Million)	Amount outstanding as of July 31, 2014 (₹ in Million)	Key terms and conditions
				7. *Security*: The facility is secured by (a) Hypothecation stock and assignment of book debts; (b) Pledge of term deposits; (c) Equitable mortgage of immovable property and flats owned by our Company in Cuttack and Bhubaneswar; and (d) Personal guarantee of one of the Directors.
	Guarantee letter dated September 29, 2010 (Non-fund based)	30.00	32.27	1. *Purpose*: Working capital. 2. *Interest rate*: N.A. 3. *Tenor and repayment*: The facility is repayable on demand. 4. *Pre-payment terms*: N.A. 5. *Penalties*: N.A. 6. *Events of default*: N.A. 7. *Security*: The facility is secured by a 25% cash margin for upto ₹ 30 million availed, and 100% cash margin for ₹ 2.27 million availed.

III. Unsecured Loans

Our Company has availed certain unsecured loans, details of which have been provided herein below:

Name of the lenders	Loan Documentation	Facility (₹ in Million)	Amount outstanding as of July 31, 2014 (₹ in Million)	Key terms and conditions
Odisha Infra-tech Private Limited	Board resolution dated December 31, 2013	50.00	38.37	1. *Purpose*: General corporate purposes. 2. *Interest rate*: 18% *p.a.* 3. *Tenor and repayment*: The loan is required to be repaid in 34 equal instalments of ₹ 1.92 million each, from October 2013, till July 2016. 4. *Pre-payment terms*: The loan may be pre-paid by our Company 5. *Penalties*: N.A. 6. *Events of default*: Non-payment of principal or the interest. 7. *Security*: N.A.

IV. Other financing arrangements

Lease Financing

Our Company has entered into arrangements of lease financing with CISCO wherein CISCO will acquire certain assets of our Company. CISCO will then lease out the assets to our Company in return of periodic payment as lease rent. Upon payment of the entire amount as agreed upon between CISCO and our Company, the ownership of the assets shall stand transferred to our Company.

Name of the lenders	Loan Documentation	Sanctioned amount (₹ in Million)	Amount outstanding as of July 31, 2014 (₹ in Million)	Key terms and conditions
CISCO	Master lease and financing agreement dated June 27, 2007.	198.36	52.74	1. *Purpose*: Lease financing 2. *Interest rate*: N.A. 3. *Tenor and repayment*: Repayable in 15 equal quarterly instalments which vary for each phase, ending on June 2017. 4. *Pre-payment terms*: Our Company may terminate a lease or financing transaction by prepaying its remaining rent, by providing CISCO with a prior written notice of at least one month of the intended prepayment date. CISCO may, depending upon the market conditions at the time, reduce the remaining rent to reflect such prepayment and determine the balance to be paid. If a lease is terminated, our Company would be required to prepay at the same time, any related line items of the financing transactions. 5. *Penalties*: N.A. 6. *Events of default*: Events of default under this lease financing facility include: (a) failure to pay rent; (b) failure to perform any terms and conditions of the financing arrangements after 20 days of breach; (c) any representation or warranty of our Company being rendered incorrect in material respect (beyond 20 days); (d) initiation of bankruptcy, receivership, insolvency, reorganization, dissolution, liquidation and similar other proceedings against our Company; (e) cross default by our Company of any other agreement with CISCO, its parent companies, subsidiaries or affiliates; (f) sale by our Company of substantially all of its assets; (g) merger or consolidation by our Company with any other person or entity; and (h) the occurrence of a material adverse effect. 7. *Security*: N.A. Assets leased are cable and networking equipments.

Under the terms of the above mentioned loan facilities, our Company is subject to certain restrictive covenants as listed below. Our Company cannot, without the prior consent of the lenders, undertake, *inter alia*, any of the following:

a) entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction;

b) declaration and/or payment of dividend to the shareholders of our Company in a particular year, if our Company has not paid the instalment of the principal, interest and/or other money payable to lender up to the particular year;
c) alteration of memorandum and articles of association;
d) investment made by our Company including by way of deposits and/or debentures
e) provisioning any security or commission to the guarantor by our Company, for giving the guarantee;
f) making any change in capital structure, ownership or control of our Company;
g) prepayment of the repayment instalments in full prior to the due date; and
h) Availing of any fresh credit facility or accommodation from any other bank or financial institution or any person.

The following material and restrictive covenants are applicable to the term loan extended by Karnataka Bank Consortium:

a. Banking business of our Company including deferred payment facilities, foreign exchange will be in such manner as may be decided by Karnataka Bank;
b. Prior notice to be given to lenders in respect of *inter alia* issue of unissued capital and proposed amount to be raised;
c. The lenders reserve the absolute right to cancel the sanctioned limits unconditionally without prior notice in the following cases:

    i In case the limit/part of the limits are not utilized by our Company ; and /or
    ii In case of deterioration in the loan accounts in any manner whatsoever; and/or
    iii In case of non-compliance of terms and conditions of sanction.

SECTION VI – LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices against our Company, our Directors, our Promoters and Group Companies or ventures with which our Promoters were associated in the past (in case our Promoters' name continue to be associated with such proceeding). There are no defaults including non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits issued by our Company, defaults in creation of full security as per the terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013) other than unclaimed liabilities of our Company except as stated below. No disciplinary action has been taken by SEBI or any stock exchange against our Company, our Directors, our Promoters, Group Companies or ventures with which our Promoters were associated in the past (in case our Promoters' name continue to be associated with such proceeding).

Except as stated in the section titled "*Our Promoters and Promoter Group - Other Undertakings and Confirmations*" on page 187, neither our Company nor our Promoters or Group Companies have been declared as wilful defaulters by the RBI, or any other Governmental authority and except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by them in the past or pending against them or any person or entity connected with them. Further, except as disclosed in this section, there are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against any company whose outcome could have a material adverse effect on the position of our Company, our Promoters, Group Companies or any person or entity connected with them. None of the Group Companies had faced/ is facing any litigation/ defaults/ over dues or labour problems/ closure etc.

I. Litigation involving our Company

A. Outstanding Litigation and Material Developments/Proceedings involving/ affecting our Company

1. Outstanding Litigation/ Proceedings filed against our Company

Criminal matters

1. The Labour Enforcement Officer (Central), Paradeep filed a criminal complaint bearing number 2(I) C.C No. 39/2003 before the Judicial Magistrate, First Class, Kujanga on April 16, 2003, against our Company alleging breach of various provisions of Payment of Wages (Major Port) Act, 1936 against our Company, including provisions which require fixing of date of payment to the workers and display of notice of date and time of payment at the workplace. Mr. Pradipta Kumar Panda and Mr. Bibhu Prasad Rath have also been impleaded as accused in the complaint. The matter is currently pending.

Civil matters

1. Mr. Atanu Kumar Bhutia filed a civil suit bearing number 241 of 2004 before the court of the Civil Judge (Junior Division), Bhubaneswar on June 22, 2004 against our Company and others (together, the "**Defendants**") in relation to a franchise agreement that he had entered into with the Company and a subsequent partnership agreement he entered into with others to jointly run his cable television services. Stating that accounts were not being rendered by the Defendants, a permanent injunction against the said Defendants restraining them from collecting monthly subscription charges from subscribers was prayed for. Mr. Bhutia also filed an interim application bearing number 476 of 2004 against our Company in the same court praying for an ad-interim injunction restraining our Company from disconnecting signals to the plaintiff pursuant to a franchise agreement our Company entered into with other operators. Our Company has filed an application on December 7, 2004 under section 8 of Arbitration and Conciliation Act, 1996 to refer the parties to arbitration, which is pending for consideration. The matter is currently pending.

2. Mr. Durga Prasad Mohanty filed an application as public interest litigation, bearing number 14506 of 2001, before the High Court of Orissa on November 5, 2001 against the cable division of our Company and others alleging unreasonable price hike made by our Company in relation to the cable television services provided by our Company. The application is currently pending.

3. Mr. Jagannath Senapati filed a civil suit bearing number 91 of 1997 before the court of Civil Judge (Junior Division), Bhubaneswar on April 11, 1997 against Ms. Jagi Mangat Panda in her capacity as managing director of the cable division of our Company and other defendants, alleging that the cable division of our Company had without authorization and in collusion with other defendants, who are electrical distribution companies upon whose poles our Company has drawn its cable over the land owned and occupied by the plaintiff. The plaintiff has prayed for removal of the poles and cables from the said land. The matter is currently pending.

4. Nirupama Apartment Owner's Society filed a civil suit bearing number 257 of 2000 before the court of Civil Judge (Junior Division), Bhubaneswar on September 20, 2000 against Ms. Jagi Mangat Panda in her capacity as Managing Director of our Company alleging that our Company had been putting certain flats it had been allotted in Nirupama Apartments for residential use to commercial use and had also occupied a common rooftop in an unauthorized manner. A permanent injunction was prayed for to restrain our Company from putting the premises to any type of commercial use and removal of antennas and other equipment from the premises of Nirupama Apartments. The society also filed a petition bearing number 172 of 2002 on April 15, 2002 before the same court praying for interim injunction restraining our Company from putting the premises to any commercial use and from further adding and expanding cable equipments in the premises. Our Company has stated that the said commercial activities are no longer being carried out in the aforementioned premises and have been shifted elsewhere. The matter is currently pending.

5. Mr. Prakash Chandra Mangaraj and Mr. Pramod Kumar Nanda (the "**Petitioners**") filed a writ petition bearing number 1992 of 2007 on February 19, 2007 before the High Court of Orissa against the State of Orissa, Central Electricity Supply Utility of Orissa ("**CESU**") and our Company, alleging that the State of Odisha and CESU, with the support of our Company (together, the "**Respondents**"), had been trying to forcibly remove the cable transmission wires belonging to the Petitioners. Our Company had entered into a franchise agreement with the Petitioners on June 5, 2001 for providing signal feeds to the network of Petitioners in Bhubaneswar area. Our Company had obtained permission from CESU to using electric poles belonging to CESU for laying down cables. The Petitioners have prayed for a direction that the benefit of using the poles should pass on to the petitioner as a result of franchise agreement and that the Respondents should be prevented from removing cable transmission wires. The matter is currently pending.

6. City View Cable TV filed a writ petition bearing number 3494 of 2006 on March 6, 2006 before High Court of Orissa against North Eastern Electricity Supply Company ("**NESCO**") and our Company alleging that the petitioner, a cable operator, had already taken permission to use poles belonging to NESCO for laying down its cables. It is alleged by the petitioner that our Company cannot be permitted to use the said poles for laying down cables. By interim orders dated May 25, 2006 and May 31, 2006, the High Court allowed our Company to lay down its cables using poles which do not belong to the Petitioner. Pursuant to an order dated July 17, 2006, the court disposed off an application made by the Petitioner bearing number 7015 of 2006, stating that the interim orders be adhered to by our Company. The matter is currently pending.

7. Mr. Dillip Kumar Das filed a writ petition bearing number 1993 of 2007 on February 19, 2007 before the High Court of Orissa against the State of Odisha, Central Electricity Supply Company of Orissa Limited ("**CESCO**") and our Company (together, the "**Respondents**"), alleging that State of Odisha and CESCO, with the support of our Company, had been trying to forcibly remove the cable transmission wires belonging to the petitioner. Our Company had entered into a franchise agreement with Mr. Das on May 23, 2001 for providing signal feeds. Our Company had obtained permission from CESCO for laying down cables using electric poles belonging to CESCO. The petitioner has prayed for a direction that the benefit of using the poles should pass on to the petitioner as a result of franchise agreement and that the Respondents should be restricted from removing cable transmission wires. The matter is currently pending.

8. Mr. Asis Ranjan Mohanty filed a writ petition bearing number 1966 of 2007 on February 19, 2007 before the High Court of Orissa against the State of Odisha, CESU, Central Electricity Supply Company of Orissa Limited ("**CESCO**") and our Company (together, the "**Respondents**"), alleging that State of Odisha and CESCO, with the support of our Company, had been trying to forcibly remove the cable transmission wires belonging to the petitioner. Our Company had entered into a franchise agreement with Mr. Mohanty on November 8, 2004 for providing signal feeds. Our Company had obtained permission from CESCO for laying down cables using electric poles belonging to CESCO. The petitioner has prayed for a direction that the benefit of using the poles should pass on to the petitioner as a result of franchise agreement and that the Respondents should be restricted from removing cable transmission wires. The matter is currently pending.

9. Maa Ujaleswari Cable Network Association (the "**Petitioner**") filed a writ petition bearing number 15868 of 2009 on October 22, 2009 before the High Court of Orissa against SOUTHCO, a distribution company, and others, including our Company (together, the "**Respondents**"), seeking permission to utilize electric poles belonging to SOUTHCO at Chhatarpur for laying down cables, which had not been granted to the Petitioner, though the Petitioner had applied for permission two years back while such permission was granted to our Company within seven days of application. No specific relief has been claimed against our Company. The court passed an order on November 20, 2009 directing for issuance of notice to the Respondents. The matter is currently pending.

10. Mr. P.K. Pattnaik filed a writ petition bearing number 6334 of 2007 on May 15, 2007 before the High Court of Orissa against our Company and others, alleging that our Company had compelled its consumers to install the set top box for viewing ETV Oriya by carrying it in digital mode. The petitioner has prayed for a direction to be given to our Company that ETV Oriya be telecast in analogous mode. The matter is currently pending.

11. Ashwiny Goutam filed a writ petition bearing number 8879 of 2007 before the High Court of Orissa against the Union of India, the State of Odisha, ETV Oriya and others, including the cable division of our Company. It is alleged that our Company has suddenly stopped the transmission of a channel namely, ETV Oriya thereby depriving the general public of its viewership. Further, it is alleged that our Company is not telecasting DD Oriya in prime band as per section 8 of Cable Television Networks (Regulation) Act, 1995 and on the contrary it is telecasting its own channels including OTV Chamatkar, Radio TV in prime band. The petitioner has prayed for a show cause as to why our Company should not provide ETV Oriya on its basic service package at a flat rate and telecast DD Oriya in prime band in place of its own channels. The matter is currently pending.

12. United City Cable filed a writ petition bearing number 10198 of 2004 before the High Court of Orissa against CESCO, challenging the impugned notification number 18271 dated October 11, 2001 and January 4, 2002, issued by the State of Odisha, Energy Department, which provided that only one cable can be laid in one pole. Our Company has filed a miscellaneous application, bearing number 10116 of 2004, for intervention on November 23, 2004 in the said matter with a prayer to be impleaded as a party. The matter is currently pending.

13. Mr. R.K. Patnaik filed a civil suit bearing number 1770 of 2011 before the Civil Judge (Senior Division), Visakhapatnam, against our Company, Ms. Jagi Mangat Panda and other officials of our Company in relation to certain residential premises which were taken on lease by our Company from the plaintiff, who claimed arrears from our Company amounting to ₹ 225,568. The matter is currently pending.

14. Hotel Swosti Premium Limited and Hotel Swosti Private Limited filed a civil suit bearing number 3 of 2012 before the District Judge, Khurda, Bhubaneswar, on March 28, 2012, against Victor Media Private Limited, ESPN Software India Private Limited, NEO Sports Broadcaster Private Limited (together, the "**Broadcasters**") and our Company, stating that the Broadcasters had allegedly disconnected their services to the hotel which were being provided by our Company and were insisting on entering into a license agreement and demanding license fee. The plaintiffs prayed for a direction to restrain the Broadcasters from such actions. Our Company was impleaded as a proforma defendant and no relief has been claimed against our Company. The matter is currently pending.

15. Hotel Holiday Resorts Private Limited filed a civil suit bearing number 1 of 2011 before the District Judge, Puri, against Victor Media Private Limited and others (together the "**Broadcasters**"), including our Company, stating that the cable television services provided to the hotel had been allegedly disconnected and they were being forced into entering into a license agreement and pay a license fee. The plaintiff prayed for a direction to restrain the Broadcasters from such actions. Our Company was impleaded as a proforma defendant and no relief has been claimed against our Company. The matter is currently pending.

16. Hotel Sukhmaya Private Limited filed a civil suit bearing number 7 of 2012 before the District Judge, Khurda, against Victor Media Private Limited, ESPN Software India Private Limited, M/s. Neo Sports Broadcaster Private Limited and our Company, stating that the cable television services provided to the hotel had been allegedly disconnected and they were being forced into entering into a license agreement and pay a license fee. The plaintiff prayed for a direction to restrain the defendants from such actions. Our Company was impleaded as a proforma defendant and no relief has been claimed against our Company. The matter is currently pending.

17. Mr. Somanath Singh filed a civil suit bearing number 03/W.C./2012 before the Assistant Labour Commissioner, Raipur, claiming compensation under the Workmen's Compensation Act, 1923, in relation to the death of his son, Mr. Kiran Singh, on account of an electric shock suffered while engaged with our Company as a contract labourer. Pursuant to an order dated July 4, 2013, the Assistant Labour Commissioner, Raipur, directed our Company to pay an amount of ₹ 543,200 as compensation. Our Company, vide letter dated July 31, 2013, have sought a direction from the Assistant Labour Commissioner, Raipur, to add Oriental Insurance Company Limited, Mangalam Nivas as a party to the matter, and for necessary instructions to the insurance company for payment of the compensation. The matter is currently pending.

18. M/s Spacenet Communication ("**Spacenet**") has filed a writ petition (W.P. (C) No. 13158 of 2014) in the High Court of Orissa on July 17, 2014 against the State of Odisha, our Company and certain other parties, alleging that the entry into an agreement between the State of Odisha and our Company for exclusive use of by our Company of electrical poles in nine districts of Odisha is arbitrary, illegal and has adversely affected Spacenet's business and livelihood. In this petition, Spacenet has alleged, among other grounds that the aforementioned agreement between the State of Odisha and our Company and the subsequent order issued to Spacenet by the State of Odisha by its letter dated June 27, 2014 directing it not to utilize electrical poles at Nimpara for its cable business is arbitrary and in violation of extant norms of the Government of Odisha on communication cables being drawn from electrical poles. Spacenet has prayed for the High Court to set aside the directions of the State of Odisha in its letter dated June 27, 2014; direct the Government of Odisha to allow Spacenet to carry on cable television business utilizing electrical poles of the Central Electricity Supply Utility of Odisha upon payment of prescribed charges; and set aside the agreement between the State of Odisha and our Company for exclusive use of electrical poles. The matter is currently pending for hearing.

Consumer Complaints

There are 27 consumer complaints pending before various state and district level consumer redressal forums against our Company. Brief description of such consumer complaints is provided below:

1. Mr. B. N. Moharana filed a consumer complaint bearing number 130 of 2009 on November 20, 2009 before the State Consumer Disputes Redressal Commission, Cuttack, against Paradeep Port Trust alleging deficiency in service and unfair trade practices, impleading our Company as one of the respondents. The complainant has filed the said complaint on behalf of the workers of Paradeep Port Trust, who are also subscribers of cable television network connection provided by our Company. An interim application bearing number 1623 of 2009 was also filed by the complainant on November 20, 2009 before the State Consumer Disputes Redressal Commission, Cuttack for an interim order to ensure continuance of connection during the pendency of proceedings, which was granted by an order dated November 24, 2009. The complainant has prayed for continuation of services on behalf of workers, and has claimed ₹ 2.5 million as damages. On February 10, 2010, Paradeep Port Trust was directed by State Consumer Disputes Redressal Commission, Cuttack, to make payment of outstanding dues to our Company along with the current dues on a regular basis. The impugned order was challenged by Paradeep Port Trust in a writ petition bearing number 3018 of 2010 before the High

Court of Orissa. The court passed an order dated February 25, 2010, stating that our Company should be paid as per the rates agreed between our Company and Paradeep Port Trust. The matter has now become infructuous as the contract entered into by our Company and Paradeep Port Trust has expired and not been renewed, and our Company is no longer raising any bill or claiming any amount from Paradeep Port Trust.

2. Orissa Jana Suraksha Mancha filed a consumer complaint bearing number 94 of 2007 on June 26, 2007 before the State Consumer Disputes Redressal Commission, Cuttack, against the cable division of our Company and others, alleging unfair trade practices, deficiency in service and negligence. It is alleged that on June 21, 2007, our Company had switched off the 'Zee Cinema' channel from its analogue tier and carried it in its digital tier, and refused to provide reasons for the same. The complainant has further alleged frequent change in channel placement and apprehends disconnection of the Zee bouquet of channels and consequent hike in cable price. The complainant has prayed for an award of ₹ 4 million as compensation and an injunctive order to restrain our Company from disconnecting any channel or increasing the price. The matter has now become infructuous as the subscription term has expired and such disputes are now referred to the TDSAT.

3. Mr. Jugal Kishore Nayak filed a consumer complaint bearing number 287 of 2006 on September 27, 2006 before the District Consumer Disputes Redressal Forum, Cuttack, alleging that despite payment of requisite amount, our Company has neither installed the cable television connection, nor refunded the amount. The complainant has prayed for a sum of ₹ 163,298 with 18% interest from the date of deposit. Our company has responded stating that the complaint was time barred by limitation. Subsequently, the complaint was dismissed pursuant to an order of the District Consumer Disputes Redressal Forum, Cuttack dated November 20, 2007. The complainant filed an appeal, bearing number 1025 of 2007, challenging the said order before the State Consumer Disputes Redressal Commission, Odisha. The matter is currently pending and has not been listed for hearing.

4. Mr. Saswati Pariccha filed a consumer complaint bearing number 470 of 2008 on October 16, 2010 before the District Consumer Disputes Redressal Forum, Bhubaneswar, against our Company alleging failure on our Company's part to shift the existing cable television connection and internet services to a new address, despite deposit of requisite fees. The complainant claimed compensation of ₹ 55,000. Our Company has filed a written statement on February 13, 2009. The matter is currently pending.

5. Mr. Bhagaban Subudhi filed a consumer complaint bearing number 140 of 2009 on April 18, 2009 before the District Consumer Disputes Redressal Forum, Bhubaneswar, against our Company stating that our Company refused to remove a certain mobile telephone pole installed in front of the complainant's house, resulting in delay and losses to the complainant. The complainant claimed ₹ 43,000 as compensation along with ₹ 250 per day towards loss till the disposal of the matter. Our Company filed a petition on November 3, 2010 before the District Consumer Disputes Redressal Forum challenging the maintainability of the complaint and related proceedings. The matter is currently pending.

6. Mr. Jayanta Kumar Pariccha filed a consumer complaint bearing number 525 of 2008 on November 14, 2008 before the District Consumer Disputes Redressal Forum, Bhubaneswar, against our Company, alleging failure on our Company's part to shift the existing internet services to a new address, despite deposit of requisite fees. The complainant claimed ₹ 55,000 as compensation. The matter is currently pending.

7. Mr. Bikash Rath filed a consumer complaint bearing number 469 of 2008 on October 16, 2008 before the District Consumer Dispute Redressal Forum, Bhubaneswar, against our Company, alleging failure on our Company's part to refund the advanced deposit amount upon disconnection of internet service provided by our Company to the complainant. The complainant claimed ₹ 25,000 as compensation, along with refund of ₹ 1,750 with 12% interest per annum. Our Company has filed a written statement on February 13, 2009 and the matter is currently pending.

8. Ms. Chitrarekha Patnaik filed a consumer complaint bearing number 98 of 2004 on March 22, 2004 before the District Consumer Dispute Redressal Forum, Bhubaneswar, against our Company, alleging that it had not provided a cable connection to the complainant despite payment of money. The complainant has prayed for a compensation of ₹ 53,000, along with refund of deposit. By an order dated January 10, 2007, the complaint was dismissed by District Consumer Dispute Redressal Forum.

The complainant preferred an appeal bearing number 250 of 2007 before the State Consumer Dispute Redressal Commission, Cuttack against and an interim application bearing number 514 of 2007 to stay the aforementioned order. The matter is currently pending.

9. Mr. A.P. Das filed a consumer complaint bearing number 150 of 2007 on September 13, 2007 before the District Consumer Dispute Redressal Forum, Balasore, against our Company, alleging failure on our Company's part to refund the advanced deposit amount upon disconnection of a cable connection provided by our Company to the complainant. A sum of ₹ 56,021 was prayed for towards compensation and other litigation expenses. Subsequently, the payment was made to the complainant. However, the District Consumer Dispute Redressal Forum passed an order on May 27, 2008 granting compensation of ₹ 6,000 on the basis of deficiency in service. Our Company filed an appeal bearing number 491 of 2008 on June 27, 2008 before the State Consumer Commission, Odisha, Cuttack, challenging the said order. The matter is currently pending.

10. Mr. Ram Prakash Kyal filed a consumer complaint bearing number 273 of 2009 on September 17, 2009 before District Consumer Disputes Redressal Forum, Cuttack, against our Company, alleging deficiency in service and unfair trade practice by our Company in relation to a set top box installed for the complainant. The complainant prayed for ₹ 95,999 as compensation. The District Consumer Disputes Redressal Forum, Cuttack passed its judgment on February 10, 2010 awarding ₹ 3,000 as compensation and ordering installation of a new set top box for the complainant. On March 17, 2010, our Company filed an appeal bearing number 174 of 2010 before the State Consumer Disputes Redressal Commission, Cuttack and the matter is currently pending.

11. Orissa Consumers' Association and others filed a consumer complaint bearing number 42 of 2004 on April 30, 2004 before the Consumer Disputes Redressal Commission, Cuttack, against our Company, alleging that our Company had been charging excess price in providing cable television services to the subscribers throughout the State of Odisha in violation of tariff fixed by TRAI. The complainant prayed for ₹ 53,000 as compensation along with refund of the excess price charged at 16% per annum. The State Consumer Disputes Redressal Commission, Cuttack passed an order dated October 29, 2007 calling upon our Company to make necessary publication of subscription rates with brief reasons for increase on periodic basis. Our Company filed an appeal bearing number 719 of 2007 challenging the said order before the National Consumer Disputes Redressal Commission, New Delhi ("**National Consumer Commision**"), on November 30, 2007. The aforementioned order has been stayed by the National Consumer Commission by an order dated April 22, 2008. Subsequently, an execution application bearing number 8 of 2008 was filed by the complainant before State Consumer Disputes Redressal Commission, Cuttack, praying for appropriate penalties to be imposed on our Company along with a sum of ₹ 15,000 towards compensation and costs. On account of dissenting opinions of the members of the bench, the National Consumer Commission, pursuant to an order dated April 22, 2014, referred the matter to the President, National Consumer Commision. The matter is currently pending.

12. Mr. T.V.N. Appa Rao, Mr. N.M. Upadhyaya and Mr. U.N. Mishra filed consumer complaints bearing numbers 111 of 2009, 112 of 2009 and 130 of 2009 respectively, against our Company before the Rayagada District Consumer Dispute Redressal Forum, Rayagada. It was alleged that our Company was charging excess amount than what was advertised, and had stopped the telecast of ETV Oriya and ETV Telugu channel without any notice to consumers. Pursuant to an order dated December 31, 2009, our Company was directed to charge ₹ 116 per month from the consumers. Our Company filed appeals bearing numbers 76 of 2010, 77 of 2010 and 78 of 2010, on February 4, 2010 before the State Consumer Disputes Redressal Commission, Cuttack, challenging the said order. Our Company made an application for a stay on the said order on August 7, 2009, which was allowed pursuant to an order dated April 23, 2010. The matter is currently pending.

13. Mr. V. Ram Mohan Patnaik filed a consumer complaint bearing number 124 of 2009 on July 21, 2009 before Rayagada District Consumer Dispute Redressal Forum, Rayagada, against our Company and Majhi Gouri Cable Network, alleging that the network of the latter was taken over by the former, and our Company was charging the complainant in excess of previously agreed rates as between the complainant and Majhi Gouri Network. The District Consumer Dispute Redressal Forum allowed the complaint pursuant to an order dated December 24, 2009, fixing the rates at ₹ 116 per month and directing our Company to refund any excess amount collected by our Company. Our Company filed an appeal bearing number 79 of 2010 before the State Consumer Disputes Redressal Commission,

Cuttack. Subsequently, the impugned order was stayed on April 23, 2010. The matter is currently pending.

14. Mr. Surendra Mishra filed a consumer complaint bearing number 206 of 2003 on July 25, 2003 before Khurda District Consumer Disputes Redressal Forum, Bhubaneswar, against our Company. It was alleged that our Company had delayed the shifting of cable connection, as requested by the complainant. The connection so shifted also allegedly had disturbances in the transmission. The complainant prayed for ₹ 54,700 as compensation. Pursuant to an order dated May 24, 2005, the complaint was dismissed. Subsequently, the complainant filed an appeal bearing number 490 of 2005 against the said order on June 30, 2005 before the State Consumer Disputes Redressal Commission, Odisha. The matter is currently pending.

15. Dr. Sadasiv Ray filed a consumer complaint bearing number 255 of 2001 on November 2, 2001 before the District Consumer Disputes Redressal Forum, Khurda, against the cable division of our Company alleging that our Company had made an unreasonable increase in the monthly charges payable towards cable television connection. The complainant prayed for a direction requiring our Company to provide justification for the increase in price and to roll back the latest increase, pending the final decision of the forum. The District Consumer Disputes Redressal Forum, Khurda passed an order dated August 7, 2002, allowing the complaint and directed our Company to refund the monthly charges in excess of ₹ 125 paid by complainant, and pay costs for an amount of ₹ 500. Subsequently, our Company filed an appeal bearing number 548 of 2002 before the State Consumer Disputes Redressal Commission on September 6, 2002. The matter is currently pending.

16. Mr. S.M. Hasan filed a consumer complaint bearing number 80 of 2000 on May 20, 2000 before the District Consumer Disputes Redressal Forum, Cuttack, against the cable division of our Company in relation to a cable connection provided by our Company to the complainant. It was alleged that despite payment of money, the complainant was not provided the connection nor was his deposit refunded, when requested for. The complainant has prayed for a sum of ₹ 300 and a direction for providing connection. The complaint was allowed pursuant to an order dated March 7, 2001, against which our Company filed an appeal bearing number 228 of 2001. The matter is currently pending.

17. Mr. Trinath Nayak filed a consumer complaint bearing number 12 of 2011 before the District Consumer Disputes Redressal Forum, Nawarangapur, against our Company, for alleged deficiency in service and for not providing certain channels to the complainant. The District Consumer Disputes Redressal Forum pursuant to an order dated July 26, 2011, directed our Company to pay ₹ 10,000 as compensation as well as costs to the complainant. Our Company filed an appeal bearing number 501 of 2011 before the State Consumer Commission, challenging the abovementioned order. The State Consumer Commission granted an interim stay in the matter pursuant to an order dated October 12, 2011. The matter is currently pending.

18. Mr. Hursikesh Mishra filed a consumer complaint bearing number 80 of 2011 before the District Consumer Disputes Redressal Forum, Nawarangapur, against the cable division of our Company, for alleged deficiency in service and disconnection of services. The District Consumer Disputes Redressal Forum pursuant to an order dated April 28, 2012 directed our Company to pay ₹ 2,000 as compensation and costs to the complainant. Our Company filed an appeal before the State Consumer Commission bearing number 650 of 2012, challenging the abovementioned order. The State Consumer Commission granted an interim stay in the matter pursuant to an order dated August 14, 2012. The matter is currently pending.

19. Mr. Umakanta Dash filed a consumer complaint bearing number 24 of 2012 before the District Consumer Disputes Redressal Forum, Puri, against our Company for alleged deficiency in service and disconnection of services. The complainant claimed ₹ 35,000 as compensation. The District Consumer Disputes Redressal Forum, pursuant to an order dated February 7, 2012, directed our Company to restore the connection of the complainant, in response to which our Company submitted a written statement on September 3, 2012. The matter is currently pending.

20. Mr. Harihar Pandey filed a consumer complaint bearing number 202 of 2012 before the District Consumer Disputes Redressal Forum, Puri on July 27, 2012, against our Company and our primary channel provider, M.D. Associates, alleging deficiency in service for alleged breach of contract for

carriage of his program on a certain local channel operated by M.D. Associates. The complainant claimed ₹ 100,000 as compensation. The matter is currently pending.

21. Hotel Shakti International filed a consumer complaint bearing number 297 of 2012 before the District Consumer Disputes Redressal Forum, Puri, against Victor Media Private Limited, U.B. Communications and our Company, for alleged deficiency in service and threatened disconnection of services. The complainant prayed for issuance of a show cause notice to the defendants and claimed compensation, which was not quantified. The matter is currently pending.

22. Mrs. Gitanjali Parida filed a consumer complaint bearing number 9 of 2012 before the District Consumer Disputes Redressal Forum, Bhubaneswar, on January 12, 2012, against our Company, alleging deficiency in service in relation to cable television services provided by our Company. The complainant claimed ₹ 17,673 as reimbursement for costs incurred and subscription charges paid by the complainant to our Company. The matter is currently pending.

23. Ms. Shibanee Ray filed a consumer complaint bearing number 488 of 2009 before the District Consumer Disputes Redressal Forum, Khurda, Bhubaneswar, against our Company in relation to alleged deficiency in service in relation to cable television services provided by our Company. The complainant claimed ₹ 13,250 as compensation. Our Company submitted its response on December 29, 2009. The matter is currently pending.

24. Ms. Lilima Moharana filed a consumer complaint bearing number 160 of 2014 before the District Consumer Disputes Redressal Forum, Puri, against our Company in relation to alleged deficiency in, and for the restoration of, cable television services provided by our Company. The complainant claimed ₹ 10,000 as compensation. The President, District Consumer Disputes Redressal Forum, Puri pursuant to an ex-parte hearing and vide order dated June 23, 2014, directed our Company to restore the cable television services provided to the complainant. The matter is currently pending for hearing and filing of written submissions by the parties.

25. Mr. Gagan Panda filed a consumer complaint bearing number 63 of 2013 before the District Consumer Disputes Redressal Forum, Rayagarh against our Company and others, in relation to alleged misrepresentation in certain advertisements aired by one of the defendants. The complainant has claimed ₹ 20,000 as compensation and ₹ 5,000 as costs. Our Company submitted its response on May 17, 2013. The matter is currently pending.

26. Mr. Harinarayan Behera filed a consumer complaint bearing number 102 of 2013 before the District Consumer Disputes Redressal Forum, Nabarangpur, against certain officials of our Company in relation to alleged deficiency in, and for the restoration of, cable television services provided by our Company. The complainant claimed ₹ 10,000 as compensation and ₹ 5,000 as costs. The matter is currently pending.

27. Mr. Rakesh Das has filed a consumer complaint (C Case no. 85 of 2014) against our Company before the District Consumer Redressal Forum, Cuttack on July 19, 2014, alleging deficiency in services and unfair trade practices in respect of three set top boxes installed by our Company at Mr. Das' residence. Mr. Das has prayed, among other reliefs, for a direction against our Company to substitute the set top boxes installed or refund an amount of ₹ 1,700 (being the purchase price of the set top boxes) along with interest, compensation of ₹ 50,000 and costs. The District Consumer Redressal Forum, Cuttack has issued notice to our Company for appearance in this matter on September 22, 2014 to file a written reply. The matter is currently pending.

Taxation matters

1. Our Company has filed an appeal before the Commissioner of Entertainment Tax, Odisha against the order passed by the Assistant Commissioner of Entertainment Tax, Cuttack-I Range, Cuttack. On May 4, 2007, Entertainment Tax Officer, Cuttack I, Central Circle, Cuttack, Odisha served a demand notice to our Company in respect of tax on exhibition of entertainment by cable service during the quarter ending December 31, 2006 amounting to ₹ 6.98 million assessing our Company under the Orissa Entertainment Tax Act, 2006. Our Company contested the notice stating that the same payment had already been made in Office of Entertainment Tax Officer, Bhubaneswar. Therefore, an appeal bearing number AA (ENT) 1/CUIC/2007-08 was filed. By an order dated September 7, 2009, the

aforementioned appeal was dismissed and the order of assessment was upheld. Consequently, this second appeal was filed on December 2, 2009. The matter is currently pending.

2. Our Company has filed an application for revision bearing number Strev. Case Number 20 of 2009 before the High Court of Orissa, Cuttack, on January 27, 2009. The office of the Assessing Authority, Entry Tax, Bhubaneswar, made an assessment order against our Company for the assessment year 2000-2001 whereby, a demand of ₹ 0.24 million from our Company towards entry tax on the purchase of certain goods from outside the state of Odisha by our Company was made. The value of the goods purchased was ₹ 45.18 million. Our Company filed an appeal before the Assistant Commissioner of Sales Tax, Bhubaneswar against the aforementioned assessment order. The assessment order was confirmed and the said appeal was dismissed by the Assistant Commissioner of Sales Tax, Bhubaneswar by an order dated January 10, 2003. Our Company filed a second appeal bearing number 166(ET)/2003-04 before the Orissa Sales Tax Tribunal. The same second appeal was dismissed on April 30, 2008. Our Company has preferred the present application for revision on January 27, 2009 against the order of the Assistant Commissioner of Sales Tax, Bhubaneswar. Our Company has also filed a miscellaneous application bearing number 26 of 2009 to stay the impugned assessment order. The matter is currently pending.

3. Our Company has filed an appeal before the Commissioner of Income Tax (Appeals)-I in Bhubaneswar on January 27, 2011 against the order passed by the Assistant Commissioner of Income Tax (TDS). The initial issue in the matter was the applicability of TDS based on the nature of service acquired on subscribing channels from owners of television channels. An order was passed against our Company, by the assessing officer for assessment year 2006-2007 on December 30, 2010, confirmed by the order of the Assistant Commissioner of Income Tax (TDS), requiring our Company to pay for the non-deduction of TDS required under section 201(1) of the Income Tax Act along with interest for default, together amounting to ₹ 2.51 million. Against this order an appeal has been filed by our Company contending it to be erroneous and bad in law in light of the interpretation of section 201(1)/201(1A) read with s**ectio**n 194C of the Act. The matter is currently pending.

4. Our Company has filed an appeal before the Commissioner of Income Tax (Appeals)-I in Bhubaneswar on January 27, 2011 against the order passed by the Assistant Commissioner of Income Tax (TDS). The initial issue in the matter was the applicability of TDS based on the nature of service acquired on subscribing channels from owners of television channels. An order was passed against our Company, by the assessing officer for assessment year 2007-2008, dated December 30, 2010, confirmed by the order of the Assistant Commissioner of Income Tax (TDS), requiring our Company to pay for the non-deduction of TDS required under section 201(1) of the Income Tax Act along with interest for default, together amounting to ₹ 2.77 million. Against this order an appeal has been filed by our Company the order to be erroneous and bad in law in light of the interpretation of section 201(1)/201(1A) read with section 194C of the Act. The matter is currently pending.

5. Our Company received a show cause notice dated October 13, 2010 from the Income Tax Officer (TDS), Bhubaneswar, for alleged default in payment of tax amounting to ₹ 4,073,790 for assessment year.2009-10 on account of short deduction and late payments. Our Company filed a revised return correcting the error. Subsequently, the Income Tax Officer (TDS), Bhubaneswar passed assessment orders dated March 3, 2011 and March 4, 2011, directing our Company to pay a total tax liability of ₹ 3,078,290. Our Company filed an appeal on July 19, 2011 before the Commissioner of Income Tax (Appeal)-I, Bhubaneswar against the above orders, which was assigned to the Commissioner of Income Tax (Appeal), Berhampur. Pursuant to an order dated November 8, 2013, the Commissioner of Income Tax (Appeal), Berhampur, directed the Income Tax Officer to verify documents submitted by our Company on the same date, certifying that there was no short deduction or late payment of tax. The matter is currently pending.

6. Our Company received a show cause notice dated October 11, 2010 from the Income Tax Officer (TDS), Bhubaneswar, for alleged default in payment of tax amounting to ₹ 288,518 for assessment year.2008-09 on account of short deduction and late payments. Our Company replied to the notice on February 2, 2011 and submitted a copy of the filed revised return on 28 Febraury 2011. The matter is currently pending.

7. Our Company received a show cause and demand notice from the office of the Commissioner, Central Excise, Customs and Service tax, Bhubaneswar, bearing letter number IV(4)78/S.Tax-Adjn/B-

I/2011/23697-A, dated October 19, 2011, for alleged short payment of service tax, including cess amounting to ₹ 28.36 million, suppressing the value of the taxable service as disclosed in the ST-3 return for the period from April 2006 to March 2009, as against the disclosure made in the profit and loss account, amounting to suppression of facts, miscalculation of service tax payable in contravention of the Service Tax Act and rules made thereunder. Our Company replied to the above said notice on January 20. 2012. The matter is currently pending before the office of Commissioner, Central Excise, Customs and Service tax.

Labour matters

Mr. Jeevan Mohapatra filed a labour dispute bearing number 54 of 2013 before the Presiding Officer, Industrial Tribunal, Bhubaneswar, for reinstatement in service as a supervisor of labourers and technicians at the Baripada unit of our Company, along with applicable back wages. Our Company submitted a written statement on June 25, 2014. The matter is currently pending.

2. Outstanding Litigation/ Proceedings filed by our Company

Criminal matters

Our Company filed a first information report against Mr. Sujal Banerjee and others, bearing number G.R 711 of 2009 under section 379 of the Indian Penal Code and section 63 of the Indian Copyright Act, 1957, in relation to the alleged illegal telecast of signals which only our Company is authorised for. The matter is currently pending.

Civil matters

1. Our Company filed a writ petition bearing number 9135 of 2006 on July 10, 2006 before the High Court of Orissa against Paradeep Port Trust, in relation to a contract entered into for provision of cable television services. Our Company challenged an alleged illegal deduction of ₹ 5,268,950 from the monthly payout due to our Company as per the contract. Pursuant to an order dated July 20, 2006, the court has granted a stay in the matter, restraining Paradeep Port Trust from receiving any pending amount from our Company. The matter is currently pending.

2. Our Company filed a writ petition bearing number 7204 of 2007 on June 11, 2007 before the High Court of Orissa against Cuttack Municipal Corporation, stating that the latter had issued an order dated May 16, 2007 directing our Company to remove all cables from the concerned municipal area within seven days from the receipt of the letter. Our Company prayed for rule nisi calling upon the respondent to show cause as to why the impugned order dated May 16, 2007 should not be quashed, and in the event of failure of respondent to furnish justified cause, quash the said impugned order. Our Company also filed an interim application bearing number 6810 of 2007, praying for an interim injunction against the respondent from acting in furtherance of the impugned order. Pursuant to an order dated June 12, 2007, the court directed that status quo be maintained in the matter. However, Cuttack Municipal Corporation has subsequently permitted our Company to lay cables and has been accepting rents in relation to the same. The matter is currently pending.

3. Our Company filed a suit bearing number 114 of 2003 before the Civil Judge (Senior Division), Bhubaneswar, against United City Cable Private Limited, Sky Vision Cable T.V. Network Limited, Sambad Television Private Limited and CESCO, alleging that CESCO was trying to grant permission to the other defendants violating the Energy Department Guidelines for laying cables on the electric poles in Bhubaneswar. Our Company had filed an interim application bearing number 110 of 2003 for an injunction restraining CESCO from granting permission to other respondents, which was subsequently allowed by the civil judge. United City Cable Private Limited filed an appeal bearing number 18/39 of 2003 against the abovementioned order before the First Additional District Judge, Bhubaneswar. This appeal was allowed by an order whereby the earlier interim order by civil judge was vacated. Our Company filed a writ petition bearing number 11685 of 2005 on September 14, 2005 before the High Court of Orissa against the order of First Additional District Judge, Bhubaneswar. Subsequently, the notification has been amended. The matter is currently pending.

4. Our Company filed a civil suit bearing number 1224 of 2011 before the Civil Judge (Senior Division), Bhubaneswar, against Mr. Pratap Aditya Mishra, a former employee of our Company on July 18, 2011 in relation to a bond entered into by the former employee in exchange of a professional course being

sponsored by our Company, pursuant to which he was required to remain in our Company's employment for a minimum period of three years or pay a lump sum amount to our Company. Our Company has prayed for a permanent injunction restricting Mr. Mishra from entering into any service agreement with another employer and for recovery of ₹ 0.25 million along with costs. The matter is currently pending.

5. Our Company filed a recovery suit bearing number 1502 of 2011 before the Civil Judge (Senior Division), Bhubaneswar, against Giant Wheel Animation Production and Research Private Limited for the refund of ₹ 0.15 million by the defendant which had been paid as advance pursuant to an agreement entered into by the parties for an advertisement of our Company's services along with interest at the rate of 18% per annum. The matter is currently pending.

6. Our Company filed a petition bearing number 764 of 2014 before the Civil Judge (Senior Division), Bhubaneswar, seeking an interim injunction to restrain Media Pro Enterprise India Private Limited from disconnecting certain channels in its network despite having ceased to operate as a distributor, for which subscription rights had been granted to our Company. Our Company also filed an interim application bearing number 428 of 2014 for ex parte hearing of the matter, which was rejected pursuant to an order dated June 12, 2014. Our Company has filed an appeal (87 of 2014) before the District and Sessions Judge, Khurda, Bhubaneswar against the above-mentioned order. The matter is currently pending.

Telecom matters

1. Our Company filed a petition bearing number 138(C) of 2014 before TDSAT on March 14, 2014, against Pearls Broadcasting Corporation Limited, in relation to a carriage and placement agreement entered into between the parties. Our Company has prayed for recovery of ₹ 2.70 million, along with interest at the rate of 18% per annum, towards outstanding dues for the placement and distribution of certain channels under the carriage and placement agreement. The matter is currently pending.

2. Our Company filed a petition bearing number 355 of 2013 before TDSAT in October 2013, against TV Vision Limited, in relation to a carriage agreement entered into between the parties. Our Company has prayed for recovery of ₹ 1.45 million, along with interest at the rate of 18% per annum, towards outstanding carriage and placement fee. The matter is currently pending.

3. Our Company filed a petition bearing number 132(C) of 2014 before TDSAT on March 10, 2014, against Aryan Infratech Private Limited, in relation to a carriage and placement agreement entered into between the parties. Our Company has prayed for recovery of ₹ 1.00 million, along with interest at the rate of 18% per annum, towards outstanding carriage and placement fee. The matter is currently pending.

Labour matters

1. Our Company filed a writ petition bearing number 9445 of 2011 before the High Court of Orissa against the Presiding Officer, Labour Court, Bhubaneswar, and Mr. K.C. Sethi, a former technician of our Company. The petition has been filed to challenge an order dated November 11, 2010 passed by the Presiding Officer in a matter under the Industrial Disputes Act, 1947, bearing number 40 of 2004, in relation to the termination of service of Mr. Sethi. Pursuant to the abovementioned order, our Company was directed to pay ₹ 40,000 towards compensation to Mr. Sethi, which has been paid by our Company. The matter is currently pending for hearing on admission.

Complaints filed under section 138 of the Negotiable Instruments Act, 1881

Our Company has filed various complaints for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. Currently, there are 30 such complaints pending before various courts. The total amount involved in such cases is approximately ₹ 55.27 million.

B. Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

C. Details of past penalties imposed on our Company

Except as below, there are no past penalties imposed on our Company by the authorities/courts concerned:

1. Our Company had filed a contempt petition bearing number 913 of 2010 before the High Court of Orissa, against the chairman of Paradeep Port Trust and a director of Manthan Broad Band Private Services Limited, alleging that the respondents had caused deliberate violation of an order of the High Court of Orissa in the writ petition bearing number 10386 of 2009. The High Court of Orissa, however, found that there was no case made out against the alleged contemnors, and pursuant to its judgment dated October 5, 2010, held that the said contempt application amounted to the abuse of the process of the court and imposed a cost of ₹ 25,000 on our Company.

2. Our Company had filed a petition bearing number 427C of 2010 against Taj Television India Private Limited before TDSAT, New Delhi on December 15, 2010 in relation to an agreement for the supply of its digital feed in non-CAS area vis-à-vis CAS-area. Our Company alleged that the respondent provided signals only in the analog mode and at unreasonable rates, contrary to the terms agreed upon. Our Company prayed for a direction to the respondent to enter into subscription agreement with our Company on non-discriminatory and reasonable terms and to award damages due to loss of business, growth and income. Pursuant to an order of TDSAT on July 25, 2012, the matter was disposed of stating our Company had been unable to establish a case on merit, and a cost of ₹ 50,000 was imposed on our Company.

D. Potential Litigation against our Company

Except as disclosed in this section, there is no potential litigation against our Company that we are currently aware of or in connection with which, we have received notice.

1. Mr. Biraja Prasanna Bal had issued a notice to our Company on September 21, 2010, alleging that our Company had not provided details of tariff with respect to television channels in a bill sent to him. It was further alleged that our Company had charged him in advance, thereby resorting to unfair trade practice. TRAI issued a letter to our Company requesting for comments on the issues related in the aforementioned notice. No further communication has been received in this matter.

2. Mr. K.C. Kanungo had filed a complaint before the Monopolies and Restrictive Trade Practices Commission ("**MRTPC**") on March 26, 2009, alleging deficiency in service on the part of our Company on account of inflated/ irregular bills, in respect of internet service. It was further alleged that our Company had not refunded the agreed amount, after disconnection and discontinuance of internet service. By a letter dated October 12, 2009, our Company was directed by MRTPC to furnish comments on the abovementioned matter. Our Company replied to Mr. Kanungo on October 26, 2010. No further communication has been received in this matter.

3. Mr. Arup Chakraborty had filed a complaint before the Director General, MRTPC, alleging that while our Company has charged full rent in advance, it had deprived him of continuous service. MRTPC issued a notice to our Company on December 12, 2008 with a direction to furnish comments on the abovementioned matter. Our Company replied to the said notice on December 24, 2008 and on January 28, 2009. No further communication has been received in this matter.

4. Reliance Communications Limited has served a legal notice to our Company on February 8, 2010 alleging that despite the continuous service of telecom facilities, pursuant to an agreement with our Company, it has failed to pay its outstanding liability amounting to ₹ 102,635. Our Company has disputed the liability in its reply to the legal notice on April 10, 2010. No further communication has been received in this matter.

5. Our Company received a notice from its broadcaster Taj Television on March 4, 2011 for alleged arrear dues of ₹ 1.85 million on account of subscription for head ends of Odisha and ₹ 53,973 for head ends of West Bengal. No further communication has been received in this matter.

6. Our Company received a notice from Software Technology Parks of India, Ministry of Communications and Information Technology, GoI ("**STPI**"), on November 14, 2012 for alleged

outstanding dues of ₹ 2.96 million on account service charges due to STPI. No further communication has been received in this matter.

7. Our Company received a notice from the Department of Telecommunications, Government of India on March 31, 2014, in relation to the provisional assessment of the annual license fee for the ISP license of our Company. Our Company has been directed to pay total due charges of ₹ 238,484,286 payable for FY 2011-12 and FY 2012-13, with further interest and/ or penalties for delay in payment beyond April 30, 2014.

8. Our Company received a notice dated June 13, 2014, on behalf of New Town Telecom Infrastructure Development Limited ("**New Town**") in relation to the agreement entered into between our party and New Town granting permission to our Company for laying cables through ducts built or to be built by New Town in Kolkata on account of alleged default in payment of the license fee to New Town by our Company. An amount of ₹ 3,467,650 has been claimed by New Town, along with interest at the rate of 15% per annum from June 9, 2014. Our Company has replied to the notice on August 23, 2014, requesting that payment of such amount be allowed to be made in instalments, which was acknowledged by New Town on September 4, 2014.

E. Material Developments since the Last Balance Sheet Date

Except as disclosed in the section titled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" beginning on page 264, in the opinion of our Board, there have not arisen, since the date of the last financial information disclosed in this DRHP, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its assets or its ability to pay its material liabilities within the next 12 months.

F. Outstanding dues to small scale undertaking(s) or any other creditors

There are no outstanding dues above ₹ 100,000 to small scale undertaking(s) or any other creditors by our Company, for more than 30 days.

G. Outstanding Litigation against other persons and companies whose outcome could have an adverse effect on our Company

There are no outstanding litigation, suits, criminal or civil prosecutions, statutory or legal proceedings including those for economic offences, tax liabilities, show cause notices or legal notices pending against any person or company whose outcome could have a material adverse effect on the position of our Company.

H. Details of any inquiry, inspection or investigation initiated or conducted under the Companies Act, 2013 or the previous companies law

There have been no inquiries, inspections or investigations initiated or conducted under the Companies Act, 2013 or the Companies Act, 1956 against the Company in the last five years, and no prosecution has been filed, or fines imposed, or compounding done by our Company under the Companies Act, 2013 or the Companies Act, 1956 in the last five years.

I. Material frauds committed

There have been no material frauds committed against our Company since incorporation.

J. Default and non – payment of statutory dues

Except as stated in the section titled "*Financial Information - Annexure VI - Statement on Adjustments to Audited Financial Statements*" on page 249, our Company has not made any defaults or committed any acts involving non-payments of its statutory dues.

II. Litigation against the Directors of our Company

A. Outstanding Litigation and Material Developments/Proceedings against our Directors

Except as disclosed in this section, there is no outstanding litigation involving our Directors including criminal prosecutions or civil proceedings involving our Directors, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Directors (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013).

1. Mr. Baijayant Panda

Civil matters

1. Mr. Narayan Badu filed a suit bearing number 520 of 1997 before the Civil Judge, Senior Division, Bhubaneswar, against the State of Odisha, Mrs. Ila Panda and others in relation to certain property at Mouza Bhimpur. The plaintiff had filed the present suit relying on the settlement entry and order of the Commissioner, Settlement & Consolidation in 1929-30. The plaintiff's application for injunction was dismissed which was followed by an appeal by him. Mrs. Ila Panda had filed her written statement. After the death of Mrs. Ila Panda, her family members have been substituted as legal heirs. The matter is currently pending.

2. Ms. Ushamani Jena filed a civil suit bearing number 893 of 2006 before the Civil Judge, Senior Division, Bhubaneswar, against Baijayant Panda and others, in relation to a partition suit filed by the plaintiff for allotment of her share of property transferred to Mrs. Ila Panda under a compromise decree bearing number 4 of 1992. Mr. Baijayant Panda has filed his written statement and the matter is currently pending.

3. Ms. Kamalini Mahapatra filed a partition suit bearing number 657 of 2009 before the Civil Judge, Senior Division, Bhubaneswar, against Baijayant Panda and others in relation to certain property of Late Ghanashyam Dash at Cuttack town, Kantapali, and Sambalpur Mahal. The matter is currently pending.

Taxation matters

1. Mr. Baijayant Panda has filed an appeal bearing number 97on April 22, 2013 before the Commissioner of Income Tax (Appeals I and II), Bhubaneswar, against a wealth tax assessment order and demand notice dated March 19, 2013 for ₹ 253,040 in relation to assessment year 2010-11, by the Assistant Commissioner of Wealth Tax, Circle 2(1), Bhubaneswar. The matter is currently pending.

2. Ms. Jagi Mangat Panda

Taxation matters

1. Ms. Jagi Mangat Panda has filed a rectification petition on February 18, 2014, before the Income Tax Officer WD 26(2)-2 (DFOQ), Mumbai, against an assessment order and demand notice dated December 30, 2010 for ₹ 117,500 in relation to assessment year 2009-10, by the Assessing Officer, Income Tax Department. The matter is currently pending.

2. Ms. Jagi Mangat Panda has filed a rectification petition on February 18, 2014, before the Income Tax Officer WD 26(2)-2 (DFOQ), Mumbai, against an assessment order and demand notice dated January 15, 2013 for ₹ 27,680 in relation to assessment year 2011-12, by the Assessing Officer, Income Tax Department. The matter is currently pending.

3. Mr. Subhrakant Panda

Criminal matters

1. The Sub-Divisional Magistrate, Jajpur initiated a criminal proceeding bearing number 2(C) CC No. 20 of 2014 against Mr. Subhrakant Panda before the Judicial Magistrate First Class, Jajpur for an alleged

violation of the Environmental Impact Assessment Notification, 1994 by producing chrome ore in contravention of the terms and conditions of an environmental clearance granted by the Ministry of Environment and Forests, Government of India. The Judicial Magistrate First Class, Jajpur, vide an order dated March 19, 2014, took cognizance of the matter, against which Mr. Subhrakant Panda filed a review petition bearing number CRLMC 2512 of 2014 before the High Court of Orissa. Pursuant to an order of the High Court of Orissa dated July 30, 2014, a stay has been granted on the proceedings. The matter is currently pending.

Civil matters

1. Mr. Narayan Badu filed a suit bearing number 520 of 1997 before the Civil Judge, Senior Division, Bhubaneswar, against the State of Odisha, Mrs. Ila Panda and others, in relation to certain property at Mouza Bhimpur. The plaintiff had filed the present suit relying on the settlement entry and order of the Commissioner, Settlement & Consolidation, in 1929-30. The plaintiff's application for injunction was dismissed which was followed by an appeal by him. Mrs. Ila Panda had filed her written statement. After the death of Mrs. Ila Panda, her family members have been substituted as legal heirs. The matter is currently pending.

2. Ms. Ushamani Jena filed a civil suit bearing number 893 of 2006 before the Civil Judge, Senior Division, Bhubaneswar, against Baijayant Panda and others, in relation to a partition suit filed by the plaintiff for allotment of her share of property transferred to Mrs. Ila Panda under a compromise decree bearing number 4 of 1992. Mr. Subhrakant Panda has have filed his written statement and the matter is currently pending.

3. Ms. Kamalini Mahapatra filed a partition suit bearing number 657 of 2009 before the Civil Judge, Senior Division, Bhubaneswar, against Baijayant Panda and others, including Mr. Subhrakant Panda, in relation to certain property of Late Ghanashyam Dash at Cuttack town, Kantapali, and Sambalpur Mahal. The matter is currently pending.

Taxation matters

1. Demand of income tax for ₹ 3,173, in relation to Mr. Subhrakant Panda, was made with respect to assessment year 1996-97 by way of intimation dated March 31, 1997, under section 143(1)(a) of Income Tax Act. The said demand was against interest charged by the Income Tax Department for delayed payment of income tax under section 234(b) and 234(c) of Income Tax Act. The calculation of the said interest is disputed and is yet to be settled.

2. The Income Tax Department had demanded ₹ 19,450 under Section 143(1) in relation to the assessment year 2008-2009, in relation to Mr. Subhrakant Panda. The demand notice was made on March 5, 2010, against non-payment of advance tax. A rectification petition under Section 154 of the Income Tax Act was filed on May 21, 2010. The matter is currently pending.

4. Mr. Shantanu Yeshwant Nalavadi

1. Mr. Shantanu Yeshwant Nalavadi is a nominee director of South Asia Gastronomy Enterprises LLC's ("**SAGE**", an investment company based out of Mauritius) on the board of directors of Vasudev Adiga Fast Food Private Limited ("**Adiga**"). The promoter of Adiga, Mr. Vasudev Adiga, has filed a petition before the Company Law Board ("**CLB**"), Chennai, bringing up disputes and claims relating to oppression and mismanagement and inter alia challenging SAGE's management rights and disputing the basis of computation of pre-money equity valuation ("**PMEV**"). Further to an application filed in the company petition, an interim order was passed by the CLB, by which an administrator was appointed to head a committee of management, which was to replace the Board of Adiga. However, pursuant to an appeal filed before the High Court of Karnataka by SAGE against the interim order, the appointment of the administrator has been stayed till further orders. As of date both the petition and appeal, remain pending. Until resolution of the pending disputes, which includes resolution of the PMEV computation, Adiga is unable to finalize its accounts for the year ended March 31, 2013.

5. Dr. Gautam Sehgal

Nil

6. Mr. Jyoti Bhusan Pany

Nil

7. Mr. K.V. Seshasayee

Nil

8. Major (Retd.) R.N. Misra

Nil

9. Dr. P.T. Joseph

Nil

10. Mr. Debaraj Biswal

Nil

11. Mr. Gautam Buddha Mukherji

Nil

B. Outstanding Litigation and Material Developments/Proceedings filed by our Directors

1. **Mr. Baijayant Panda**

Civil matters

1. Mr. Baijayant Panda filed a suit bearing number 483 of 2003 before the Civil Judge (Senior Division), First Court, Cuttack against Sambad, an Oriya daily, which had allegedly published a number of defamatory articles against the plaintiff. The plaintiff filed the present suit claiming damages for the defamatory articles published amounting to ₹ 10 million. An interim stay has been granted by the Court in the present suit and pleadings have been completed. The matter is currently pending.

2. Mrs. Ila Panda filed a writ petition bearing number OJC 47 of 1988 before the High Court of Orissa against Mr. Jabbar Ali and other parties. Pursuant to an order dated July 15, 1997, the Commissioner, Consolidation and Settlement, Odisha had directed that certain property belonging to Mrs. Ila Panda be recorded in favour of one Chintal Mali Patrani and Surendra Nath Pradhan. The said order was challenged before the High Court of Orissa and was subsequently stayed. After the death of Mrs. Ila Panda, substitution application was made to implead Mr. Baijayant Panda, one of her legal heirs, in the appeal. The matter is currently pending.

3. Mr. Baijayant Panda and other parties are petitioners in an execution petition bearing number 2 of 1989 before the Civil Judge, Senior Division, Bhubaneswar, against Surendra Nath Pradhan and another party, for the execution of a decree declaring title over the suit property awarded in a suit bearing number 128 of 1981 on February 18, 1984. Mrs. Ila Panda had initiated the present execution proceedings and the present petitioners have been substituted after the demise of Mrs. Ila Panda. The matter is currently pending.

4. Mr. Baijayant Panda and other parties are petitioners in an execution petition bearing number 35 of 1989 before the Civil Judge, Senior Division, Bhubaneswar, against Chintala Mali Patrani and other parties, for the execution of a decree of declaring right, title and interest over the suit property awarded in a suit bearing number 32 of 1969 on June 22, 1981. Mrs. Ila Panda had initiated the present execution proceedings and the present petitioners have been substituted after the demise of Mrs. Ila Panda. The matter is currently pending.

Taxation matters

1. Mr. Baijayant Panda has filed a customs appeal bearing number 72 of 2010 before the Customs, Excise and Service Tax Appellate Tribunal, New Delhi against the Commissioner of Customs (Preventive), New Delhi. IMFA had imported a helicopter for which the aircraft importer claimed a benefit under the applicable customs exemption notification and filed an undertaking to the customs authority. The customs authority imposed a demand on IMFA and other parties, which was confirmed by the Commissioner of Customs (Preventive) on November 24, 2009. IMFA has challenged the said order in the present appeal. The amount involved in the present appeal is ₹ 200,000. The appeal is currently pending.

2. **Ms. Jagi Mangat Panda**

Nil

3. **Mr. Subhrakant Panda**

Civil matters

1. Mr. Subhrakant Panda and other parties are petitioners in an execution petition bearing number 2 of 1989 before the Civil Judge, Senior Division, Bhubaneswar, against Surendra Nath Pradhan and another party, for the execution of a decree declaring title over the suit property awarded in a suit bearing number 128 of 1981 on February 18, 1984. Mrs. Ila Panda had initiated the present execution proceedings and the present petitioners have been substituted after the demise of Mrs. Ila Panda. The matter is currently pending.

2. Mr. Subhrakant Panda and other parties are petitioners in an execution petition bearing number 35 of 1989 before the Civil Judge, Senior Division, Bhubaneswar, against Chintala Mali Patrani and other parties, for the execution of a decree of declaring right, title and interest over the suit property awarded in a suit bearing number 32 of 1969 on June 22, 1981. Mrs. Ila Panda had initiated the present execution proceedings and the present petitioners have been substituted after the demise of Mrs. Ila Panda. The matter is currently pending.

3. Mrs. Ila Panda filed a writ petition bearing number OJC 47 of 1988 before the High Court of Orissa against Mr. Jabbar Ali and other parties. Pursuant to an order dated July 15, 1997, the Commissioner, Consolidation and Settlement, Odisha had directed that certain property belonging to Mrs. Ila Panda be recorded in favour of one Chintal Mali Patrani and Surendra Nath Pradhan. The said order was challenged before the High Court of Orissa and was subsequently stayed. After the death of Mrs. Ila Panda, substitution application was made to implead Mr. Subhrakant Panda and other parties in the appeal as legal heirs. The matter is pending and has not been listed for hearing.

4. **Mr. Shantanu Yeshwant Nalavadi**

Nil

5. **Dr. Gautam Sehgal**

Nil

6. **Mr. Jyoti Bhusan Pany**

Nil

7. **Mr. K. V. Seshasayee**

Nil

8. **Major (Retd.) R.N. Misra**

Nil

9. **Dr. P.T. Joseph**

Nil

10. **Mr. Debaraj Biswal**

Nil

11. **Mr. Gautam Buddha Mukherji**

Nil

C. Proceedings initiated against the Directors for economic offences

There are no proceedings initiated against the Directors for economic offences.

D. Details of past penalties imposed on our Directors

There are no past penalties imposed on our Directors.

III. Outstanding Litigation and Material Developments/Proceedings against our Promoters

Except as stated below, there is no outstanding litigation involving our Promoters, including criminal prosecutions or civil proceedings involving our Promoters, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Promoters (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013).

A. Litigation involving Promoters

For litigation pertaining to Mr. Baijayant Panda and Ms. Jagi Mangat Panda, see the section titled "*Outstanding Litigation and Material Developments - Litigation against the Directors of our Company*" beginning on page 305.

Outstanding Litigation and Material Developments/ Proceedings against our Promoters

1. UMSL Limited

Criminal matters

1. Mr. Guru Charan Behera filed a criminal complaint bearing number 132 of 2008 before the Judicial Magistrate (First Class), Cuttack on September 22, 2008, alleging that UMSL Limited had detained his truck and has alleged extortion against UMSL Limited, and claimed ₹ 0.09 million as compensation. The said truck was subsequently released pursuant to the order of Judicial Magistrate (First Class), Cuttack. The matter is currently pending.

Civil matters

1. Mr. P. Shanu filed a motor accident claim bearing number 396 of 2006 before the Civil Judge (Junior Division), Rayagada, against UMSL Limited along with the New India Insurance Company. It is alleged that Mr. Shanu sustained injury because of an accident involving a vehicle belonging to UMSL Limited. The matter is currently pending.

2. Mr. Guru Charan Behera filed a suit bearing number 53 of 2009 before the Civil Judge (Senior Division) First Court, Cuttack on September 10, 2009 against UMSL Limited, for alleged losses on account of detention of his vehicle which was transporting goods of UMSL Limited. He has prayed for ₹ 123,000 towards compensation. The matter is currently pending.

3. Mr. Brahmananda Dikhit, being the legal heir of deceased who died because of an accident involving a vehicle belonging to UMSL Limited, filed a motor accident claim bearing number 389 of 2002 before the Court of First Motor Accidents Claims Tribunal, Cuttack against UMSL Limited along with the Oriental Insurance Company. The matter is currently pending.

4. Ms. Lata Swain, being the legal heir of deceased who died because of an accident involving a vehicle belonging to UMSL Limited, filed a motor accident claim bearing number 465 of 2002 before the Court of First Motor Accidents Claims Tribunal, Cuttack against UMSL Limited along with the Oriental Insurance Company. The matter is currently pending.

5. Mr. Hemant Kumar Ojha, who was injured due to an accident involving a vehicle belonging to UMSL Limited, filed a motor accident claim bearing number 1084 of 1999 before the Court of First Motor Accidents Claims Tribunal, Cuttack against UMSL Limited along with the Oriental Insurance Company. The matter is currently pending.

6. Mr. Abhimanyu Mallik, who was injured due to an accident involving a vehicle belonging to UMSL Limited, filed a motor accident claim bearing number 823 of 2005 before the Court of First Motor Accidents Claims Tribunal, Cuttack against UMSL Limited along with the New India Insurance Company. The matter is currently pending.

7. Mr. Mrutyunjay Sandha, who was injured due to an accident involving a vehicle belonging to UMSL Limited, filed a motor accident claim bearing number 304 of 2006 before the Court of First Motor Accidents Claims Tribunal, Cuttack against UMSL Limited along with the New India Insurance Company. The matter is currently pending.

8. Ms. Santilata Mohanty, being the legal heir of deceased, who died due to an accident involving a vehicle belonging to UMSL Limited, filed a motor accident claim bearing number 715 of 2008 before the Court of First Motor Accidents Claims Tribunal, Cuttack, against UMSL Limited along with the New India Insurance Company. The matter is currently pending.

9. Mr. N. Rajendra Senapati filed a motor accident claim bearing number 53 of 2012, before the District Judge, Behrampur, for compensation on account of the death of his family member. The matter is currently pending.

10. Elbird Hatchery Private Limited filed a civil suit bearing number 594 of 2010 before the Civil Judge (Senior Division), First Court, Cuttack, seeking a direction for declaration of a registered sale deed in favour of UMSL Limited as void and illegal, and a permanent injunction against UMSL Limited restraining it from accessing the land which was the subject matter of the suit, and from interfering with the peaceful possession of the land by the plaintiff. UMSL Limited filed its written statement on August 3, 2011. The plaintiff also filed an interim application, bearing number 471 of 2010, which was dismissed by the court vide an order dated August 6, 2011. Elbird Hatchery Private Limited filed an appeal bearing number F.A.O. 329 of 2011 before the High Court of Orissa against the abovementioned order. Pursuant to an order dated September 21, 2011, the High Court of Orissa permitted UMSL Limited to constinue construction of a boundary wall, subject to final result of the litigation. The court also directed UMSL Limited to not claim any equity for the same. The matter is currently pending.

11. Mr. Kedar Parida, who was injured due to an accident involving a vehicle belonging to UMSL Limited, filed a motor accident claim bearing number 5/9 of 1996 before the Court of First Motor Accident Claim Tribunal, Cuttack against UMSL Limited. The matter is currently pending.

12. Mr. Braja Kishore Swain filed a motor accident claim bearing number 932 of 2011, before the First A.D.J. cum Motor Accidents Claims Tribunal, Cuttack against UMSL Limited and New India Assurance Company Limited, for compensation for an injury sustained due to an accident caused by a vehicle belonging to UMSL Limited. The court issued a show cause notice on December 7, 2013. The matter is currently pending.

13. Mr. Rabana Nayak filed a motor accident claim bearing number 399 of 2012 before the A.D.J. cum Motor Accidents Claims Tribunal, Cuttack, against UMSL Limited and New India Assurance Company Limited, for compensation of ₹ 150,000 for an injury sustained due to an accident caused by

a vehicle belonging to UMSL Limited. The court issued a show cause notice on May 3, 2013. The matter is currently pending.

14. Ms. Raj Kumari Devi filed a motor accident claim bearing number 560 of 2012 before the Court of Motor Accidents Claims Tribunal, Puri against UMSL Limited, for compensation of ₹ 1,400,000 along with interest, for the death of her husband in an accident caused by a vehicle belonging to UMSL Limited on April 22, 2013.The matter is currently pending.

Labour matters

1. The Labour Enforcement Officer, Ambikapur, filed two cases bearing numbers 26(103) 2008/LEO and 22(61) 2008/LEO before the Labour Court, Ambikapur, against UMSL Limited for alleged irregularities in relation to the Minimum Wages Act, 1948. The matter is currently pending.

2. Ms. Himrika Kanta filed a workman's compensation suit bearing number 10 of 1997 before the Court of Workman's Commissioner, Jeypore, for compensation on account of an injury suffered by her, against UMSL Limited along with the New India Insurance Company. The matter is currently pending.

3. Ms. Mehrun Nisha filed a workman's compensation suit bearing number 74 of 2011 before the Court of Commissioner of Compensation and Assistant labour Commissioner, Jharkhand, for compensation due to personal injury caused in an accident, against UMSL Limited along with the New India Insurance Company. The matter is currently pending.

2. Panda Investments Private Limited

Nil

Outstanding Litigation and Material Developments/Proceedings filed by our Promoters

1. UMSL Limited

1. UMSL Limited filed a writ petition bearing number 14325 of 2009 before the High Court of Orissa, seeking an order to quash the levy of punitive charges by East Coast Railways for overloading of a bauxite rake loader from Bishrampur to Doikallu. The charge levied is ₹ 856,550. The matter is currently pending.

2. UMSL Limited filed a writ petition bearing number 14682 of 2009 before the High Court of Orissa on October 5, 2009, seeking an order to quash the levy of punitive charges by East Coast Railways for overloading of a bauxite rake loader from Bishrampur to Doikallu. The charge levied is ₹ 500,589. The matter is currently pending.

3. UMSL Limited has filed various complaints for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. Currently, there are seven such complaints pending before various courts. The total amount involved in such cases is approximately ₹ 2.36 million.

2. Panda Investments Private Limited

Nil

B. Details of past penalties imposed on our Promoters

1. Mr.Chulu Chandan and Mrs. Dalimba Chandan being the legal heirs of a deceased person who died in an accident involving a vehicle belonging to UMSL Limited, filed a motor accident claim bearing number 57 of 2012 before the Motor Accident Tribunal, Kalahandi, Bhawanipatna, against UMSL Limited and New India Assurance Company Limited. Pursuant to an order dated March 22, 2014, the tribunal order UMSL Limited to pay a compensation of ₹ 375,600 to the plaintiffs.

C. Proceedings initiated against our Promoters for economic offences

There are no proceedings initiated against our Promoters for economic offences.

D. Litigation/Defaults in respect of companies/firms/ventures with which our Promoters were associated in the past

There are no litigation/ defaults initiated in respect of companies/firms/ventures with which our Promoters were associated in the past.

E. Litigation/ legal action pending or taken by any Ministry or Department of the Government or a statutory authority against any Promoter.

No litigation/ legal action is pending or has been taken by any Ministry or Department of the GoI or any statutory authority against any of our Promoters in the last five years.

IV. Litigation involving our Group Companies

Outstanding Litigation and Material Developments/Proceedings involving our Group companies and entities

Except as stated below, there is no outstanding litigation involving our Group companies and entities, including criminal prosecutions or civil proceedings involving our Group companies and entities, and there are no material defaults, non-payment of statutory dues, over dues to banks/financial institutions or defaults against banks/financial institutions by our Group companies and entities (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (a) of Part I of Schedule V of the Companies Act, 2013).

1. Odisha Television Limited ("OTL")

Outstanding Litigation/ Proceedings filed against OTL

1. Ms. Bhagyashri Behera filed a defamation suit bearing number 46/654/03/02 before the Fast Track Court Number IV, Bhubaneswar, against OTL for recovery of damages of ₹ 20 million from OTL in relation to a news telecast by OTL against her husband, an officer in the Indian Administrative Services. OTL along with other media has been arrayed as a party in the suit. Subsequently, the plaintiff has expired and her daughter, Ms. Arpita Behera, has prayed for substitution in the suit. The matter is currently pending.

2. Mr. Bikram Pradhan and others filed a defamation suit bearing number 540 of 2008 before the Civil Judge (Senior Division), Cuttack, against Mr. Ashok Sahu and others for recovery of damages of ₹ 500 million. OTL was made a proforma defendant in the suit and no relief was sought from OTL. The matter is currently pending.

3. Mr. P.K. Nayak filed a criminal complaint for defamation bearing number 320 of 1999 before the Sub-Divisional Judicial Magistrate, Bhubaneswar, against Mr. Soumya Ranjan Patnaik and others, including OTL in relation to publication of certain news by OTL and other newspapers. The trial has not commenced in the matter, which is currently pending.

4. Mr. Suraj Kumar Naik filed a civil suit bearing number C.S. 6881 of 2014 before the Civil Judge (Junior Division) First Court, Cuttack seeking a permanent injunction against OTL not to telecast movies of Brajaraj Movies/Films and Brajaraj Telefilms (44 movies) on its channels. No monetary relief has been prayed for from OTL. The matter is currently pending.

   Mr. Suraj Kumar Naik has also filed an interim application bearing number I.A. No. 1 of 2014 along with the above suit for restraining OTL from telecasting the movies of Brajaraj Movies/Films and Brajaraj Telefilms on its channels. The Civil Judge (Junior Division) First Court, Cuttack passed an order restraining OTL from telecasting the movies. Aggrieved by the said order, OTL filed an appeal bearing number FAO 78 of 2014 before the District Judge, Cuttack. The District Judge, upon hearing the appeal, along with FAO 77 of 2014 (filed by other opposite parties in the matter) set aside the order of the Civil Judge (Junior Division) First Court, Cuttack. Mr. Suraj Kumar Naik being aggrieved by the order of Disctrict Judge filed a civil miscellaneous petition bearing number 1007 of 2014 before the High Court of Orissa. The matter is currently pending.

5. TRAI, through its authorised representative, Mr. C.P. Sharma, Deputy Advisor (B&CS) filed a criminal complaint bearing number C.C. No. 41/1 of 2013 in the Court of Chief Metropolitan Magistrate, Tis Hazari Court, Delhi against OTL and another, for the alleged contravention of the provisions of TRAI with regard to Standard of Quality Service (Duration of Advertisement in Television Channels) Regulations. This matter is currently pending

Outstanding Litigation/ Proceedings filed by OTL

1. OTL has filed various complaints for recovering amounts due from various entities on account of dishonouring of cheques issued by such entities. Currently, there are 36 such complaints pending before various courts, out of which money has already been recovered in three cases.The total amount involved in such cases is approximately ₹ 5.79 million.

2. OTL has filed a petition (360 (C) of 2014) against Reliance Big TV Limited, Mumbai for recovery of outstanding dues amounting to ₹ 23,87,650 for the channel "*Tarang Music & Prarthana*". The matter is currently pending.

3. OTL has filed a petition (376 of 2014) against Reliance Big TV Limited, Mumbai for recovery of outstanding dues amounting to ₹ 40,54,325 for the channel "*Tarang*". The matter is currently pending.

2. Kishangarh Environmental Development Action Private Limited

Nil

3. Orissa Coal and Services Private Limited

Nil

4. Orissa Telefilms Private Limited

Nil

5. Metro Skynet Limited

Nil

6. Odisha Infra-tech Private Limited ("OITPL")

Nil

7. Barunei Farm and Nature Resorts Private Limited

Nil

8. Keda Enterprises Private Limited

Nil

9. Tarang Broadcasting Company Limited

Nil

10. Kahani Unlimited Private Limited

Nil

11. Ortel Wireless Services Private Limited

Nil

Past Penalties paid by the Group Companies

No past penalties have been paid by the Group Companies.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals listed below, our Company can undertake this Issue and our current business activities. Unless otherwise stated, these approvals are all valid as of the date of this DRHP. For further details in connection with the regulatory and legal framework within which we operate, see the section titled "*Regulations and Policies*" on page 150.

A. Approvals in relation to our Company's incorporation

1. Certificate of incorporation dated June 2, 1995 granted to our Company by the RoC.
2. Certificate for commencement of business on July 19, 1995 granted to our Company by the RoC.

B. Approvals related to this Issue

1. In-principle approval from the NSE dated [●];
2. In-principle approval from the BSE dated [●];
3. Our Board has, pursuant to its resolutions dated July 21, 2014, authorised this Issue;
4. The Selling Shareholder has, pursuant to its resolution dated September 9, 2014, authorised the Offer for Sale; and
5. The shareholders of our Company have, pursuant to their resolution at the AGM dated August 14, 2014 authorised this Issue.

C. Business and Project Approvals

We require various approvals to carry on our business. Some of our business related approvals may expire in the ordinary course of business and applications for renewal of these approvals are submitted in compliance with applicable law. Our Company has received the following significant approvals pertaining to its business and projects:

1. Registration certificate as a cable operator under Rule 5 of Cable Television Networks Rules, 1994

S. No.	Location	Authority	Reference / Registration/ Authorization Number	Date of coming into effect	Validity
1.	Angul	Government of India, Head Post Office	146	April 15, 2014	One year
2.	Anandapur	Government of India, Head Post Office	160	December 20, 2013	One year
3.	Balangir	Government of India, Head Post Office	BGR 40/2013	November 18, 2013	One year
4.	Balasore	Government of India, Head Post Office	H/102/CTN/105/2005-2006	July 14, 2014	One year
5.	Bhilai	Government of India, Head Post Office	CTN/390/2013	September 18, 2013	One year
6.	Balugaon	Government of India, Head Post Office	152/2010	April 22, 2014	April 13, 2015
7.	Banki	Government of India, Head Post Office	06/2014	February 8, 2014	One year
8.	Barbil	Government of India, Head Post Office	170	March 21, 2014	One Year
9.	Bargarh	Department of Posts, India	BGH-50/2008	May 27, 2014	One year
10.	Baripada	Government of India, Head Post Office	78/2012	November 3, 2013	One year
11.	Basudevpur	Government of India, Head Post Office	BDK/19/2014	December 5, 2013	One year
12.	Berhampur	Government of India, Head Post Office	BF-HO-60	April 4, 2014	One year
13.	Betanati	Government of India,	89/2011	May 10, 2014	One year

S. No.	Location	Authority	Reference / Registration/ Authorization Number	Date of coming into effect	Validity
		Head Post Office			
14.	Bhadrak	Government of India, Head Post Office	BDK/20/2014	December 10, 2013	One year
15.	Bhawanipatna	Government of India, Head Post Office	125/2009-2010	November 21, 2013	One year
16.	Bhubaneswar	Government of India, General Post Office	CTV-076	October 20, 2013	One year
17.	Borigumma	Government of India, General Post Office	101	March 1, 2014	One year
18.	Burla	Government of India, Head Post Office	114/2010	May 17, 2014	One year
19.	Bileipada	Government of India, Head Post Office	162	January 18, 2014	One year
20.	Chandbali	Government of India, Head Post Office	BDK/17/2014	December 5, 2013	One year
21.	Ram Nagar, Chatrapur	Government of India, Head Post Office	55/2009-10	November 26, 2013	One year
22.	Cuttack	Government of India, Head Post Office	44	September 10, 2014	One year
23.	Damanjodi	Government of India, Head Post Office	95	June 18, 2014	One year
24.	Dhenkanal	Government of India, Head Post Office	38	March 24, 2014	One year
25.	Gajuwaka	Government of India, Head Post Office	560	October 18, 2013	One year
26.	Ganjam	Government of India, Head Post Office	66/2010-11	November 9, 2013	One year
27.	Godisahi	Government of India, Head Post Office	157/11	December 12, 2013	One year
28.	Gunupur	Government of India, Head Post Office	302	November 12, 2013	One year
29.	Hirakud	Government of India, Head Post Office	115/2010	May 17, 2014	One year
30.	Naya Bazar, Jaleswar	Government of India, Head Post Office	34	May 4, 2014	May 3, 2015
31.	Jeypore	Government of India, Head Post Office	309	January 31, 2014	One year
32.	Jharsuguda	Government of India, Head Post Office	62	March 11, 2014	One year
33.	Jatni	Government of India, Head Post Office	60/2003	August 12, 2014	September 23, 2015
34.	Joda	Government of India, Head Post Office	163	January 18, 2014	One year
35.	Keonjhargarh	Government of India, Head Post Office	159	July 1, 2014	One year
36.	Khallikote	Government of India, Head Post Office	64/2010-11	November 9, 2013	One year
37.	Kantilo	Government of India, Head Post Office	155/11	October 11,2013	One year
38.	Kawardha	Government of India, Head Post Office	209	March 19, 2014	One year
39.	Khurda	Government of India, Head Post Office	61/2003	August 12, 2014	September 23, 2015
40.	Koraput	Government of India, Head Post Office	97	August 5, 2014	August 6, 2015
41.	Saltlake	Government of India, Head Post Office	318	February 2, 2014	One year
42.	Malkangiri	Government of India,	308	January 31, 2014	One year

S. No.	Location	Authority	Reference / Registration/ Authorization Number	Date of coming into effect	Validity
		Head Post Office			
43.	Ichhabatiguda, Nabarangpur	Government of India, Head Post Office	320	December 6,2013	One year
44.	Ichchapuram	Government of India, Head Post Office	7	June 5, 2014	One year
45.	Nayagarh	Government of India, Head Post Office	153/11	October 11, 2013	One year
46.	Nimapara	Government of India, Head Post Office	CTV-210	February 21, 2014	One year
47.	Odagaon	Government of India, Head Post Office	152/11	October 11, 2013	One year
48.	Paradeep	Government of India, Head Post Office	010	June 23, 2014	One year
49.	Puri	Government of India, Head Post Office	77	October 19, 2013	One year
50.	Papadahandi	Government of India, Head Post Office	304	November 17,2013	One year
51.	Palasa	Government of India, Head Post Office	6	June 5, 2014	One year
52.	Shankarnagar, Raipur	Government of India, Head Post Office	Cab/OP/Ryp/06/14-15	April 29, 2014	One year
53.	Rajim	Government of India, Head Post Office	Cab/OP/Ryp/03/2014-15	April 29, 2014	One year
54.	Rambha	Government of India, Head Post Office	65/2010-11	November 9, 2013	One year
55.	Ranpur	Government of India, Head Post Office	154/11	October 11, 2013	One year
56.	Rajarhat	Government of India, Head Post Office	352	June 28, 2014	One year
57.	Rajgangpur	Government of India, Head Post Office	UNG/CTN-20/2010-2011	November 18, 2013	One year
58.	Rayagada	Government of India, Head Post Office	292	February 21, 2014	One year
59.	Rourkela	Government of India, Head Post Office	RKL/CTN-142/99-00	April 11, 2014	One year
60.	Sambalpur	Government of India, Head Post Office	73/1997	April 9, 2014	One year
61.	Semliguda	Government of India, Head Post Office	96	June 18, 2014	One year
62.	Sunabeda	Government of India, Head Post Office	99	June 18, 2014	One year
63.	Sundergarh	Government of India, Head Post Office	33	April 21, 2014	One year
64.	Sonepur	Government of India, Head Post Office	BGR-43/2014	March 11, 2014	One year
65.	Soro	Government of India, Head Post Office	H/102/CTN/164/2010-11	January 6, 2014	One year
66.	Talcher	Government of India, Head Post Office	184	January 30, 2014	One year
67.	Tangi	Government of India, Head Post Office	151/2010	April 22, 2014	April 13, 2015
68.	Tihidi	Government of India, Head Post Office	BDK/18/2014	December 5, 2013	One year
69.	Titilagarh	Government of India, Head Post Office	BGR-48/2013	September 10, 2013	One year
70.	Visakhapatnam(ENC)	Government of India, Head Post Office	520	October 18, 2013	One year

2. **Internet service provider license under Section 4 of the Indian Telegraph Act, 1885**

S. No	Authority	Reference / Registration/ Authorization Number	Date Granted	Validity
1.	Ministry of Communications and IT, Department of Telecommunications, Government of India	820-947/07-LR	November 26, 2007	15 years

3. **Agreements with Distribution Companies: For use of distribution poles under the jurisdiction of the authority**

S. No.	Authority	Reference / Registration/ Authorization Number	Date Granted	Validity
1.	Central Electricity Supply Utility of Odisha.	CESU/COM./8999	March 26, 2014	From September 1, 2013 till August 1, 2018
2.	North Eastern Electricity Supply Company of Odisha Limited.	-	November 23, 2013	Five years with effect from October 7, 2013
3	Western Electricity Supply Company of Orissa Limited.	-	June 2, 2011	Five years with effect from May 1, 2011
4	Southern Electricity Supply Company of Odisha Limited.	-	February 28, 2014	From December 5, 2013 to September 30, 2018
5	Steel Authority of India Limited, Rourkela	4560	May 3, 2011	Five years with effect from April 1, 2011
6.	Divisional Regional Manager (Electrical), East Coastal Railway, Sambalpur	-	January 15, 2010	10 years
7.	Chhattisgarh State Electricty Board	-	October 12, 2006	The agreement is subject to payment of annual charges, and will be reviewed every year

4. **Permission to establish, maintain and operate uplinking hub (teleport)**

S. No	Authority	Reference / Registration/ Authorization Number	Date Granted	Validity
1.	Ministry of Information and Broadcasting, Government of India	Grant of permission agreement with the MIB to establish, maintain and operate up linking hub (teleport) at Bhubaneswar in compliance with the Guidelines for Uplinking from India.	June 25, 2007	10 years

5. **Permission to use ducts for laying cables**

S. No.	Authority	Reference / Registration/ Authorization Number	Date Granted	Validity
1.	New Town Telecom Infrastructure Development Company Limited.	-	March 23, 2007	15 years

6. **Agreement to use infrastructure for provision of cable television and other value added services**

Our Company has entered into an agreement with the Head Quarters, Eastern Naval Command, Vishakhapatnam on December 13, 2007, pursuant to which the authority has granted our Company permission to use its premises and infrastructure for running the business of a multi-channel cable tevelision system along with the provision of other value added services.

The permission has been granted by the authority for an initial period of nine years with effect from January 1, 2008, which may be extended for a mutually agreed period. As per the terms of the agreement, our Company has been permitted to install, operate and maintain the requisite systems and network in the official and residential premises of the authority on an exclusive basis, including to lay down or draw cables as would be required for the provision of such services.

7. Utilization of Municipal Poles and erection of supporting poles of our Company

Our Company utilizes municipal poles and is involved in the erection of supporting poles for running its business and is required to obtain authorization/ registrations from the relevant municipal authorities. We have obtained such authorizations, as appropriate, for our various locations.

8. Registration as an Infrastructure Provider under Section 4 of the Indian Telegraph Act, 1885

Our Company has been registered (registration certificate no. 107/06) as an Infrastructure Provider, Category I (IP-I) on May 4, 2006 to establish and maintain the assets, i.e., dark fibres, right of way, duct space and tower to grant on lease/rent/sale basis to licensees of telecom services under the Indian Telegraph Act, 1885. The registration has been provided by the Ministry of Communications and IT, Department of Telecommunications, Government of India.

9. Registration under the Shops and Establishment Acts

We are currently registered as cable operators in 70 towns and certain adjacent sub-urban and rural areas. Of these, we currently have business operations in 48 such areas, and are required to obtain registration under the respective Shops and Establishment Act of the various states for 38 such areas. We have obtained all such requisite registration certificates.

10. Permission to use SNG/DSNG Van in C-Band

S. No	Authority	Reference / Registration/ Authorization Number	Date Granted	Validity
1.	Ministry of Information and Broadcasting, Government of India	No. 1404/4(i)/2006-TV (I), license SNG 313/1-2	December 4, 2008	June 30, 2015
2.	Ministry of Information and Broadcasting, Government of India	No. 1404/4(i)/2006-TV (I), license SNG 313/1-2	June 30, 2011	June 30, 2015

D. Taxation and other approvals

S. No.	Description	Reference/ TIN
1.	Tax Deduction Account Number ("**TAN**") under the Income Tax Act	BBNO00184C
2.	PAN	AAACO1004B
3.	Service tax registration number	AAACO1004BST001
4.	Registration as a 'dealer' under the Central Sales Tax Act, 1956, as amended.	28216708869
5.	Registration under the Andhra Pradesh Entertainment Tax Act, 1939, as amended.	28413146077
6.	TIN under the Chhattisgarh Commercial Tax Act, 1994	22771701666
7.	TIN under the Orissa Sales Tax Act, 1947, as amended	21151104455
8.	Professional tax registration number for the state of Orissa	PE BH-III-448
9.	Professional tax registration number for the state of West Bengal	RCE0046230
10.	Professional tax registration number for Visakhapatnam	28297145944
11.	Professional tax registration number for Palasa	37358080901
12.	Professional tax registration number for Ichapuram	37621833953
13.	Service tax code number	AAACO100BST001
14.	Certificate of registration number under Orissa Sales Tax Act, 1947	BH II 4118
15.	Certificate of registration number under the Central Sales Tax (Registration and Turnover) Rules, 1975	BHC II-3224
16.	Importer-exporter code	0595022707

The Company has received certificates of registration in relation to VAT and has been allotted TIN for its establishments in certain states. The details of such registrations are mentioned below:

S. No.	Description	TIN
1.	Registration under the West Bengal Value Added Tax Act, 2008, as amended, for the establishment situated at GC-3, Eden Shop, Greenwood Park, New Town, Rajarhat, Kolkata 700 156.	19677255004
2.	Registration under the Andhra Pradesh Value Added Tax Act, 2005, as amended, and the Central Sales Tax Act, 1956, for the establishment situated at 1st Floor Shipika Building, Naval Park, Scindia Junction, Gandhigram Post, Visakhapatnam.	28832981975

E. Intellectual Property approvals and applications

Registered trade marks

S. No.	Approval	Registration Number	Validity
1.	Registration for the logo "Home Grown, World Class" under class 38	1419961	February 8, 2016
2.	Registration for "Ortel Home Cable" under class 38	2105402	February 24, 2021

Trade marks pending registration

- On August 18, 2004, our Company has filed an application with Registrar of Trade Marks, Trademark Registry, New Delhi for the registration of "Sky View" as trademark, which is currently opposed.

- On February 24, 2011, our Company filed an application with the Registrar of Trade Marks, Trademark Registry, New Delhi for the registration of "Ortel Digital" and "Ortel Broadband" as trademarks. Pursuant to examination reports of the Registrar of Trade Marks, our Company was directed to submit power of attorneys as required under the Trademarks Act 1999 and Trademarks Rules, 2002, which were submitted on July 12, 2013. Receipt of the registration certificates is currently pending.

- On May 2, 2011, our Company filed an application for the registration of "Ortel e Phone" as a trademark, which was objected to by the Registrar of Trade Marks, Trade Marks Registry, New Delhi on April 25, 2012, directing the Company to specify the services in relation to which the registration was sought, which was submitted by the Company on September 1, 2014. The application is currently pending.

- On May 30, 2014, our Company has filed applications with the Registrar of Trade Marks, Trade Mark Registry, New Delhi, for the renewal of registrations of "Ortel net" and "Ortel Communications" under class 38. The applications are currently pending.

- On August 20, 2014, our Company has filed an application with the Registrar of Trade Marks, Trade Mark Registry, New Delhi, for the registration of "Ortel HD" under class 38. The application is currently pending.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for this Issue

Corporate Approvals

- Our Board has, pursuant to its resolution dated July 21, 2014, authorised this Issue, subject to the approval by the shareholders of our Company under Section 62 (1)(c) of the Companies Act, 2013.
- The shareholders of our Company have authorised this Issue by their resolution passed pursuant to Section 62(1)(c) of the Companies Act, 2013 at its AGM held on August 14, 2014 and authorised the Board to take decisions in relation to this Issue.
- Further, our Board of Directors has approved this DRHP through its resolution dated September 10, 2014 and the IPO Committee has approved this DRHP through its resolution dated September 11, 2014.
- The board of directors of NSR by way of resolution dated September 9, 2014 has authorized the transfer of upto 8,182,598 Equity Shares pursuant to the Offer for Sale and by its letter dated September 9, 2014, NSR has agreed to offer upto 8,182,598 Equity Shares for transfer in the Issue.

Approval for Lock-in

The Promoters have, through their letters dated September 10, 2014, granted approval for the lock-in of their pre-Issue shareholding for a period of three years and one year as required under the SEBI Regulations. The Promoters have agreed to lock-in upto 6,317,035 Equity Shares representing at least 20% of the post-Issue Equity capital of our Company for three years and the balance shares for one year or such other time as required under the SEBI Regulations.

Prohibition by RBI

Except as stated in the section titled "*Our Promoters and Promoter Group – Other Undertakings and Confirmations*" on page 187, our Company, our Directors, our Promoters, relatives of our Promoters or our Group Companies have not been declared as wilful defaulters by the RBI or any other governmental authority. Further, there has been no violation of any securities law committed by any of them in the past and no such proceedings are currently pending against any of them.

Prohibition by SEBI or governmental authorities

We confirm that neither our Company, Selling Shareholder, Promoters, Promoter Group, Directors, Group Companies or persons in control of our Promoters have been prohibited from accessing or operating in the capital markets under any order or direction passed by the SEBI or any other authorities. SEBI has not initiated any action against the entities associated with the securities market and with which our Directors are associated.

Mr. Debaraj Biswal, an independent Director of our Company, is on the board of directors of Bhubaneswar Stock Exchange Limited. Mr. Shantanu Yeshwant Nalavadi, a nominee Director of our Company, is on the board of directors of Destimoney Securities Private Limited ("**DSPL**"), which is a SEBI registered stock broker with membership of BSE, MCX-SX and NSE, and is a DP with CDSL. DSPL is also an Association of Mutual Funds in India registered distributor of mutual funds Mr. Shantanu Yeshwant Nalavadi is also on the board of directors of Destimoney India Services Private Limited, which is a SEBI registered portfolio manager.

Except for Mr. Debaraj Biswal and Mr. Shantanu Yeshwant Nalavadi, none of our Directors are associated with the securities market in any manner.

Eligibility for this Issue

Our Company is an unlisted company, not complying with the conditions specified in Regulation 26(1) of the SEBI Regulations as reproduced below:

- The issuer has net tangible assets of at least ₹ 30.00 million in each of the preceding three full years (of 12 months each), of which not more than 50.00% are held in monetary assets. Provided that if more than 50.00% of the net tangible assets are held in monetary assets, the issuer has made firm commitments to utilise such excess monetary assets in its business or project;

- The issuer has a minimum average pre-tax operating profit of ₹ 150 million, calculated on a restated basis, during the three most profitable years out of the immediately preceding five years;
- The issuer has a net worth of at least ₹ 10.00 million in each of the three preceding full years (of 12 months each);
- The aggregate of the proposed issue and all previous issues made in the same financial years in terms of the issue size is not expected to exceed five times the pre-issue net worth of the issuer as per the audited balance sheet of the preceding financial year; and
- The issuer has not changed its name in the last fiscal year.

Though the Company has net tangible assets of at least ₹ 30.00 million in each of the preceding three full years (of 12 months each), however, in respect of one year more than 50% are held in monetary assets. Further, the Company has not made any firm commitments to utilize such excess monetary assets in its business or projects. Our Company does not have a minimum average pre-tax operating profit of rupees fifteen crore, calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years. Hence, our Company is not in compliance with Regulation 26(1)(a) and (b) of the SEBI Regulations.

Since we are not in compliance with Regulation 26(1)(a) and (b) of the SEBI Regulations, we are required to meet both the conditions detailed in Regulation 26(2) of the SEBI Regulations.

Regulation 26(2) of the SEBI Regulations states as follows:

"*An issuer not satisfying the condition stipulated in sub-regulation (1) may make an initial public offer if the issue is made through the book-building process and the issuer undertakes to allot, at least seventy five percent of the net offer to public, to qualified institutional buyers and to refund full subscription money if it fails to make the said minimum allotment to qualified institutional buyers.*"

Accordingly, in compliance with Regulation 26(2) of the SEBI Regulations, this Issue is being made through the Book Building Process, with at least 75% of the Issue being proposed to be Allotted to QIB Bidders. In case we do not receive subscriptions of at least 75% of the Issue from QIBs, we shall refund the subscription monies forthwith.

Our Company will comply with the second proviso to Regulation 43(2A) of the SEBI Regulations and not more than 15% and 10% of the Issue shall be available for allocation to Non-Institutional Bidders and Retail Individual Bidders, respectively.

In accordance with Regulation 26(4) of the SEBI Regulations, the Company shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted shall not be less than 1,000; otherwise the entire application money will be refunded. In case of delay, if any, in refund beyond 15 days from the date of closure of the Issue, the Company shall pay interest on the application money at the rate of 15% p.a. for the period of delay.

This Issue is being made for at least 25% of the post-Issue capital pursuant to Rule 19(2)(b)(i) of the SCRR read with Regulation 41 of the SEBI Regulations. The Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI Regulations. Further, this Issue is being made through the Book Building Process wherein at least 75% of the Issue shall be Allotted to QIBs on a proportionate basis out of which 5% of the QIB Portion (excluding the Anchor Investor Portion, which shall be allocated on a discretionary basis) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Issue Price. Further, not more than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue will be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to the Anchor Investors on a discretionary basis. One third of the Anchor Investor Portion shall be reserved for allocation to domestic Mutual Funds, subject to valid bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. For further details, see the section titled "*Issue Procedure*" on page 341.

Our Company is in compliance with the following conditions specified under Regulation 4(2) of the SEBI Regulations:

(a) Our Company, our Directors, our Promoters, the members of our Promoter Group, the persons in control of our Company and the companies with which our Directors, Promoters or persons in control are or were associated as directors or promoters or persons in control have not been prohibited from accessing or operating in the capital markets under any order or direction passed by SEBI;

(b) Our Company has applied to the NSE and the BSE for obtaining their in-principle listing approval for listing of the Equity Shares under this Issue through its applications dated [●] and [●], respectively and has received the in-principle approvals from the NSE and the BSE pursuant to their letters dated [●] and [●], respectively. For the purposes of this Issue, the [●] shall be the Designated Stock Exchange;

(c) Our Company has entered into agreements dated January 27, 2011 and January 24, 2011 with NSDL and CDSL respectively, for dematerialisation of the Equity Shares; and

(d) The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of filing this DRHP.

We are not required to make firm arrangements of finance through verifiable means towards 75% of the means of finance, excluding the amount to be raised through the Issue. For further details in this regard, see the section titled "*Objects of the Issue*" on page 97.

Disclaimer Clause of SEBI

AS REQUIRED, A COPY OF THIS DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THIS DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THIS DRAFT RED HERRING PROSPECTUS. THE BOOK RUNNING LEAD MANAGER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THIS DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THIS DRAFT RED HERRING PROSPECTUS, THE BOOK RUNNING LEAD MANAGER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED is EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITIES ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BOOK RUNNING LEAD MANAGER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED HAS FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 11, 2014, WHICH READS AS FOLLOWS:

WE, THE BOOK RUNNING LEAD MANAGER TO THE ABOVE MENTIONED FORTHCOMING ISSUE, STATE AND CONFIRM AS FOLLOWS:

1. "WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THIS DRAFT RED HERRING PROSPECTUS ("DRHP") PERTAINING TO THE SAID ISSUE;

2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE ISSUER, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES AND INDEPENDENT

VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE ISSUER;

WE CONFIRM THAT:

(A) **THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;**

(B) **ALL THE LEGAL REQUIREMENTS RELATING TO THE ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND**

(C) **THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE COMPANIES ACT, 2013, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS.**

3. **WE CONFIRM THAT BESIDES OURSELVES ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.**

4. **WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE.**

5. **WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SPECIFIED SECURITIES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THE SPECIFIED SECURITIES PROPOSED TO FORM PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRHP WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. – NOT APPLICABLE.**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS WILL BE MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THIS ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SECTION 73(3) OF THE COMPANIES ACT, 1956* AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT TO BE ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. – NOTED FOR COMPLIANCE**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. – NOT APPLICABLE****

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THIS DRAFT RED HERRING PROSPECTUS:**

(A) **AN UNDERTAKING FROM THE ISSUER THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND**

(B) **AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE BOARD FROM TIME TO TIME.**

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 WHILE MAKING THE ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTER'S EXPERIENCE, ETC. - <u>REFER TO PART A</u>.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THIS DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY. <u>REFER TO PART B</u>**

16. **WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY MERCHANT BANKERS BELOW (WHO ARE RESPONSIBLE FOR PRICING THIS ISSUE)', AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR. <u>REFER TO PART C.</u>**

17. **WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTION REPORTED, IN ACCORDANCE WITH AS-18 IN THE FINANCIAL STATEMENTS AND DISCLOSURES INCLUDING DRAFT RED HERRING PROSPECTUS.**

* *Section 40(3) of the Companies Act, 2013 has been notified by the Ministry of Corporate Affairs, Government of India.*
** *Section 29 of the Companies Act, 2013 provides inter alia that every company making public offers shall issue securities only in dematerialised form by complying with the provisions of the Depositories Act, 1996 and the regulations made thereunder.*

THE FILING OF THIS DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 34 AND SECTION 36 OF THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE PROPOSED ISSUE. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP AT ANY POINT OF TIME, WITH THE BOOK RUNNING LEAD MANAGER, ANY IRREGULARITIES OR LAPSES IN THIS DRAFT RED HERRING PROSPECTUS.

All legal requirements pertaining to this Issue will be complied with at the time of filing of the Red Herring Prospectus with the Registrar of Companies in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to this Issue will be complied with at the time of registration of the Prospectus with the Registrar of Companies in terms of Sections 26, 32, 33(1) and 33(2) of the Companies Act, 2013.

Disclaimer from our Company, the Selling Shareholder, the Directors, the Book Running Lead Manager.

Our Company, the Selling Shareholder, the Directors, the Book Running Lead Manager accept no responsibility for statements made otherwise than those contained in this Draft Red Herring Prospectus or in any advertisements or any other material issued by or at our Company’s instance. Anyone placing reliance on any other source of information, including our Company’s website, www.ortelcom.com, or the website of any of our Promoters, Promoter Group, Group Companies or of any affiliate or associate of our Company, would be doing so at his or her own risk.

Caution

The Book Running Lead Manager accepts no responsibility, save to the limited extent as provided in the Issue Agreement and the Underwriting Agreement to be entered into between the Underwriters, our Company, the Selling Shareholder and Registrar to the Issue.

All information shall be made available by our Company, the Selling Shareholder, the Book Running Lead Manager to the public and investors at large and no selective or additional information would be made available for a section of investors in any manner whatsoever including at road show presentations, in research or sales reports, at Bidding Centres or elsewhere.

Neither our Company nor the Selling Shareholder nor any member of the Syndicate are liable to Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Bidders will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholder and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and that they shall not issue, sell, pledge or transfer the Equity Shares to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholder, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares.

Notwithstanding anything stated in this Draft Red Herring Prospectus, the Selling Shareholder does not express any opinion with respect to nor do they assume any responsibility for the statements and disclosures made by the Company or any other person, whether or not relating to the Company, their respective businesses, the Promoters, the financial information or any other disclosures and statements and the directors and officers of the Selling Shareholder shall not be liable in any situation whatsoever. The Selling Shareholder assumes responsibility only for the statements about or relating to the ownership and title of the Equity Shares sold by it in the Offer for Sale in this Draft Red Herring Prospectus.

The Book Running Lead Manager and its respective affiliates may engage in transactions with, and perform services for, our Company and its Group Companies or affiliates in the ordinary course of business and have engaged, or may in the future engage, in transactions with our Company and its Group Companies or affiliates, for which they have received, and may in the future receive, compensation.

Disclaimer in Respect of Jurisdiction

This Issue is being made in India to persons resident in India, including Indian national residents in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI's permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, public financial institutions as specified in Section 2(72) of the Companies Act, 2013, state industrial development corporations, insurance companies registered with the IRDA, provident funds (subject to applicable law) with minimum corpus of ₹ 250 million and pension funds with minimum corpus of ₹ 250 million, VCFs and permitted Non-Residents including FIIs, their Sub-Accounts, FVCIs, multilateral and bilateral financial institutions and Eligible NRIs, QFIs, FPIs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Draft Red Herring Prospectus will not, however, constitute an offer to sell or an invitation to subscribe for Equity Shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions.

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi only.

No action has been, or will be, taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus has been filed with the SEBI for its observations. Accordingly, the Equity Shares represented hereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act.

Disclaimer Clause of the BSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the BSE. The disclaimer clause as intimated by the BSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus shall be submitted to the NSE. The disclaimer clause as intimated by the NSE to us, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to filing the same with the RoC.

Filing

A copy of this Draft Red Herring Prospectus will be filed with the SEBI at the Securities and Exchange Board of India, 5th Floor, Bank of Baroda Building, 16, Sansad Marg, New Delhi - 110 001.

A copy of the Red Herring Prospectus, along with the other documents required to be filed under Section 32 of the Companies Act, 2013 will be delivered for registration with the RoC located at the address mentioned below. Further, a copy of the Prospectus required to be filed under Section 26 of the Companies Act, 2013 will be delivered for registration with the RoC located at the address mentioned below:

Registrar of Companies, NCT Delhi and Haryana
4th Floor, IFCI Tower
61, Nehru Place
New Delhi – 110 019
Telephone: +91 11 2623 5703, +91 11 2623 5704
Facsimile: +91 11 2623 5702
E- Mail: roc.delhi@mca.gov

Listing

Applications have been made to the Stock Exchanges for permission to deal in, and for an official quotation of the Equity Shares. The [●] will be the Designated Stock Exchange with which the 'Basis of Allotment' will be finalised.

If permission to deal in and for an official quotation of the Equity Shares is not granted by any of the Stock Exchanges, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus. If such money is not repaid within eight days after our Company become liable to repay it, i.e. from the date of refusal of permission from the Stock Exchanges then our Company and every Director who is an officer in default shall, on and from such expiry of eight days, be jointly and severally liable to repay the money, with interest at the rate of 15% p.a. on application money.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Issue closure.

Price information of past issues handled by the Book Running Lead Manager

KOTAK MAHINDRA CAPITAL COMPANY LIMITED

S. No.	Issue Name	Issue Size (in ₹ million)	Issue price (in ₹)	Listing date	Opening price on listing date	Closing price on listing date	% Change in Price on listing date (Closing) vs. Issue Price	Benchmark index on listing date (Closing)	Closing price as on 10th calendar day from listing day	Benchmark index as on 10th calendar day from listing day (Closing)	Closing price as on 20th calendar day from listing day	Benchmark index as on 20th calendar day from listing day (Closing)	Closing price as on 30th calendar day from listing day	Benchmark index as on 30th calendar day from listing day (Closing)
1.	Bharti Infratel Limited(1)	41,727.60	220.00	December 28, 2012	200.00	191.65	-12.89%	5,908.35	207.40	5,988.40	204.40	6,001.85	210.30	6,074.80
2.	PC Jeweller Limited(2)	6,013.08	135.00	December 27, 2012	137.00	149.20	10.52%	5,870.10	181.65	5,988.40	168.90	6,056.60	157.55	6,074.65
3.	Credit Analysis & Research Limited	5,399.78	750.00	December 26, 2012	940.00	922.55	23.01%	5,905.60	934.75	6,016.15	923.45	6,024.05	920.85	6,019.35
4.	Speciality Restaurants Limited	1,760.91	150.00	May 30, 2012	152.00	159.60	6.40%	4,950.75	182.45	5,068.35	206.65	5,064.25	213.05	5,149.15

(1) *In Bharti Infratel Limited, the anchor investor issue price was ₹230 per equity share and the issue price after discount to Retail Individual Bidders was ₹210 per equity share.*
(2) *In PC Jeweller Limited, the issue price after discount to Retail Individual Bidders and Eligible Employees was ₹130 per equity share.*

Summary Statement of Disclosure

Fiscal Year	Total No. of IPOs	Total Funds Raised (₹ Million)	No. of IPOs trading at discount on listing date			No. of IPOs trading at premium on listing date			No. of IPOs trading at discount as on 30th calendar day from listing day			No. of IPOs trading at premium as on 30th calendar day from listing day		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
April 1, 2014 – August 31, 2014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2013-14	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2012-13	4	54,901.36	-	-	1	-	-	3	-	-	1	-	1	2

Track record of past issues handled by the Book Running Lead Manager

For details regarding the track record of the Book Running Lead Manager to the Issue as specified in Circular reference CIR/MIRSD/1/ 2012 dated January 10, 2012 issued by the SEBI, please refer to the websites of the Book Running Lead Manager, at www.investmentbank.kotak.com.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

"*Any person who—*

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or

(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or

(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

***shall be liable for action under section 447.*"**

Consents

Consents in writing of (a) our Directors, our Company Secretary and Compliance Officer, the Book Running Lead Manager, the Auditors, the lenders to our Company, the legal counsel to our Company as to Indian laws, the legal counsel to the Book Running Lead Manager as to Indian laws, the Bankers to our Company, the Registrar to the Issue have been obtained; and consents in writing of (b) the Syndicate Members, the Escrow Collection Banks and the Bankers to the Issue to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under Sections 26 and 32 of the Companies Act, 2013. Further, such consents will not be withdrawn upto the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI Regulations, Haribhakti & Co. LLP, Chartered Accountants, our Auditors have provided their written consent for inclusion of their name and examination report on financial information in this Draft Red Herring Prospectus in the form and context in which they appear in this Draft Red Herring Prospectus. Further, such consent and report will not be withdrawn upto the time of delivery of the Red Herring Prospectus and the Prospectus for registration with the RoC.

Expert Opinion

Except as stated below, the Company has not obtained any expert opinions:

The Company has received consent from the Auditors namely, Haribhakti & Co. LLP, Chartered Accountants to include their name as an expert under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to their examination report dated September 10, 2014 and their report dated September 10, 2014 on the 'Statement of Tax Benefits' included in this Draft Red Herring Prospectus and such consent has not been withdrawn as of the date of this Draft Red Herring Prospectus. However, the term "expert" shall not be construed to mean an "expert"" as defined under the U.S. Securities Act 1933.

Issue Related Expenses

The total expenses of the Issue are estimated to be approximately ₹ [●] million. The expenses of this Issue include, among others, underwriting and management fees, selling commissions, SCSBs' commissions/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. Upon the listing and trading of the Equity Shares in the Issue on the Stock Exchanges, all Issue related expenses (as detailed below) shall be shared by the Company and the Selling Shareholder in proportion to the number of Equity Shares sold to the public in the Fresh Issue and the Offer for Sale, respectively.

The estimated Issue expenses are as under:

Activity	Amount (₹ million)	% of the Issue Expenses	% of total Issue Size
Lead management fees*	[●]	[●]	[●]
Underwriting commission, brokerage and selling commission*	[●]	[●]	[●]
Commission payable to SCSBs and Non Registered Syndicate Brokers*	[●]	[●]	[●]
Registrar's fees*	[●]	[●]	[●]
Advertisement and marketing expenses*	[●]	[●]	[●]
Printing and distribution expenses*	[●]	[●]	[●]
Advisors*	[●]	[●]	[●]
Bankers to the Issue*	[●]	[●]	[●]
Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, SCSB processing fees, etc.)*	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

* *Will be incorporated at the time of filing of the Prospectus.*

Fees, Brokerage and Selling Commission Payable to the Book Running Lead Manager and the Syndicate Members

The total fees payable to the Book Running Lead Manager and the Syndicate Members (including underwriting commission and selling commission) will be as stated in the engagement letter dated September 10, 2014 among our Company, the Selling Shareholder and the Book Running Lead Manager, copies of which will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Fees Payable to the Registrar to the Issue

The fees payable by our Company to the Registrar to the Issue for processing of application, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated September 10, 2014 entered into, between our Company, the Selling Shareholder and the Registrar to the Issue.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

Previous Issues of securities otherwise than for cash

Our Company has not issued any securities for consideration other than cash.

Public or Rights Issues in the Last Three Years

Our Company has not made any previous public issues (including any rights issues to the public) since incorporation.

Performance vis-à-vis Objects – Last One Issue of Group Companies or Associate Companies

There has been no public issue (including any rights issue to the public) by our Company, Group Companies, associate companies and entities.

Underwriting Commission, Brokerage and Selling Commission on Previous Issues

There has been no public issue of the Equity Shares in the past. Thus, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Outstanding Debentures or Bond Issues or Preference Shares

Except as stated in the section titled "*Capital Structure*" on page 67, our Company has no outstanding debentures or bonds or redeemable preference shares or other instruments as of the date of this Draft Red Herring Prospectus.

Stock Market Data of the Equity Shares

This being an initial public issue of our Company, the Equity Shares are not listed on any stock exchange.

Mechanism for Redressal of Investor Grievances

The agreement between the Registrar to the Issue, our Company and the Selling Shareholder will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or, where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to this Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of Equity Shares applied for, amount paid on application, Depository Participant, and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue with a copy to the relevant SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the relevant Designated Branch or collection centre of SCSB where the physical Bid cum Application Form was submitted by an ASBA Bidder.

Disposal of Investor Grievances by our Company

Our Company estimates that the average time required by our Company or the Registrar to the Issue for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of complaints that are not routine or where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed Mr. Lalit Kumar Mohanty, as the Compliance Officer and he may be contacted in case of any pre-Issue or post-Issue-related problems. He can be contacted at the following address:

Mr. Lalit Kumar Mohanty
C-1, Chandrasekharpur,
Near BDA Colony,
Behind RMRC,
Bhubaneswar – 751 016,
Odisha, India
Telephone: +91 674 3911 358
Facsimile: +91 674 2303 448
E-mail: ipo@ortelgroup.com
Website: www.ortelcom.com

Disposal of investor grievances by listed Group Companies

The equity shares of our Group Companies are not listed on any stock exchange There are no investor complaints pending against our Group Companies.

Change in Auditors

Except as stated below, there have been no changes in our Company's auditors in the last three years.

Name	Date of Appointment	Date of Cessation	Reason of appointment/cessation
M/s Lovelock & Lewes	-	August 14,	Resignation

Name	Date of Appointment	Date of Cessation	Reason of appointment/cessation
		2014	
Haribhakti & Co. LLP, Chartered Accountants	August 14, 2014	-	Appointment

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time since its incorporation.

Revaluation of Assets

Our Company has not revalued its assets since its incorporation.

Reservations, qualitifacations or adverse remarks by Auditors

Except as stated in the section titled "*Financial Information*" on page 202, there have been no reservations, qualifications or adverse remarks by our Auditors in the last five financial years preceeding the date of filing of the DRHP.

SECTION VII – ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued and transferred pursuant to this Issue are subject to the provisions of the Companies Act, 2013 and the applicable rules framed thereunder, the Companies Act, 1956 (to the extent applicable) the SCRA, SCRR, our Memorandum and Articles, the terms of the Red Herring Prospectus, the Prospectus, the Bid cum Application Form, the Revision Form, the Allotment Advice, CAN, the listing agreements to be entered with the Stock Exchanges and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by the SEBI, the GoI, the Stock Exchanges, the RoC, the RBI and/or other authorities, as in force on the date of this Issue and to the extent applicable or such other conditions that may be prescribed by SEBI or any other authority granting its approval for the Issue.

Ranking of Equity Shares

The Equity Shares being issued and transferred in the Issue shall be subject to the provisions of the Companies Act, our Memorandum and Articles and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend. The Allottees will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment, in accordance with the provisions of the Companies Act and the Articles. See the section titled "*Main Provisions of the Articles of Association*" on page 388 for a description of significant provisions of our Articles.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, Articles of Association and the provisions of the listing agreements. In relation to the Offer for Sale, the dividend for the entire year shall be payable to the transferees.

Face Value and Issue Price

The face value of the Equity Shares is ₹ 10 each. The Floor Price of Equity Shares is ₹ [●] per Equity Share and the Cap Price is ₹ [●] per Equity Share. The Anchor Investor Issue Price is ₹ [●] per Equity Share. The Issue Price will be determined by our Company and the Selling Shareholder in consultation with the Book Running Lead Manager on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.

Compliance with Regulations issued by SEBI

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- The right to receive dividends, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting';
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to applicable laws; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see the section titled "*Main Provisions of the Articles of Association*" on page 388.

Market Lot, Trading Lot and Option to receive Equity Shares in Dematerialised Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares being offered through the Red Herring Prospectus can be applied for in the dematerialised form only. Further, as per the provisions of the SEBI Regulations, the trading of our Equity Shares shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [●] Equity Shares.

The Price Band and the minimum bid lot will be decided by our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, including the relevant financial ratios computed for both the Cap Price and the Floor Price, which shall be published in an English national daily newspaper, a Hindi national daily newspaper and a regional daily newspaper, each with wide circulation, being the newspapers in which the pre-Issue advertisements were published, at least five Working Days prior to the Bid Opening Date.

Joint Holders

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, India only.

The Equity Shares have not been and will not be registered under the U.S. Securities Act of 1933, as amended (the "Securities Act") and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold outside the United States in reliance on Regulation S under the Securities Act.

Until the expiry of 40 days after the commencement of the Issue, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in the Issue) may violate the registration requirements of the Securities Act.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or with the Registrar to the Issue and transfer agents of our Company.

In accordance with Section 72 of the Companies Act, 2013, any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with. Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If the investors require to change their nomination, they are requested to inform their respective Depository Participant.

Period of operation of subscription list

See the section titled "*Issue Structure – Bid/ Issue Programme*" on page 339.

Minimum Subscription

In the event our Company does not receive a minimum subscription of 90% of the Fresh Issue, we shall forthwith refund the entire subscription amount received not later than 15 days from the Bid/Issue Closing date or within 12 Working days from the Bid/Issue Closing Date, whichever is earlier. If there is a delay beyond such period, our Company shall pay interest as prescribed in the Companies Act, 2013 read with the applicable rules framed thereunder. Further, in accordance with Regulation 26(4) of the SEBI Regulations, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

Except for the lock-in of the pre-Issue Equity Shares, Promoters' minimum contribution and Allotment made to Anchor Investor pursuant to the Issue, as detailed in the section titled "*Capital Structure*" on page 67 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares and on their consolidation/ splitting. See the section titled "*Main Provisions of the Articles of Association*" at page 388.

Withdrawal of the Issue

Our Company or the Selling Shareholder, in consultation with the Book Running Lead Manager, reserves the right not to proceed with the Issue anytime after the Bid Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Issue advertisements were published, within two days of the Bid Closing Date, providing reasons for not proceeding with the Issue. Further, the Stock Exchanges shall be informed promptly in this regard and the Book Running Lead Manager, through the Registrar to the Issue, shall notify the SCSBs to unblock the Bank Accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Issue and subsequently, plans of an IPO by our Company, a draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and the final RoC approval of the Prospectus.

ISSUE STRUCTURE

Public issue of up to 14,182,598 Equity Shares of face value of ₹ 10 each, for cash at a price of ₹ [●] per Equity Share including a share premium of ₹ [●] per Equity Share, aggregating upto ₹ [●]. The Issue comprises a Fresh Issue to the public of up to 6,000,000 Equity Shares aggregating up to ₹ [●] million and an Offer for Sale of upto 8,182,598 Equity Shares aggregating up to ₹ [●] million, by the Selling Shareholder. The Issue constitutes 46.39% of the fully diluted post-Issue paid up Equity Share capital of the Company (considering full conversions of outstanding stock options under ESOS 2010).

Our Company and the Selling Shareholder, in consultation with the BRLM, are exploring the possibility of the Pre-IPO Placement. The issuance and transfer of Equity Shares pursuant to the Pre-IPO Placement, if any, will be completed prior to filing the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares issued and transferred pursuant to the Pre-IPO Placement will be proportionately reduced from the Fresh Issue and the Offer for Sale, subject to a minimum Issue size of 25% of the post Issue paid-up Equity Share capital being offered to the public.

The Issue is being made through the Book Building Process.

Particulars	**QIBs**	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares*	At least 10,636,949 Equity Shares.	Not more than 2,127,389 Equity Shares or Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not more than 1,418,260 Equity Shares or Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Percentage of Issue available for Allotment/Allocation	At least 75% of the Issue shall be Allotted to QIB Bidders. However, 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs.	Not more than 15% of the Issue or the Issue less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation.	Not more than 10% of the Issue or the Issue less allocation to QIB Bidders and Non-Institutional Bidders shall be available for allocation.
Basis of Allotment if respective category is oversubscribed*	Proportionate as follows: (a) 212,739 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds; and (b) Equity Shares shall be Allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above. The Company and the Selling Shareholder, in consultation with the Book Running Lead Manager,	Proportionate.	On a proportionate basis subject to Minimum Lot as explained in the section titled "*Issue Procedure – Part B – General Information Document for Investing in Public Issues – Allotment Procedure and Basis of Allotment*" on page 378.

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
	may allocate upto 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only.		
Minimum Bid	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000.	Such number of Equity Shares so that the Bid Amount exceeds ₹ 200,000.	[●] Equity Shares.
Maximum Bid	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the size of the Issue, subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed ₹ 200,000.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Bid Lot	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.	[●] Equity Shares and in multiples thereof.
Allotment Lot	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.	A minimum of [●] Equity Shares and thereafter in multiples of one Equity Share.
Trading Lot	One Equity Share.	One Equity Share.	One Equity Share.
Who can Apply **	Mutual Fund, Venture Capital Fund, FVCI, FPIs (other than Category III FPIs) public financial institution as defined in section 2(72) of the Companies Act, 2013, a scheduled commercial bank, multilateral and bilateral development financial institution, state industrial development corporation, insurance company registered with the Insurance Regulatory and Development Authority, provident fund with minimum corpus of ₹ 250 million, pension fund with minimum corpus of ₹ 250 million, National Investment Fund, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India.	Eligible NRIs, Resident Indian individuals, HUFs (in the name of the Karta), companies, corporate bodies, scientific institutions, societies and trusts, sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals, eligible QFIs and Category III FPIs.	Resident Indian individuals (including HUFs in the name of the Karta) and Eligible NRIs.
Terms of Payment	The entire Bid Amount shall be payable at the time of submission of Bid cum Application Form to the members of the Syndicate, except for Anchor Investors. In case of ASBA Bidders, the SCSB shall be authorised to block the Bid Amount mentioned in the Bid cum Application Form.		

Particulars	QIBs	Non-Institutional Bidders	Retail Individual Bidders
Mode of Bidding	Only through the ASBA process (except Anchor Investors).	Only through the ASBA process.	Through the ASBA or non-ASBA process.

* Subject to valid Bids being received at or above the Issue Price, the Issue is being made through the Book Building Process wherein at least 75% of the Issue shall be Allotted to QIB Bidders on a proportionate basis. 5% of the Net QIB Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for Allotment on a proportionate basis to QIBs (including Mutual Funds), subject to valid Bids being received from them at or above the Issue Price. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available to QIBs. Further, not more than 15% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue shall be available for allocation to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be allowed to be met with spill-over from other categories at the discretion of our Company and the Selling Shareholder in consultation with the Book Running Lead Manager and the Designated Stock Exchange. Under-subscription in the QIB portion would result in failure of the Issue.

The QIB Portion includes Anchor Investor Portion, as per the SEBI Regulations. Anchor Investor shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid. Provided that any difference between the Anchor Investor Allocation Price and Anchor Investor Issue Price, shall be payable by Anchor Investor Pay-in Date.

** In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form.

Bid/Issue Programme*

FOR ALL BIDDERS	**ISSUE OPENS ON [●]**
FOR QIBs**	**ISSUE CLOSES ON [●]**
FOR RETAIL AND NON-INSTITUTIONAL BIDDERS	**ISSUE CLOSES ON [●]**

**Our Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion, i.e. up to 6,382,169 Equity Shares, to Anchor Investors on a discretionary basis, in accordance with the SEBI Regulations. Anchor Investors shall bid on the Anchor Investor Bidding Date.*
*** Bidding for QIBs may close on the QIB Bid Closing Date.*

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time) during the Bid/ Issue Period at the Bidding Centres mentioned on the Bid cum Application Form **except that:**

(i) in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the QIB Bid Closing Date;

(ii) in case of Bids by Non-Institutional Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. on the Bid Closing Date; and

(iii) in case of Bids by Retail Individual Bidders, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 5.00 p.m. on the Bid Closing Date, which may be extended upto such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received upto the closure of timings and reported by Book Running Lead Manager to the Stock Exchanges.

Due to limitation of the time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 1.00 p.m. (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that, in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in public offerings in India, it may lead to some Bids not being uploaded due to lack of sufficient time to upload. Such Bids that cannot be uploaded will not be considered for allocation under this Issue. Bids will only be accepted on Working Days. Investors please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, bids and any revision in Bids shall not be accepted on Saturdays and holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the Stock Exchanges. The Company, the Selling Shareholder or any member of the Syndicate is not liable for any failure in uploading the Bids due to faults in any software / hardware system or otherwise.

In case of any discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical Bid cum Application Form, for a particular Bidder, the details as per the Bid file received from the Stock Exchanges may be taken as the final data for the purpose of Allotment. In case of discrepancy in the data entered in the electronic book vis-à-vis the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask for rectified data from the SCSB.

Our Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, reserves the right to revise the Price Band during the Bid/ Issue Period in accordance with the SEBI Regulations. In such an event, the Cap Price shall not be more than 120% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price, as advertised at least five Working Days before the Bid Opening Date.

In case of revision in the Price Band, the Bid/ Issue Period shall be extended for at least three additional Working Days after such revision, subject to the total Bid/ Issue Period not exceeding 10 Working Days. Any revision in the Price Band, and the revised Bid/ Issue Period, if applicable, shall be widely disseminated by notification to the SCSBs and the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the Book Running Lead Manager and the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

*All Bidders should review the 'General Information Document for Investing in Public Issues' prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI ("**General Information Document**") included below under sub-section titled "– Part B – General Information Document", which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the SEBI ICDR Regulations. The General Information Document has been updated to include reference to the Companies Act, 2013, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Book Running Lead Manager. Please refer to the relevant portions of the General Information Document which are applicable to this Issue.*

Our Company, the Selling Shareholder and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and the General Information Document. Bidders are advised to make their independent investigations and ensure that their Bids do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in this Red Herring Prospectus and the Prospectus.

PART A

Book Building Procedure

This Issue is being made through the Book Building Process wherein at least 75% of the Issue shall be available for allocation to QIBs on a proportionate basis, provided that the Company and the Selling Shareholder may, in consultation with the Book Running Lead Manager, allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. Out of the QIB Portion (excluding the Anchor Investor Portion), 5% will be available for allocation on a proportionate basis to Mutual Funds only. The remainder will be available for allocation on a proportionate basis to all QIBs, including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. Further, not more than 15% of the Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Issue will be available for allocation to Retail Individual Bidders in accordance with SEBI Regulations, subject to valid Bids being received at or above the Issue Price.

In the event of under-subscription in the Retail Portion or the Non-Institutional Portion in the Issue, the unsubscribed portion would be allowed to be met with spill over from over subscription from any other category or a combination of categories at the sole discretion of the Company, in consultation with the Book Running Lead Manager and the Designated Stock Exchange. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories.

Bid cum Application Form

Retail Individual Bidders can submit their Bids by submitting Bid cum Application Forms, in physical form, to the members of the Syndicate, the sub-Syndicate or the Non Syndicate Registered Brokers.

Bid cum Application Forms for the Retail Individual Bidders, will be available with the Syndicate/ sub-Syndicate members, Non Syndicate Registered Brokers and at our Registered Office. In addition, the Bid cum Application Forms will also be available for download on the websites of the Stock Exchanges, SCSBs and broker terminals of the Stock Exchanges, at least one day prior to the Bid Opening Date. The Bid cum Application Form shall be serially numbered, the date and time shall be stamped, and such form shall be issued in duplicate signed by the Retail Individual Bidder and stamped by the Syndicate/ sub-Syndicate or Non Syndicate Registered Brokers, as the case may be.

Kindly note that the Syndicate/ sub-Syndicate or the Non Syndicate Registered Broker at the Syndicate Bidding Centres or the Non Syndicate Brokers Centres, as applicable, may not accept the Bid if there is no branch of the Escrow Collection Banks at that location.

ASBA Bidders can submit their Bids by submitting Bid cum Application Forms, either in physical or electronic mode, to the SCSB with whom the ASBA Account is maintained or in physical form to the Syndicate, the sub-Syndicate or the Non Syndicate Registered Brokers. The physical Bid cum Application Forms will be available with the Designated Branches, members of the Syndicate/ sub-Syndicate and at our Registered Office. In addition, the Bid cum Application Forms will also be available for download on the websites of the Stock Exchanges, SCSBs and broker terminals of the Stock Exchanges, at least one day prior to the Bid Opening Date.

Upon acceptance of a Bid cum Application Form, it is the responsibility of the Non Syndicate Registered Brokers to comply with the obligations set out in SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, including in relation to uploading the Bids on the online system of the Stock Exchanges, depositing the cheque and sending the updated electronic schedule to the relevant branch of the Escrow Collection Bank, and are liable for any failure in this regard.

The prescribed colour of the Bid cum Application Form for various categories of Bidders is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis (ASBA and non ASBA)**	[●]
Non-Residents including Eligible NRIs, FVCIs and FIIs, FPIs and QFIs applying on a repatriation basis (ASBA and non ASBA)**	[●]
Anchor Investors***	[●]

* *Excluding electronic Bid cum Application Forms.*
** *Bid cum Application forms will also be available on the website of the NSE (www.nseindia.com) and the BSE (www.bseindia.com). Same Bid cum Application Form applies to all ASBA Bids irrespective of whether they are submitted to the SCSBs, to the Non Syndicate Registered Brokers, or to the Syndicate (in Specified Cities).*
*** *Bid cum Application Forms for Anchor Investors shall be available at the offices of the Book Running Lead Manager.*

Who can Bid?

In addition to the category of Bidders set forth in the sub-section titled "*– Part B – General Information Document for Investing in Public Issues – Category of Investors Eligible to Participate in an Issue*" on page 354, the following persons are also eligible to invest in the Equity Shares under all applicable laws, regulations and guidelines:

- FPIs, other than Category III FPIs;
- Category III FPIs who are foreign corporates or foreign individuals only under the Non-Institutional Portion;
- Scientific and/or industrial research organizations in India, which are authorized to invest in equity shares; and
- Any other persons eligible to Bid in this Issue, under the laws, rules, regulations, guidelines and polices applicable to them.

Participation by associates and affiliates of the Book Running Lead Manager and the Syndicate Members

The Book Running Lead Manager and the Syndicate Members shall not be allowed to subscribe to this Issue in any manner, except towards fulfilling their underwriting obligations. However, associates and affiliates of the Book Running Lead Manager and the Syndicate Members may subscribe to or purchase Equity Shares in the Issue, in the QIB Portion or in Non-Institutional Portion as may be applicable to such Bidders. Such Bidding and subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of Book Running Lead Manager and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

The Book Running Lead Manager, the Syndicate Members, the Promoters, the Promoter Group and any persons related to them cannot apply in the Issue under the Anchor Investor Portion.

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

No Mutual Fund scheme shall invest more than 10% of its net asset value in the equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in index funds or sector or industry specific funds. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs intending to make payment through freely convertible foreign exchange and Bidding on a repatriation basis could make payments through Indian Rupee drafts purchased abroad or cheques or bank drafts or by debits to their Non-Resident External ("**NRE**") or Foreign Currency Non-Resident ("**FCNR**") accounts, maintained with banks authorized by the RBI to deal in foreign exchange. Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents, accompanied by a bank certificate confirming that the payment has been made by debiting to the NRE or FCNR account, as the case may be. Payment for Bids by non-resident Bidder Bidding on a repatriation basis will not be accepted out of Non-Resident Ordinary ("**NRO**") accounts.

Bids by FIIs, FPIs and QFIs

On January 7, 2014, SEBI notified the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014 ("**SEBI FPI Regulations**") pursuant to which the existing classes of portfolio investors namely FIIs and QFIs will be subsumed under a new category namely 'foreign portfolio investors' or 'FPIs'. Furthermore, RBI on March 13, 2014 amended the FEMA Regulations and laid down conditions and requirements with respect to investment by FPIs in Indian companies.

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. Accordingly, such FIIs can participate in this Issue in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations. Further, a QFI can continue to buy, sell or otherwise deal in securities until January 6, 2015 or until the QFI obtains a certificate of registration as FPI, whichever is earlier. Such QFIs shall be eligible to participate in this Issue in accordance with Schedule 8 of the FEMA Regulations and are required to Bid under the Non-Institutional Bidders category.

In terms of the SEBI FPI Regulations, the issue of Equity Shares to a single FPI or an investor group (which means the same set of ultimate beneficial owner(s) investing through multiple entities) is not permitted to exceed 10% of our post-Issue Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by our Board, followed by a special resolution passed by the shareholders of our Company and subject to prior intimation to RBI. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits an FII or sub account in our Company is 10% and 24% of the total paid-up Equity Share capital of our Company, respectively.

Further, the existing individual and aggregate investment limits for QFIs in an Indian company are 5% and 10% of the paid up capital of an Indian company, respectively. FPIs are permitted to participate in the Issue subject to compliance with conditions and restrictions which may be specified by the GoI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III FPI and unregulated broad based funds, which are classified as Category II FPIs by virtue of their investment manager being appropriately regulated, may issue or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority.

Bids by SEBI registered Venture Capital Funds, Alternative Investment Funds and Foreign Venture Capital Investors

The Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 as amended, (the "**SEBI VCF Regulations**") and the Securities and Exchange Board of India (Foreign Venture Capital Investor) Regulations, 2000, as amended, *inter alia* prescribe the investment restrictions on VCFs and FVCIs, respectively, registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs.

Accordingly, the holding in any company by any individual VCF or FVCI registered with SEBI should not exceed 25% of the corpus of the VCF or FVCI. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds in various prescribed instruments, including in public offerings.

The category I and II AIFs cannot invest more than 25% of the corpus in one investee company. A category III AIF cannot invest more than 10% of the corpus in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than $1/3^{rd}$ of its corpus by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the VCF Regulations.

All Non-Resident Bidders including Eligible NRIs, FIIs and FVCIs should note that refunds, dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and / or commission. There is no reservation for Eligible NRIs, FIIs and FVCIs and all Bidders will be treated on the same basis with other categories for the purpose of allocation.

Further, according to the SEBI Regulations, the shareholding of VCFs, category I AIFs and FVCIs held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft red herring prospectus with SEBI.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, the Company and the Selling Shareholder reserves the right to reject any Bid without assigning any reason thereof.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDA, a certified copy of certificate of registration issued by IRDA must be attached to the Bid cum Application Form. Failing this, the Company and the Selling Shareholder reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers is prescribed in Regulation 9 of the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 (the "**IRDA Investment Regulations**").

Bids by provident funds/ pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/ pension fund must be attached to the Bid cum Application Form. Failing this, the Company and the Selling Shareholder reserve the right to reject any Bid, without assigning any reason thereof.

Bids by Banking Companies

The investment limit for banking companies as per the Banking Regulation Act, 1949 is 30% of the paid-up share capital of the investee company or 30% of the banks' own paid-up share capital and reserves, whichever is less (except in case of certain specified exceptions, such as setting up or investing in a subsidiary company, which requires RBI approval). Additionally, any investment by a bank in equity shares must be approved by such bank's investment committee set up to ensure compliance with the applicable prudential norms for classification, valuation and operation of investment portfolio of banks (currently reflected in the RBI Master Circular of July 1, 2010).

Bids by SCSBs

SCSBs participating in the Issue are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for ASBA applications.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, FPIs, QFIs, Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the Union of India, insurance funds set up by the Department of Posts, India or the National Investment Fund, provident funds with minimum corpus of ₹ 250 million and pension funds with a minimum corpus of ₹ 250 million (in each case, subject to applicable law and in accordance with their respective constitutional documents), a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, with a certified copy of the memorandum of association and articles of association and/or bye laws, as applicable, must be lodged with the Bid cum Application Form. Failing this, the Company and the Selling Shareholder reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason.

The Company and the Selling Shareholder in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney with the Bid cum Application Form, subject to such terms and conditions that the Company, the Selling Shareholder and the Book Running Lead Manager deem fit, without assigning any reasons therefore.

Pre-Issue Advertisement

Subject to Section 30 of the Companies Act, 2013 the Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre- Issue advertisement, in one English national daily newspaper and one Hindi national daily newspaper, each with wide circulation. In the pre- Issue advertisement, we shall state the Bid Opening Date, the Bid Closing Date and the QIB Bid Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, 2013, shall be in the format prescribed in Part A of Schedule XIII of the SEBI Regulations.

Information for Bidders

In addition to the instructions provided to Bidders set forth in the sub-section titled "*– Part B – General Information Document for Investing in Public Issues*" on page 351, Bidders are requested to note the following additional information in relation to the Issue.

1. The Company shall dispatch the Red Herring Prospectus and other Issue material including Bid cum Application Forms, to the Designated Stock Exchange, Syndicate/ sub-Syndicate, Bankers to the Issue, investors' associations and SCSBs in advance.

2. The Price Band and the minimum Bid Lot for the Issue will be decided by the Company and the Selling Shareholder, in consultation the Book Running Lead Manager, and advertised in one English national daily newspaper and one Hindi national daily newspaper (Hindi also being the regional language at the place where the Registered Office is located), each with wide circulation at least five Working Days prior to the Bid Opening Date, with the relevant financial ratios calculated at the Floor Price and at the Cap Price. Such information shall also be disclosed to the Stock Exchanges for dissemination through, and shall be pre-filled in the Bid cum Application Forms available on, the Stock Exchanges' websites and Non Syndicate Registered Broker terminals.

3. It is not obligatory for the Non Syndicate Registered Brokers to accept the Bid cum Application Forms. However, upon acceptance of a Bid cum Application Form, it is the responsibility of the Non Syndicate

Registered Brokers to comply with the obligations set out in SEBI circular no. CIR/CFD/14/2012 dated October 4, 2012, including in relation to uploading the Bids on the online system of the Stock Exchanges, depositing the cheque and sending the updated electronic schedule to the relevant branch of the Escrow Collection Bank (in case of Bids by Bidders other than ASBA Bidders) and forwarding the schedule along with the Bid cum Application Form to the relevant branch of the SCSB (in case of Bids by ASBA Bidders), and are liable for any failure in this regard.

In case of Bid cum Application Form by non ASBA Bidders, Non Syndicate Registered Brokers shall deposit the cheque, prepare electronic schedule and send it to Escrow Collection Banks. All Escrow Collection Banks, which have branches in a Non Syndicate Broker Centre, shall ensure that at least one of its branches in the Non Syndicate Broker Centre accepts cheques. Non Syndicate Registered Brokers shall deposit the cheque in any of the bank branch of the Escrow Collection Banks in the Non Syndicate Broker Centre. Non Syndicate Registered Brokers shall also update the electronic schedule (containing application details including the application amount) as downloaded from Stock Exchange platform and send it to local branch of the Escrow Collection Banks. Non Syndicate Registered Brokers shall retain all physical Bid cum Application Forms and send it to the Registrar to Issue after six months.

4. In case of Bid cum Application Forms submitted by ASBA Bidders, Non Syndicate Registered Brokers shall forward a schedule (containing application number and amount) along with the Bid cum Application Forms to the branch where the ASBA Account is maintained of the relevant SCSB for blocking of fund.

5. The Syndicate/ sub-Syndicate, the SCSBs and the Non Syndicate Registered Brokers, as the case may be, will enter each Bid option into the electronic Bidding system as a separate Bid and generate a Transaction Registration Slip, ("**TRS**"), for each price and demand option and give the same to the Bidder. Therefore, a Bidder can receive up to three TRSs for each Bid cum Application Form. All accepted Bids made at the Non Syndicate Broker Centre shall be stamped and thereby acknowledged by the Non Syndicate Registered Brokers at the time of receipt, which shall form the basis of any complaint. It is the Bidder's responsibility to obtain the TRS from the Syndicate/ sub-Syndicate, the Designated Branches or Non Syndicate Registered Brokers. The registration of the Bid by the Syndicate/ sub-Syndicate, the Designated Branches or Non Syndicate Registered Brokers does not guarantee that the Equity Shares shall be allocated/ Allotted by the Company. Such TRS will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier TRS and may request for a revised TRS from the Syndicate/ sub-Syndicate, the Non Syndicate Registered Brokers or the SCSB as proof of his or her having revised the previous Bid.

6. The Company and the Selling Shareholder, in consultation with the Book Running Lead Manager, will finalise the Issue Price within the Price Band, without the prior approval of or intimation to the Bidders.

7. In relation to electronic registration of bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by the Company, the Selling Shareholder and/or the Book Running Lead Manager are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of the Company, the Selling Shareholder, the management or any scheme or project of the Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

8. In case of an upward revision in the Price Band, Retail Individual Bidders who had Bid at Cut-off Price could either (i) revise their Bid or (ii) shall make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder wants to continue to Bid at Cut-off Price). The revised Bids must be submitted by the ASBA Bidders to SCSB or to the Syndicate (in specified cities) to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus if the Bid was made through ASBA. If, however, the Retail Individual Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the

purpose of allocation, such that no additional payment would be required from the Retail Individual Bidder and the Retail Individual Bidder is deemed to have approved such revised Bid at Cut-off Price.

9. In case of a downward revision in the Price Band, Retail Individual Bidders who have bid at Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding would be refunded from the Escrow Account or unblocked, in case of ASBA Bidders.

10. Any revision of the Bid shall be accompanied by payment in the form of cheque or demand draft for the incremental amount, if any, to be paid on account of the upward revision of the Bid. With respect to the ASBA Bids, if revision of the Bids results in an incremental amount, the SCSBs shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate/ sub-Syndicate or the Non Syndicate Registered Brokers, as the case may be, shall collect the payment in the form of cheque or demand draft if any, to be paid on account of the upward revision of the Bid at the time of one or more revisions.

11. Allocation to Non-Residents, including Eligible NRIs FIIs, FPIs and QFIs will be subject to applicable law, rules, regulations, guidelines and approvals.

12. The Allotment and trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

In addition to the information provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues – Interest and Refunds - Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants*" on page 382, Bidders are requested to note that refunds through the modes mentioned in this section shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

Signing of the Underwriting Agreement and the RoC Filing

The Company, the Selling Shareholder and the Underwriters intend to enter into an Underwriting Agreement on or immediately after the finalisation of the Issue Price. After signing the Underwriting Agreement, the Company will file the Prospectus with the RoC. The Prospectus would have details of the Issue Price, Anchor Investor Issue Price, Issue size and underwriting arrangements and would be complete in all material respects.

GENERAL INSTRUCTIONS

In addition to the general instructions provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues*" on page 351, Bidders are requested to note the additional instructions provided below.

1. Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground;
2. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms, or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
3. If you are a Non Institutional Bidder or QIB Bidder, do not submit your Bid after 4.00 p.m. on the Bid Closing Date;
4. Do not send your physical Bid cum Application Form by post. Instead submit the same with a Designated Branch of the SCSBs, Syndicate/ sub-Syndicate the Non Syndicate Registered Brokers, as the case may be;
5. QIBs (other than Anchor Investors) and the Non-Institutional Investors should submit their Bids through the ASBA process only; and
6. Anchor Investors should not Bid through the ASBA process.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

In addition to the instructions for completing the Bid cum Application Form provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues – Applying in the Issue – Instructions for filing the Bid cum Application Form/ Application Form*" on page 355, Bidders are requested to note the additional instructions provided below.

1. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal. Bids must be in single name or in joint names (not more than three, and in the same order as their Depository Participant details).

2. Bids through ASBA must be made in single name or in joint names (not more than three, and in the same order as their details appear with the Depository Participant), and completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained in this Red Herring Prospectus and in the Bid cum Application Form.

3. Bids on a repatriation basis shall be in the names of individuals, or in the name of Eligible NRIs, FIIs, FPIs, QFIs, but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees. Bids by Eligible NRIs and QFIs for a Bid Amount of up to ₹ 200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than ₹ 200,000 would be considered under Non-Institutional Portion for the purposes of allocation.

Escrow mechanism for non-ASBA Bidders

In addition to the payment instructions for non-ASBA Bidders as provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues – Applying in the Issue – Payment Details – Instructions for non-ASBA Applicants*" on page 370, non-ASBA Bidders are requested to note the following.

1. The payment instruments for payment into the Escrow Account should be drawn in favour of:

   - In case of resident Retail Individual Bidders: "[●]";
   - In case of Non-Resident Retail Individual Bidders: "[●]"; and
   - In case of Anchor Investors: "[●]" for resident Anchor Investors, and "[●]" for Non Resident Anchor Investors.

2. Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts will be rejected. Please note that cheques without the nine digit Magnetic Ink Character Recognition ("**MICR**") code are liable to be rejected.

3. **Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between the Company, the Selling Shareholder, the Syndicate, the Escrow Collection Banks and the Registrar to the Issue to facilitate collections from the Bidders.**

Grounds for Technical Rejections

In addition to the grounds for rejection of Bids on technical grounds as provided in the sub-section titled "*Part B – General Information Document for Investing in Public Issues – Issue Procedure in Book Built Issue – Rejection and Responsibility for Upload of Bids – Grounds for Technical Rejections*" on page 375, Bidders are requested to note that Bids may be rejected on the following additional technical grounds.

1. Bid submitted without payment of the entire Bid Amount;
2. Bids submitted by Retail Individual Bidders which do not contain details of the Bid Amount and bank account details in the Bid cum Application Form;
3. Bids submitted on a plain paper;
4. Bids by HUFs not mentioned correctly as given in the sub-section titled " – *Who can Bid?*" on page 342;
5. Bid cum Application Form submitted to the Book Running Lead Manager does not bear the stamp of the Book Running Lead Manager or the Non Syndicate Registered Brokers;
6. ASBA Bids submitted directly to the SCSBs does not bear the stamp of the SCSB and/or the Designated Branch and/or the Book Running Lead Manager, as the case may be;
7. Signature of First/sole Bidder missing;
8. With respect to ASBA Bids, the Bid cum Application Form not being signed by the account holders, if the account holder is different from the Bidder;

9. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are 'suspended for credit' in terms of SEBI circular (reference number: CIR/MRD/DP/ 22 /2010) dated July 29, 2010;
10. GIR number furnished instead of PAN;
11. Bids made with the Bid Amounts paid through non-CTS enabled cheques;
12. Bids by Retail Individual Bidders with Bid Amount for a value of more than ₹ 200,000;
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stockinvest/money order/postal order/cash;
15. Bids by U.S. Persons, as defined under Regulation S of the U.S. Securities Act, outside the United States; and
16. Bids uploaded by QIBs after 4.00 pm on the QIB Bid Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid Closing Date, and Bids by Retail Individual Bidders uploaded after 5.00 p.m. on the Bid Closing Date, unless extended by the Stock Exchanges.

Depository Arrangements

The Allotment of the Equity Shares in the Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, two agreements had been signed among the Company, the respective Depositories and the Registrar to the Issue:

- Agreement dated January 27, 2011 among NSDL, the Company and the Registrar to the Issue.
- Agreement dated January 24, 2011 among CDSL, the Company and Registrar to the Issue.

UNDERTAKINGS BY THE COMPANY

The Company undertakes the following:

- That if the Company does not proceed with the Issue after the Bid Closing Date, the reason thereof shall be given as a public notice within two days of the Bid Closing Date. The public notice shall be issued in the same newspapers where the pre-Issue advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- That if the Selling Shareholder withdraws the Offer for Sale after the Bid/Issue Closing Date, the Company shall be required to file a fresh offer document with the RoC/ SEBI, in the event the Company subsequently decides to proceed with the Issue;
- That the complaints received in respect of the Issue shall be attended to by the Company expeditiously and satisfactorily;
- That all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within 12 Working Days of the Bid/Issue Closing Date;
- That funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by the Company;
- That where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- That the certificates of the securities/ refund orders to Eligible NRIs shall be despatched within specified time;
- That no further Issue of Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.;
- That adequate arrangement shall be made to collect all Bid cum Application Forms under the ASBA process and to consider them similar to non-ASBA Bids while finalising the Basis of Allotment; and
- The Company shall not have recourse to the proceeds of the Issue until final approval for trading of the Equity Shares from all Stock Exchanges where listing is sought has been received.

UNDERTAKINGS BY THE SELLING SHAREHOLDER

The Selling Shareholder undertakes the following:

- it is the legal and beneficial owner of the Equity Shares proposed to be transferred pursuant to the Offer for Sale;
- the Equity Shares proposed to be transferred by the Selling Shareholder in the Issue (a) have been held by the Selling Shareholder for a minimum period as specified in Regulation 26(2)(6) of the SEBI Regulations; (b) are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances; and (c) shall be in dematerialized form at the time of transfer;
- that it shall not have recourse to the proceeds of the Offer for Sale until the final listing and trading approvals from all the Stock Exchanges where listing is proposed have been obtained;
- that it shall be liable to refund the application monies as required under applicable laws and statutory time limits, and in the event of failure to do so, shall pay interest to the non-ASBA Bidders as provided under the Companies Act, 2013 or any other applicable laws and regulations, provided such refund and interest shall be shared by the Company and the Selling Shareholder in proportion to the number of Equity Shares sold in the Fresh Issue and Offer for Sale, respectively;
- that it has not entered, and shall not enter, into buyback arrangements directly or indirectly for purchase of the Equity Shares to be offered and sold in the Issue; and
- that no payment, direct or indirect, in the nature of discounts, commission allowance or otherwise shall be made by it in the Issue to any persons who make a Bid in the Issue and/or who receive Allotments in the Issue, except as disclosed in the DRHP.

The decisions with respect to the Price Band, the minimum Bid Lot, revision of Price Band, Issue Price, will be taken by the Company and the Selling Shareholder, in consultation with the Book Running Lead Manager.

Utilisation of Issue proceeds

The Selling Shareholder along with the Company declares that all monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

PART B
General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Act, 1956, the Securities Contracts (Regulation) Rules, 1957 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Issue. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Issue, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Issue.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building process as well as to the Fixed Price Issues. The purpose of the "General Information Document for Investing in Public Issues" is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 ("SEBI ICDR Regulations, 2009").

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Issue unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Issue and the relevant information about the Issuer undertaking the Issue are set out in the Red Herring Prospectus ("RHP")/Prospectus filed by the Issuer with the Registrar of Companies ("RoC"). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Issue. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the BRLM(s) to the Issue and on the website of Securities and Exchange Board of India ("SEBI") at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may refer to the section "Glossary and Abbreviations".

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/27 of SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR

Regulations, 2009, the Companies Act, 1956 (the "Companies Act") as amended or replaced by the Companies Act, 2013, the Securities Contracts (Regulation) Rules, 1957 (the "SCRR"), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues - Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Issue Price through the Book Building Process **("Book Built Issue")** or undertake a Fixed Price Issue **("Fixed Price Issue").** An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Issue Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Issue price cannot be lesser than the face value of the securities.

Bidders/Applicants should refer to the RHP/Prospectus or Issue advertisements to check whether the Issue is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

The Issue may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Issue Period. Details of Bid/Issue Period are also available on the website of Stock Exchange(s).

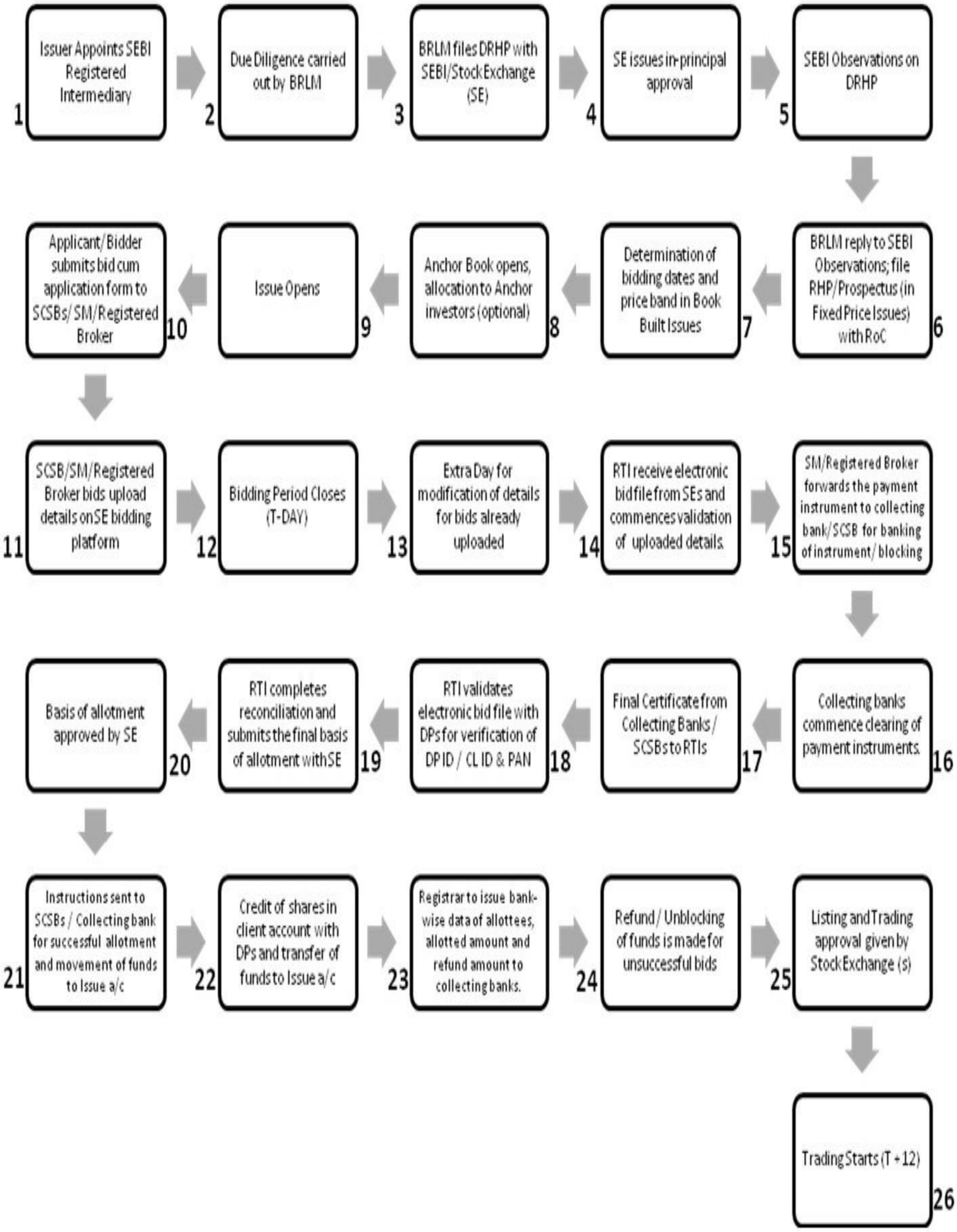
In case of a Book Built Issue, the Issuer may close the Bid/Issue Period for QIBs one Working Day prior to the Bid/Issue Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Issue Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges and the BRLM(s), and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows [Bidders/Applicants may note that this is not applicable for Fast Track FPOs.]:

- In case of Issue other than Book Build Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:

  (i) Step 7 : Determination of Issue Date and Price
  (ii) Step 10: Applicant submits ASBA Application Form with Designated Branch of SCSB and Non-ASBA forms directly to collection Bank and not to Broker.
  (iii) Step 11: SCSB uploads ASBA Application details in Stock Exchange Platform
  (iv) Step 12: Issue period closes
  (v) Step 15: Not Applicable


Issuer Appoints SEBI Registered Intermediary
1
Due Diligence carried out by BRLM
2
BRLM files DRHP with SEBI/Stock Exchange (SE)
3
SE issues in-principal approval
4
SEBI Observations on DRHP
5
BRLM reply to SEBI Observations; file RHP/Prospectus (in Fixed Price Issues) with RoC
6
Determination of bidding dates and price band in Book Built Issues
7
Anchor Book opens, allocation to Anchor investors (optional)
8
Issue Opens
9
Applicant/Bidder submits bid cum application form to SCSBs/SM/Registered Broker
10
SCSB/SM/Registered Broker bids upload details on SE bidding platform
11
Bidding Period Closes (T-DAY)
12
Extra Day for modification of details for bids already uploaded
13
RTI receive electronic bid file from SEs and commences validation of uploaded details.
14
SM/Registered Broker forwards the payment instrument to collecting bank/SCSB for banking of instrument/blocking
15
Collecting banks commence clearing of payment instruments.
16
Final Certificate from Collecting Banks / SCSBs to RTIs
17
RTI validates electronic bid file with DPs for verification of DP ID / CL ID & PAN
18
RTI completes reconciliation and submits the final basis of allotment with SE
19
Basis of allotment approved by SE
20
Instructions sent to SCSBs / Collecting bank for successful allotment and movement of funds to Issue a/c
21
Credit of shares in client account with DPs and transfer of funds to Issue a/c
22
Registrar to issue bank-wise data of allottees, allotted amount and refund amount to collecting banks.
23
Refund / Unblocking of funds is made for unsuccessful bids
24
Listing and Trading approval given by Stock Exchange (s)
25
Trading Starts (T + 12)
26

SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);

- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);

- Hindu Undivided Families or HUFs, in the individual name of the *Karta.* The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: "Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta"*. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;

- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;

- QIBs;

- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;

- Qualified Foreign Investors subject to applicable law;

- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);

- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;

- FPIs (other than Category III FPIs) bidding in the QIBs category;

- Category III FPIs bidding in the Non Institutional Bidders category;

- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Investors (NIIs) category;

- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;

- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008; and

- Any other person eligible to Bid/Apply in the Issue, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws.

- As per the existing regulations, OCBs are not allowed to participate in an Issue.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified Bid cum Application Form either bearing the stamp of a member of the Syndicate or bearing a stamp of the Registered Broker or stamp of SCSBs as available or downloaded from the websites of the Stock Exchanges.

Bid cum Application Forms are available with the members of the Syndicate, Registered Brokers, Designated Branches of the SCSBs and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date. For further details regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified cum Application Form either bearing the stamp of Collection Bank(s) or SCSBs as available or downloaded from the websites of the Stock Exchanges. Application Forms are available with the Branches of Collection Banks or Designated Branches of the SCSBs and at the registered office of the Issuer. For further details regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed color of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Color of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their Sub-Accounts (other than Sub- Accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, QFIs on a repatriation basis	Blue
Anchor Investors	[As specified by the Issuer]

Securities Issued in an IPO of Issue size equal to rupees ten crores or more can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to allotment.

4.1 INSTRUCTIONS FOR FILING THE BID CUM APPLICATION FORM / APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - R

FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE
IN

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE
ESCROW BANK/SCSB BRANCH STAMP & CODE	SUB-BROKER'S/SUB-AGENT'S STAMP & CODE
BANK BRANCH SERIAL NO.	REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off ")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
		Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
	7 | 6 | 5 | 4 | 3 | 2 | 1	4 | 3 | 2 | 1	4 | 3 | 2 | 1	4 | 3 | 2 | 1	
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. Category

☐ Retail Individual
☐ Non-Institutional
☐ QIB

6. Investor Status

☐ Individual(s) - IND
☐ Hindu Undivided Family* - HUF
☐ Bodies Corporate - CO
☐ Banks & Financial Institutions - FI
☐ Mutual Funds - MF
☐ Non-Resident Indians - NRI (Non-Repatriation basis)
☐ National Investment Fund - NIF
☐ Insurance Funds - IF
☐ Insurance Companies - IC
☐ Venture Capital Funds - VC
☐ Others (Please specify) - OTH

* HUF should apply only through Karta (Application by HUF would be treated on par with Individual)

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)

PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment

Amount Paid (₹ in figures) (₹ in words)

☐ (A) CHEQUE/ DEMAND DRAFT (DD)

Cheque/DD No. Dated D D M M Y Y

Drawn on (Bank Name & Branch)

☐ (B) ASBA

Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf.

8A. SIGNATURE OF SOLE/ FIRST APPLICANT	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)	BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue	
	1)	
	2)	
Date : ____________, 2011	3)	

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

XYZ LIMITED

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Amount Paid (₹ in figures)

Bank & Branch

Cheque / DD/ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile

Email

Stamp & Signature of Banker

TEAR HERE

XYZ LIMITED

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Stamp & Signature of Syndicate Member / SCSB

Name of Sole / First Applicant

Cheque / DD/ASBA Bank A/c No.

Bank & Branch

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

TEAR HERE

COMMON BID CUM APPLICATION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - NR

FOR ELIGIBLE NRIs, FIIs, FVCI, ETC., APPLYING ON A REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE
INE523L01018

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER'S/AGENT'S STAMP & CODE
ESCROW BANK / SCSB BRANCH STAMP & CODE	**SUB-BROKER'S/SUB-AGENT'S STAMP & CODE**
BANK BRANCH SERIAL NO.	**REGISTRAR'S / SCSB SERIAL NO.**

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Address

Email

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

4. BID OPTIONS (Only Retail Individual Bidders can Bid at "Cut-off")

Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)			
	7 | 6 | 5 | 4 | 3 | 2 | 1	Bid Price 4 | 3 | 2 | 1	Discount, if any 4 | 3 | 2 | 1	Net Price 4 | 3 | 2 | 1	"Cut-off" (Please ✓)
Option 1					☐
(OR) Option 2					☐
(OR) Option 3					☐

5. Category

☐ Retail Individual
☐ Non-Institutional
☐ QIB

6. Investor Status

- NRI — Non Resident Indian (Repatriation basis)
- FII — Foreign Institutional Investor
- FVCI — Foreign Venture Capital Investor
- FIISA — FII Sub Account Corporate / Individual
- OTH — Others (Please Specify)

7. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below)

PAYMENT OPTIONS ☐ Full Payment ☐ Part Payment

Amount Paid (₹ in figures) (₹ in words)

☐ **(A) CHEQUE/ DEMAND DRAFT (DD)**

Cheque/DD No. Dated D D M M Y Y

Drawn on (Bank Name & Branch)

☐ **(B) ASBA**

Bank A/c No.

Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid Cum Application Form given overleaf

8A. SIGNATURE OF SOLE/ FIRST APPLICANT

Date : ____________, 2011

8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (For ASBA option ONLY)

I/We authorize the SCSB to do all acts as are necessary to make the Application in the issue

1)

2)

3)

BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

XYZ LIMITED

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Amount Paid (₹ in figures)

Bank & Branch

Cheque / DD/ASBA Bank A/c No.

Received from Mr./Ms.

Telephone / Mobile

Email

Stamp & Signature of Banker

TEAR HERE

XYZ LIMITED

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Amount Paid (₹)			

Cheque / DD/ASBA Bank A/c No.

Bank & Branch

Stamp & Signature of Syndicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Bid cum Application Form No.

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

4.1.1 **FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT**

(a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.

(b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid-cum Application Form/Application Form may be used to dispatch communications(including refund orders and letters notifying the unblocking of the bank accounts of ASBA Bidders/Applicants) in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the members of the Syndicate, the Registered Broker and the Registrar to the Issue only for correspondence(s) related to an Issue and for no other purposes.

(c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids /Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders All payments may be made out in favor of the Bidder/Applicant whose name appears in the Bid cum Application Form/Application Form or the Revision Form and all communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.

(d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, which is reproduced below:

"Any person who –

(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities, or
(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or
(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,

shall be liable for action under section 447."

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term of not less than six months extending up to ten years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

(e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 109A of the Companies Act. In case of allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.2 **FIELD NUMBER 2: PAN NUMBER OF SOLE/FIRST BIDDER/APPLICANT**

(a) PAN (of the sole/ first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person(s) in whose name the relevant beneficiary account is held as per the Depositories' records.

(b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim ("PAN Exempted Bidders/Applicants"). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. A Bid cum Application Form/Application Form without PAN, except in case of Exempted Bidders/Applicants, is liable to be rejected. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.

(c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

(d) Bid cum Application Forms/Application Forms which provide the General Index Register Number instead of PAN may be rejected.

(e) Bids/Applications by Bidders whose demat accounts have been 'suspended for credit' are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as "Inactive demat accounts" and demographic details are not provided by depositories.

4.1.3 **FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS**

(a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form/Application Form is liable to be rejected.**

(b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.

(c) Bidders/Applicants should note that on the basis of DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Issue, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for giving refunds and allocation advice (including through physical refund warrants, direct credit, NECS, NEFT and RTGS), or unblocking of ASBA Account or for other correspondence(s) related to an Issue.

(d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants' sole risk.

4.1.4 **FIELD NUMBER 4: BID OPTIONS**

(a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Issue Opening Date in case of an IPO, and at least one Working Day before Bid/Issue Opening Date in case of an FPO.

(b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs /FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (For further details bidders may refer to (Section 5.6 (e))

(c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.

(d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Selling Shareholder and the BRLM may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Bid Lot is accordingly determined by an Issuer and the Selling Shareholder on basis of such minimum application value.

(e) **Allotment:** The allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be allotted on a proportionate basis. For details of the Bid Lot, bidders may to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.4.1 **Maximum and Minimum Bid Size**

(a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Investors, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹ 200,000.

In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.

(b) For NRIs, a Bid Amount of up to ₹ 200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹ 200,000 may be considered under the Non-Institutional Category for the purposes of allocation.

(c) Bids by QIBs and NIIs must be for such minimum number of shares such that the Bid Amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. Non-Institutional Bidders and QIBs are not allowed to Bid at 'Cut-off Price'.

(d) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment. QIBs and NII's cannot withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after bidding and are required to pay the Bid Amount upon submission of the Bid.

(e) In case the Bid Amount reduces to ₹ 200,000 or less due to a revision of the Price Band, Bids by the Non-Institutional Bidders who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.

(f) For Anchor Investors, if applicable, the Bid Amount shall be least ₹ 10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Portion under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/ Issue Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Issue Price is lower than the Issue Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Issue Price is lower than the Anchor Investor Issue Price, the amount in excess of the Issue Price paid by the Anchor Investors shall not be refunded to them.

(g) A Bid cannot be submitted for more than the Issue size.

(h) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.

(i) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Issue Price, the number of Equity Shares Bid for by a Bidder at or above the Issue Price may be considered for allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of bidders may refer to (Section 5.6 (e))

4.1.4.2 **Multiple Bids**

(a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of Bids at three different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.

Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate, SCSB or Registered Broker and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

(b) Bidders are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple Bids:

(i) All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.

(ii) For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

(c) The following Bids may not be treated as multiple Bids:

(i) Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.

(ii) Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

(iii) Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.5 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

(a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, NIIs and QIBs.

(b) Upto 60% of the QIB Category can be allocated by the Issuer and the Selling Shareholder, on a discretionary basis subject to the criteria of minimum and maximum number of anchor investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Issue Price. For details regarding allocation to Anchor Investors, bidders may refer to the RHP/Prospectus.

(c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, Bidders/Applicants may refer to the RHP/Prospectus.

(d) The SEBI ICDR Regulations, 2009, specify the allocation or allotment that may be made to various categories of Bidders in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.6 **FIELD NUMBER 6: INVESTOR STATUS**

(a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective allotment to it in the Issue is in compliance with the investment restrictions under applicable law.

(b) Certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs, QFIs and FVCIs may not be allowed to Bid/Apply in the Issue or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

(c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.

(d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.7 **FIELD NUMBER 7: PAYMENT DETAILS**

(a) All Bidders are required to make payment of the full Bid Amount (net of any Discount, as applicable) along-with the Bid cum Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Bid Amount in the Bid cum Application Form and the payment shall be made for Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.

(b) Bidders who Bid at Cut-off price shall deposit the Bid Amount based on the Cap Price.

(c) QIBs and NIIs can participate in the Issue only through the ASBA mechanism.

(d) RIIs bidding in the Retail Portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").

(e) Bid Amount cannot be paid in cash, through money order or through postal order.

4.1.7.1 **Instructions for non-ASBA Bidders:**

(a) Non-ASBA Bidders may submit their Bids with a member of the Syndicate or any of the Registered Brokers of the Stock Exchange. The details of Broker Centres along with names and contact details of the Registered Brokers are provided on the websites of the Stock Exchanges.

(b) **For Bids made through a member of the Syndicate:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the members of the Syndicate at Specified Locations.

(c) **For Bids made through a Registered Broker:** The Bidder may, with the submission of the Bid cum Application Form, draw a cheque or demand draft for the Bid Amount in favour of the Escrow Account as specified under the RHP/Prospectus and the Bid cum Application Form and submit the same to the Registered Broker.

(d) If the cheque or demand draft accompanying the Bid cum Application Form is not made favoring the Escrow Account, the Bid is liable to be rejected.

(e) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(f) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Bidders until the Designated Date.

(g) Bidders are advised to provide the number of the Bid cum Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.1.7.2 **Payment instructions for ASBA Bidders**

(a) ASBA Bidders may submit the Bid cum Application Form either

(i) in physical mode to the Designated Branch of an SCSB where the Bidders/Applicants have ASBA Account, or

(ii) in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or

(iii) in physical mode to a member of the Syndicate at the Specified Locations or

(iv) Registered Brokers of the Stock Exchange

(b) ASBA Bidders may specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by an ASBA Bidder and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder;

(d) Bidders shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) **ASBA Bidders bidding through a member of the Syndicate** should ensure that the Bid cum Application Form is submitted to a member of the Syndicate only at the Specified locations. ASBA Bidders should also note that Bid cum Application Forms submitted to a member of the

Syndicate at the Specified locations may not be accepted by the Member of the Syndicate if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the members of the Syndicate to deposit Bid cum Application Forms (a list of such branches is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries).

(g) **ASBA Bidders bidding through a Registered Broker** should note that Bid cum Application Forms submitted to the Registered Brokers may not be accepted by the Registered Broker, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for the Registered Brokers to deposit Bid cum Application Forms.

(h) **ASBA Bidders bidding directly through the SCSBs** should ensure that the Bid cum Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is

(i) Upon receipt of the Bid cum Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the Bid cum Application Form.

(j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the Bid cum Application Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.

(k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Bids on the Stock Exchange platform and such bids are liable to be

(l) Upon submission of a completed Bid cum Application Form each ASBA Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the Bid cum Application Form in the ASBA Account maintained with the SCSBs.

(m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Bid, as the case may be.

(n) SCSBs bidding in the Issue must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.7.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Bid cum Application Form and for unsuccessful Bids, the Registrar to the Issue may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within 12 Working Days of the Bid/Issue Closing Date.

4.1.7.3 **Additional Payment Instructions for NRIs**

The Non-Resident Indians who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (non-repatriation basis). In the case of Bids by NRIs applying on a repatriation basis, payment shall not be accepted out of NRO Account.

4.1.7.4 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) Bidders applying under RII category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Issue, Bidders may refer to the RHP/Prospectus.

(c) The Bidders entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Bid Amount less Discount (if applicable).

Bidder may note that in case the net payment (post Discount) is more than two lakh Rupees, the bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RII category.

4.1.8 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS**

(a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.

(b) If the ASBA Account is held by a person or persons other than the ASBA Bidder/Applicant., then the Signature of the ASBA Account holder(s) is also required.

(c) In relation to the ASBA Bids/Applications, signature has to be correctly affixed in the authorization/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.

(d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and /or ASBA Account holder is liable to be rejected.

4.1.9 **ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

(a) Bidders should ensure that they receive the acknowledgment duly signed and stamped by a member of the Syndicate, Registered Broker or SCSB, as applicable, for submission of the Bid cum Application Form.

(b) Applicants should ensure that they receive the acknowledgment duly signed and stamped by an Escrow Collection Bank or SCSB, as applicable, for submission of the Application Form.

(c) All communications in connection with Bids/Applications made in the Issue should be addressed as under:

(i) In case of queries related to Allotment, non-receipt of Allotment Advice, credit of allotted equity shares, refund orders, the Bidders/Applicants should contact the Registrar to the Issue.

(ii) In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders/Applicants should contact the relevant Designated Branch of the SCSB.

(iii) In case of queries relating to uploading of Syndicate ASBA Bids, the

Bidders/Applicants should contact the relevant Syndicate Member.

(iv) In case of queries relating to uploading of Bids by a Registered Broker, the Bidders/Applicants should contact the relevant Registered Broker.

(v) Bidder/Applicant may contact the Company Secretary and Compliance Officer or BRLM(s) in case of any other complaints in relation to the Issue.

(d) The following details (as applicable) should be quoted while making any queries –

(i) full name of the sole or First Bidder/Applicant, Bid cum Application Form number, Applicants'/Bidders' DP ID, Client ID, PAN, number of Equity Shares applied for, amount paid on application.

(ii) name and address of the member of the Syndicate, Registered Broker or the Designated Branch, as the case may be, where the Bid was submitted or

(iii) In case of Non-ASBA bids cheque or draft number and the name of the issuing bank thereof

(iv) In case of ASBA Bids, ASBA Account number in which the amount equivalent to the Bid Amount was blocked.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

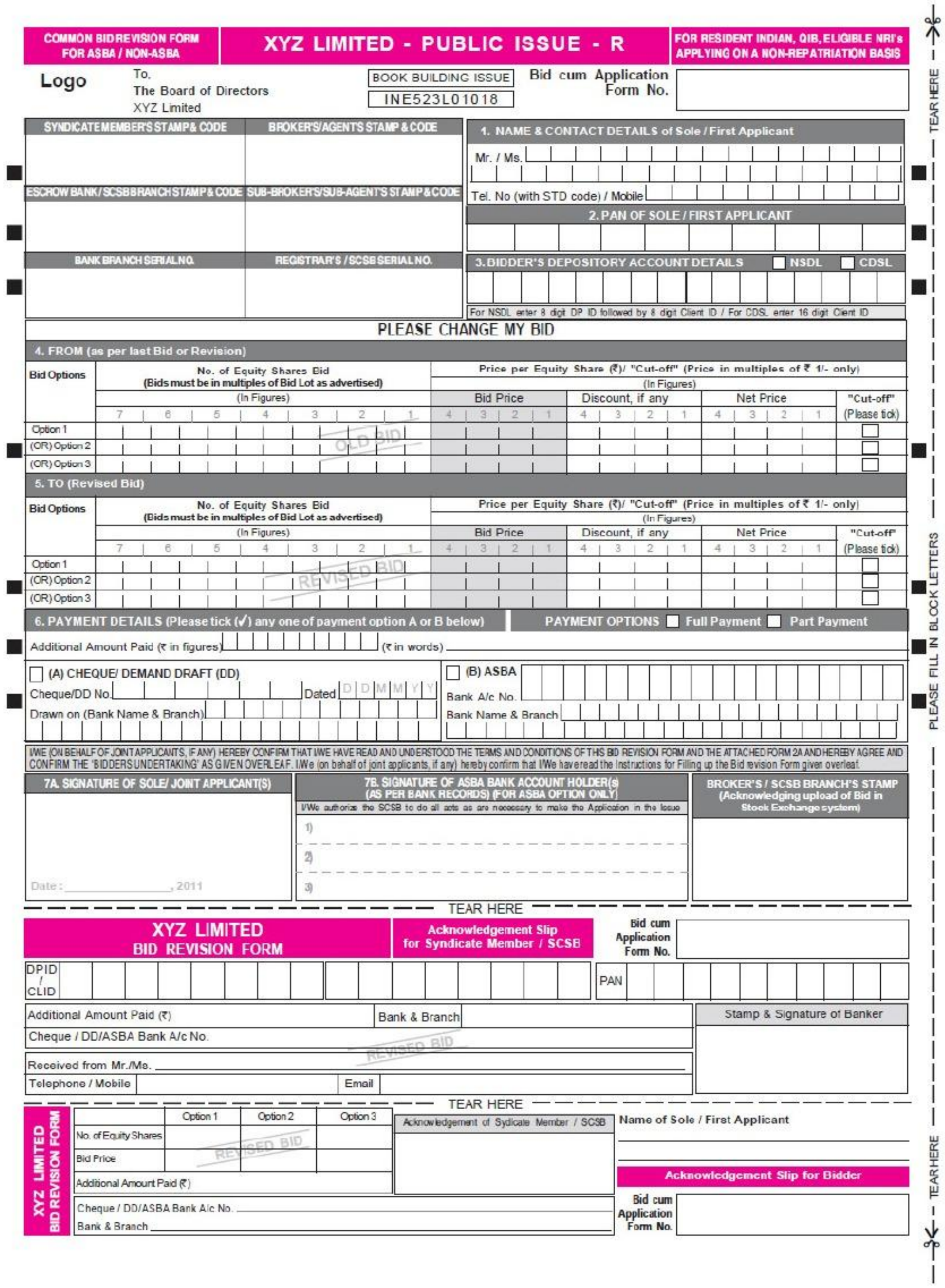
(a) During the Bid/Issue Period, any Bidder/Applicant (other than QIBs and NIIs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.

(b) RII may revise their bids till closure of the bidding period or withdraw their bids until finalization of allotment.

(c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.

(d) The Bidder/Applicant can make this revision any number of times during the Bid/ Issue Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample Revision form is reproduced below:



COMMON BID REVISION FORM FOR ASBA / NON-ASBA

XYZ LIMITED - PUBLIC ISSUE - R

FOR RESIDENT INDIAN, QIB, ELIGIBLE NRI's APPLYING ON A NON-REPATRIATION BASIS

Logo

To,
The Board of Directors
XYZ Limited

BOOK BUILDING ISSUE

INE523L01018

Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE | BROKER'S/AGENTS STAMP & CODE

ESCROW BANK / SCSB BRANCH STAMP & CODE | SUB-BROKER'S/SUB-AGENT'S STAMP & CODE

BANK BRANCH SERIAL NO. | REGISTRAR'S / SCSB SERIAL NO.

1. NAME & CONTACT DETAILS of Sole / First Applicant

Mr. / Ms.

Tel. No (with STD code) / Mobile

2. PAN OF SOLE / FIRST APPLICANT

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS NSDL CDSL

For NSDL enter 8 digit DP ID followed by 8 digit Client ID / For CDSL enter 16 digit Client ID

PLEASE CHANGE MY BID

4. FROM (as per last Bid or Revision)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	
Option 1					
(OR) Option 2	OLD BID				
(OR) Option 3					

Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

5. TO (Revised Bid)

Bid Options	No. of Equity Shares Bid (Bids must be in multiples of Bid Lot as advertised) (In Figures)	Bid Price	Discount, if any	Net Price	"Cut-off" (Please tick)
	7 6 5 4 3 2 1	4 3 2 1	4 3 2 1	4 3 2 1	
Option 1					
(OR) Option 2	REVISED BID				
(OR) Option 3					

Price per Equity Share (₹)/ "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)

6. PAYMENT DETAILS (Please tick (✓) any one of payment option A or B below) PAYMENT OPTIONS Full Payment Part Payment

Additional Amount Paid (₹ in figures) (₹ in words)

(A) CHEQUE/ DEMAND DRAFT (DD)
Cheque/DD No. Dated D D M M Y Y
Drawn on (Bank Name & Branch)

(B) ASBA
Bank A/c No.
Bank Name & Branch

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID REVISION FORM AND THE ATTACHED FORM 2A AND HEREBY AGREE AND CONFIRM THE 'BIDDERS UNDERTAKING' AS GIVEN OVERLEAF. I/We (on behalf of joint applicants, if any) hereby confirm that I/We have read the Instructions for Filling up the Bid revision Form given overleaf.

7A. SIGNATURE OF SOLE/ JOINT APPLICANT(S)

Date: , 2011

7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS) (FOR ASBA OPTION ONLY)
I/We authorize the SCSB to do all acts as are necessary to make the Application in the Issue
1)
2)
3)

BROKER'S / SCSB BRANCH'S STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

XYZ LIMITED BID REVISION FORM

Acknowledgement Slip for Syndicate Member / SCSB

Bid cum Application Form No.

DPID / CLID

PAN

Additional Amount Paid (₹) | Bank & Branch

Cheque / DD/ASBA Bank A/c No.

REVISED BID

Received from Mr./Ms.

Telephone / Mobile | Email

Stamp & Signature of Banker

TEAR HERE

XYZ LIMITED BID REVISION FORM

	Option 1	Option 2	Option 3
No. of Equity Shares			
Bid Price			
Additional Amount Paid (₹)			

REVISED BID

Cheque / DD/ASBA Bank A/c No.
Bank & Branch

Acknowledgement of Sydicate Member / SCSB

Name of Sole / First Applicant

Acknowledgement Slip for Bidder

Bid cum Application Form No.

TEAR HERE

PLEASE FILL IN BLOCK LETTERS

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1 **FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 **FIELD 4 AND 5: BID OPTIONS REVISION 'FROM' AND 'TO'**

(a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate, the Registered Brokers and the Designated Branches of the SCSBs may not accept incomplete or inaccurate Revision Forms.

(b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.

(c) In case of revision of Bids by RIIs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹ 200,000. In case the Bid Amount exceeds ₹ 200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIIs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

(d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹ 200,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the RHP/Prospectus. If, however, the RII does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RII and the RII is deemed to have approved such revised Bid at Cut-off Price.

(e) In case of a downward revision in the Price Band, RIIs who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders or refunded from the Escrow Account in case of non-ASBA Bidder.

4.2.3 **FIELD 6: PAYMENT DETAILS**

(a) With respect to the Bids, other than Bids submitted by ASBA Bidders/Applicants, any revision of the Bid should be accompanied by payment in the form of cheque or demand draft for the amount, if any, to be paid on account of the upward revision of the Bid.

(b) All Bidders/Applicants are required to make payment of the full Bid Amount (less Discount (if applicable) along with the Bid Revision Form. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.

(c) In case of Bids submitted by ASBA Bidder/Applicant, Bidder/Applicant may Issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same member of the Syndicate/Registered Broker or the same Designated Branch (as the case may be) through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.

(d) In case of Bids, other than ASBA Bids, Bidder/Applicant, may make additional payment based on the cap of the revised Price Band (such that the total amount i.e., original Bid Amount plus additional payment does not exceed ₹ 200,000 if the Bidder/Applicant wants to continue to Bid at the Cut-off Price), with the members of the Syndicate / Registered Broker to whom the original Bid was submitted.

(e) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹ 200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for may be adjusted downwards for the purpose of allotment, such that no additional payment is required from the Bidder/Applicant and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.

(f) In case of a downward revision in the Price Band, RIIs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount paid at the time of bidding may be unblocked in case of ASBA Bidders/Applicants or refunded from the Escrow Account in case of non-ASBA Bidder/Applicant.

4.2.4 **FIELDS 7: SIGNATURES AND ACKNOWLEDGEMENTS**

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT AND DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY AND AMOUNT**

(a) The Issuer may mention Price or Price band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).

(b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager to the Issue (LM) may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹ 10,000 to ₹ 15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.

(c) Applications by RIIs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹ 200,000.

(d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹ 200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.

(e) An application cannot be submitted for more than the Issue size.

(f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.

(g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or to Collection Bank(s) or SCSB and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.

(h) Applicants are requested to note the following procedures may be followed by the Registrar to the Issue to detect multiple applications:

(i) All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple applications by a Bidder/Applicant and may be rejected.

(ii) For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.

(i) The following applications may not be treated as multiple Bids:

(i) Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.

(ii) Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5: CATEGORY OF APPLICANTS**

(a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and allotment in the Issue are RIIs, individual applicants other than RII's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

(b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Issue, applicants may refer to the Prospectus.

(c) The SEBI ICDR Regulations, 2009 specify the allocation or allotment that may be made to various categories of applicants in an Issue depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Issue specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

(a) All Applicants are required to make payment of the full Amount (net of any Discount, as applicable) along-with the Application Form. If the Discount is applicable in the Issue, the RIIs should indicate the full Amount in the Application Form and the payment shall be made for an Amount net of Discount. Only in cases where the Prospectus indicates that part payment may be made, such an option can be exercised by the Applicant.

(b) RIIs bidding in the Retail Portion can Bid, either through the ASBA mechanism or by paying the Bid Amount through a cheque or a demand draft ("Non-ASBA Mechanism").

(c) Application Amount cannot be paid in cash, through money order or through postal order or through stock invest.

4.3.5.1 **Instructions for non-ASBA Applicants:**

(a) Non-ASBA Applicants may submit their Application Form with the Collection Bank(s).

(b) For Applications made through a Collection Bank(s): The Applicant may, with the submission of the Application Form, draw a cheque or demand draft for the Bid Amount in favor of the Escrow Account as specified under the Prospectus and the Application Form and submit the same to the escrow Collection Bank(s).

(c) If the cheque or demand draft accompanying the Application Form is not made favoring the Escrow Account, the form is liable to be rejected.

(d) Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Application Form is submitted. Cheques/bank drafts drawn on banks not participating in the clearing process may not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected.

(e) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Applicants until the Designated Date.

(f) Applicants are advised to provide the number of the Application Form and PAN on the reverse of the cheque or bank draft to avoid any possible misuse of instruments submitted.

4.3.5.2 **Payment instructions for ASBA Applicants**

(a) ASBA Applicants may submit the Application Form in physical mode to the Designated Branch of an SCSB where the Applicants have ASBA Account.

(b) ASBA Applicants may specify the Bank Account number in the Application Form. The Application Form submitted by an ASBA Applicant and which is accompanied by cash, demand draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, may not be accepted.

(c) Applicants should ensure that the Application Form is also signed by the ASBA Account holder(s) if the Applicant is not the ASBA Account holder;

(d) Applicants shall note that that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.

(e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.

(f) ASBA Applicants bidding directly through the SCSBs should ensure that the Application Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.

(g) Upon receipt of the Application Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Application Amount are available in the ASBA Account, as mentioned in the Application Form.

(h) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Application Amount mentioned in the Application Form and may upload the details on the Stock Exchange Platform.

(i) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not upload such Applications on the Stock Exchange platform and such Applications are liable to be rejected.

(j) Upon submission of a completed Application Form each ASBA Applicant may be deemed to have agreed to block the entire Application Amount and authorized the Designated Branch of the SCSB to block the Application Amount specified in the Application Form in the ASBA Account maintained with the SCSBs.

(k) The Application Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of allotment and consequent transfer of the Application Amount against the Allotted Equity Shares to the Public Issue Account, or until withdrawal or failure of the Issue, or until withdrawal or rejection of the Application, as the case may be.

(l) SCSBs applying in the Issue must apply through an ASBA Account maintained with any other SCSB; else their Applications are liable to be rejected.

4.3.5.2.1 **Unblocking of ASBA Account**

(a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Issue may provide the following details to the controlling branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Application, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Application, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Applications, if any, along with reasons for rejection and details of withdrawn or unsuccessful Applications, if any, to enable the SCSBs to unblock the respective bank accounts.

(b) On the basis of instructions from the Registrar to the Issue, the SCSBs may transfer the requisite amount against each successful ASBA Application to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.

(c) In the event of withdrawal or rejection of the Application Form and for unsuccessful Applications, the Registrar to the Issue may give instructions to the SCSB to unblock the Application Amount in the relevant ASBA Account within 12 Working Days of the Issue Closing Date.

4.3.5.3 **Discount** (if applicable)

(a) The Discount is stated in absolute rupee terms.

(b) RIIs, Employees and Retail Individual Shareholders are only eligible for discount. For Discounts offered in the Issue, applicants may refer to the Prospectus.

(c) The Applicants entitled to the applicable Discount in the Issue may make payment for an amount i.e. the Application Amount less Discount (if applicable).

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS AND ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 and 4.1.9.

4.4 SUBMISSION OF BID CUM APPLICATION FORM/ REVISION FORM/APPLICATION FORM

4.4.1 **Bidders/Applicants may submit completed Bid-cum-application form / Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Non-ASBA Application	(a) To members of the Syndicate at the Specified Locations mentioned in the Bid cum Application Form (b) To Registered Brokers
ASBA Application	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres (b) To the Designated branches of the SCSBs where the ASBA Account is maintained

(a) Bidders/Applicants should not submit the bid cum application forms/ Revision Form directly to the escrow collection banks. Bid cum Application Form/ Revision Form submitted to the escrow collection banks are liable for rejection.

(b) Bidders/Applicants should submit the Revision Form to the same member of the Syndicate, the Registered Broker or the SCSB through which such Bidder/Applicant had placed the original Bid.

(c) Upon submission of the Bid-cum-Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the Registrar of Companies (RoC) and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.

(d) Upon determination of the Issue Price and filing of the Prospectus with the RoC, the Bid-cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Issue, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Issue Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Issue Price is finalised after the Bid/Issue Closing Date. Valid Bids received at or above the Issue Price are considered for allocation in the Issue, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

(a) During the Bid/Issue Period, ASBA Bidders/Applicants may approach the members of the Syndicate at the Specified Cities or any of the Registered Brokers or the Designated Branches to register their Bids. Non-ASBA Bidders/Applicants who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or any of the Registered Brokers, to register their Bid.

(b) Non-ASBA Bidders/Applicants (RIIs, Employees and Retail Individual Shareholders) bidding at Cut-off Price may submit the Bid cum Application Form along with a cheque/demand draft for the Bid Amount less discount (if applicable) based on the Cap Price with the members of the Syndicate/ any of the Registered Brokers to register their Bid.

(c) In case of ASBA Bidders/Applicants (excluding NIIs and QIBs) bidding at Cut-off Price, the ASBA Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable). ASBA Bidders/Applicants may approach the members of the Syndicate or any of the Registered Brokers or the Designated Branches to register their Bids.

(d) For Details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

(a) The Syndicate, the Registered Brokers and the SCSBs may register the Bids using the on-line facilities of the Stock Exchanges. The Syndicate, the Registered Brokers and the Designated Branches of the SCSBs can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the online facilities for Book Building on a regular basis before the closure of the issue.

(b) On the Bid/Issue Closing Date, the Syndicate, the Registered Broker and the Designated Branches of the SCSBs may upload the Bids till such time as may be permitted by the Stock Exchanges.

(c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/ Allotment. The members of the Syndicate, the Registered Brokers and the SCSBs are given up to one day after the Bid/Issue Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Issue Period after which the Stock Exchange(s) send the bid information to the Registrar for validation of the electronic bid details with the Depository's records.

5.3 BUILD UP OF THE BOOK

(a) Bids received from various Bidders/Applicants through the Syndicate, Registered Brokers and the SCSBs may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLM at the end of the Bid/Issue Period.

(b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the bidding centres during the Bid/Issue Period.

5.4 WITHDRAWAL OF BIDS

(a) RIIs can withdraw their Bids until finalization of Basis of Allotment. In case a RII applying through the ASBA process wishes to withdraw the Bid during the Bid/Issue Period, the same can be done by submitting a request for the same to the concerned SCSB or the Syndicate Member or the Registered Broker, as applicable, who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.

(b) In case a RII wishes to withdraw the Bid after the Bid/Issue Period, the same can be done by submitting a withdrawal request to the Registrar to the Issue until finalization of Basis of Allotment. The Registrar to the Issue shall give instruction to the SCSB for unblocking the ASBA Account on the Designated Date. QIBs and NIIs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION AND RESPONSIBILITY FOR UPLOAD OF BIDS

(a) The members of the Syndicate, the Registered Broker and/or SCSBs are individually responsible for the acts, mistakes or errors or omission in relation to

   (i) the Bids accepted by the members of the Syndicate, the Registered Broker and the SCSBs,

   (ii) the Bids uploaded by the members of the Syndicate, the Registered Broker and the SCSBs,

   (iii) the Bid cum application forms accepted but not uploaded by the members of the Syndicate, the Registered Broker and the SCSBs, or

   (iv) With respect to Bids by ASBA Bidders/Applicants, Bids accepted and uploaded by SCSBs without blocking funds in the ASBA Accounts. It may be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant Account.

(b) The BRLM and its affiliate Syndicate Members, as the case may be, may reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect.

(c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.

(d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) the BRLM and its affiliate Syndicate Members (only in the specified locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.

(e) All bids by QIBs, NIIs and RIIs Bids can be rejected on technical grounds listed herein.

5.5.1 **GROUNDS FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Form can be rejected on the below mentioned technical grounds either at the time of their submission to the (i) authorised agents of the BRLM, (ii) Registered Brokers, or (iii) SCSBs, or (iv) Collection Bank(s), or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, inter-alia, on the following grounds, which have been detailed at various placed in this GID:-

(a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);

(b) Bids/Applications by OCBs; and

(c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;

(d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust etc., relevant documents are not being submitted along with the Bid cum application form/Application Form;

(e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

(f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;

(g) DP ID and Client ID not mentioned in the Bid cum Application Form/Application Form;

(h) PAN not mentioned in the Bid cum Application Form/Application Form except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;

(i) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;

(j) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;

(k) Bids/Applications at a price less than the Floor Price and Bids/Applications at a price more than the Cap Price;

(l) Bids/Applications at Cut-off Price by NIIs and QIBs;

(m) Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to Bids/Applications by ASBA Bidders, the amounts mentioned in the Bid cum Application Form/Application Form does not tally with the amount payable for the value of the Equity Shares Bid/Applied for;

(n) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;

(o) In relation to ASBA Bids/Applications, submission of more than five Bid cum Application Forms/Application Form as per ASBA Account;

(p) Bids/Applications for a Bid/Application Amount of more than ₹ 200,000 by RIIs by applying through non-ASBA process;

(q) Bids/Applications for number of Equity Shares which are not in multiples Equity Shares which are not in multiples as specified in the RHP;

(r) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;

(s) Bid cum Application Forms/Application Forms are not delivered by the Bidders/Applicants within the time prescribed as per the Bid cum Application Forms/Application Form, Bid/Issue Opening Date advertisement and as per the instructions in the RHP and the Bid cum Application Forms;

(t) With respect to ASBA Bids/Applications, inadequate funds in the bank account to block the Bid/Application Amount specified in the Bid cum Application Form/ Application Form at the time of blocking such Bid/Application Amount in the bank account;

(u) Bids/Applications where sufficient funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

(v) With respect to ASBA Bids/Applications, where no confirmation is received from SCSB for blocking of funds;

(w) Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders not submitted through ASBA process or Bids/Applications by QIBs (other than Anchor Investors) and Non Institutional Bidders accompanied with cheque(s) or demand draft(s);

(x) ASBA Bids/Applications submitted to a BRLM at locations other than the Specified Cities and Bid cum Application Forms/Application Forms, under the ASBA process, submitted to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the issuer or the Registrar to the Issue;

(y) Bids/Applications not uploaded on the terminals of the Stock Exchanges;

(z) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

(a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Issue depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Issue size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP / Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP / Prospectus.

(b) Under-subscription in Retail category is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and the Selling Shareholder and in consultation with the BRLM and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB category is not available for subscription to other categories.

(c) For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.

(d) **Illustration of the Book Building and Price Discovery Process**

Bidders should *note that this example is solely for illustrative purposes and is not specific to the Issue; it also excludes bidding by Anchor Investors.*

Bidders can bid at any price within the Price Band. For instance, assume a Price Band of ₹ 20 to ₹ 24 per share, Issue size of 3,000 Equity Shares and receipt of five Bids from Bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the Equity Shares of the Issuer at various prices and is collated from Bids received from various investors.

Bid Quantity	Bid Amount (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.67%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Issuer is able to Issue the desired number of Equity Shares is the price at which the book cuts off, i.e., ₹ 22.00 in the above example. The Issuer, [in consultation with the Selling Shareholder and the BRLM], may finalise the Issue Price at or below such Cut-Off Price, i.e., at or below ₹ 22.00. All Bids at or above this Issue Price and cut-off Bids are valid Bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of bidding ("Alternate Book Building Process").

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Issue Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIIs, NIIs and Employees are Allotted Equity Shares at the Floor Price and allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Issue. **As** the Issue Price is mentioned in the Fixed Price Issue therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through Syndicate Members/SCSB and/or Bankers to the Issue or Registered Broker.

ASBA Applicants may submit an Application Form either in physical form to the Syndicate Members or Registered Brokers or the Designated Branches of the SCSBs or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only ("ASBA Account"). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Issue Opening Date.

In a fixed price Issue, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Investors; and remaining to (i) individual investors other than Retail Individual Investors; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The allotment of Equity Shares to Bidders/Applicants other than Retail Individual Investors and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Investor is will be allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Investor Category and the remaining available shares, if any will be allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Issue (excluding any Offer for Sale of specified securities). However, in case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIIs

Bids received from the RIIs at or above the Issue Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Issue Price, full Allotment may be made to the RIIs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Issue Price, then the maximum number of RIIs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot ("Maximum RII Allottees"). The Allotment to the RIIs will then be made in the following manner:

(a) In the event the number of RIIs who have submitted valid Bids in the Issue is equal to or less than Maximum RII Allottees, (i) all such RIIs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis to the RIIs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

(b) In the event the number of RIIs who have submitted valid Bids in the Issue is more than Maximum RII Allottees, the RIIs (in that category) who will then be allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIIs

Bids received from NIIs at or above the Issue Price may be grouped together to determine the total demand under this category. The allotment to all successful NIIs may be made at or above the Issue Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Issue Price, full allotment may be made to NIIs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Issue Price, allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP / Prospectus. Bids received from QIBs bidding in the QIB Category (net of Anchor Portion) at or above the Issue Price may be grouped together to determine the total demand under this category. The QIB Category may be available for allotment to QIBs who have Bid at a price that is equal to or greater than the Issue Price. Allotment may be undertaken in the following manner:

(a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full allotment to the extent of valid Bids received above the Issue Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for allotment to all QIBs as set out at paragraph 7.4(b) below;

(b) In the second instance, allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Issue Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

(a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Issuer and the Selling Shareholder in consultation with the BRLM, subject to compliance with the following requirements:

(i) not more than 60% of the QIB Portion will be allocated to Anchor Investors;

(ii) one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and

(iii) allocation to Anchor Investors shall be on a discretionary basis and subject to:

- a maximum number of two Anchor Investors for allocation up to ₹ 10 crores;
- a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹ 10 crores and up to ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor; and
- a minimum number of five Anchor Investors and maximum number of 25 Anchor Investors for allocation of more than ₹ 250 crores subject to minimum allotment of ₹ 5 crores per such Anchor Investor.

(b) A physical book is prepared by the Registrar on the basis of the Bid cum Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer and the Selling Shareholder in consultation with the BRLM, selected Anchor Investors will be sent a CAN and if required, a revised CAN.

(c) **In the event that the Issue Price is higher than the Anchor Investor Issue Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Issue Price and the Anchor Investor Issue Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.

(d) **In the event the Issue Price is lower than the Anchor Investor Issue Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS) AND NIIs IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Issue being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

(a) Bidders may be categorized according to the number of Equity Shares applied for;

(b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;

(c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;

(d) In all Bids where the proportionate allotment is less than the minimum bid lot decided per Bidder, the allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;

(e) If the proportionate allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all bidders in such categories may be arrived at after such rounding off; and

(f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

(a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares (other than ASBA funds with the SCSBs) from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Bankers to the Issue. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders shall also be made from the Refund Account as per the terms of the Escrow Agreement and the RHP.

(b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants **are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Issue.**

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Issue.

(c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.

(d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within 12 Working Days of the Bid/ Issue Closing Date. The Issuer also ensures the credit of shares to the successful Applicant's depository account is completed within two Working Days from the date of Allotment, after the funds are transferred from the Escrow Account to the Public Issue Account on the Designated Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING AND COMMENCEMENT OF TRADING

The Issuer may ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within 12 Working Days of the Bid/Issue Closing Date. The Registrar to the Issue may give instructions for credit to Equity Shares the beneficiary account with DPs, and dispatch the Allotment Advice within 12 Working Days of the Bid/Issue Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) and obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer may be punishable with a fine which shall not be less than five lakh rupees but which may extend to fifty lakh rupees and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than fifty thousand rupees but which may extend to three lakh rupees, or with both.

If the permissions to deal in and for an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith repay, without interest, all moneys received from the Bidders/Applicants in pursuance of the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCIPTION

If the Issuer does not receive a minimum subscription of 90% of the Issue (excluding any offer for sale of specified securities), including devolvement to the Underwriters, within 60 days from the Bid/Issue Closing Date, the Issuer may forthwith, without interest refund the entire subscription amount received in a manner prescribed under the SEBI ICDR Regulations, the Companies Act, 2013 and other applicable laws. In case the Issue is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Issue under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to allot at least 75% of the Issue to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

(a) **In case of ASBA Bids/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may give instructions to SCSBs for unblocking the amount in ASBA Account on unsuccessful Bid/Application and also for any excess amount blocked on Bidding/Application.

(b) **In case of Non-ASBA Bid/Applications:** Within 12 Working Days of the Bid/Issue Closing Date, the Registrar to the Issue may dispatch the refund orders for all amounts payable to unsuccessful Bidders/Applicants and also for any excess amount paid on Bidding/Application, after adjusting for allocation/ allotment to Bidders/Applicants.

(c) In case of non-ASBA Bidders/Applicants, the Registrar to the Issue may obtain from the depositories the Bidders/Applicants' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Bidders/Applicants in their Bid cum Application Forms for refunds. Accordingly, Bidders/Applicants are advised to immediately update their details as appearing on the records of their DPs. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Bidders/Applicants' sole risk and neither the Issuer, the Selling Shareholder, the Registrar to the Issue, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Bidders/Applicants for any losses caused to them due to any such delay, or liable to pay any interest for such delay.

(d) In the case of Bids from Eligible NRIs, FIIs, FPIs and QFIs, refunds, if any, may generally be payable in Indian Rupees only and net of bank charges and/or commission. If so desired, such payments in Indian Rupees may be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and may be dispatched by registered post. The Issuer and the Selling Shareholder may not be responsible for loss, if any, incurred by the Bidder/Applicant on account of conversion of foreign currency.

8.3.1 Mode of making refunds for Bidders/Applicants other than ASBA Bidders/Applicants

The payment of refund, if any, may be done through various modes as mentioned below:

(a) **NECS—**Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;

(b) **NEFT—** Payment of refund may be undertaken through NEFT wherever the branch of the Bidders/Applicants' bank is NEFT enabled and has been assigned the Indian Financial System Code **("IFSC"),** which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Bidders/Applicants have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Bidders/Applicants through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;

(c) **Direct Credit—** Bidders/Applicants having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

(d) **RTGS—** Bidders/Applicants having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS; and

(e) For all the other Bidders/Applicants, including Bidders/Applicants who have not updated their bank particulars along with the nine-digit MICR code, the refund orders may be dispatched through speed post or registered post for refund orders. Such refunds may be made by cheques, pay orders or demand drafts drawn on the Refund Bank and payable at par at places where Bids are received.

For details of levy of charges, if any, for any of the above methods, Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centers etc Bidders/Applicants may refer to RHP/Prospectus.

8.3.2 Mode of making refunds for ASBA Bidders/Applicants

In case of ASBA Bidders/Applicants, the Registrar to the Issue may instruct the controlling branch of the SCSB to unblock the funds in the relevant ASBA Account for any withdrawn, rejected or unsuccessful ASBA Bids or in the event of withdrawal or failure of the Issue.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at rates prescribed under applicable laws if refund orders are not dispatched or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the clearing system in the disclosed manner and/or demat credits are not made to Bidders/Applicants or instructions for unblocking of funds in the ASBA Account are not dispatched within the 12 Working days of the Bid/Issue Closing Date.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/ Allot/ Allotted	The allotment of Equity Shares pursuant to the Issue to successful Bidders/Applicants
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009.
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer and the Selling Shareholder in consultation with the BRLM, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Form	The form in terms of which the Applicant should make an application for Allotment in case of issues other than Book Built Issues, includes Fixed Price Issue
Application Supported by Blocked Amount/ (ASBA)/ASBA	An application, whether physical or electronic, used by Bidders/Applicants to make a Bid authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB.
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder/Applicant
ASBA Bid	A Bid made by an ASBA Bidder
ASBA Bidder/Applicant	Prospective Bidders/Applicants in the Issue who Bid/apply through ASBA
Banker(s) to the Issue/ Escrow Collection Bank(s)/ Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Issue with whom the Escrow Account(s) may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Issue
Bid	An indication to make an offer during the Bid/Issue Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Issue Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid /Issue Closing Date	The date after which the Syndicate, Registered Brokers and the SCSBs may not accept any Bids for the Issue, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Closing Date
Bid/Issue Opening Date	The date on which the Syndicate and the SCSBs may start accepting Bids for the Issue, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Opening Date
Bid/Issue Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders/Applicants (other than Anchor Investors) can submit their Bids, inclusive of any revisions thereof. The Issuer and the Selling Shareholder may consider

Term	Description
	closing the Bid/ Issue Period for QIBs one working day prior to the Bid/Issue Closing Date in accordance with the SEBI ICDR Regulations, 2009. Applicants/bidders may refer to the RHP/Prospectus for the Bid/ Issue Period
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder/Applicant upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The form in terms of which the Bidder/Applicant should make an offer to subscribe for or purchase the Equity Shares and which may be considered as the application for Allotment for the purposes of the Prospectus, whether applying through the ASBA or otherwise. In case of issues undertaken through the fixed price process, all references to the Bid cum Application Form should be construed to mean the Application Form
Bidder/Applicant	Any prospective investor (including an ASBA Bidder/Applicant) who makes a Bid pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicant should be construed to mean an Bidder/Applicant
Book Built Process/ Book Building Process/ Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the Bid cum Application Forms/Application Form to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM/ Book Running Lead Manager/Lead Manager/ LM	The Book Running Lead Manager to the Issue as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
Business Day	Monday to Friday (except public holidays)
CAN/Confirmation of Allotment Note	The note or advice or intimation sent to each successful Bidder/Applicant indicating the Equity Shares which may be Allotted, after approval of Basis of Allotment by the Designated Stock Exchange
Cap Price	The higher end of the Price Band, above which the Issue Price and the Anchor Investor Issue Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Category III FPI	FPIs who are registered as “Category III foreign portfolio investors” under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
Companies Act	The Companies Act, 1956
Cut-off Price	Issue Price, finalised by the Issuer and the Selling Shareholder in consultation with the Book Running Lead Manager, which can be any price within the Price Band. Only RIIs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by the ASBA Bidders/Applicants applying through the ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account or the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the fresh Issue and the Selling Shareholder may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Issue Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in

Term	Description
	case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoter. For further details Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidders/Applicants (excluding the ASBA Bidders/Applicants) may Issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement to be entered into among the Issuer, the Selling Shareholder, the Registrar to the Issue, the Book Running Lead Manager, the Syndicate Member(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected to the Bidders/Applicants (excluding the ASBA Bidders/Applicants) on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Issue
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Issue is being made
Floor Price	The lower end of the Price Band, at or above which the Issue Price and the Anchor Investor Issue Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPI	Foreign portfolio investor registered under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014.
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issue	Public Issue of Equity Shares of the Issuer including the Offer for Sale
Issuer/ Company	The Issuer proposing the initial public offering/further public offering as applicable
Issue Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted in terms of the Prospectus. The Issue Price may be decided by the Issuer and the Selling Shareholder in consultation with the Book Running Lead Manager
Maximum RII Allottees	The maximum number of RIIs who can be allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIIs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Non-Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporate or foreign individuals, and Category III FPIs that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹ 200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Issue being such number of Equity Shares available for allocation to NIIs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FIIs registered with SEBI, FVCIs registered with SEBI, FPIs and QFIs.
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA

Term	Description
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Investors in a Fixed Price Issue. These include individual applicants other than retail individual investors and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for.
PAN	Permanent Account Number allotted under the Income Tax Act, 1961
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Issue may be decided by the Issuer and the Selling Shareholder in consultation with the Book Running Lead Manager and advertised, at least two working days in case of an IPO and one working day in case of FPO, prior to the Bid/ Issue Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer and the Selling Shareholder in consultation with the Book Running Lead Manager, finalise the Issue Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 60 of the Companies Act after the Pricing Date, containing the Issue Price ,the size of the Issue and certain other information
Public Issue Account	An account opened with the Banker to the Issue to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
Qualified Financial Investors or QFIs	Non-Resident investors, other than SEBI registered FIIs or sub-accounts or SEBI registered FVCIs, who meet 'know your client' requirements prescribed by SEBI and are resident in a country which is (i) a member of Financial Action Task Force or a member of a group which is a member of Financial Action Task Force; and (ii) a signatory to the International Organisation of Securities Commission's Multilateral Memorandum of Understanding or a signatory of a bilateral memorandum of understanding with SEBI. Provided that such non-resident investor shall not be resident in country which is listed in the public statements issued by Financial Action Task Force from time to time on: (i) jurisdictions having a strategic anti-money laundering/combating the financing of terrorism deficiencies to which counter measures apply; (ii) jurisdictions that have not made sufficient progress in addressing the deficiencies or have not committed to an action plan developed with the Financial Action Task Force to address the deficiencies
QIB Category	The portion of the Issue being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/ RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013 which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Issue. The RHP may be filed with the RoC at least three days before the Bid/Issue Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account(s)	The account opened with Refund Bank(s), from which refunds (excluding refunds to ASBA Bidders/Applicants), if any, of the whole or part of the Bid Amount may be made
Refund Bank(s)	Refund bank(s) as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Refunds through electronic transfer of funds	Refunds through NECS, Direct Credit, NEFT, RTGS or ASBA, as applicable
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Issue/RTI	The Registrar to the Issue as disclosed in the RHP/Prospectus and Bid cum Application Form
Retail Individual Investors / RIIs	Investors who applies or bids for a value of not more than ₹ 200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹ 200,000.
Retail Category	The portion of the Issue being such number of Equity Shares available for allocation to RIIs which shall not be less than the minimum bid lot, subject to availability in RII category and the remaining shares to be allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building process to modify the quantity of Equity Shares and/or bid price indicates therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies

Term	Description
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centres
Stock Exchanges/ SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Issue are proposed to be listed
Syndicate	The Book Running Lead Manager and the Syndicate Member(s)
Syndicate Agreement	The agreement to be entered into among the Issuer, the Selling Shareholder and the Syndicate in relation to collection of the Bids in this Issue (excluding Bids from ASBA Bidders/Applicants)
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, the Selling Shareholder and the Underwriters to be entered into on or after the Pricing Date
Working Day	All days other than a Sunday or a public holiday on which commercial banks are open f business, except with reference to announcement of Price Band and Bid/Issue Period, where working day shall mean all days, excluding Saturdays, Sundays and public holidays, which are working days for commercial banks in India

SECTION VIII – MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Pursuant to the Companies Act, 2013 and the SEBI Regulations, the main provisions of our Articles relating to, inter alia, voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares or debentures and/or on their consolidation/splitting are detailed below. Please note that each provision herein below is numbered as per the corresponding article number in our Articles and capitalized/defined terms herein have the same meaning given to them in our Articles.

No regulation contained in Table "F" in the First Schedule to Companies Act, 2013 apply to our Company but the regulations for the management of our Company and for the observance of the members thereof and their representatives shall be as set out in the relevant provisions of the Companies Act, 2013 and subject to any exercise of the statutory powers of our Company with reference to the repeal or alteration of or addition to its regulations by special resolution as prescribed by the Companies Act, 2013 as are contained in the Articles unless the same are repugnant or contrary to the provisions of the Companies Act, 2013.

Article	Sub-article	Particulars
SHARE CAPITAL		
3.		The authorized share capital of the company shall be such amount and be divided into such shares as may, from time to time, be provided in Clause V of the Memorandum of Association, with power to increase or reduce the capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, deferred, qualified or special rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may, for the time being, be provided by the regulations of the Company.
6.		Subject to the provisions of section 55, any preference shares may, with the sanction of an ordinary resolution, be issued on the terms that they are to be redeemed on such terms and in such manner as the company before the issue of the shares may, by special resolution, determine.
SHARES		
11.		The Board of Directors shall observe the restriction as to allotment of shares to the public contained in Sections 39 of the Act, and shall cause to be made, the returns as to allotment provided for in Section 39 of the Act.
12.		Subject to the provisions of Section 62 of the Act and these Articles, the shares in the capital of the Company for the time being shall be under the control of the Directors, who may issue, allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at premium or at par or (subject to the compliance with the provisions of Section 53 of the Act) at a discount and at such time as they may from time to time think fit and with the sanction of the Company in General Meeting to give to any person or persons the option or right to call for any shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot shares in the capital of the company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any shares which may so be allotted may be issued as fully paid up shares and if so issued, shall be deemed to be fully paid shares. Provided that option or right to call of shares shall not be given to any person or persons without the sanction of the company in the General Meeting.
17.		If by the conditions of any allotment of any shares, the whole or any part of the amount or issue price thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person, who for the time being and from time to time shall be the registered holder of the shares or his legal representatives, and shall for the purposes of these articles be deemed to be payable on the date fixed for payment and in the case of non payment the provisions of these articles as to the payment of interest and expenses, forfeiture and all the other relevant provisions of the articles shall apply, as if such installments were a call duly made and notified as hereby provided.
18.		Subject to the provisions of the Act and these Articles, the shares in the capital of the company shall be under the control of the Directors who may issue, allot or otherwise

Article	Sub-article	Particulars
		dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit.
26.		Except as ordered by a court of competent jurisdiction or as by law required, the Company shall not be bound to recognize, even when having notice thereof, any equitable, contingent, future or partial interest in any share, or (except only as is by these articles otherwise expressly provided) any right in respect of Shares other than an absolute right thereto, in accordance with these Articles, in the person, from time to time, registered as holder thereof, but the Board shall be at liberty at their sole discretion, to register any share in the joint names of any two or more persons (but not exceeding 4 persons) or the survivor or survivors of them.
	a)	Except as required by law, no person shall be recognised by the company as holding any share upon any trust, and the company shall not be bound by, or be compelled in any way to recognise (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these regulations or by law otherwise provided) any other rights in respect of any share except an absolute right to the entirety thereof in the registered holder.
28.		The company may exercise the powers of paying commissions conferred by sub-section (*6*) of section 40, provided that the rate per cent. or the amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rule made thereunder. (*ii*) The rate or amount of the commission shall not exceed the rate or amount prescribed in rules made under sub-section (6) of section 40. (*iii*) The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in the one way and partly in the other.
25.		If any share stands in the name of two or more persons, the person first named in the Register shall record receipt of dividends or bonus or service of notices and all or any other matter connected with the Company, except voting at meeting and the transfer of the shares be deemed the sole holder thereof but the joint holders of a shares shall severally as well as jointly be liable for the payment of all installments and calls due, in respect of such share and for the incidents thereof according to the Company regulations.
INCREASE AND REDUCTION OF CAPITAL		
15.		In addition to and without derogating from the powers for that purpose conferred on the Board under Articles 13 and 14, the company in General Meeting may subject to the provisions of Section 62 of the Act, determine that any shares, (whether forming part of the original capital or of any increased capital of the Company) be offered to such persons (whether members or not) in such proportion and on such terms and conditions and either at a premium or at par or at a discount (subject to compliance with the provisions of Sections 52 and 53 of the Act) as such general meeting shall determine and with full power to give any person (whether a member or not) the option to call for or be allotted shares of any class of the Company either at a premium or at par or at a discount (subject to compliance with the provisions of Section 52 and 53 of the Act) such option being exercisable at such time and for such consideration as may be directed by such general meeting, or the Company in general meeting may make any other provisions whatsoever for the issue, allotment or disposal of any such shares.
15(A)	1)	Where at any time after the expiry of two years from formation of the Company or at any time after the expiry of one year from the allotment of shares in the Company made for the first time after its formation, whichever is earlier, it is proposed to increase the subscribed capital of the Company by allotment of further shares, then
		(a) Such further shares shall be offered to the persons who, at the date of the offer, are holders of the equity shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid up on these shares at that date.
		(b) The offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than thirty days from the date of the offer within which the

Article	Sub-article	Particulars
		offer, if not accepted, will be deemed to have been declined.
		(c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the shares offered to him or any of them in favour of any person and the notice referred to in sub-clause (b) shall contain a statement of this right.
		(d) After the expiry of the time specified in the notice aforesaid or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the shares offered, the Board of Directors may dispose of them in such manner as they may think, most beneficial to the company.
	2)	Notwithstanding anything contained in sub-clause (1), the further shares aforesaid may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever. a) if a Special Resolution to that effect is passed by the Company in General Meeting: or b) where no such Resolution is passed, if the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who being entitled to do so. vote in person, or where proxies are allowed, by proxy, exceed the votes, if any cast against the proposal by members so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.
	3)	Nothing in sub-clause (c) of (1) hereof above shall be deemed: a) to extend the time within which the offer should be accepted: or b) To authorize any person to exercise the right of renunciation for a second time on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.
	4)	Nothing in this Article shall apply to the increase of the subscribed capital caused by the exercise of an option attached to the debentures issued by the Company (i) to convert such debentures or loans into shares in the Company: or (ii) to subscribe for shares in the Company. PROVIDED THAT the terms of issue of such debentures or the terms of such loans include a term provided for such option and such term: a) Either has been approved by the Central Government before the issue of the debentures or the raising of the loans or is in conformity with Rules; if any, made by, that Government in this behalf; and b) In the case of debentures or loans or other than debentures issued to or loans obtained from Government or any institution specified by the Central Government in this behalf, has also been approved by a special resolution passed by the Company in General Meeting before the issue of the loans.
	5)	Except in so far as otherwise provided by the conditions of issue or by these articles and capital raised by the creation of a new shares, shall be considered as part of the existing capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
4.		The Company in general meeting may, by ordinary resolution, from time to time increase the capital by the creation of new shares, such increase to be of such aggregate amount and to be divided into shares of such respective amounts as the resolution shall prescribe. The new shares shall be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular, such shares may be issued with a preferential or qualified right to dividends and in the distribution of assets of the company and with a right of voting at general meeting of the Company in conformity with Section 47 of the Act. Whenever the Capital of the Company has been increased under the provisions of this Article, the Directors shall comply with the provisions of 64 of the Act.

Article	Sub-article	Particulars
4A.		The company may subject to the provisions of section 62 of the Companies Act, 2013 and other applicable provisions, if any, for the time being in force from time to time, by special resolution issue shares to eligible employees under ESOP at such terms and conditions and with such rights and privileges annexed thereto as the resolution passed in the relevant meeting and any other applicable laws, rules and regulations etc from time to time.
8.		The Company may (subject to the provisions of section 52,55 and 66 and other applicable provisions, if any, of the Act) from time to time, by special resolution reduce (a) its share capital (b) any capital redemption reserve account or (c)any share premium account, in any manner for the time being authorized by law and in particular capital may be paid off on the footing that it may be called up again or otherwise. This Article is not derogate from any power the Company would have, if it were omitted.
ALTERATION OF SHARE CAPITAL		
9.		Subject to the provisions of Section 61, of the Act, the Company in general meeting may, from time to time, by any ordinary resolution alter the conditions of its Memorandum as follows:
	a)	Consolidate and divide all or any of its shares capital into shares of larger amount than its existing shares.
	b)	Sub-divide its shares, or any of them into shares of smaller amount than fixed by the Memorandum of Association, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share, shall be the same as it was in the case of the share from which the reduced share is derived.
	c)	Cancel any shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this sub-clause, shall not be deemed to be reduction of share capital within the meaning of the Act. Whenever the Company shall do any one or more of the things provided for in the foregoing sub-clauses (a), (b) and (c) the company shall, within thirty days thereafter give notice thereof to the Registrar of Companies, as required by of the provisions of the Act, specifying as the case may be, the shares consolidated, divided, sub-divided or cancelled.
	d)	Where shares are converted into stock,— (*i*) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit: Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the shares from which the stock arose. (ii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage. (iii) such of the regulations of the company as are applicable to paid-up shares shall apply to stock and the words “share” and “shareholder” in those regulations shall include “stock” and “stock-holder” respectively.
VARIATION OF SHAREHOLDER’S RIGHTS		
10.		(*i*) If at any time the share capital is divided into different classes of shares, the rights

Article	Sub-article	Particulars
		attached to any class (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of section 48, and whether or not the company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued shares of that class, or with the sanction of a special resolution passed at a separate meeting of the holders of the shares of that class. (*ii*) To every such separate meeting, the provisions of these regulations relating general meetings shall *mutatis mutandis* apply, but so that the necessary quorum shall be at least two persons holding at least one-third of the issued shares of the class in question. The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further share ranking *pari passu* therewith
SHARE CERTIFICATES		
22.		Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or within such other period as the conditions of issue shall be provided,— (*a*) one certificate for all his shares without payment of any charges; or (*b*) several certificates, each for one or more of his shares, upon payment of twenty rupees for each certificate after the first. (*ii*) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon. (*iii*) In respect of any share or shares held jointly by several persons, the company shall not be bound to issue more than one certificate, and delivery of a certificate for a share to one of several joint holders shall be sufficient delivery to all such holders.
23.		If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu, thereof, and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the company and on execution of such indemnity as the company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate on payment of Rs.20/- for each certificate. Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under the Securities Contracts (Regulation) Act, 1956 or any other act, or rules applicable in this behalf. The provisions of this Article shall mutatis mutandis apply to the debenture certificates of the Company.
CALLS ON SHARES		
33.		Each member shall, subject to receiving at least fourteen days' notice specifying the time or times and place of payment, pay to the company, at the time or times and place so specified, the amount called on his shares. A call may be revoked or postponed at the discretion of the Board
34.		A call shall be deemed to have been made at the time when the resolution authorizing call was passed at a meeting of the Board of Directors and may be made payable by the members on such date or at the discretion of the Directors on such subsequent date, as

Article	Sub-article	Particulars
		shall be fixed by the Board of Directors.
35.		The Board of Directors may, from time to time and at its discretion, extend the time fixed for the payment of any call and may extend such time to all or any of the members as the Board of Directors may deem fairly entitled to such extension, but no members, shall be entitled to such extension as of right, except as a matter of grace and favour.
36.		If by the terms of issue of any share of otherwise any amount is made payable at any fixed time or by installments at fixed time (whether on account of the share or by way of premium) every such amount or installment shall be payable, as if it were a call duly made by the Directors, and of which due notice has been given and all the provisions herein contained in respect of calls shall apply to such amount of installment accordingly. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof.
37.		If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof, the holder for the time being or allottee of the share, in respect of which he call shall have been made for the installment shall be due, shall pay interest on the same at ten per cent. per annum or at such lower rate, if any,, as Directors shall fix, from the day appointed for the payment thereof to the time actual payment, but the directors shall have liberty to waive payment of such interest wholly or in part.
38.		On the trial or hearing of any action or suit brought by the Company, against any member or his legal representatives, for the recovery of any moneys claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered and entered on the register of members as the holder or as one of the holders at or subsequent to the date at which the money sought to be recovered, that the resolution making the call is duly recorded in the minute book and the notice of such call was duly given to the member or his legal representatives sued in pursuance of these Articles and it shall not be necessary to prove the appointment of Directors who made such call, nor that the meeting at which any call was made was duly convened or constituted nor any other matter whatsoever, but the proof of the matters aforesaid shall be conclusive evidence of the debt.
39.		The Board of Directors may, if it thinks fit, subject to provisions of the Act agree to and receive from any member willing to advance the same, all or any part of the amount due upon the shares held by him beyond the sums actually called for, and upon the money so paid~~-up~~ or satisfied in advance or so much thereof, from time to time, and at any time thereafter, as exceeds the amount of the calls then made upon and due in respect of its shares on account of which such advances are made, the Company may pay or allow interest at such rate not exceeding, unless the Company in general meeting shall otherwise direct, fifteen per cent per annum or such other amount as Board of Directors may decide. The Board of Directors may, at any time, repay the same upon giving to such members three months notice in writing. Money so paid in advance of the amount of calls shall not confer a right to participate in profit or dividend. No member paying any such sum in advance shall be, entitled to voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable. The provisions of these Articles shall mutatis mutandis apply to the calls on debentures of the Company.
FORFEITURE OF SHARES		
43.		If any member fails to pay the whole or any part of any call or any installments of a call on or before the day appointed for the payment of the same or any such extension thereof, the Board of Directors may, at any time thereafter, during such time as the call for installment remains unpaid, give notice to him, requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the company by reason of such non-payment.
44.		For the purpose of the provisions of these presents relating to forfeiture of shares, the sum payable upon allotment in respect of a share shall be deemed to be a call payable

Article	Sub-article	Particulars
		upon such share on the day of allotment.
45.		The notice aforesaid shall— (*a*) name a further day (not being earlier than the expiry of fourteen days from the date of service of the notice) on or before which the payment required by the notice is to be made; and (*b*) state that, in the event of non-payment on or before the day so named, the shares in respect of which the call was made shall be liable to be forfeited.
46.		If the requirements of any such notice as aforesaid are not complied with any share or shares in respect of which such notice has been given, may at any time thereafter before payment of all calls or installments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture, subject to Section 123 of the Act.
47.		When any share shall have been so forfeited, notice of the forfeiture, shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated, by any commission or neglect to give such notice or to make any such entry aforesaid.
48.		Any share so forfeited shall be deemed to be the property of the company and may be sold re-allotted or otherwise disposed of, either of the original holder or to any other person, upon such terms and in such manner as the Board of Directors shall think fit.
49.		Any member, whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand, all call, installments, interest and expenses owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate not exceeding twenty one per cent per annum as the Board of Directors may determine and the Board of Directors may enforce the payment of such moneys or any part thereof if it thinks fit, but shall not be under any obligation to do so.
50.		The forfeiture of a share shall involve the extinction at the time of the forfeiture of all interest in and all claims and demand against the Company, in respect of the share and all other rights incidental to the shares, except only such of those rights as by these Articles are expressly saved.
51.		The Board of Directors may, at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annual the forfeiture thereof, upon such conditions as it thinks fit.
52.	I)	A duly verified declaration in writing that the declarant is a Director, the Managing Director or the Secretary of the Company, and that a share in. the Company has been duly forfeited in accordance with these Articles on a date state in the declaration, shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share.
	II)	The Company may receive the consideration if, any, given for the share on any sale, re-allotment or other disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of.
	III)	The person to whom such share is sold, re-allotted or disposed of shall thereupon be registered as the holder of the shares.
	IV)	Any such purchaser or allottee shall not (unless by express agreement) be liable to pay any calls, amounts, installments, interest and expenses owing to the Company prior to such purchase or allotment nor shall be entitled (unless by express agreement) to any of the dividends, interests or bonuses accrued or which might have accrued upon the share before the time of completing such purchase or before such allotment.

Article	Sub-article	Particulars
	V)	Such purchaser or allottee shall not be bound to see to the application of the purchase money if any, not shall his title to the share be affected by the irregularity or invalidity in the proceedings in reference to the forfeiture, sale, reallotment or other disposal of the shares.
53.		The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which by the terms of issue of a share becomes payable at a fixed time, whether on account of the nominal value of a share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.
54.		Upon sale, re-allotment or the other disposal under the provisions of these articles, the certificates or certificates originally issued in respect of the relative shares shall (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting member stand cancelled and become null and void and of no effect and the Directors shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
CONVERSION OF SHARES INTO STOCK		
75.		The Company may by Ordinary Resolution: a) Convert any paid-up share into stock, and b) Reconvert any stock into paid-up shares of any denomination
76.		The several holders of such stock may transfer their respective interest therein or any part thereof in the same manner and subject to the same regulations under which the shares from which the stock arose, might before the conversion have been transferred, or as near thereto as circumstances admit. PROVIDED THAT the Board may, from time to time, fix the minimum amount of stock transferable, so however that such minimum shall not exceed the nominal amount of the transferable, so however that such minimum shall not exceed the nominal amount of the shares from which the stock arose. Rights of Stock holders.
77.		The holders of stock shall, according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the Company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred those privileges or' advantages.
COMPANY'S LIEN ON SHARES		
40.		(*i*) The company shall have a first and paramount lien— (*a*) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and (*b*) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company: Provided that the Board of directors may at any time declare any share to wholly or in part exempt from the provisions of this clause. (*ii*) The company's lien, if any, on a share shall extend to all dividend bonuses declared from time to time in respect of such shares.
41.		The Company may sell, in such manner as the Board thinks fit, any shares on which the Company has a lien for the purpose of enforcing the same, PROVIDED THAT no sale shall be made: a) unless a sum in respect of which the lien exists is presently payable, or b) until the expiration of thirty days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable has been given to the registered holder for the time being of the

Article	Sub-article	Particulars
		share or the person entitled thereto by reason of his death or insolvency. b) To give effect to any such sale, the Board may authorise some person to transfer the shares sold to the purchaser thereof. c) The purchaser shall be registered as the holder of the shares comprised in any such transfer. d) the purchaser shall not be bound to see the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
42.		a) The net proceeds of any such sale shall be received by the Company and applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable and b) The residue, if any, shall be paid to the person entitled to the shares at the date of the sale (subject to a like lien for sums not presently payable as existed on the share before the sale).
TERM OF ISSUE OF DEBENTURE		
81.		Any debentures, debenture stock or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into shares, of any denomination, and with any privileges and conditions as to redemption, surrender, drawing, allotment of shares, attending (but not voting) at general meeting, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of shares shall be issued only with the consent of the Company in general meeting by a Special Resolution.
TRANSFER AND TRANSMISSION OF SHARES		
56.		The Board shall not issue or register a transfer of any share to a minor (except in case, where they are fully. paid) or insolvent or person of unsound mind.
57.		The instrument of transfer of any share shall be in the prescribed form, under the Companies (Central Government's) General Rules and Forms, 1956 and in accordance with the requirements of Section 56 of the Act.
58.	I)	An application for registration of a transfer of the shares in the Company may be made, either by the transferor or the transferee.
	II)	Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless Company gives notice of the application to the transferee, and the transferee makes no objection to the transfer with two weeks from the receipt of the notice.
	III)	For the purposes of clause (2) above, notice to the transferee shall be deemed to have been duly given if it is despatched by prepaid registered post to the transferee at the address given in the instrument of transfer and shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
59.		The instrument of transfer of any share shall be duly stamped and executed by or on behalf of both the transfer and the transferee and shall be attested. The transferor shall be deemed to remain the holder of such share until the name of the transfer shall have been entered in the Register of Members in respect thereof.
60.		A transfer of share in the Company of a deceased member thereof made by his legal representative shall, although the legal representative is not himself a member, be as valid as if he had been a member at the time of the execution of the instrument of transfer.
61.		The Board of Directors shall have power, on giving not less than seven days previous notice by advertisement in some newspaper circulating in the district in which the registered office of the Company is situated, to close the Register of members and/or the Register of Debenture Holders at such lime or times and for such period or periods, not exceeding thirty days at a time, and not exceeding in the aggregate, forty five days in each year and thirty days at one time, as it may deem expedient to the Board.

Article	Sub-article	Particulars
62.		All registrations of transfers of shares shall be brought to the Board for approval. The Directors may not refuse to register the transfer of any shares where such transfer results from the implementation of obligations which the Company has entered into.
62.A		The Board may, subject to the right of appeal conferred by section 58 decline to register— (*a*) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (*b*) any transfer of shares on which the company has a lien. The Board may decline to recognise any instrument of transfer unless— (*a*) the instrument of transfer is in the form as prescribed in rules made under sub-section (*1*) of section 56; (*b*) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (*c*) the instrument of transfer is in respect of only one class of shares. On giving not less than seven days' previous notice in accordance with section 91 and rules made thereunder, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine: Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty-five days in the aggregate in any year.
63.		In case of the, Death of anyone or more of the person named in the Register of Members as the joint holders of any shares, the survivor or survivors shall be the only persons recognized by the Company as having any title to or interest in such share, but nothing herein contained shall be taken to release the estate of a deceased joint holder from any liability on shares held, by him with any other person.
64.		The executors or administrators of a deceased member or holders of a Succession Certificate or the legal representative in respect of the shares of a deceased member (not being one of two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such members and the Company shall not be bound to recognise such executors or administrators or holders of succession certificate or legal representatives unless such executors or administrators or legal representatives shall have first obtained Probate or Letters of Administration or Succession Certificate as the case may be, from a duly constituted Court in the Union of India, provided that in any case, where, the Board of Directors in its absolute discretion thinks fit, the Board upon such terms as to indemnity or otherwise, as the Directors may deem proper, dispense with production of Probate or letter of administration or succession certificate and register under Article 69 shares standing in the name of a deceased members, as a member.
65.		Subject to provisions of Article 64 and 65, any person becoming entitled to any share in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by a transfer in accordance with these articles, may with the consent of the Board of Directors (which it shall not be under obligation to give) upon producing such evidence that he sustains the character in respect of which he proposes to act under these Articles, or of his title, as Board of the Directors shall require, and upon giving such indemnity as the Director shall require, either be registered as member in respect of such shares or elect to have some person nominated by him and approved by the Board of Directors, registered as a member in respect of such shares, PROVIDED NEVERTHELESS THAT if such person shall elect to have his nominee registered, he shall testify his selection, by executing in favour or his nominee an instrument of transfer in accordance with the provisions herein contained, and until he does so, shall not be freed from any liability in respect of such shares. This clause is herein referred to as "THE TRANSMISSION CLAUSE".

Article	Sub-article	Particulars
		In case of a One Person Company— (*i*) on the death of the sole member, the person nominated by such member shall be the person recognized by the company as having title to all the shares of the member; (*ii*) the nominee on becoming entitled to such shares in case of the member's death shall be informed of such event by the Board of the company; (*iii*) such nominee shall be entitled to the same dividends and other rights and liabilities to which such sole member of the company was entitled or liable; (*iv*) on becoming member, such nominee shall nominate any other person with the prior written consent of such person who, shall in the event of the death of the member, become the member of the company.
66.		Subject to the provisions of the Act and these Articles, the Directors shall have .the same right to refuse to register a person, entitled by transmission to any share of his nominee as if he were the transferee named in an ordinary transfer presented for registration. Person entitled may receive dividend without being registered as member
67.		A person-entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends or money as is herein after provided, be entitled to receive and may give a discharge for any dividends or other moneys payable in respect of the share.
68.		No fee shall be charged for registration of transfer, transmission, Probate, Succession Certificate and Letters of Administration, Certificate of Death or Marriage, Power of Attorney or similar other documents.
68.A.		A common form of transfer shall be used and the instrument of transfer shall be in writing and all provisions of Section 56 of the Companies Act, 1956 and statutory modification thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.
69.		Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may reasonably require to prove the title of the transferor, his right to transfer the shares and under and subject to such conditions and regulations as the Board may, from time to time, prescribe, and every registered instrument of transfer shall remain in custody of the Company, until destroyed by order of the Board. The Company not liable for discharge of notice prohibiting registration of a transfer.
70.		The Company shall incur no liability or responsibility whatever, in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof as shown or appearing, in the Register of members to the prejudice of persons having or claiming any equitable rights, title or interest or notice prohibiting registration of such transfer, and may have entered such notice, or referred thereto in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right title or interest or be under any liability whatsoever for refusing or neglecting to do so, though it may have been entered or referred to in some book of the Company but .the Company shall nevertheless be liberty to regard and attend to any such notice, and give effect thereto, if the Board of Directors shall so think fit.
DEMATERIALISATION OF SECURITIES		
78	2.	Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise its existing shares, debenture and other securities, rematerialise its shares, debentures and other securities held in the Depositories and/ or offer its fresh shares, debentures and other securities, in a dematerialised form pursuant to the Depositories Act, 1996 and the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996.

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	3.	Every person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a depository. Such a person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed, issue to the beneficial owner the required Certificate of Securities. If a person opts to hold his security with a depository, the Company shall intimate such depository the details of allotment of the security, and on receipt of the information, the depository shall enter in its record the name of the allottee as the beneficial owner of the security.
	4.	All securities held by a depository shall be dematerialised and be in fungible form. Nothing contained in Sections 89 , 2(43),186 of the Companies Act, 1956, shall apply to a depository in respect of the securities held by it on behalf of the beneficial owners.
	5.	Notwithstanding anything to the contrary contained in the Act or these Articles, a depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner. Save as otherwise provided above, the depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a depository.
	6.	Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a depository, the records of the beneficial ownership may be served by such depository on the Company by means of electronic mode or by delivery of floppies or discs.
	7.	Notwithstanding anything contained in these Articles, every holder of shares in or debentures of the Company may at any time nominate in the manner prescribed under the Act, a person to whom his shares in or debentures of the Company shall vest in the event of his death. Such nomination and right of nominee to be registered as holder of shares/ debentures as the case may be or for transfer of the shares/debentures as the case may be shall be governed by the provisions of Section 72 and other applicable provisions of the Companies Act, 1956.
	8.	Nothing contained in Section 56of the Act or these Articles shall apply to a transfer of securities effected by transferor and transferee both of whom are entered as beneficial owners in the records of a depository.
	9.	Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held in the depository mode.
BORROWING POWERS		
79.		Subject to the provisions of Section 2(31), 73,74, 179, 180,of the Act and Regulations made thereunder and directions issued by the Reserve Bank of India and of these Articles, the Board of Directors may, from time to time and at its discretion by a resolution passed at a meeting of the board accept deposits from members either in advance of the calls or otherwise and generally raise or borrow or secure the payment of any such sum or sums of money for the purpose of the Company from any source. Provided however, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid-up capital of the Company and its free-reserves (not being reserves set apart for any specific purpose) the Board of Directors shall not borrow such money without the sanction of the Company in general meeting. No debt incurred by the Company in excess of the limit imposed by the article shall be valid or effectual unless the lender proves that he advanced the loan in good faith and without knowledge that the limit imposed by this article had been exceeded.
80.		The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board of Directors may think fit, and in particular in pursuance of a resolution passed at a meeting of the Board (and not by Circular Resolution) by the issue of bonds, debentures or debenture

Article	Sub-article	Particulars
		stock of the Company, (both present and future), including its uncalled capital for the time being and the debentures and the debenture stock and other securities may be made assignable free from any equities between Company and the person to whom the same may be made assignable free from any equities between Company and the person to whom the same may be issued.
82.		If any uncalled capital of the Company is included in or charged by any mortgage or other security, the Directors may, subject to the provisions of the Act and these Articles, make calls on the members in respect of such uncalled capital in trust for the person in whose favour such mortgage or security is executed.
PROCEEDINGS AT GENERAL MEETINGS		
84.	I)	The Company shall in each year hold in addition to any other meeting, a general meeting as its Annual General Meeting, in accordance with the provisions of ~~,~~Section 96 and 129 of the Act and shall specify the meeting as such in the notice calling it, except in the case where the Registrar of Companies, has given an extension of time for holding any Annual General Meeting and not more than fifteen months shall elapse between the date of one Annual General Meeting of the Company and that of the next. PROVIDED THAT if the Registrar shall have for special reason, extended the time within which any annual general meeting shall be held, such annual general meeting may be held within the additional time.
	II)	Every Annual General Meeting shall be called for any time during business hours, on a day that is not a public holiday and shall be held either at the registered office of the Company or at some other place with the city or town or village in which the registered office of the Company is situated for the time being.
	III)	Every member of the Company shall be entitled to attend either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any general meeting which he attends on any part of the business which concerns him as Auditor.
85.		The company shall in each year hold, in addition to any other General Meeting an Annual General Meeting before which shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report (if not already incorporated in the Audited Statement of Accounts), the proxy register with proxies and the Register of Directors' Shareholding, which later Register shall remain open and accessible during the continuance of the meeting.
86.	I)	All general meetings other than annual general meeting shall be called extraordinary general meeting.
		Subject to the provisions of section 100 of the Act, the Directors, shall, on the requisition in writing of such number of members as is hereinafter specified and (unless the Annual General Meeting otherwise resolves) at the expense of the requisitionists, a) Give to the members of the Company, entitled to receive a notice of the next Annual General Meeting, notice of any resolution which may properly be moved and is intended to be moved at that meeting. b) Circulate to members, entitled to have notice of any general meeting sent to them, any statement of not more than one thousand words with respect to the c) Matter referred to in any proposed resolution or the business to be dealt with at that meeting.
	II)	The number of members necessary for a requisition under clause (I) hereof shall be : a) such number of members as represent not less than one-twentieth of the total voting power of all the members having at the date of the requisition a right to vote on the resolution or business to which the requisition relates, or b) not less than one hundred members having the right aforesaid and holding shares in the Company on which there has been paid-up an aggregate sum of not less than rupees one lakh in all.

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	III)	Notice of any such resolution' shall be given and any such statement shall be circulated to the members of the Company, entitled to have notice of the meeting sent to them, by serving a company of the resolution or statement on each member in any manner permitted by the Act for service of notice of the meeting and notice of any such resolution shall be given to any other member of the Company by giving notice of the General effect of resolution in any manner permitted by the Act for giving him notice of meeting of the Company. The copy of the resolution shall be given as the case may be, in the same manner, and so far as practicable at the same time as notice of the meeting, and where it is not practicable for it to be served or given at that time, it shall be served or given as soon as practicable thereafter.
	IV)	The Company shall not be bound under this article to give notice of any resolution or to circulate any statement unless: A copy of the requisition signed by the requisitionists (or two or more copies which between them contain the signature of all the requisitionists) is deposited at the registered office of the Company. i) In the case of a requisition, requiring notice of resolution, not less than six weeks before the meeting, and ii) In the case of any other requisition, a sum reasonably sufficient to meet the Company's expenses in giving effect thereto. PROVIDED THAT if after a copy of the requisition, requiring notice of a resolution has been deposited at the registered office of the Company, and an annual general meeting is called for a date six weeks or less after such copy has been deposited, the copy although not deposited within the time required by this clause, shall be deemed to have been properly deposited for the purpose thereof.
	V)	The Company shall not be bound under this article to circulate any statement, if on the application either of the Company or of any other person, who claims to be aggrieved, the Court is satisfied that the rights conferred by this Article are being abused to secure needless publicity for defamatory matter.
	VI)	Notwithstanding anything in these Articles contained, the business which may be dealt with at any Annual General Meeting shall include any resolution of which notice is given in accordance with this article and for the purpose of this clause notice shall be deemed to have been so given notwithstanding the accidental omission in giving it to one or more members.
87.	I)	The Directors may, whenever they think fit, convene an Extraordinary General Meeting and they shall, on requisition of the members as hereinafter provided, forthwith proceed to convene Extraordinary General Meeting of the Company.
	II)	If at any time there are not within India sufficient Directors capable of acting to form a quorum, or if the number of Directors be reduced in number to less than the minimum number of Directors prescribed by these Articles and the continuing Directors fail or neglect to increase the number of Directors to that number or to convene a general meeting, any Director or any two or more members of the Company holding not less than one-tenth of the total paid-up share capital of the Company may call an extraordinary general meeting in the same manner as nearly as possible as that in which meetings may be called by Directors.
88.		In case of requisition, the following provisions shall have effect:
	I)	The requisition, shall set out the matters for the consideration of which the meeting is to be called and shall be signed by the requisitionists and shall be deposited at the registered office of the Company.
	II)	The requisition may consist of several documents in like form, each signed by one or more requisitionists.
	III)	The number of members entitled to requisition a meeting in regard to any matter shall be such number as hold at the date of the deposit of the requisition, not less than one-

Article	Sub-article	Particulars
		tenth of such of the paid-up share capital of the Company as at that carries the right of voting in regard to that matter.
	IV)	Where two or more distinct matters are specified in the requisition, the provisions of sub-clause (3) shall apply separately in regard to such matter, and the requisition shall accordingly, be valid only in respect of these matters in regard to which the conditions specified in that clause is fulfilled.
	V)	If the Board does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five of deposit of the requisition, the meeting may be called. a) by the requisitionists themselves, or b) by such of the requisitionists as represent either a majority in value of the paid-up share capital held by all of them or not less than one-tenth of the paid-up share capital of the Company as referred to in sub-clause (3) whichever is less. PROVIDED THAT for the purpose of this sub-clause, the Board shall, in the case of a meeting at which resolution is to be proposed as a Special Resolution, be deemed not to have duly convened the meeting if they do not give such notice thereof as is required by sub-section (2) of Section 189 of the Act.
	VI)	A meeting called under Clause (5) by requisitionists or any of them; a) shall be called in the same manner as nearly as possible as that in which meeting is to be called by the Board , but b) shall not be held after the expiration of three months from the date of deposit of the requisition. PROVIDED THAT nothing in such – clause (b) shall be deemed to prevent a meeting, duly commenced before the expiry of the period of three months aforesaid, from adjourning to same day after the expire of that period.
	VII)	Where two or more persons hold any shares in the Company jointly, a requisition on a notice calling a meeting by one or some only of them shall, for the purpose of this article have the same force and effect as if it had been signed by all of them.
	VIII)	Any reasonable expenses incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company, and any sums so repaid shall be retained by the Company out of any sums due or other remuneration for their services to such of the Directors as were in Default.
93.		No general meeting, annual or extraordinary, shall be competent to enter upon, discuss or transact any business which has not been mentioned in the notice or notices convening the meeting.
94.		No business shall be transacted at any general meeting unless a quorum of members is present at the time when the meeting proceeds to business. Save as otherwise provided herein, the quorum for the general meetings shall be as provided in section 103
95.		If within half an hour from the time appointed for holding a meeting of the Company, a quorum is not present, the meeting if called by or upon the requisition of members shall stand dissolved and in any other case, the meeting shall stand adjourned to the same day in the next week or if that day is a public holiday, until the next succeeding day which is not a public holiday, at the same time and place, or to such other day and at such other lime and place as the Board may determine. If at the adjourned meeting also, a quorum) is not present within half an hour from the time appointed for holding the meeting, the members presents shall be a quorum and may transact the business for which the meeting was called.
96.		Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes be treated as having been passed on the date on which it was in

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		fact passed, and shall not be deemed to have been passed on any earlier date.
97.		The Chairman of the Board of Directors shall be entitled to take the chair at every general meeting, or if there be no such chairman, or if at any meeting he shall not be present within fifteen minutes after the time appointed for holding such meeting, or shall, decline to take the chair, the Vice-Chairman, if any, shall be entitled to take the chair, If the Vice-Chairman is also not present or is unwilling to take the chair the Directors present shall elect one of them as Chairman and if no Director is present or if the Directors present decline to take the Chair, then the members present shall elect one of the members to be a Chairman. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act, and the Chairman elected on show of hands shall exercise all the powers of the Chairman under the said provisions. If some other person is elected Chairman as a result of the poll, he shall be the Chairman for the rest of the meeting.
98.		No business shall be discussed at any general meeting, except the election of a Chairman, whilst the chair is vacant.
99.	1)	The Chairman may, with the consent of any meeting at which a quorum is present and shall, is so directed by the meeting, adjourn the meeting, from time to time and from place to place.
	2)	No business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
	3)	When a meeting is adjourned for thirty days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
	4)	Save as aforesaid, it shall not be necessary to give any notice of an adjournment of or of the business to be transacted at any adjourned meeting.
101.		A declaration by the Chairman of the. meeting that on a show of hands, a resolution, has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of votes cast in favour of or against such resolution.
102.	1)	Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the meeting on his own motion, and shall be ordered to be taken by him on demand made in that behalf by the person or persons specified below, that is to say: a) by any member or members present in person or by proxy and having not less than one-tenth of the total voting power in respect of the resolution, or b) by any member or members present in person or by proxy and. holding shares in the Company conferring a right to vote on the resolution, being shares on which an aggregate sum of not less than rupees fifty thousand has been paid up.
	2)	The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
103.		A poll demanded on any question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairman) shall be taken at such time not being later than forty-eight hours from the time when the demand was made and in such manner and place, as the chairman of the meeting may direct, and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken.
104.		In the case of equality of votes, the Chairman shall, both on a show *of* hands and a poll (if any) have a casting vote in addition to the vote or votes, to which he may be entitled as a member.
105.		Where a poll is to be taken the Chairman of the meeting shall appoint two scrutineers to

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		scrutinise the vote given on the poll and to report thereon to him. One of the scrutineers so appointed shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed. The Chairman shall have power, at any time before the result *of* the poll is declared, to remove a scrutineer from office and fill vacancies in the office of the scrutineer arising from such removal or from any other cause.
106.		The demand for a poll, except on the question *of* the election of the Chairman and of an adjournment other than the question on which the poll has been demanded, shall be taken at such time not being later, than forty eight hours from the time when the demand was made, as the Chairman may direct.
107.		Whereby any provision contained in the Act or in these Articles special notice is required for any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved exclusive of the day on which the notice is served or deemed to be served and the day of the meeting. The Company shall immediately after the notice of the intention to move any such resolution has been received by it give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by these presents not less than seven days before the meeting.
VOTES OF MEMBERS		
109.		Member paying money in advance not to be entitled to vote in respect thereof. A member paying the whole or a part of the amount remaining unpaid on any share held by him although no part of that amount has been called up, shall not be entitled to any voting rights in respect of the moneys so paid by him until, the same would but for such payment become presently payable.
110		No member shall exercise any voting rights in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.
111		Subject to the provision of Article 111, every member of the Company, holding any equity share capital, and otherwise entitled to vote shall, on a show of hands, when present in person (or being a body corporate present by a representative duly authorised) have one vote and on a poll when present in person (including a body corporate by a duly authorised representative) or by an agent duly authorised under a Power of Attorney or ,by proxy, his voting right shall be in proportion to his share of the paid-up equity share ,capital of the Company. Provided however, if any Preference share-holder is present at *any* meeting of the Company, save as provided in Section 47 (2) of the Act, he shall have a right to vote only on resolutions before the meeting which directly affect the rights attached to his preference shares. A member is not prohibited from exercising his voting rights on the ground that he has not held his shares or interest in the Company for any specified period preceding the date on which the vote is taken. A member may exercise his vote at a meeting by electronic means in accordance with section 108 and shall vote only once.
112		A member of unsound mind, or in respect of whom order has been made by any Court having jurisdiction in lunacy, may vote whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian, may on a poll, vote by proxy.
113		In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names stand in the register of members.
114	1)	A body corporate (whether a company within the meaning of the Act or not) may, it is member or creditor of the Company (including a holder of debentures) authorise such

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		person as it thinks fit, by a resolution of its Board of Directors or other Governing Body to act as its representative at any meeting of the creditors of the Company or debenture holders of the Company. A person authorised by resolution as aforesaid shall be entitled to exercise the same rights and power (including the right to vote by proxy) on behalf of the body corporate which he represents as that body could exercise if it were an individual member, creditor or holder of debentures of the Company. The production of a copy of the resolution referred above, certified by a Director or the secretary of such body corporate, before the commencement of the meeting shall be accepted by the Company as sufficient evidence of the validity of the said representative's appointment and his right to vote thereat.
	2)	Where the President of India or the Governor, of a State is a member of the Company, the President or as the case may be, the Governor may appoint such person as he thinks fit to act as his representative at any meeting of the Company or at any meeting of any class of members of the Company and such a person shall be deemed to be a member of the company and shall be entitled to exercise the same rights and powers including the right to vote by proxy, as the President, or as the case may be, the Governor could exercise as a member of the Company.
115.		Any person entitled under the Transmission Article to transfer any share may vote at any general meeting in respect thereof in the same manner as if he was the registered holder of such shares provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the Directors of his rights to transfer such shares and give such indemnity (if any) as the Directors may require unless the Directors shall have previously admitted his right to have at such meeting in respect thereof.
116.		Subject to the provisions of these Articles vote may be given either personally or by proxy. A body corporate being a member may vote either by a proxy or by a representative duly authorised in accordance with section 113 of the Act.
117.		On a poll taken at a meeting of the Company a member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.
118.		Any member of the Company entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself PROVIDED ALWAYS that a proxy so appointed shall not have any right whatever to speak at the meeting. Every notice convening a meeting of the Company shall state that a member entitled to attend and vote is entitled to appoint one or more proxies.
124.		No objection shall be made to the qualification of any voter or to the validity of a vote except at the meeting or adjourned meeting at which the vote objected to is given or tendered and every vote, whether given personally or by proxy, not disallowed at such meeting, shall be valid for all purposes and any such objection made in due time shall be referred to the chairman of the, Meeting.
125.		The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall the sole judge of the validity of every vote, tendered at such poll. The decision of the Chairman shall be final and conclusive.
126.		It any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meeting of the Company it shall remain permanently or for such time as the Directors may determine, in the custody of the Company, it embracing other objects copy thereof examined with the original shall be delivered to the Company to remain in the custody of the Company.
DIRECTORS		
127.		The number of the directors and the names of the first directors shall be determined in writing by the subscribers of the memorandum or a majority of them.
129.		Any Trust Deed for securing debentures or debenture stocks may, if so arranged provide for the appointment from time to time by the Trustees thereof or by the holders of

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		debentures or debenture stocks, of some person to be a Director of the Company and may empower such Trustees or holder of debentures of debenture stocks, from time to time, to remove the re-appointment of any Director so appointed. The Director appointed under this Article is herein referred to as "Debenture Director" and the term "Debenture Director" earns the Director for the time being in office under this article. The Debenture Director shall not be liable to retire by rotation or be removed by the Company. The Trust Deed may contain such ancillary provisions as may be arranged between the Company and the Trustees and all such provisions shall have effect notwithstanding any of the other provisions herein contained.
130.		Any bond or any other writing giving security issued or executed by the Company in favour of any credit Corporation or any agreement executed by the Company in favour of a credit corporation may provide for the appointment of a Director (in these presents referred to as "The Corporation Director") for and on behalf of the holder of such bonds or such credit corporation for such period as there in provided for not exceeding the period for which any amount may be outstanding under such bond or writing or agreement and for removal from the office of such Director, and on a casual vacancy being caused whether by appointment of another Director in the vacancy place. The Corporation Director shall not be liable to retire by rotation and subject to the provisions of the Act be removed from his office by the Company.
131.		The provisions of Articles (129, 130 and 132) are, subject to the provisions of Section 152 of the Act and the number of such Directors appointed under Article (130) shall not exceed in the aggregate one third of the total number of Directors for the time being in the office.
133.		Subject to section 161 of the Act, the Board may appoint an Alternate Director recommended for such appointment by the director (hear in after in this Article called "The Original Director") to act for him during his absence for a period of not less than three months from the- State in which the Board meetings are normally held. Every such alternate Director subject to his giving to the Company an address in India at which notice may be served on him, be entitled to notice of meeting of Directors and to attend and vote as a Director and be counted for the purposes of a quorum and generally at such meetings to have and exercise all the powers and duties and authorities of the original Director. The Alternate Director appointed under this article shall vacate office as and when the original Director returns to the said State. If the term of the original Director is determined before he returns to the State aforesaid, any provision in the Act or in these Articles for automatic re-appointment of retiring Director in default of another appointment shall apply to the original Director and not the Alternate Director. Provided that, no person shall be appointed as an alternate director for and independent director unless he is qualified to be appointed as an independent director under the provisions of this Act.
134.		The Directors shall have power, at any time and from time to time, to appoint any person to be a director to fill a casual vacancy. Such casual vacancy shall be filled by the Board of Directors at a meeting of the Board. Any person so appointed shall hold office only up to the date up to which the Director in whose place he is appointed would have held office, if it had not been vacated as aforesaid but he shall then be eligible for re-election.
135.		The Directors shall also have power, at any lime and from time to time, to appoint any other person to be an Additional Director as an addition to the Board but so that the total number of Directors shall not at any lime exceed the maximum fixed by Article 127. Any person so appointed as an addition to the Board shall hold his office only up to the date of the next annual general meeting but shall be eligible for re-election or election at such meeting.
136.		A Director need not hold any qualification shares.
137.		Subject to the provisions of the Companies Act, and rules framed there under, the fees of a Director for attending meetings of Board or Committee thereof shall be such sum as may be fixed by the Board of Directors not exceeding such sum as may be prescribed by law for each meetings of the Board or a Committee thereof attended by him. The Directors, subject to the sanction of the Central Government (if any required) may be

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		paid such further remuneration as the Company in general meeting shall from time to time, determine and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may, from time to time determine, and in default of such determination shall be divided among the Directors equally.
138.		Subject to the provisions of Section 2(78),197,197,188of the act, if any Director, being willing shall be called upon the perform extra services' (which expression shall include work done by a Director as a member of any committee, formed by the Director in relation to signing share Certificates) or to make special exertions in going or residing out of his usual place of residence or otherwise for any of the purposes of the Company, the Company shall remunerate the Director so doing either by a fixed sum or otherwise as may be determined by the Directors, and 'such remuneration may be, either in addition to or in substitution for his share in the remuneration above provided.
139.		The Board of Directors may subject to the limitations provided by the Act allow and pay to any Director who attends a meeting of the Board of Directors or any Committee thereof or general meeting of the Company or in connection with the business of the company at a place other than his usual place of residence for the purpose of attending a meeting, such sum as the Board may consider for compensation for traveling, hotel and other incidental expenses properly incurred by him, in addition to his fee for attending such meeting as above specified.
143.		A person shall not be capable of being appointed as a Director of the company if a) he has been found to be of unsound mind by a court of competent jurisdiction and the finding is in force, b) he is an undercharged insolvent, or has applied to be adjudged an insolvent and his application is pending c) he has been convicted by a court of any offence involving moral turpitude and sentenced in respect thereof a imprisonment for not less than six months and a period of five years has not elapsed from the date of expiry of the sentence. d) He has not paid any call in respect of shares of the company held by him whether alone or jointly with others and six months have elapsed from the last date fixed for the payment or e) An order disqualifying him for appointment as Director has been passed by a court in pursuance of the Act and is in force, unless the leave of the court has been obtained for his appointment in pursuance of that section. f) By such other provisions as may be prescribed by the Act from time to time.
144.	1)	The office of a director shall become vacant if 1.he is found to be of unsound mind by a court of competent jurisdiction or 2.he applied to be adjudged an insolvent or he is adjudged an insolvent or 3.he is convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months or 4.he fails to pay call in respect of shares of company held by him, whether alone or jointly with others, within six months from the last date for the payment of the call unless the Central Government by a notification removed the disqualification incurred by such failure, or 5.he absents himself from three consecutive meetings of the Board of Directors or from all meetings of the Board for a continuous period of three months whichever is longer, without obtaining leave of absence from the Board or 6.he (whether by himself or by any person for his benefit or on his account) or any firm in which he is a partner or any private company of which he is a Director, accepts a loan, or any guarantee or security for a loan from the company in contravention of section 185 of the act or 7.he being in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the company and fails to disclose the nature of his concern or interest at a meeting of, the Board of Directors as required by section 184 of the act, or 8.he becomes disqualified by an order of the court under of the Act or 9.he is removed by an ordinary resolution of the company before the expiry of his period of office or

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		10.if by notice in writing to the company, he resigns his office, or 11.having been appointed a Director by virtue of his holding any office or other employment in the company, he ceases to hold such office or other employment in the company 2
	2.	Notwithstanding anything contained in sub-clause (c) (d) and (i) of clause (1) hereof, the disqualification referred to in these clauses shall not take effect: a) for thirty days from the date of adjunction sentence or order b) he applied to be adjudged an insolvent or he is adjudged an insolvent or c) is any further appeal or petition is preferred in respect of the sentence, conviction or order and appeal or petition if allowed, removes the disqualifications, until such further appeal or petition is disposed off,
145	3)	a) The company may (subject to the provisions of section 169 of the Act and these articles) by ordinary resolution remove any Director, (not being a Director appointed by the Central Govt. under) before the expiry of his period of office. b) Special notice as provided by articles hereof or section 115 of the Act shall be required of any resolution to remove a Director under the article or to appoint some other person in place of Director so removed at the meeting at which he is removed. c) On receipt of notice of a resolution to remove a Director under this article, the company shall forthwith send a copy thereof to the Director concerned and the director (whether or not he is a member of the company) shall be entitled to be heard on the resolution at the meeting. d) Where notice is given of a resolution to remove a Director under this article, and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding reasonable length) and requests their notification to members of the Company, the company shall, unless the representations are received by it too late for it to do so (a) in the notice of the resolution given to members of the company state the fact of the representations having been made and (b) send a copy of the representations to every member of the company to whom notice of the meeting is sent (before or after the representation by the company) and if a copy of the representation by the company is not sent as aforesaid because they were received too late or because of the company's default the Director may (without prejudice to his right to be heard orally) required that the representations shall be read out at the meeting provided that copies of the representations need to be sent or read out at the meeting if on the application either of the company or of any other person who claims to be aggrieved, the court is satisfied that the rights conferred by this sub clause are being abused to secure needless publicity for defamatory matter. e) A vacancy created by the removal of a Director under this article may, if head been appointed by the company in General meeting or by the Board in pursuance of article 135 or section 161 of the act be filled by the appointment of another Director in his steady the meeting at which he is removed, provided special notice of the intended appointment has been given under sub-clause (3) hereof. A director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid. f) If the vacancy is not filled under sub-clause (e), it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable or article 135 or section 161 of the act and all the provisions of the article and section shall apply accordingly. g) A Director who was removed from office under this article shall not be re-appointed as a Director by the Board of directors. h) Nothing contained in this article shall be taken i) as depriving a person removed hereunder of any compensation or damages payable to him in respect of the termination of his appointment as director or, j) as derogating from any power to remove a Director which may exist apart from this article
149.		Not less than two-thirds of the total number of Directors shall (a) be persons whose period of office is liable to termination by retirement of Directors by rotation and (b) save as otherwise expressly provided in the Article, be appointed by the Company in General Meeting.

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150.		Subject to the provisions of Section 152 of the Act and these Articles, at every annual general meeting of the Company one-third of such of the Directors for the. time being as are liable to retire by rotation, or if their number is not three of multiple of three, the number nearest to one-third shall retire from office. The Debenture Directors, Corporation Directors, Special Directors, subject to Article 160 Managing Directors or whole time Director, or any other Director as may be prescribed by the Act not liable to be retire by rotation if any, shall not be subject to retirement under this Article and shall not be taken into account in determining the number of Directors to retire by rotation. In these articles, a Retiring Director means a Director retiring by rotation.
153.		Subject to applicable provisions of the Act, the Company at the general meeting at which a Director retires in manner aforesaid may fill up the vacancy by appointing. the retiring director or some other person thereto.
MANAGING/ WHOLE TIME DIRECTOR		
159.		Subject to the provisions of the Act and these Articles, the Directors shall have power to appoint from time to time one or more of their body to be Managing director or whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit to manage the affairs and business of the Company and may, from time to time, (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or other in his or their place of places.
160.		Subject to the provisions of the Act and these Articles, the Managing Director or the Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 151 but he shall be subject to the provision of any contract between him and the company be subject to the same provisions as to the resignation and removal as the other Directors of the Company and he shall ipsacto and immediately cease to be a managing Director or whole-time Director if he ceases to hold the office of Director for any cause, provided that, if at any time the number of Directors (including Managing Director or whole-lime Director) as are not subject to retirement by rotation shall exceed one-third of the total) number of the Directors for the time being then such of the Managing Director or whole-'time Director or two or more of them as the Directors may from time to time determine shall be liable to retirement by rotation in accordance with the Article 151 to the intent that the number of Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being. However, he shall be counted in determining the number of Directors to retire.
161.		The remuneration of the Managing Director or whole-time Director shall (subject to Section 197and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, following recommendation of the remuneration committee, from time to time and may be by way of fixed salary and/or perquisites or commission on profits of the company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.
162.		Subject to the superintendence, control and direction of the Board the day to day Management of the Company shall be in the hand of the Managing Director(s) or whole-time Director(s) appointed under Article 161 with Power to the Board to distribute such day to day management functions among such Director(s} in any manner as deemed fit by the Board and subject the Provision of the Act and these Articles, the Board may by resolution vest with any such. Managing Director such of the power hereby vested in the Board generally as he thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to such restrictions as fit may determine and they may subject to the provision of the Act and these articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the powers of Director in that. behalf and may, form lime to limit, revoke, withdraw alter or vary all or any of such powers.
PROCEEDINGS OF THE BOARD OF DIRECTORS		
163.		The Directors may meet together as a Board for the despatch of business, from time to time, and unless the Central Government by virtue of the provision to Section 173 of

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		the Act otherwise directs, shall so meet at least once in every quarter. The Directors may adjourn and otherwise regulate their meetings as they think it. The provision of this article shall not be deemed to have been contravened merely by reason of the fact that the meeting of the Board which had been called in compliance with the terms of this Article could not be held for want of a quorum..
164.	1)	Notice of every meeting of the Board of Directors including a meeting adjourned to a specific date, time and place under article 166, shall be given in writing to every Director for the time being in India, and to every other Director at his usual address in India or to such other address outside India specified by any such Director. At least seven days clear notice in writing shall be given to the Directors in India and at least fourteen days clear notice in writing shall be given to every other Director, specifying in both cases the date, time and place of the meeting. Shorter notice than the period aforesaid may be given in specially urgent cases and in such cases, the minutes shall record the reasons for dispensing without giving less than seven/fourteen days notice.
	2)	A Director may at any time and the Manager or Secretary upon the request of a Director made at any time shall convene a meeting of the Board of Directors by giving a notice in writing to every Director for the time being in India, to every other Director at his usual address in India or at other address outside India specified by any such Director.
165.		a) Subject to Section 174 of the Act, the quorum for a meeting of the Board of Directors shall be one-third of its total strength (excluding Director, if any, whose places may be vacant at the time and any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher, PROVIDED THAT where at any time the number of interested Directors at any meeting exceeds or is equal to two-third of the total strength, the number of the remaining Directors (that is to say, the number of Directors who are not interested) present at the meeting being not less than two shall be the quorum during such time. b) For the purpose of clause (a) i) "Total Strength" means total strength of the Board of Directors of the company determined in pursuance of the Act, after deducting therefrom, the number of the Directors if any whose place may be, vacant at the time and ii) "Interested Director means any Director whose presence cannot by reason of any provision in the Act count for the purpose of forming a quorum at a meeting of the Board at the time of the discussion or vote on any matter.
166.		A meeting of the Board could not be held for want of quorum then the meeting shall automatically stand adjourned till the same day next week at the same time and place or if that day is a public holiday till the next succeeding day at the same time and place unless otherwise adjourned to a specific date, time and place.
167.		The Board of Directors shall nominate a person who shall be the Chairman of the Board. The Chairman when present at the Board meeting will take the chair. It within fifteen minutes from the scheduled time of the meeting. The Chairman is not present, the Directors present shall elect one of their numbers to be the Chairman of the meeting. In case of equality of votes, the Chairman shall have a second or casting vote.
168.		Subject to provisions of Section 203of the Act questions arising at any meeting of the Board shall be decided by a majority of votes and in case of an equality of votes the Chairman shall a second or casting vote.
169.		A meeting of the Board of Directors for the time being at which a quorum, is present shall be competent to exercise all or any of the authorities, powers and discretion which by or under the Act or these Articles or the regulations for the time being of the Company are vested in or exercisable by the Board of Directors generally.
170.		The Board shall form independent committees for audit, remuneration and finance matters and these committees shall have representation from independent non executive

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		directors of the Board. The Board of Directors may, subject to the provisions of Section 179 and other relevant provisions of Act and of these, delegate any of the powers other than the powers to make calls and to issue debentures to such committee or committees and may, from time to time, revoke and discharge any such committee of the Board either wholly or in part and either as the persons or purposes, but every Committee of the Board so formed shall in exercise of the powers so delegated conform to any regulation that may from time to time be imposed on it by the Board of Directors. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointments, but not otherwise, shall have the like force and effect as if done by the Board.
171.		The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors so far as the same are applicable there to and are not superseded by any regulations made by the Directors under the last preceding article.
172.	1)	A resolution passed by circular without meeting of the Board or a Committee, of the Board appointed under the articles, shall subject to the provisions o sub-clause (2) hereof and the Act be as valid and effectual as the resolution duly passed at a meeting of the Directors or of a Committee duly called and held.
	2)	A resolution shall be deemed to have been duly passed by the Board or by committee thereof by circulation, if the resolution has been circulated in draft together with necessary papers, if any, to all the Directors, or to all the member of the Committee, then in India (not being less in number than the quorum fixed for a meeting of the Board or Committee as the case may be), and to all other Directors or members of the Committee at their usual addresses in India or to such other addresses outside India specified by any such Directors or members of the Committee as are then in India, or by a majority of such of them as are entitled to vote on the resolution.
173.		All acts, done by and meeting of the Board or by a committee of the Board or by any person acting as a Director shall, notwithstanding that it shall, afterwards be discovered that there was some defect in the appointment of one or more of such Directors or any person acting aforesaid or that they or any of them were disqualified or had vacated office or that the appointment of any of them is deemed to be terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed and was qualified to be a Director; Provided nothing in this Article , shall be deemed to give validity to acts done by a Director after his appointment has been shown to the Company to be invalid or to have, terminated.
POWERS OF THE BOARD		
174.		The Business of the company shall be managed by the Directors who may exercise all such powers of the Company and do all such acts and thing's as are not by the Act, or any other Act or by the Memorandum of Association or by the Articles of Company required to be exercised by the company in General Meeting subject nevertheless to any regulation of these Articles to the provisions of the Act or any other Act and to such regulation, being not inconsistent with the aforesaid regulations or provisions as may be prescribed by the Company in general meeting, but no regulations made by the company, in general meeting shall invalidate any prior act of the Directors which would have been valid if that regulation had not been made Provided that the Board of Directors shall not except with the consent of the Company in General meeting. a) sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the company owns more than one undertaking of the whole of substantially the whole of any such undertaking. b) remit, or, give time for the payment of any debt due by a Director. c) invest otherwise than in trust securities the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as *is* referred to in clause (a) or of any premises or properties used for any such undertaking and without which it cannot be carried on or, can be carried on only with difficulty or only after a considerable time.

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		d) borrow money where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will exceed the, aggregate of the paid-up capital of the Company and its reserves that is to say reserves not set apart for any specific purpose, or, e) contribute to charitable and other funds not directly relating to the business of the company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five percent of its average net profits as determined in accordance with the provisions. of Section 198 of the Act during the three financial years immediately preceding, whichever is greater provided that the Company in general meeting or the Board of Directors shall not contribute any, amounts to any political party or for any political purpose to any individual or body. i) Provided that in respect of the matter referred to in clause (d) and (e) such consent shall be obtained by a. resolution of the company which shall specify the total amount upto which moneys may be contributed to any other fund in any financial year under clause (e): ii) Provided further that the expression temporary loans in clause (d) above shall mean loans repayable on demand or within six months from date of the loan, such as short term cash credit arrangements, the discounting of bills and the issue of other short term loans of a seasonal character, but does not include loans raised for the purpose of financing expenditure of a capital nature.
175.	1)	Without derogating from the powers vested in the Board of Directors under these articles, the Board shall exercise the following powers on behalf of the company and they shall do so only by means of resolutions passed at the meeting of the Board. a) the power to make calls on shareholders in respect of money unpaid on their shares. b) To authorize buy back of the securities c) the power to issue securities including debentures whether in and outside India. d) the power to borrow money otherwise than on debentures. e) the power to invest the funds of the company. f) the power to grant loans, or give guarantee or provide security in respect of loan g) To approve financial statement and the Board's report. h) To diversify the business of the Company i) To approve amalgamation, merger or reconstruction j) To takeover a Company or acquire a controlling or substantial stake in another company. Provided that the power to the resolution passed at the meeting may be delegated to any committee of Directors Managing Directors or any other principal Officer of the Company the powers specified in (d), (e) and (f) of the sub-clause to the extent specified below :
	2)	Every resolution delegating the power referred to in sub-clause (1) (c) small specify the total amount outstanding at anyone time upto which moneys, may be borrowed by the delegates.
	3)	Every resolution delegating the power referred to in sub-clause (1) (d) shall specify the total amount upto which the funds of the Company may be invested and the nature of the investments which may be made, by the delegates.

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	4)	Every resolution delegating the power referred to in sub-clause (1) (c) shall specify the total amount up to which loans may be made by the delegates the purpose for which the loans may be made and the maximum, amount of loans which may be made for each such purpose in individual cases.
176.		Without prejudice to the general powers conferred by the last preceding article and so as not in any way to limit or restrict those powers and without prejudice to the other powers conferred by these articles but subject to the restrictions contained in the last preceding articles, it is hereby declared that the Directors shall have the following powers, that is to say power. 1. to pay the costs, charges and expenses preliminary and incidental to the formation promotion, establishment and registration of the Company. 2. to pay and charge to the Capital Account of the Company any commission or interest, lawfully, payable there out under the provisions of the Act. 3. subject to Section 179 and 188 and other applicable provisions of the Act, to purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorised to acquire at or for such price or consideration and generally on such terms and conditions as they may think fit and in any such purchase or other acquisition, accept, such title as the Directors may believe or may be advised to be reasonably satisfactory. 4. at their discretion and subject to the provisions of the Act to pay for any property rights or privileges by or services rendered to the company. either wholly or partially in cash or in shares, bonds debentures, mortgages or other securities of the Company and any such shares may be issued either as fully paid-up or with such amount credited as paid up thereon as may be agreed upon, any such bonds, debentures, mortgages or other securities may be either specifically charged upon all or any part of the property of the Company and its uncalled capital or not so charged. 5. to secure the fulfillment of any contracts or engagements entered into by the company by mortgage or charge of all or any of the property of the company and its uncalled capital for the time being or in such manner as they may think fit. 6. to accept from any member, so far as maybe permissible by law, a surrender of his shares or any part hereof on such term and conditions, as shall be agreed. 7. to appoint any person to accept and hold in. trust for the Company, properly belonging to the Company, or in which it is interested or for any other purposes and to execute and to do all such deeds and things as maybe required in relation to any such trust, and to provide for the remuneration of such trustee or trustees. 8. to institute, conduct, defend, compound or abandon any legal proceedings by or against the Company or its officers or otherwise concerning the affairs of the company, and also to compound and allow time for payment to satisfaction of any debts due and of any claim or demands by or against the Company and to refer any differences to arbitration and observe the terms of any awards made therein in India Law or according to foreign law and either in India or abroad and observe and perform or challenge any award made therein. 9. to act on behalf of the Company in all matters relating to bankrupts and insolvents and winding up and liquidation of Companies. 10. to make and give receipts, release and otherwise discharge for moneys payable to the Company and for the claims and demands of the Company. 11. Subject to the provisions of Sections 179,180,181,185 and other applicable provisions of the Act and these articles, to invest and deal with any moneys of the Company not immediately required for the purpose thereof upon such security (not being the shares of this Company) or without security and in such manner as they

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		may think fit and, from time to time to vary or realise such investment save as provided in Section 187 of the Act, all investments shall be made and held in the Company's name. 12. to execute in the name and on behalf of the Company in favour of any Director or other person who may incur or be about to incur any personal liability whether as principal or surely for the benefit of the Company, such mortgage of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and other powers, provisions, convents and agreements as shall be agreed upon. 13. to open bank accounts and to determine, from time to time, who shall be entitled to sign, on the. Company's behalf bills, notes, receipt, acceptances, endorsements, cheques, dividend warrants, release contracts and documents and to give the necessary authority for such purpose. 14. to distribute by way of bonus amongst the staff of the Company a share or shares in the profits of the Company and to give to any Director, officer or other person employed by the company a commission on the profits of any particular business or transaction and to charge such bonus or commission as a part of working expenses of the Company. 15. to provide for the welfare of Directors or ex-Directors or employees or ex-employees of the Company and the waves, widows and families or the dependents or connections of such person by building or contribution to the building of houses, dwellings or chawls or by grants of money, pensions, gratuities, allowances, bonus or other payments or by creating and from time to time subscribing or contributing to provide' other association institutions and by providing or subscribing or contributing towards places of instructions and recreation, hospitals, dispensaries, medical and to other attendance and other assistance as the Board shall think fit, and subject to the provisions of Section 181of the Act to subscribe or contribute or otherwise to assist or to guarantee money to charitable, benevolent religious , scientific national or other institutions or objects with shall have any moral or other claim to support or aid by the Company either by reason of locality of operation or the public and general utility or otherwise. 16. before recommending any dividend to set aside out of the profits of the Company such sums as they may think proper for depreciation or the depreciation fund or to an insurance fund or as a reserve fund or sinking fund or any special or other fund or funds or account or accounts to meet contingencies or to repay redeemable preference shares, debentures or debenture stock or for special dividends or for equalising dividends or for repairing, improving, extending and maintaining any part of the property of the Company and for such other purposes (including the purposes referred to in the preceding clause) as the Board may in their absolute discretion think conducive to the interests of the Company and subject to Section 179,180 and 181 of the Act, to invest the several sums so set aside or so much thereof as required to be invested upon such investments (other than shares of this Company) as they may think fit and from time to time to deal with or vary such investments and dispose of and apply and expend all or any part thereof for the benefit of the company in such manner and for such purposes as the Board in their absolute discretion think conducive to the interests of the Company notwithstanding that the matters to which the Board apply or upon which they expend the same or any part thereof may be matters to or. upon which the capital moneys of the company might rightly be applied or expended and to divide the General Reserve or Reserve Fund into such special funds as the Board may think fit, with full power to transfer the whole or any portion of a Reserve Fund or division of a Reserve Fund to another Reserve Fund and/or division of a Reserve Fund and with full power to employ the assets constituting all or any of the above funds including the depreciation fund in the business of the Company or in purchases or repayment of redeemable preference shares, debentures or debenture stocks and without being bound to keep the same separate from the other assets and without being bound to pay interest on the same with power however, to the Board at their discretion to pay or allow to the credit of such funds, interest at such

Article	Sub-article	Particulars
		rate as the Board may think proper. 17. to appoint and at their discretion remove or suspend general manager, managers, secretaries, assistants, supervisors, scientists, technicians, engineers, consultants, legal, medical or economic advisers, research workers, labourers, clerks, agents, and servants for permanent, temporary or special service as they may from time to time think fit and to determine their powers and duties, and to fix their salaries, or emoluments or remuneration and to require security in such amounts as they may think fit and also from time to time to provide for the management and transactions of the affairs of the Company in any specified locality in India or elsewhere such manner as they think fit. 18. from time and at any time to establish any local Board for managing any of the affairs of the Company in any specified locality in India or elsewhere and to appoint any person to be members of such local Boards or manager or agencies and to fix their remuneration. 19. subject to Section 292 and 293 of the Act, from time to time and at any time, to delegate to any persons so appointed any of the powers, authorities and desecrations for the time being vested in the Board other than their power to make calls or to make loans or borrow moneys and to authorise the member for the time being of any such Local Board or any of them to fill up any vacancies therein and to act notwithstanding vacancies and such appointment or delegation may be made on such terms subject to such conditions as the Board, may think fit and the Board may at any time remove any persons so appointed and may annual or vary and such delegation. 20. at any time and from time to time by Power of Attorney under the seal of the Company to appoint any person or persons to be the Attorney or Attorneys of the Company for such Purposes and with such powers, authorities and discretions (not exceeding those vested in or exercisable by the Board under these presents and excluding the power to make calls and excluding also except in their limits, authorised by the Board the Power to make loans and borrow moneys) and for such period and subject to such conditions as the Board may from time to time think fit and may such appointments may (if he Board thinks fit) be made in favour of the members or any of the members. of any local board established as aforesaid or in favour of any company or the shareholders, directors nominees or manager of any Company or firm or otherwise in favour of any fluctuating body of persons whether nominated directly or indirectly by the Board and any such powers of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorneys as the Board may think fit and may contain powers enabling any such delegated attorneys as aforesaid to sub delegate all or any of the powers, authorities and discretion for the time being vested in them. 21. subject to 188 and 2(49)and other applicable provisions of the Act for or in relation to any of the matters aforesaid or otherwise for the purposes of the Company to enter into all such negotiations and contracts and rescind and vary all such contracts and execute and do all such acts, deeds and things in the name and on behalf of the company as they may consider expedient. 22. from time to time, to make vary and repeal bye-laws for the regulations of the business of the Company, its officers and servants. 23. to purchase or otherwise acquire any lands, building, machinery, premises hereditaments, property, effects, assets, right credits, royalties, business and goodwill of any joint stock company carrying on the business switch the Company is authorised to can-on in any part of India. 24. to purchase, take on lease for any term or terms of years or otherwise acquire any factories or land or lands with or without buildings and out houses thereon situate in any out part of India at such price or rent and under and subject to such terms and conditions as the Directors may think fit and in any such purchase, lease or other acquisition, to accept such title as the Director may believe or may be advised to be reasonably satisfactory.

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		25. to insure and keep insured against loss or damage by fire or otherwise for such period and to such extent as it may think proper all or any part of the buildings machinery, goods stores, produce and other movable property of the Company, either separately or conjointly also to insure all or any portion of the goods produced machinery and other articles imported or exported by the company and to sell, assign, surrender or discontinue any policies of assurance effected in pursuance of this power. 26. to purchase or otherwise acquire or obtain license for the use of and to sell exchange or grant license for the use of any trade mark, patent, invention or technical know how. 27. to sell, from time to time, any articles, materials, machinery, plants, stores and other articles and things Belonging to the company as the Board may think proper and to manufacture, prepare and sell-waste and by-products. 28. from time to time, extend the business undertaking of the Company by adding to, altering or enlarging all or any of the building factories, workshops, premises, plant and machinery for the time, being the property of or in the possession of the Company by erecting new or additional buildings and to expend such sum of money for the purposes aforesaid or any of them as may be thought necessary or expedient. 29. to undertake on behalf of the company any payment of all rents and the performance of the covenants, conditions and agreements contained in or reserved by and lease that may be granted or assigned to or otherwise acquired by the Company and to purchase the reversion or reversions and otherwise to acquire any estate whether leasehold or freehold. 30. to improve, manage, develop, exchange, lease, sell, re-sell and repurchase, dispose of, deal or otherwise turn to account any property (movable or immovable) or any rights or privileges belonging to or at the disposal or the Company or in which the Company is interested. 31. to let sell or otherwise dispose of subject to the provisions of 179 of the Act and of the other Articles., any property of the Company either absolutely or conditionally and in such manner and upon such terms and conditions, in all respects as it thinks fit and to accept payment of satisfaction for the same in cash or otherwise as it thinks fit.
THE SECRETARY		
180.		Subject to of the Act, the Directors may, from time to time, appoint and at their discretion remove an individual (here in after called ("The Secretary") to perform any functions which by the Act are to be performed by the Secretary and to execute any other ministerial or administrative duties which may from time to time be assigned to the, Secretary by the Directors. The Directors may also at any time appoint some person (who need not be the Secretary) to keep the registers required to be kept by the Company. The appointment of Secretary shall be made according to the provisions of the Companies. (Secretary's qualifications) Rules, 1976.
DIVIDEND WARRANTS		
182.	1)	Subject to the rights of persons, it any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof, the dividend is paid but if any so long as nothing is paid upon any of shares in the Company, dividends may be declared and paid according to the amount of the shares.
	2)	No amount paid or credited as paid on a share in advance of calls, shall be treated for the purpose of this regulation as paid on the share.
183.		The company in general meeting, may, declare dividends to be paid to members according to their respective rights and interest in the profits, and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act,

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		but no dividends shall exceed the amount recommended by the Board and the Company may declare a smaller dividend in general meeting.
184.		No dividend shall be payable except out of the profits of the company arrived at in the manner provided for in section 123of the Act.
185.		The Board of Directors may, from time to time, pay to the member such interim dividends, as in their judgment the position of the Company justifies.
186.		The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards the satisfaction of the debts, liabilities or engagements in respect of which the lien exists, subject to section 124 of the Act.
187.		Where the capital is paid in advance of the calls upon the footing that the same shall carry interest such capital shall not, whilst carrying interest confer a right to dividend or to participate in profits.
188.		All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the periods in respect of which the dividend is paid but if any share is issued on terms providing that it shall rank for dividends as from a particular date such share shall rank for dividend accordingly.
189.		No member shall be entitled to receive payment of any interest or dividend or bonus in respect of his share or bonus in respect of his share or shares whilst any money may be due or owing from him to the Company in respect of such share or shares (or otherwise however either alone or jointly with any other person or persons and the Board of, Directors may deduct from the interest or dividend to any member all such sums of money so due from him to the Company.
190.		A transfer of shares shall not pass the right to any dividend declared therein before the registration of the transfer. The right to dividend shall be regulated by section 126 of the Act.
191.		Anyone of several persons who are registered as joint holders of any share may give effectual receipts for all dividends or bonus and payments on account on dividends in respect of such share.
192.		The dividend. Payable in cash. may be paid by cheque or warrant sent through post directed to registered address of the shareholder, entitled to the payment of the dividend or in case of joint holders, to the registered address of that one of the joint holders which is first named on the register of members, or the joint holder may in writing direct. The Company shall not be liable or responsible for any Cheque or warrant or pay slip or receipt, lost in transmission or for any dividend lost to the member or person entitled thereto be forged endorsement of any cheque or warrant or forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other means.
193.		Notice of the declaration of any dividend, whether interim or otherwise, shall be given to the registered holders of share in the manner here in provided.
194.		The Directors may, before recommending or declaring any dividend, set aside out of the profits of the Company such sums as they think proper as a reserve or reserves which shall, at the discretion of the Directors, be applicable, for meeting contingencies or for any other purpose to which the profits of the company may be properly applied, and pending such application may, at the like discretion, either be employed in the business of the company or be invested in such investments (other than shares of the Company) as the Directors, may from time to time, think fit.
195.		The Company shall pay the dividend or send the warrant in respect thereof to the shareholders entitled to the payment of dividend within thirty days from the date of the declaration unless: a) where the dividend could not be paid by reason of the operation of any law; b) where a shareholder has given directions regarding the payment of the dividend and those directions cannot be complied with;

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		c) where there is a dispute, regarding the right to receive the dividend; d) where the dividend has been lawfully adjusted by the company against any sum due to it from shareholder, or e) where, for any other reason, the failure to pay she dividend or to post the warrant within the period aforesaid was not due to any default on the part of the Company.
196.		Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration to any shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of expiry of the said period of 30 days, open a special account in that behalf in any scheduled bank called unpaid dividend of the Company and transfer to the said account, the total amount of dividend which remains unpaid or unclaimed. Any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the general revenue account of the Central Government. A claim to any money so transferred to the general revenue account may be preferred to the Central Government by the shareholders to whom the money is due. The Company shall transfer any money transferred to the unpaid dividend account of the Company which remains unpaid or unclaimed for a period of seven years from the date of such transfer, shall be transferred by the Company to the fund known as the Investor Education and Protection Fund established under Section 125of the Act. No unclaimed and unpaid dividend shall be forfeited by the Board and the Directors shall comply with the provisions of Section 124 of the Act,- and rules made thereunder as regards unclaimed dividends and unpaid dividends.
197.		Subject to the provisions of Section 124of the Companies Act, 1956, no dividend shall bear interest as against the Company.
198.		Any general meeting declaring a dividend may, on the recommendations of the Directors make call on the members of such amount as the meeting fixed, but so that the call on each member shall not exceed the dividend payable to him and so that the call be made payable at the same time as the dividend, and the dividend may, if so arranged between the company and the members be set off against the calls.
199.		No dividend shall be payable except in cash. Provided that nothing this Article shall be deemed to prohibit the capitalisation of the profits or reserves of the Company for the purpose of issuing fully paid-up bonus share or paying up any amount for the time being unpaid on any shares held by members of the Company.
CAPITALIZATION		
200.	1)	The company in General Meeting may, upon the recommendation of the Board resolve, a) that it is desirable to capitalise any part of the amount for the time being standing to the credit of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise, available for distribution; and b) that such sum be accordingly set free for distribution in the manner specified in clause (2) amongst the members who would have been, entitled thereto, if distributed by way of dividend and in the same, proportions.
	2)	The sum aforesaid shall not be paid in cash but shall be applied subject to the provision contained in the clause(3) either in or towards. i) paying up any amounts for the time being up paid on any shares. held by such members respectively; ii) paying up in full, unissued shares of the Company to be allocated and distributed, credited as fully paid up, to and amongst such members in the proportions aforesaid; or iii) partly in the way specified in sub-clause (i) and partly in that specified in sub-clause (ii).

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	3)	A share premium account and a Capital Redemption Reserve Account may, for the purpose of this regulation, only be applied in the paying up of un issued share to be issued to members of the company as fully paid bonus shares. The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.
BOOKS AND DOCUMENTS		
202.	1.	The company shall keep at its registered office, proper book of accounts, as would give a true and fair view of the state of affairs of the Company or its transaction with respect to: a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place b) all sales and purchases of goods by the Company c) the assets and liabilities of the Company, and d) if so required by the Central Government, such particulars relating to utilisation of material or labour or to other items of cost, as may be prescribed by that Government. Provided that all or any of the books of accounts aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decide, the Company shall within seven days of the decision, file with the Registrar of Companies a notice in writing giving the full address of that other place.
	2.	Where the company has a branch office, whether in or outside India, the Company shall be deemed to have complied with the provisions of clause (1) if proper books of accounts relating to the transactions effected at the branch are kept at that office and proper summarised returns made up to date, at intervals of not more than three months are sent by the branch office to the Company at its registered office or the other place referred to in sub-clause (1) The books of accounts and other books and paper shall be open to inspection by any Director business hours.
STATEMENT OF ACCOUNTS		
204.		The Board of Directors shall, from time to time, in accordance with 129,2(2),129,133,134of the Act, cause to be prepared and laid before each annual general meeting, a profit and loss account .for the financial year of the Company and a 'Balance Sheet made up as at the end of the financial year which shall be a date which shall not precede the day of the meeting by more than six months, or such extended period as shall have been granted by the Registrar of Companies, under the provisions of the Act. Right of members to copies of Balance Sheet and Auditor's Report
205.		Any member or holder of debentures of the Company whether he is or is not entitled to have copies of the Company's Balance sheet sent to him shall, on demand be entitled to be furnished without charge, and any person from whom the company has accepted a sum of money by way of deposit, shall on demand accompanied by the payment of a fee of Rs. 1/- (one rupee), be entitled to be furnished, with a copy of balance sheet of the Company and of every document required by law to be annexed or attached thereon including the profit and Loss Account and the Auditors and Director's Report.
AUDIT		
206.		One at least in every year, the account of the Company shall be examined, balanced and audited, and the correctness of the Profit and Loss Account and Balance sheet ascertained by one or more Auditor or Auditors.
207.	1)	Auditors shall be appointed and their qualifications rights and duties regulated in accordance with Sections 139 to 146 of the Act.
	2)	The company shall, at each annual general meeting, appoint an Auditor or Auditors to hold office from the conclusion of that meeting until the conclusion of the next annual

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		general meeting, and shall, within seven days of the appointment, give intimation thereof to the Auditor so appointed unless he is retiring Auditor.
	3)	At any annual general meeting a Retiring Auditor, by what ever authority appointed, shall be re-appointed unless. a) he is not qualified for re-appointment; b) he has given the Company notice in writing of his unwillingness to be re-appointed; c) a resolution has been passed at that meeting appointing somebody instead of him or providing expressly that he shall not be reappointed; or d) where notice has been given of an intended resolution to appoint some persons or person, in the place of a retiring Auditor, and by reason of the death, incapacity or disqualification of that person or of all those persons, as the case may be, the resolution cannot be proceeded with 4. Where at annual general meeting no Auditor is appointed or re-appointed, the Central Government may appoint a person to fill the vacancy.
	5.	The Company shall, within seven days of the central Government's power under the sub-clause (4) becoming exercisable, give notice of that fact to that Government.
	6.	The Directors may fill any casual vacancy in the office of the Auditor, but while any such vacancy continues, the serving or continuing Auditor or Auditors (if any) may act but where such vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the company in general meeting.
	7.	A person other than a retiring Auditor, shall not be capable of being appointed at an annual general meeting unless a special notice of a resolution for appointment of that person to the office of Auditor has been given be a member to the Company not less than fourteen days before tire meeting, in accordance with Section 190 of the Act and the Company shall send a copy of any such notice to retiring Auditor and shall give notice thereof to the members in accordance with Section 140 of the Act. The Provisions of this sub-clause shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that retiring Auditor shall not be re-appointed.
208.		Every account when audited and approved by Annual general meeting shall be conclusive except as regards any errors discovered therein within three months next after the approval thereof. Whenever, any such error is discovered within that period, the account shall be corrected and henceforth shall be conclusive.
WINDING UP OR SALE		
215.		If the Company shall be wound up and the assets available for distribution among the members as such, shall be insufficient to repay the whole of the paid-up capital, such assets shall be distributed so that as nearly may be, the losses shall be borne. by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding up on the shares held by them respectively, and if in a winding up, the assets available for distribution among the members shall be more than sufficient to re-pay the whole of the capita paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid-up or which ought to have been paid-up on , the shares held by them respectively. But this Article is to be without prejudice to the rights of the holders of shares issued upon special terms and conditions.
216	1.	If the Company shall be wound up, whether voluntarily or otherwise, the liquidator may, with the sanction of a special resolution, divide amongst the contributories in specie or kind, any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in Trustees upon, such trusts for the benefit of the contributories or any of them as the Liquidator with the like sanction shall think fit.
	2.	If thought expedient, any such division may, subject to the provisions of the Act, be

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		otherwise than in accordance with the legal rights of the contributories except where unalterable fixed by the Memorandum of Association) and in particular any class may, by given preferential or special rights or may be excluded altogether or in part but in case any division otherwise than in accordance with the legal rights of the contributories shall be determined on any contributory who would be prejudicial thereby, shall have a right to dissent and ancillary right as if such determination were a special resolution passed pursuant to Section 319of the Act.
	3.	In case any shares to be divided as aforesaid involve a liability to calls or otherwise, any person entitled under such division to any of the said shares may, within ten days after the passing of the special resolution by notice in writing direct the Liquidator to sell his proportion and pay him the net proceeds and the liquidator shall, if practicable act accordingly.
217.		A special resolution sanctioning a sale to any other Company duly passed pursuant to Section 319of the Act, may subject to the provisions of the Act in the like manner as aforesaid determine that any shares or other consideration receivable by the liquidator be distributed against the members, otherwise than in accordance with their existing rights and any such determination shall be binding upon all the members subject to the right of dissent and consequently rights conferred by the said sanction, Directors and other, rights to indemnity.
218.		Subject to the provisions of Section 197 of the Act, every Director, or Officer, or servant of the Company or any person (whether an officer of the Company or not) employed by the Company as auditor shall be indemnified by the Company against, and it shall be the duty of the Directors out of the funds of the Company, to pay all benefited cost, charges, losses, and damages which any such person may incur or become liable to, by reason of any contract entered into to any act, deed, matter or thing done, concurred in or omitted to be done by him in any way in or about the execution or discharge of his duties or supposed duties (except such it any as he shall incur or sustained through or by his own wrongful act neglect or default) including expenses, and in particular and so as not to limit the generality of the foregoing Provisions against all liabilities incurred by him as such Director, Officer or Auditor or other Officer of the Company in defending any proceedings whether civil or criminal in which judgement is given in his favour, or in which relief is granted to him by the Court.
INDEMNITY		
219.		Subject to the provisions of Section 129 of the Act, no Director, Auditor or other officer of the Company shall be liable for the acts, receipts, neglects, or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expenses happening to the Company through the insufficiency or deficiency of any title to any property acquired by the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the company shall be invested or for any loss or damages arising from the insolvency or torsos at of any person, firm or company to or with whom any moneys, securities or effects shall be entrusted or deposited or any loss occasioned by any error or judgment, commission, default or oversight on his part or for any other loss damage, or misfortune whatever shall happen in relation to execution of the duties of his office or in relation etc. unless the same shall happen through his own dishonesty.

Chapter II of the Articles comprising of Articles 222 to 333 was adopted vide a special resolution passed at the extraordinary general meeting of the members of our Company held on March 7, 2008. The matters listed in Articles 222 to 333 are in addition to all other rights that NSR – PE Mauritius LLC have as shareholders of the Company under these Articles.

Provided that Articles 224 (a), 224(d), 225, 227, 228, 229, 230, 232, 233, 234, 239, 241, 242, 243, 244, 245, 248, 251, 252, 253, 259, 261, 264, 265, 267 269, 272(b), 273, 274, 278, 279, 280, 281, 282, 283, 284, 285, 286, 287, 288, 297(a),297 (b) 299, 300, 303, 304, 305, 306, 307, 308, 309, 310, 311, 312, 313, 318, 320, 321, 323, 326 and 332 shall terminate, cease to remain in effect and deemed to fall away without any further action by any party (including the Company or any of its members) immediately on the commencement of trading of the Equity Shares on any recognized stock exchange pursuant to the IPO (as defined in the Articles) through the book building process, in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended, the Companies Act, 2013 and the Companies Act, 1956 (to the extent applicable).

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SPECIAL INVESTOR RIGHTS		
224.		In consideration of NSR investing in the Company on and subject to the terms and conditions of the Share Subscription Agreement, the Promoters hereby irrevocably and unconditionally and as a continuing obligation jointly and severally agree and undertake as follows: (a) save and except as provided in Article 302 (a), the Promoters, Finlay Corporation Limited, Pikika Limited and Orissa Stevedores Limited shall not transfer any Shares until the occurrence of initial public offering without the prior written approval of NSR. (b) BP, JP, PIL and OTL shall at all times directly hold in aggregate at least 25.1 per cent. of the share capital of, and at least 51 per cent. of the voting rights, in the Company; (c) that each of the Persons comprising the Promoter Group is a cohesive group and shall only act through BP and/or JP and no Persons comprising the Promoter Group shall exercise or attempt to exercise any right individually or otherwise than through either BP or JP; (d) in the event any of the Shareholders other than NSR transfers any Shares to non-residents, the Promoters hereby covenant and undertake that they shall procure that Finlay Corporation Limited and/or Pikika Limited shall transfer to the Promoters such number of Shares held by them so as to ensure that the ability of NSR to exercise the Conversion of the Preference Shares is not prejudiced; (e) not to create or permit to subsist any pledge, mortgage, charge, lien or other Encumbrance over, all or any part of the Promoter's interest in the issued share capital and voting rights of the Company save and except in favour of bonafide lenders/ and financial institutions for monies borrowed for the Business of the Company in consonance with Business Plan; (f) the Promoters shall use or exercise, or refrain from using or exercising, their voting rights (whether as members or Directors of the Company) to observe the terms of, and to fulfil their obligations under, the Subscription Agreement and the Shareholders Agreement , and generally to do all things within their power which are necessary or desirable to give effect to the Share Subscription Agreement and to fulfil their obligations there under
225.		Each of the Promoters acknowledge that NSR has subscribed to the Shares and (ii) acquired Shares by virtue of the Share Purchase Agreement, on the basis that they will be able to exercise voting rights on the Preference Shares as if the same were converted into Equity Shares and towards the same agrees to, until the conversion of the Preference Shares into Equity Shares, vote in accordance with the instructions of NSR at a general meeting or provide proxies without instructions to NSR for the purposes of a general meeting, in respect of such number of Equity Shares held by each of them such that 33.7 per cent of the Equity Shares of the Company are voted on in the manner required by NSR. The obligation of each of the Promoters to vote their Shares as aforesaid shall be pro-rated in accordance with their aggregate Shareholding in the Company. It being agreed that a Shareholder, to the extent permitted by applicable law, is entitled to nominate more than one proxy.
227.		In this Article Relevant Rights means the right to receive notice of, and to be present and to vote, either in person or by proxy, at any general meeting of the Company. Relevant Rights include, without limitation, the right for the holder of a Preference Share to exercise its voting rights in respect of such number of Equity Shares held by NSR such that 33.7 per cent of the Equity Shares of the Company are voted on in the manner required by NSR. The Company, the Promoters and NSR agree that since the Preference Shares would be compulsorily converted to Equity Shares in accordance with the Share Subscription Agreement, all matters which affect the rights of the holders of Equity Shares would directly affect the rights of the holders of the Preference Shares and hence each holder of Preference Shares shall have the same rights as the rights of a holder of Equity Shares. The obligation of each of the Promoters to vote their Shares as aforesaid shall be pro-rated in accordance with their aggregate Shareholding in the Company. It being agreed that, a Shareholder, to the extent permitted by applicable law, is entitled to nominate more than one proxy.
228.		In the event, NSR is not permitted under applicable law to exercise votes at any meeting of the Shareholders, the Promoters agree and undertake to appoint NSR as the proxy for the requisite number of Shares such that NSR is entitled to vote in proportion to the amount of capital paid up on the share capital of the Company held by them on a fully

Article	Sub-article	Particulars
		diluted basis.
229.		The Preference Shares shall bear a coupon rate of 0.001% per annum, the Preference Shares shall be senior to all other classes of Equity Shares in relation to dividends, liquidation, redemption and other distributions. No dividend whether in cash, in property or in Shares of the Company shall be paid on any class or series of shares of the Company without the specific written approval of NSR. On obtaining the approval of NSR as specified above, the dividend will be paid to the holders of the Preference Shares prior to payment of any dividend with respect to the Equity Shares of the Company.
230.		NSR shall also be entitled to proportional anti-dilution protection for all further issuance of equity (including rights issues, stock splits, stock dividends restructuring of the share capital, sub division , consolidation, etc.) and conversion of existing securities/options to equity (including existing stock options).

239.

On Conversion NSR's shareholding will be as follows (assuming that the Company's Actual 2010 EBITDA is greater than or equal to Target FY 2010 EBITDA):

	Pre-funding		**Pre Conversion of the Preference Shares**		**Post Conversion of the Preference Shares[1]**	
	Shares	Percentage	Shares	Percentage	Shares	Percentage
Promoters	10,497,970	61.0	10,497,970	61.0	10,497,970	45.8
FCL	1,586,991	9.2	1,586,991	9.2	1,586,991	6.9
PL	625,000	3.6	625,000	3.6	625,000	2.7
Investor	-	-	2,361,100	13.7	7,647,748	33.4
South Asia Regional Fund [and Medium and Small Infrastructure Firm]	3,952,000	23.0	1,590,900	9.3	1,590,900	6.9
OSL	393,500	2.3	393,500	2.3	393,500	1.7
Employees and others	142,850	0.8	142,850	0.8	566,700	2.5
Total	**17,198,311**	**100**	**17,198,311**	**100**	**22,908,809**	**100**

[1] The figures in this column assume that all the employee stock options have been allotted. It is hereby clarified that the number of Equity Shares to which the Preference Shares will convert shall be suitably adjusted to take into account the issue of such of the 481,250 outstanding options as have then been allotted such that the aggregate of the Equity Shares received by NSR upon Conversion of the Preference Shares shall translate to a shareholding percentage of 23.1 percent. of the Company. If the Company's Actual 2010 EBITDA is lower than or equal to Target FY 2010 EBITDA then NSR's shareholding will be higher than as set out in the above table.

241.

Without prejudice to NSR's rights with respect to Reserved Board Matters, each of the Promoters and the Company undertake to exercise all rights and powers available to them to procure that, when the Company intends to raise any capital by issue of Shares or any other instruments convertible into equity (including convertible bonds, share warrants and convertible preference shares and Shares issued to Shareholders (other than NSRs)) by the Company ("**Further Issuance**") NSR shall have the right (in preference over any other Person) to subscribe to such Further Issuance (or any part thereof) at a price which is 10 per cent. lower than the Fair Market Value. The rights of NSR under this Article 241 shall be subject to:

(a) the aggregate investment of NSR in such Further Issuance not being higher than INR 800,000,000 (Indian Rupees eight hundred million); and

(b) the aggregate Shareholding Percentage of the Promoter Group not reducing to below 51 per cent on a fully diluted basis.

242.

In the event NSR does not or is unable to subscribe to the Further Issuance or subscribes only to a part of the Further Issuance, the Company shall have the liberty to offer the Further Issuance or any portion thereof which has not be subscribed to by NSR ("**Unsubscribed Securities**"), to any other Person(s) at a price (calculated on a proportionate basis in the case of Unsubscribed Securities) that is not lower than the Fair Market Value.

243.

Subject at all times to the rights of NSR under Articles 241 and 242, each further issue of Shares or other equity or equity linked securities in the Company (including convertible

Article	Sub-article	Particulars
		bonds, share warrants and convertible preference shares and Shares issued to Shareholders (other than NSRs)) shall be offered for subscription to the Shareholders at a mutually agreed price, in proportion as near as practicable to their respective Shareholding Percentages, such process to be repeated until the entire un-subscribed proportion is subscribed for. In the event that any Shareholder does not subscribe to its portion of new Shares offered, the same shall first be offered to the other Shareholders in proportion to their shareholding in the Company. This process shall be repeated until such entire un-subscribed portion of such future capital is subscribed. In the event any portion of such further issue of Shares remain unsubscribed after the process of offering to Shareholders as described in this Article 243 is completed, such unsubscribed portion may be offered to any Person who is not a Shareholder, on terms which are not more favourable than the terms offered to Shareholders.
244.		Without prejudice to the provisions of Articles 241, 242 and 243, each of the Promoters jointly and severally covenant with each of the Company and NSR that no Shares or other equity or equity-linked securities in the capital of the Company (including convertible bonds, share warrants and convertible preference shares and Shares issued to Shareholders (other than NSR)) shall be issued on terms that are more favourable to that Person than the terms obtained by NSR for NSR Shares or NSR's Equity Shares post Conversion under the Subscription Agreement and the Shareholders Agreement. For the avoidance of doubt, but without limitation to the generality of the preceding sentence, terms offered to any such Person shall be deemed to be more favourable than those obtained by NSR if: (a) the payment terms offered to that Person are more favourable; and/or (b) the shares or other form of equity or equity-linked security (including convertible bonds, share warrants and convertible preference shares and Shares issued to Shareholders (other than NSR)) issued to such Person provide a higher overall return than that on NSR Shares or NSR's Equity Shares post Conversion; and/or (c) in the case of any convertible instrument, the conversion price or ratio offered to that Person is more favourable than that offered to NSR in relation to NSR Shares; and/or (d) the rights attached to the shares or other form of equity or equity linked security (including convertible bonds, share warrants and convertible preference shares and Shares issued to Shareholders (other than NSR)) are more favourable than the rights attached to NSR Shares pre Conversion or NSR's Equity Shares post Conversion under the Shareholders Agreement, the Share Subscription Agreement and these Articles.
245.		Each of the Promoters and the Company undertake to NSR that, other than with the prior written approval from NSR, no funds shall be raised by the Company and no Shares or other equity or equity-linked securities in the capital of the Company (including convertible bonds, stock options, share warrants and convertible preference shares and Shares issued to Shareholders (other than NSRs)) shall be issued to any non - residents in a manner that it increases the foreign shareholding in the Company and hence adversely affects the ability of NSR to exercise the Conversion of the Preference Shares.
248.		Without prejudice to NSR's rights with respect to Reserved Matters, the Promoters and the Company jointly and severally undertake to procure that the Company shall not change or discontinue its Business in whole or in part, or enter into any new business or activity, without the prior written consent of NSR.
250.		Subject to these Articles, the Company shall have no more than 12 (twelve) members on its Board including NSR Directors.
251.		Till such time as the Shareholding Percentage of NSR is 5 per cent or more, NSR shall be entitled to nominate, in accordance with Section 152 (2) of the Companies Act, such number of Directors on the Board (the "**NSR Directors**") as would be proportionate to the number of Directors that the Promoters are entitled to nominate based on their respective Shareholding Percentages. In the event such proportion results in a fraction in the number of NSR Directors and such fraction is greater than 0.5, the number of NSR

Article	Sub-article	Particulars
		Directors shall be rounded off to the next whole number. It is however agreed that, for the time being, NSR is desirous of nominating Directors on the Board in accordance with Article 252. Notwithstanding anything contained in the Shareholders Agreement, the right of NSR under this Article shall survive the termination of the Shareholders Agreement. NSR Director shall not be on the board of the Competitor without prior consent of the Promoters.
252.		In the event that NSR nominates 2 (two) NSR Directors, then the Promoter Group shall have the right to nominate 5 (five) Directors (the "**Promoter Directors**"). In the event that NSR nominates 3 (three) NSR Directors, then the Promoter Group shall have the right to nominate 6 (six) Promoter Directors. Similarly, in the event that the Promoter Group is desirous of nominating 6 (six) Promoter Directors, then NSR shall have the right to nominate 3 (three) NSR Directors.
252A.		Notwithstanding Articles 251 and 252, after the listing of the Equity Shares on a Recognized Stock Exchange in an IPO, NSR shall have the right to appoint one Director, so long as NSR holds 5% of the equity share capital of the Company provided that in case the Equity Shares of the Company are not listed and traded on a Recognized Stock Exchange in an IPO on or before 31st March 2012, NSR shall have the right to appoint up to maximum two Directors
253.		Any change in the composition of the Board which results in the expansion of the Board and any change in the appointment and/or replacement of the independent Directors, shall at all times be subject to prior written approval of NSR.
256.		Each of the Promoters and the Company shall exercise all rights and powers available to it, including the exercise of votes at Board meetings and general meetings of the Company, to procure that effect is given to any nominations made by NSR under the Articles 251 to 255.
257.		If retirement by rotation is applicable and subject to the provisions of the Companies Act, NSR Directors shall not be required to retire by rotation and all other Directors shall constitute the number of Directors required to retire by rotation.
259.		NSR and the Promoter Group will set-up a 3 member committee to make recommendations to the Board on matters relating to the appointment of the CEO, including but not limited to remuneration payable to the CEO, terms of employment of the CEO, award of stock options, etc. NSR and the Promoter Group will have 1 (one) representative each along with an independent Director on such committee.
261.		In the event NSR has reasonable information which is disclosed to the Board that the CEO is responsible for any dishonest or fraudulent conduct, or any act in breach of trust or breach of faith, or is negligent in performing his duties or violates the policies of the Company or commits any act of harassment, discrimination or victimisation on race, sex, disability or other prohibited grounds, NSR has the right to procure the Company to terminate the appointment of the CEO.
264.		Unless otherwise agreed by NSR in advance: (a) in writing; or (b) by telephone, fax, e-mail or other electronic communication, such agreement to be confirmed in writing as soon as is reasonably practicable, and after NSR having been provided with the agenda for the relevant meeting, without prejudice to NSR's rights with respect to Reserved Matters, the quorum for any meeting shall require the presence of at least one of NSR Directors and one of the Director nominated by the Promoters.
265		If NSR has agreed under Article 264 above that the quorum for a meeting need not include any of NSR Directors to form quorum, then: (a) no matter shall be tabled, discussed or resolved at that meeting unless such matter was specifically described in the agenda provided to NSR prior to its agreement

Article	Sub-article	Particulars
		under Article 264 above and, notwithstanding any provision in that agenda for the tabling of, discussion regarding or resolution on "other business", "other matters with the permission of the Chairman" or similar, no such other matters shall be tabled, discussed or resolved at that meeting; and (b) such meeting shall be deemed in quorate if any matter is tabled, discussed or resolved in contravention of Article 265(a) above;
269.		A circular resolution in writing, executed by or on behalf of a majority of the Directors, shall constitute a valid decision of the Board provided that a draft of such resolution was sent to all of the Directors at their usual address together with a copy of all supporting papers and provided further that unless (and only to the extent that) the resolution or decision concerned has been previously approved in writing by NSR, no resolution concerning any Reserved Matters and decision requiring a Super-Majority Resolution under the Shareholders Agreement, may be passed by a circular resolution.
272.		If no quorum is present by the appointed time for any meeting of the Board, the meeting shall stand adjourned to the same day in the next week at the same time and place, provided that written notice of the adjournment was given to each Director at his usual address for service of notices of Board meetings not less than five (5) Business Days before the date of the adjourned meeting. In the event that quorum is again not present by the appointed time for such adjourned meeting of the Board, the meeting shall again stand adjourned to the same day in the next week at the same time and place and the quorum at such adjourned meeting ("**Second Adjourned Meeting**") shall be that prescribed under the Companies Act provided that: (a) written notice of the adjournment was given to each Director at his usual address for service of notices of Board meetings not less than five (5) Business Days before the date of the Second Adjourned Meeting; (b) if any item on the agenda for the meeting relates to a Reserved Matter and NSR Director has sent in writing to the Board at least one day prior to the date of the Second Adjourned Meeting (notified to NSR Director in accordance with Article 272(a), a refusal to give his or her affirmative vote on the Reserved Matter concerned, then such Reserved Matter shall not be taken up at any adjourned Board meeting (including the Second Adjourned Meeting or any further adjournment thereof), and no resolution approving such Reserved Matter shall be deemed to have been passed even if taken up; and (c) without prejudice to Article 272(b) above, no items may be considered at the adjourned meeting (including at the Second Adjourned Meeting or any further adjournment thereof) which were not specifically set out on the agenda for the meeting which was adjourned.
273.		The Board shall, subject to the provisions of the Companies Act and applicable listing guidelines of stock exchanges on which the Shares of the Company may be listed, appoint at least one of NSR Directors on each such committee(s) and sub-committee(s) of the Board and such other management committee(s) or sub-committee(s) of the Company (including any compensation, audit, related party and any other committee constituted by the Board), as may be notified by NSR in writing to the Promoters provided that, the Board can constitute each such committee(s) and sub-committee(s) and such other management committee(s) or sub-committee(s) of the Company (including any compensation, audit, related party and any other committee constituted by the Board) without NSR Directors subject to the consent of NSR provided further that in case the Equity shares of the Company are not listed and traded in a Recognised Stock Exchange in an IPO on or before March 31 2012, the Board Shall appoint one of the NSR Directors on each such committee. For the avoidance of doubt, any decision taken at any such committee or sub-committee that relates to a Reserved Matter shall not be valid unless it is ratified and approved by a Super-Majority Resolution.
274.		Without prejudice to the foregoing, unless otherwise agreed in writing by NSR, all provisions of the Shareholders Agreement relating the Board and its meetings shall be applicable to meetings of committees and sub-committees of the Board.
276.		The Promoters and the Company expressly agree and undertake that NSR Director(s)

Article	Sub-article	Particulars
		shall not be identified on their part as officers in default of the Company or employers under applicable laws. Further, the Promoters and the Company undertake to ensure that the other Directors or suitable persons are nominated as "officers in default", "occupiers" and/or "employers", as the case may be, in order to ensure that NSR Director(s) do not incur any liability.
278.		The Company shall, and each of the Promoter Group shall, exercise all rights and powers available to it/ him to procure that, from the date of the Shareholders Agreement until such time as the Company completes an IPO or NSR and NSR's Affiliates in the aggregate have, on a fully diluted basis, a Shareholding Percentage of 10 per cent. or more, none of the Reserved Matters shall occur with respect to the Company unless it has first been approved by a Super-Majority Resolution.
280.		The form and substance of any notices to convene general meetings of the Company at which any Reserved Matter will be considered and any other notices to Shareholders of the Company relating to any Reserved Matter shall be subject to prior approval by Super-Majority Resolution, and the Promoters shall procure that no such notices shall be issued without such approval.
281.		Each of, the Promoters shall exercise all rights and powers available to it, including the exercise of voting rights, to ensure that the necessary general meeting resolutions of the Company are passed to give effect to any Reserved Matter which has been approved by Super-Majority Resolution with respect to the Company. It is further agreed that (unless the provisions of Article 279 apply) in the case of the Company, no general meeting resolution shall be passed with respect to any Reserved Matter unless that Reserved Matter has first been approved by Super-Majority Resolution.
282		In the event the rights of NSR in respect of any of the Reserved Matters are rendered unenforceable or are not exercisable at a meeting of the Board, all resolutions related to such Reserved Matter shall be passed only at a meeting of the Shareholders and would be required to be affirmed by such number of Shareholders as are required by the Companies Act, provided that NSR or the representative of NSR attending and voting at such meeting votes in favour of such resolution.
283		Each of the Promoters and the Company undertakes with NSR that: (a) the Company will complete an IPO on or prior to 31 March 2012; and (b) it will do all acts, deeds and things that are commercially reasonable to ensure a successful IPO.
283.		The terms, timing and pricing for the IPO shall be subject to approval by a Super-Majority Resolution.
285.		The IPO will be based on the advice of a reputable investment bank and shall be structured so as to maximise value to the Shareholders.
286.		The Company has the right, with the prior written approval of the Promoters and NSR, at the cost of the Company, to engage a reputable and renowned investment bank (the **IPO Investment Bank**) to advise on the IPO prospects of the Company. In the event that an IPO Investment Bank is not engaged by the Company by 31 March 2011, NSR, at any time thereafter, shall have the right at the cost of the Company, to engage the IPO Investment Bank. The Promoters agree with NSR that, if the IPO Investment Bank advises that the timing and structure for any proposed IPO are favourable, the Promoters shall if so directed by NSR in writing procure that the Company shall implement the proposed IPO in accordance with the recommendations of the IPO Investment Bank. In particular, but without limitation, the Promoters and the Company agree to provide all necessary information and access to records and materials of the Company to the IPO Investment Bank and to permit the IPO Investment Bank to carry out all necessary tasks to enable it and NSR to agree on appropriate underwriting price.
287.		NSR shall not give any representation, warranty or indemnity whatsoever in connection with the IPO, including to the IPO Investment Bank, other than that its Shares, if any, offered in the IPO, have clear title. Without prejudice to the foregoing, in the event that

Article	Sub-article	Particulars
		NSR is required under law to give any other representation, warranty, indemnity or covenant (collectively, **Third Party Undertaking**), the Promoters shall be jointly and severally liable to in turn secure, reimburse, indemnify, defend and hold harmless NSR on demand for and against any and all loss, damage, liability or other cost or expenses whatsoever arising out of, in relation to or resulting from such Third Party Undertaking.
288.		In the IPO, NSR shall not be required to provide its shares for being locked-in or restricting transfer thereof in any manner whatsoever.
297.		Notwithstanding anything contained herein: (a) no transfer shall take place which results in any increase in the non-resident shareholding of the Company which adversely affects the ability of NSR to exercise the Conversion of the Preference Shares; and (b) BP and JP shall, at all times, directly hold at least 51 per cent of the entire fully diluted share capital of, and at least 51 per cent. of the voting rights, in each of PIL and OTF. BP, JP and OTF shall, at all times, directly hold at least 51 per cent of the entire fully diluted share capital of, and at least 51 per cent of the voting rights, in OTL.
299.		The Company and the Promoters shall not, without the specific written consent of NSR, issue any new Shares or transfer any Shares or pledge, mortgage, charge, lien, encumber or grant any options or rights over existing Shares or any other instruments convertible into equity (including convertible bonds, share warrants and convertible preference shares and Shares issued to Shareholders (other than NSRs)) to any non-residents in a manner that it increases the foreign shareholding in the Company and hence adversely affects the ability of NSR to exercise the Conversion of the Preference Shares.
300.		In the event any Shareholder other then NSR transfers any Shares to non-residents, the Promoters hereby covenant and undertake that they shall procure that FCL and/or PL shall transfer to the Promoters such number of Shares held by them so as to ensure that the ability of NSR to exercise the Conversion of the Preference Shares is not prejudiced.
303.		Prior to 31 March 2012, in the event NSR desires to sell any or all of its Shares ("**Sale Shares**") in the Company to any Person(s), it shall first offer the Sale Shares to the Promoters ("**Right of First Offer**"). The Promoters shall be required to notify either (i) their acceptance along with the price (the "**Sale Price**") and the terms (the "**Sale Terms**") or (ii) refusal to purchase the Sale Shares, within 30 (thirty) days of being intimated by NSR. In the event that the Promoters stipulate the Sale Price and Sale Terms within the prescribed period, NSR shall be free to sell the Sale Shares, at its sole option, to either (1) the Promoters at the Sale Price on the Sale Terms or (2) to any Person (the "**Proposed Purchaser**") on such time terms at a price greater than the Sale Price and on terms which are equal to or no less favourable than the Sale Terms, provided that: (i) the Proposed Purchaser is not a Competitor listed in the Competitor List; and (ii) the Proposed Purchaser is not a Restricted Party listed in the Restricted Party List. For the purpose of this Article "**Competitor**" shall be each Person who is engaged in a business which directly competes with the Business and is named in the list appearing at Schedule 5 of the Shareholders Agreement ("**Competitors List**"); and "**Restricted Party**" shall be each Person named in the list appearing at Schedule 6 of the Shareholders Agreeement ("**Restricted Party List**"). The Promoters shall have the right to update the Competitors List and Restricted Party List in the first calendar month of each financial year of the Company to delete names of Competitors and Restricted Parties or include names of Persons who in the opinion of the Promoter qualify as a Competitor or a Restricted Party (as the case may be). The Promoters further undertake and commit that they will at all times exclude from the Competitors List and Restricted Party List Persons who are Bona Fide Financial Investors and Persons who do not have any significant strategic operating interest in the Business. The Promoters also undertake and commit that they will not be unreasonable in updating the Competitors List and Restricted Party List in a manner such that it becomes restrictive for NSR to transfer any Shares outside of the Competitors List and Restricted Party List.

Article	Sub-article	Particulars
		Notwithstanding anything contained in the Shareholders Agreement, in the event that the Promoters do not stipulate the Sale Price and the Sale Terms within the stipulated period, NSR shall be free to sell the Sale Shares at any price, on any terms and to any Person not being a Person named in the Competitors List and/or Restricted Party List.
304.		Notwithstanding anything contained in the Shareholders Agreement: (a) at any time on or after 31 March 2012 but prior to 1 October 2012, (i) the Shares of NSR representing 24.9% (twenty-four point nine per cent) of the Company's equity voting capital shall be free from any lien or lock-in, shall be freely tradeable, and capable of being transferred in full or part to any Person, which for the avoidance of doubt includes financial investors, strategic investors and any Person named in the Competitors List and/or Restricted Party List; and (ii) all the Shares of NSR shall be free from any lien or lock-in, shall be freely tradeable, and capable of being transferred in full or part to any Person not being a Person named in the Competitors List and/or Restricted Party List; and (b) at all time on or after 1 October 2012, all the Shares of NSR shall be free from any lien or lock-in, shall be freely tradeable, and capable of being transferred in full or part to any Person, which for the avoidance of doubt includes financial investors, strategic investors and any Person named in the Competitors List and/or Restricted Party List.
308.		Subject to Articles 296 to 297 and Articles 302 to 304, in the event any Person forming part of the Promoter Group (the "Transferring Party") desires to sell any or all of its Shares ("Offered Shares") in the Company to any Person(s) ("Proposed Transferee"), it shall first by written notice (the "Transfer Notice"): (a) disclose to NSR the identity of the Proposed Transferee as well as the price and all other terms and conditions on which it proposes to transfer the Offered Shares to the Proposed Transferee; and (b) offer to transfer the Offered Shares to NSR on the same price, terms and conditions as offered to such Proposed Transferee (the "**ROFR**").
309.		Within a period of 30 (thirty) days from the date of receipt of the Transfer Notice (the "**Offer Period**") NSR shall have the right to agree to purchase all of the Offered Shares at the same price and on the same terms and conditions as offered to such Proposed Transferee. In the event that NSR chooses to purchase all of the Offered Shares pursuant to this Article, NSR shall convey such acceptance to the Transferring Party by way of a written notice (the "**Acceptance Letter**") and the Parties shall take all steps to cause the transfer of the Offered Shares to NSR on the terms mentioned in the Transfer Notice and in accordance with the Acceptance Letter within a period of 45 (forty five) days following the date of the Acceptance Letter. The time required for obtaining any approvals, consents, permissions or for compliance with any requirements of applicable law shall be excluded in calculating the foregoing period of 45 (forty five) days. The Parties shall make and the Promoters shall procure the Company to make, all requisite applications to obtain such Approvals in a prompt and timely manner for giving effect to the provisions of this Article.
310.		In the event that NSR is unable or unwilling to purchase the Offered Shares in accordance with Article 309 subject to the provisions of Articles 311 to 313 the Transferring Party may transfer the Offered Shares to the Proposed Transferee at a price and on terms no more favourable than those mentioned in the Transfer Notice.
311.		In the event that NSR is unable or unwilling to purchase the Offered Shares in accordance with Article 309 NSR shall have a tag along right that may be exercised by NSR in accordance with the terms and conditions contained in Articles 311 to 313.
312.		In the event that NSR chooses to exercise its tag along right pursuant to Articles 311 to

Article	Sub-article	Particulars
		313 NSR shall send a notice (**"Tag Along Notice"**) to the Transferring Party within a period of 15 (fifteen) days from the date of receipt of the Transfer Notice. The Tag Along Notice shall specify the number of Shares sought to be transferred by NSR ("**Tag Shares**"), provided that the Tag Shares shall not exceed the Tag Shares Limit (as defined below). If NSR serves the Tag Along Notice on the Transferring Party, the Transferring Party shall ensure that the Proposed Transferee purchases the Tag Shares at a price per Share and on terms that are no less favourable than the price and the terms offered by the Proposed Transferee to the Transferring Party. In the event that NSR does not or is unable to send a Tag Along Notice to the Transferring Party within a period of 15 (fifteen) days from the date of receipt of the Transfer Notice, NSR shall be deemed to have waived its tag along rights under Articles 311 to 313.
313.		For the purpose of Articles 311 to 313 the "**Tag Shares Limit**" shall be determined as under: (a) If pursuant to the sale of the Offered Shares the aggregate Shareholding Percentage of the Promoter Group is not likely to reduce to below 51 per cent., the Tag Shares Limit shall be such number of Shares of NSR as are proportionate to the Offered Shares; and (b) If pursuant to the sale of the Offered Shares the aggregate Shareholding Percentage of the Promoter Group is likely to reduce to below 51 per cent., the Tag Shares Limit shall be all or part of the Shares of NSR (including the Shares held by any Affiliate of NSR).
326.		In addition to any other rights they have as under the Share Holder Agreement and/or the Subscription Agreement, on an Event of Default NSR shall have the right, but shall be under no obligation, to terminate the Shareholders Agreement and the Share Subscription Agreement with immediate effect (without prejudice to any rights and obligations accrued or incurred prior to such termination and subject to the survival of Clause 13 of the Shareholders Agreement) and: (a) NSRs shall have the right, at any time, to transfer in full or part their Shares to any Person, which for the avoidance of doubt includes financial investors, strategic investors and/or any Person named in the Competitors List and/or Restricted Party List; (b) if such termination occurs prior to the Completion Date, NSR shall be under no obligation to subscribe for NSR Shares under the Share Subscription Agreement; and (c) the Promoters and/ or the Company, as applicable, shall, immediately pay all sums due to NSR under the Shareholders Agreement and/ or the Share Subscription Agreement to NSR including interest on such sums from (and including) the date on which payment is due until (but excluding) the date of actual payment (after as well as before judgment) at an annual rate of 2 per cent above LIBOR, which interest shall accrue from day to day and be compounded monthly.
327.		NSR shall not be required to pledge or otherwise encumber its shares in favour of, or provide any other support to, any third party dealing with the Company including, without limitation, lenders to the Company, the Company shall make this fact clear in any discussions or negotiations with such third parties and any financing plans of the Company shall take this fact into account.
331.		Notwithstanding the provisions of Article 330, NSR shall at all times be free to assign or transfer any of its rights in terms of the Shareholders Agreement to any of its Affiliates.
332.		Notwithstanding the provisions of Article 330, NSR shall at all times be free to assign or transfer its rights in the following manner to any Bona Fide Financial Investor to which it has transferred any of its Shares in accordance with the Shareholders Agreement: (a) in the event that the Shareholding Percentage of a Bona Fide Financial Investor is at least 10% (ten percent.), such Bona Fide Financial Investor shall be entitled to independently exercise all the rights of NSR as if it was NSR in terms of the

Article	Sub-article	Particulars
		Shareholders Agreement, for such time as it continues to be a Bona Fide Financial Investor, save and except for the following modifications: (i) prior consent of such Bona Fide Financial Investor shall not be required for the Company to resolve to take action in relation to any of the matters listed at item numbers 1, 3, 4, 6, 7, 9, 10, 12, 13, 15, 17, 19, 22 and 23 of the Reserved Matters; (ii) the Company shall not make any fresh issue of capital (including without limitation equity, equity-linked instruments or any security capable of being converted into equity but excluding only employee stock options) at a lower price than such Bona Fide Financial Investor ‘s entry price or on terms more favourable than those applicable to such Bona Fide Financial Investor; (iii) such Bona Fide Financial Investor shall be entitled to nominate such number of Directors as would be proportionate to its then current Shareholding Percentage. It is further clarified that: (1) in the event such proportion results in a fraction in the number of Investors Directors and such fraction is greater than 0.5, the number of Investor Directors shall be rounded off to the next whole number; and (2) notwithstanding the foregoing, such Bona Fide Financial Investor shall at all times be entitled to nominate at least 1 (one) Director for such time as it holds at least 10% (ten per cent.) of the Company’s equity share capital; (iv) such Bona Fide Financial Investor shall not be entitled to further transfer any of its rights under the Shareholders Agreement without the prior written consent of the Chairman of the Company; (v) qua such Bona Fide Financial Investor, in Article 301, the threshold of ‘51%’ shall be read as ‘25.1%’; (vi) such Bona Fide Financial Investor shall at all times be entitled to exercise the rights set out in Articles 319 to 324 for such time as it holds at least 5% (five per cent.) of the Company’s equity share capital; (vii) qua such Bona Fide Financial Investor, in Article 313 (a) and (b), the thresholds of ‘51%’ shall be read as ‘26%’; (viii) qua such Bona Fide Financial Investor, Article 298 hereof shall be read as: “*The Promoter Group shall not transfer any Shares which would result in the combined Shareholding Percentage of BP, JP , PIL and OTL going below 25.1% (twenty-five point one per cent.)*”; and (ix) qua such Bona Fide Financial Investor, ~~Artilces~~Articles 259 to 261 hereof shall not be applicable. (b) in the event that the Shareholding Percentage of a Bona Fide Financial Investor is at least 23% (twenty-three percent.), and provided NSR gives the Company prior written intimation that such Bona Fide Financial Investor is entitled to the rights set out in this Article, such Bona Fide Financial Investor shall be entitled to independently exercise all the rights of NSR in terms of the Shareholders Agreement, for such time as it continues to be a Bona Fide Financial Investor, save and except for the following modifications: (i) prior consent of such Bona Fide Financial Investor shall not be required for the Company to resolve to take action in relation to any of the matters listed at item numbers 4, 6, 9, 13, 15, 22 and 23 of the Reserved Matters; (ii) the Company shall not make any fresh issue of capital (including without limitation equity, equity-linked instruments or any security capable of being converted into equity but excluding only employee stock options) at a lower price than such Bona Fide Financial Investor ‘s entry price or on terms more favourable than those applicable to such Bona Fide Financial Investor;

Article	Sub-article	Particulars
		(iii) such Bona Fide Financial Investor shall be entitled to nominate such number of Directors as would be proportionate to its then current Shareholding Percentage. It is further clarified that: (1) in the event such proportion results in a fraction in the number of Investors Directors and such fraction is greater than 0.5, the number of Investor Directors shall be rounded off to the next whole number; and (2) notwithstanding the foregoing, such Bona Fide Financial Investor shall at all times be entitled to nominate at least 1 (one) Director for such time as it holds at least 10% (ten per cent.) of the Company's equity share capital; (iv) such Bona Fide Financial Investor shall not be entitled to further transfer any of its rights under the Shareholders Agreement without the prior written consent of the Chairman of the Company; (v) qua such Bona Fide Financial Investor, in Article 301, the threshold of '51%' shall be read as '25.1%'; (vi) such Bona Fide Financial Investor shall at all times be entitled to exercise the rights set out in Article 319 to 324 for such time as it holds at least 5% (five per cent.) of the Company's equity share capital; (vii) qua such Bona Fide Financial Investor, in Article 313 (a) and (b), the thresholds of '51%' shall be read as '26%'; (viii) qua such Bona Fide Financial Investor, Article 298 hereof shall be read as: "*The Promoter Group shall not transfer any Shares which would result in the combined Shareholding Percentage of BP, JP , PIL and OTL going below 25.1% (twenty-five point one per cent.)*"; and (ix) qua such Bona Fide Financial Investor, Article 259 to 261 hereof shall not be applicable.

SECTION IX – OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which will be attached to the copy of the Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office from 10.00 a.m. to 4.00 p.m. on Working Days from the date of the Red Herring Prospectus until the Bid Closing Date.

Material Contracts in relation to this Issue

1. Engagement letter dated September 10, 2014 among our Company, the Selling Shareholder and Kotak Mahindra Capital Company Limited.

2. Agreement among our Company, the Selling Shareholder and the Book Running Lead Manager dated September 11, 2014.

3. Agreement between our Company, the Selling Shareholder, the Registrar to the Issue and the Book Running Lead Manager (as a conforming party) dated September 10, 2014.

4. Escrow Agreement dated [●] among our Company, the Selling Shareholder, the Registrar to the Issue, the Escrow Collection Banks, the Book Running Lead Manager and the Syndicate Member(s).

5. Syndicate Agreement dated [●] among our Company, the Selling Shareholder, the Book Running Lead Manager and the Syndicate Member(s).

6. Underwriting Agreement dated [●] among our Company, the Selling Shareholder, the Book Running Lead Manager, the Syndicate Member(s) and the Registrar to the Issue.

Material Documents

1. Our Memorandum and Articles of Association, as amended from time to time.

2. Our certification of incorporation.

3. Resolution passed by our Board dated July 21, 2014 authorizing this Issue.

4. Shareholders' resolution dated August 14, 2014 authorizing this Issue.

5. Resolution passed by the Selling Shareholder dated September 9, 2014, authorizing the Offer for Sale.

6. Board resolution dated August 25, 2012 appointing Ms. Jagi Mangat Panda as Managing Director of our Company and Shareholders' resolution dated September 28, 2012 confirming her appointment.

7. Board resolution dated November 25, 1999 appointing Mr. Baijayant Panda as Chairman of the board of directors our Company and he was further re-appointed as Chairman by Board resolution dated August 17, 2007.

8. Statement of Tax Benefits dated September 10, 2014, from Haribhakti & Co. LLP, Chartered Accountants, regarding tax benefits available to our Company and its shareholders.

9. Examination Report of the Auditors, Haribhakti & Co. LLP, Chartered Accountants, dated September 10, 2014 in relation to restated financial information of our Company included in this Draft Red Herring Prospectus.

10. Consent of the Auditors, Haribhakti & Co. LLP, Chartered Accountants, dated September 10, 2014 for inclusion of their report in the form and context in which it appears in this Draft Red Herring Prospectus.

11. Consents of Bankers to our Company, Book Running Lead Manager, Syndicate Members, Registrar to the Issue, Escrow Collection Bank(s), Bankers to the Company, legal counsel to the Company as to Indian Law, legal counsel to the Book Running Lead Manager as to Indian Law, Directors, the Company Secretary and Compliance Officer, as referred to, in their respective capacities.

12. Applications dated [●] and [●] filed with the NSE and the BSE, respectively, for obtaining their in-principle listing approval.

13. In-principle listing approvals dated [●] and [●] received from the NSE and the BSE, respectively.

14. Due diligence certificate dated September 11, 2014 provided to the SEBI from the Book Running Lead Manager.

15. Copies of annual reports of our Company for the Fiscals 2014, 2013, 2012, 2011 and 2010.

19. Agreement dated January 27, 2011 among NSDL, our Company and the Registrar to the Issue.

20. Agreement dated January 24, 2011 among CDSL, our Company and the Registrar to the Issue.

21. Share Purchase Agreement dated February 12, 2008 among South Asia Regional Fund, NSR –PE Mauritius LLC and our Company;

22. Subscription Agreement dated February 12, 2008 among NSR –PE Mauritius LLC, Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited, MS Telecom Investments Private Limited, Calorx (India) Limited, Odisha Television Limited, UMSL Limited, Orissa Telefilms Private Limited and our Company, as amended by a Supplement to the Subscription Agreement dated September 18, 2010;

23. Shareholders Agreement dated February 12, 2008 among NSR, Mr. Baijayant Panda, Ms. Jagi Mangat Panda, Panda Investments Private Limited, MS Telecom Investments Private Limited, Calorx (India) Limited, Odisha Television Limited, UMSL Limited, Orissa Telefilms Private Limited and our Company and Inter-se Promoters Agreement dated March 21, 2008 between our Company and Finlay Corporation Limited, Pikika Limited, Ms. Jagi Mangat Panda, Panda Investments Limited, MS Telecom Investments Private Limited, Calorex India Limited, Odisha Television Limited, Orissa Stevedores Limited and UMSL Limited, as amended by an amendment agreement dated February 24, 2011; and

24. Memorandum of Agreement dated March 31, 2005 between our Company and Ortel Metronet Limited.

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time, if so required in the interest of our Company or if required by the other parties, without reference to the shareholders, subject to compliance of the provisions contained in the Companies Act and other relevant statutes.

In accordance with Section 27 of the Companies Act, 2013, in the event any of the material contracts mentioned in this section are required to be modified or amended, post the filing of the Prospectus with the RoC, reference shall be made to the shareholders of our Company for the same.

DECLARATION

We hereby declare that all relevant provisions of the Companies Act, 1956, the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, 1956, the Companies Act, 2013, the Securities Contract (Regulation) Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued thereunder, as the case may be. We further certify that all statements in this Draft Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS OF OUR COMPANY

Mr. Baijayant Panda	**Ms. Jagi Mangat Panda**
Mr. Subhrakant Panda	**Mr. Shantanu Yeshwant Nalavadi**
Mr. Jyoti Bhusan Pany	**Dr. Gautam Sehgal**
Mr. K. V. Seshasayee	**Major (Retd.) R.N. Misra**
Dr. P.T. Joseph	**Mr. Debaraj Biswal**
Mr. Gautam Buddha Mukherji	

SIGNED BY THE MANAGING DIRECTOR	**SIGNED BY GENERAL MANAGER – FINANCE AND ACCOUNTS**
Ms. Jagi Mangat Panda	**Mr. Manoj Kumar Patra**

Date: September 11, 2014

Place: Bhubaneswar

DECLARATION BY THE SELLING SHAREHOLDER

The Selling Shareholder certifies that all statements made by the Selling Shareholder in this Draft Red Herring Prospectus in relation solely to itself in connection with the Offer for Sale and the Equity Shares of the Company sold by the Selling Shareholder in the Offer for Sale, are true and correct. The Selling Shareholder assumes no responsibility for any other statements including any and all of the statements made by or relating to the Company or its business in this Draft Red Herring Prospectus.

[●]

Sd/-
On behalf of NSR – PE Mauritius LLC