



SEA TV NETWORK LIMITED

(Incorporated as Sea TV Network Limited on May 21, 2004 with the Registrar of Companies, Uttar Pradesh and Uttarakhand, Kanpur)

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PUBLIC ISSUE OF [●] EQUITY SHARES OF RS.10/- EACH FOR CASH AT A PRICE OF Rs. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING Rs. 5020 LACS BY SEA TV NETWORK LIMITED ("THE COMPANY" OR "ISSUER" OR "SEA TV") (HEREINAFTER REFERRED TO AS THE "ISSUE") COMPRISING OF A NET OFFER TO THE PUBLIC OF [●] EQUITY SHARES OF RS.10/- EACH AGGREGATING Rs. 5020 LACS (HEREINAFTER REFERRED TO AS THE "NET OFFER TO THE PUBLIC") OF WHICH [●] EQUITY SHARES AGGREGATING Rs. 502 LACS BEING 10% OF THE NET OFFER TO THE PUBLIC TO BE COMPULSORILY ALLOTTED TO QIBS. THE NET OFFER TO THE PUBLIC WOULD CONSTITUTE [●]% OF THE FULLY DILUTED POST ISSUE PAID UP CAPITAL OF THE COMPANY.

PRICE BAND: Rs. 90 TO Rs. 100 PER FULLY PAID UP EQUITY SHARE OF FACE VALUE Rs 10/- EACH.

THE OFFER PRICE IS 9 TIMES THE FACE VALUE AT THE LOWER END OF THE PRICE BAND AND 10 TIMES THE FACE VALUE AT THE HIGHER END OF THE PRICE BAND

This Issue is being made in terms of clause 26(2)(a)(ii) & (b)(i) of SEBI (ICDR) Regulations, 2009, as amended from time to time, whereby the "Project" has at least 15% Participation by Financial Institutions/Scheduled Commercial Banks, of which at least 10% comes from the appraiser(s). In addition to this, at least 10% of the Issue size shall be allotted to QIBS, failing which the full subscription monies shall be refunded. (In case of delay, if any in refund, SEA TV Network Limited shall pay interest on the application money at the rate of 15% per annum for the period of delay). Further, the minimum post-issue face value capital of the company shall be Rs. 10 crores.

In case of revision in the Price Band, the Bidding/Issue Period will be extended for three additional working days after revision of the Price Band subject to the Bidding/ Issue Period not exceeding 10 working days. Any revision in the Price band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to Bombay Stock Exchange Ltd. ("BSE") and the National Stock Exchange of India Ltd. ("NSE") by issuing a press release and also by indicating the change on the website of the Book Running Lead Manager ("BRLM") and at the terminals of the Syndicate.

The Issue is being made through a 100% Book Building Process wherein not more than 50% of the Net offer to the public shall be allocated on proportionate basis to Qualified Institutional Buyers (including 5% for Mutual Funds). (However, atleast 10% of the Net Offer to the Public shall be compulsorily subscribed by and allotted to Qualified Institutional Buyers (QIBs) failing which entire subscription monies shall be refunded.) Further, not less than 15% of the Net offer to the public shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 35% of the Net offer to the public shall be available for allocation on a proportionate basis to Retail Bidders, subject to valid bids being received at or above the Issue Price.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first issue of Sea TV Network Limited (the "Company"), there has been no formal market for the securities of the Company. **The face value of the shares of the Company is Rs.10/- per share and the Issue Price is [●] times of the face value.** The issue price (has been determined and justified by the Lead Merchant Banker and Sea TV Network Limited as stated herein under the section "Basis of Issue price" given on page no. 30 to 31 of this Red Herring Prospectus) should not be taken to be indicative of the market price of the Equity Shares after the shares are listed. No assurance can be given regarding an active or sustained trading in the shares of the Company nor regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISK

Investment in Equity and Equity related securities involve a degree of risk and investors should not invest any funds in this offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this offering. For taking an investment decision, investors must rely on their own examination of the Issuer and the offer including the risk involved. The Equity Shares offered in the Issue have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does the SEBI guarantee the accuracy or adequacy of this document.

Specific attention of the investors is invited to the statement of Risk Factors on Page No ix of the Red Herring Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

Sea TV Network Limited, having made all reasonable enquiries, accepts responsibility for, and confirms that this Offer Document contains all information with regard to the Issuer and the Issue, which is material in the context of the Issue; that the information contained in the Offer Document 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 omission of which makes this document as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

IPO GRADING

This Issue has been graded by ICRA Limited and has been assigned the "IPO Grade 1", indicating poor fundamentals. For details see the section titled "General Information" and "Annexure" beginning on page 13 and 203 respectively of this Red Herring Prospectus.

LISTING ARRANGEMENTS

The Equity Shares are proposed to be listed on Bombay Stock Exchange Limited (BSE), the Designated Stock Exchange. The In-principle approval has been received from BSE for listing of the Equity Shares vide BSE's letter dated February 13, 2009.

BOOK RUNNING LEAD MANAGER TO THE ISSUE	REGISTRAR TO THE ISSUE
 CHARTERED CAPITAL AND INVESTMENT LIMITED Chartered Capital And Investment Limited 711, Mahakant, Opp V.S. Hospital, Ellisbridge, Ahmedabad-380 006 Tel: +91-79-2657 5337, 2657 7571, Fax: +91-79-2657 5731 E-mail: sea.ipo@charterredcapital.net Investor Grievance Id: investor.relation@charterredcapital.net Website: www.charterredcapital.net Contact Person: Mr. Manoj Kumar Ramrakhiani	 LINK INTIME INDIA PVT LTD <small>(Formerly INTIME SPECTRUM REGISTRY LTD.)</small> Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078 Tel :+91-22- 25960320, Fax :+91-22- 25960329 E-mail: stnl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact person: Mr. Chetan Shinde
ISSUE PROGRAMME	
ISSUE OPENS ON: MONDAY, September 27, 2010	ISSUE CLOSES ON: Wednesday, September 29, 2010

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SECTION I- GENERAL

DEFINITIONS / ABBREVIATIONS

CONVENTIONAL AND GENERAL TERMS

TERM	DESCRIPTION
Beneficiary Account	The demat account of the successful allottee to whom the shares are allocated
Companies Act/Act	The Companies Act, 1956, as amended from time to time
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended from time to time
Depositories Act	Depositories Act, 1996, as amended from time to time
Depository Participant	A depository participant as defined under the Depositories Act
FEMA	Foreign Exchange Management Act, 1999, as amended from time to time, and the regulations framed thereunder
FII	Foreign Institutional Investors (as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995) registered with SEBI under applicable laws in India
FY / Fiscal /Financial Year	Period of twelve months ending March 31 unless otherwise stated
Indian GAAP	Generally Accepted Accounting Principles in India
Non Residents	All Bidders who are not NRIs or FIIs and are not persons resident in India
Non-Resident Indians	Non-Resident Indian, as defined under Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000, as amended from time to time
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 as defined under FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended from time to time
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992
SEBI Act	Securities and Exchange Board of India Act, 1992, as amended from time to time
SEBI DIP Guidelines	The rescinded, SEBI (Disclosure and Investor Protection) Guidelines, 2000, issued by SEBI, as amended from time to time.
SEBI Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time.

ISSUE RELATED TERMS

Terms	Description
Allotment	Issue of Equity Shares pursuant to the Issue to the successful Bidders
Allottee	The successful Bidder to whom the Equity Shares are being/have been allotted
Application Supported by Blocked Amount (ASBA)	means an application for subscribing to an issue containing an authorisation to block the application money in a bank account.) Pursuant to SEBI circular number CIR/CFD/DIL/7/2010 dated July 13, 2010, ASBA Bid cum Application Forms are available for download from the websites of the Stock Exchanges
ASBA Investor	Prospective investors in this Issue who intend to Bid/apply through ASBA
ASBA Forms	Bid cum Application form for ASBA Investor
Banker(s) to the Issue	The bankers with whom the escrow accounts for the Issue shall be

	opened.
Bid	An indication to make an offer during the Bidding Period by a prospective investor to 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 the optional Bids indicated in the Bid-cum-Application Form and payable by the Bidder on submission of the Bid in the Issue
Bid Closing Date/Issue Closing date	The date after which the members of the Syndicate will not accept any Bids for the Issue, which shall be notified in a widely circulated English national newspaper and Hindi national newspaper and a regional newspaper
Bid Opening Date/Issue Opening Date	The date on which the members of the Syndicate shall start accepting Bids for the Issue, which shall be the date notified in an English national newspaper and a Hindi national newspaper and a regional newspaper
Bid-cum-Application Form/Bid Form	The form in terms of which the bidder shall make an offer to purchase the Equity Shares of the Company and which will be considered as the application for allotment of the Equity Shares in terms of the Red Herring Prospectus
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus
Bidding Period /Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Book Building	Book building route as provided under Schedule XI of the SEBI ICDR Regulations, in terms of Process which the Issue is made BRLM Book Running Lead Manager to the Issue, in this case being Chartered Capital And Investment Ltd.
CAN/ Confirmation of Allocation Note	Means the note or advice or intimation of allocation of Equity Shares sent to the Bidders who have been allocated equity shares in the Book Building Process
Cap Price	The high end of the Price Band, Rs. 100 per Equity Share in the Issue, above which the Issue Price will not be finalized and above which no Bids will be accepted
Cut-off Price	Cut-off Price refers to any price within the Price Band. A Bid submitted at Cut-off Price is a valid Bid at all price levels within the Price Band
Designated Date	The date on which funds are transferred from the escrow account (s) to the public issue account after the Prospectus is filed with the ROC, following which the allotment will be made to successful bidders
Designated Stock Exchange	Bombay Stock Exchange Limited
Draft Red Herring Prospectus, "DRHP"	Means the Draft Red Herring Prospectus issued in accordance with section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are offered and the size of the Issue. It carries the same obligations as are applicable in case of a prospectus and will be filed with ROC at least three days before the opening of the Issue. It will become a prospectus after filing with RoC after the pricing and allocation
Equity Shares	Equity Shares of the Company of face value of Rs. 10 each
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Bidder will issue cheques or drafts in respect of the Bid Amount when submitting a Bid
Escrow Agreement	Agreement entered into amongst the Company, the Registrar, the Escrow Collection Bank(s) and the BRLM for collection of the Bid Amounts and refunds (if any) of the amounts collected to the Bidders
Escrow Collection Bank(s)	The banks in which the Escrow Account of the Company will be opened
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form
Floor Price	The lower end of the Price Band, Rs.90 per Equity Share in the Issue,

	below which the Issue Price will not be finalized and below which no Bids will be accepted
Issue/ Issue Size	Issue of [●] Equity Shares of Rs 10/- each at a premium of Rs. [●] per Equity Share offered through the Red Herring Prospectus or the Prospectus
Issue Account	Account opened with the Banker to the issue to receive monies from the Escrow Accounts on the Designated Date
Issue Management Team	The team managing the Issue as set out in the section titled "General Information" on page no. 10 of the Red Herring Prospectus
Issue Period	The period between the Bid/ Issue Opening Date and the Bid/ Issue Closing Date inclusive of both days and during which prospective Bidders can submit their Bids
Issue Price	The final price at which the Equity Shares will be allotted in terms of the Red Herring Prospectus or the Prospectus as determined by the Company in consultation with the BRLM on the Pricing Date
Members of the Syndicate	The BRLM and the Syndicate Members
Net Issue to Public	The portion of the Issue being a minimum of [●] Equity Shares aggregating Rs. 5020 Lacs available for allocation to Retail Individual Investors, Non-Institutional Bidders and Qualified Institutional Investors
Non-Institutional Bidders	All Bidders that are not Qualified Institutional Buyers or Retail Individual Bidders
Non-Institutional Portion	The portion of the Issue being a minimum of [●] Equity Shares aggregating Rs. 753 Lacs available for allocation to Non-Institutional Bidders
Pay-In-Date	Bid Closing Date
Pay-in-Period	Means the period commencing on the Bid Opening Date and extending until the Bid Closing Date
Price Band	Being the price band of a minimum price of Rs. 90 per Equity Share (Floor Price) and the maximum price of Rs. 100 per Equity Share (Cap Price) (both inclusive), which will be advertised by the Company prior to the Bid Opening Date, including revisions thereof
Pricing Date	Means the date on which the Company in consultation with the BRLM finalizes the Issue Price
Prospectus	The Prospectus dated [●] filed with the RoC containing, inter-alia, the Issue Price that is determined at the end of the Book Building Process, the size of the Issue and certain other information
Public Issue Account	In accordance with Section 73 of the Companies Act, 1956, an account opened with the Banker(s) to the Issue to receive monies from the Escrow Account for the Issue on the Designated Date
Qualified Institutional Buyers or QIBs	(i) a mutual fund, venture capital fund and foreign venture capital investor registered with the Board; (ii) a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board; (iii) a public financial institution as defined in section 4A of the Companies Act, 1956; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of twenty five crore rupees; (ix) a pension fund with minimum corpus of twenty five crore rupees; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India;
QIB Portion	Upto 50% of the net issue to public, i.e upto [●] Equity Shares aggregating Rs. 2510 Lacs available for allocation to QIBs
Red Herring Prospectus, "RHP"	Red Herring Prospectus dated September 6, 2010, issued in accordance with Section 60B of the Companies Act, which does not have complete particulars on the price at which the Equity Shares are

	issued and size of the Issue. The Red Herring Prospectus would be filed with the RoC at least three days before the opening of the Bid/ Issue and will become a Prospectus after filing with the RoC after the pricing and allocation
Registrar/Registrar to the Issue	Registrar to the Issue being Link Intime India Private Limited having their office at C-13, Pannalal Silk Mills Compound, LBS Marg, Bhandup (West), Mumbai 400 078
Retail Portion	The portion of the Issue being a minimum of [●] Equity Shares aggregating Rs. 1757 Lacs, available for allocation to Retail Individual Bidder(s)
Revision Form	The form used by the 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)
Stock Exchange	Bombay Stock Exchange Limited
Syndicate	BRLM and the Syndicate Members
Syndicate Agreement	Agreement between the Syndicate and the Company
Syndicate Member(s)	Intermediaries registered with SEBI and eligible to act as Underwriters. Syndicate Members are appointed by the BRLM
Transaction Registration Slip	The slip or document issued by the Syndicate Members to the Bidder as proof of registration of the Bid
Underwriters	The BRLM and the Syndicate Members
Underwriting Agreement	The Agreement among the Syndicate and our Company to be entered into on or after the Pricing Date

COMPANY AND INDUSTRY RELATED TERMS

Terms	Description
"Sea TV " or "the Company" or "our Company" or "we" or "us" or "our" or "Issuer"	Sea TV Network Limited, a public limited company incorporated under the Companies Act, 1956
Articles/Articles of Association/AoA	Articles of Association of Sea TV Network Limited
Statutory Auditors	Statutory auditors of the Company viz. Surendra G & Co, having their office at 7-D, Block 57, Sanjay Place, Agra-282002
Board/ Board of Directors	Board of Directors of Sea TV Network Limited
Director(s)	Director(s) of Sea TV Network Limited unless otherwise specified
Employees	employee" means a permanent and full-time employee, working in India or abroad, of the issuer or of the holding company or subsidiary company or of that material associate(s) of the issuer whose financial statements are consolidated with the issuer's financial statements as per Accounting Standard 21, or a director of the issuer, whether whole time or part time and does not include promoters and an immediate relative of the promoter (i.e., any spouse of that person, or any parent, brother, sister or child of that person or of the spouse);
Equity Shareholders	Persons holding Equity Shares of the Company unless otherwise specified in the context thereof
Project/The Project	Our proposed integrated project for Digitalisation of Cable TV network at Agra.
Group Companies/Group Associates/Group	Means all ventures and entities promoted by the Promoter(s) of our Company. However the Company does not have any group companies.
Memorandum/Memorandum of Association/MoA	The Memorandum of Association of Sea TV Network Limited
Promoter Group	The Promoters, the immediate relatives of the Promoters and such entities/ partnership firms as prescribed under SEBI ICDR Regulations
Promoters	Mr. Neeraj Jain, Mr. Akshay Kumar Jain, Mr. Pankaj Jain, Ms. Sonal Jain, Ms. Chhaya Jain
Registered Office of the Company	148, Manas Nagar, Shahganj, Agra- 282010
Registrar of Companies or RoC	Registrar of Companies, Uttar Pradesh and Uttranchal, situated at Kanpur
"we" or "us" and "our"	Unless the context otherwise require, refers to Sea TV Network

	Limited
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ABBREVIATIONS	
TERM	DESCRIPTION
AS	Accounting Standards as issued by ICAI
BSE	Bombay Stock Exchange Limited
Bn/bn	Billion
BRLM	Book Running Lead Manager
BPLR	Benchmark Prime Lending Rate
CAGR	Compounded Annual Growth Rate
CAS	Conditional Access System
CBRLM	Co- Book Running Lead Manager
CCPS	Convertible Cumulative Preference Shares
CDSL	Central Depository Services Limited
CLB	Company Law Board
DCA	Department of Company Affairs
DP	Depository Participant
DTH	Direct To Home
EGM	Extraordinary General Meeting
EPS	Earnings per share (EPS=Profit after tax/No. of equity shares)
ESI	Employee State Insurance
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time and the Rules and Regulations thereunder
FERA	Foreign Exchange Regulations Act, 1973
FII	Foreign Institutional Investor
FIPB	Foreign Investment Promotion Board
FY	Financial Year
FCNR Account	Foreign Currency Non Resident Account
FDI	Foreign Direct Investment
FI	Financial Institutions
GOI	Government of India
HUF	Hindu Undivided Family
ICAI	Institute of Chartered Accountants of India
IPR	Intellectual Property Rights
IPTV	Internet Protocol Television
LC	Letter of Credit
LCO	Local Cable Operator
Lac/Lakh	One hundred thousand
MOU	Memorandum of Understanding
MSO	Multi System Operator
Mn/mn	Million
NA	Not Applicable
NAV	Net Asset Value
NRE Account	Non Resident External Account
NRI	Non Resident Indian
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
p.a.	Per Annum
PAN	Permanent Account Number

PE Ratio	Price Earning Ratio
PF	Provident Fund
PLR	Prime Lending Rate
RBI	Reserve Bank Of India
ROC	Registrar of Companies, Uttar Pradesh and Uttarakhand
ROCE	Return on Capital Employed ROCE = (Profit before interest and tax/capital employed)*100
ROE	Return on Equity ROE=(Profit after tax/Equity Capital)*100
RONW	Return on Networth RONW=(Profit after tax/Networth)*100
SAARC	South Asian Association for Regional Cooperation
SCRR	Securities Contracts (Regulation), Rules, 1957, as amended from time to time
SEBI	Securities and Exchange Board of India
STB	Set Top Box
TDB	Technology Development Board
TRAI	Telecom Regulatory Authority of India
UIN	Unique Identification Number
UPS	Uninterrupted Power Supply

SECTION II- RISK FACTORS

FORWARD LOOKING STATEMENTS

We have included statements in the RHP which contain words or phrases such as “will”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions, that are “forward-looking statements”.

Actual results may differ materially from those suggested by the forward looking statements due to risks or uncertainties associated with our expectations with respect to, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic and foreign laws, regulations and taxes and changes in competition in our industry.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from expectations include, among others:

- ✓ Our ability to successfully implement strategy, growth and expansion plans;
- ✓ Our ability to successfully protect our intellectual property and to obtain intellectual property rights from third parties;
- ✓ Our dependence on key personnel;
- ✓ Government approvals
- ✓ Our ability to comply with the financial conditions and other covenants of our borrowings;
- ✓ Changes in entertainment tax exemption rates/availability or in other laws and regulations that apply to our industry;
- ✓ Changes in the Competition landscape;
- ✓ General economic and business conditions in India and other countries;
- ✓ Changes in political conditions in India;
- ✓ Occurrence of natural disasters or calamities affecting our areas of operations;
- ✓ A slowdown in economic growth in India;
- ✓ Changes in the foreign exchange control regulations in India and Fluctuations in foreign exchange rates.
- ✓ Changes in the regulatory framework governing us.
- ✓ Any downgrading of India’s debt rating by an independent agency.

For further discussion of factors that could cause our actual results to differ, see the section titled “Risk Factors” beginning on page ix of the RHP. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occur in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither the Company nor the members of Syndicate, 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, the Company, and the BRLM will ensure that investors in India are informed of material developments until such time as the grant of listing and trading permission by the Stock Exchange.

CERTAIN CONVENTIONS; USE OF MARKET DATA

In the Red Herring Prospectus, unless the context otherwise requires, all references to one gender also refers to the other gender. Unless stated otherwise, the financial data in the RHP is derived from our financial statements prepared and restated in accordance with Indian GAAP, the Companies Act and SEBI Regulations. We have no subsidiaries.

Accordingly, financial information relating to us is presented on a non-consolidated basis. Our fiscal year commences on April 1 and ends on March 31. In the RHP, any discrepancies in any table between the total and the sum of the amounts listed are due to rounding-off.

All references to "India" contained in the RHP are to the Republic of India, all references to the "US" or the "U.S." or the "USA", or the "United States" are to the United States of America, and all references to "UK" are to the United Kingdom.

For additional definitions, see the section titled 'Definitions and Abbreviations' on page no. i to v of the RHP. In the section titled 'Main Provisions of Articles of Association of the Company' beginning on page 174 of the RHP, defined terms have the meaning given to such terms in the Articles of Association of the Company.

Market data used throughout the RHP has been obtained from industry publications and internal Company reports. Industry publications generally state that the information contained in those publications has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes market data used in this RHP is reliable, it has not been independently verified. Similarly, internal Company reports, while believed by the Company to be reliable, have not been verified by any independent source.

RISK FACTORS

RISK FACTORS ENVISAGED BY MANAGEMENT

An investment in Equity shares involves a high degree of risk. You should carefully consider all of the information in this RHP, including the risks and uncertainties described below, before making an investment in the Equity Shares of the Company. If any of the following risks actually occur, the business, financial condition and results of operations could suffer, the trading price of the Equity Shares could decline, and all or part of the investment may be lost.

Unless otherwise stated in the relevant risk factors set forth below, the Company is not in a position to specify or quantify the financial or other implications of any of the risks mentioned herein.

Materiality

The Risk factors have been determined on the basis of their materiality. The following factors have been considered for determining the materiality:

- a) Some events may not be material individually but may be found material collectively.
- b) Some events may have material impact qualitatively instead of quantitatively.
- c) Some events may not be material at present but may be having material impacts in future.

Internal Risk Factors and Risk Relating to Our Business

1) There is a possibility of adverse impact on us in the event of the following litigations are decided against us.

There are certain pending litigations against the Directors/KMPs of the Company that may have an adverse impact if decided in favour of the Complainant. Although no liability has been frozen in regard to the cases but in the event some liability does arise there is a possibility of an adverse Financial impact on the Company.

Litigations against the Company:

S.No	Type of case	No. of cases	Brief Facts	Financial Implication
1	Litigation involving statutory laws	1	The Company had received a notice numbering 266 of 2004 dated June 24, 2004 regarding broadcasting of film, news, interviews, etc. against the provisions of Uttar Pradesh Cinematograph (Regulation) Act, 1955 from the Registration Authority under the Act, seeking a copy of registration under the Cable Television Networks Regulation Act, 1995 and under the Uttar Pradesh Cinematograph (Regulation) Act, 1955, wherein it was stated that non-compliance would result in confiscation of control room/equipment of the Company. Against this notice, the Company has obtained a stay vide order dated July 26, 2007 from the High Court of Judicature at Allahabad, Lucknow Bench, Lucknow, by way of writ petition numbering 3428 (M/B) of 2004 between Sea TV thru Trustee Smt. Sonal Jain vs. State of U.P. thru Prin. Secy. Entertainment Tax and 3 others. The said petition has been ordered to be	The financial liability of the case has not been ascertained as yet.

			<p>connected and listed along with a pending writ petition numbering 2762 (M/B) of 2004, between M/S Neo Network versus State of U.P vide the following order: "Connect and list along with WP no. 2762(MB)/2004. Till next listing operation of the impugned circular dated 30.04.2004 issued by the Entertainment Tax Commissioner, U.P., Lucknow so far as it relates to the Petitioner and the order dated 24.06.2004 issued by ADM, Agra shall remain stayed."</p> <p>The matter was listed before the Court on 12.10.2007 when the interim order was extended. Now the matter will come up for hearing in due course.</p>	
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Litigations against the Promoters:

S.No	Type of case	No. of cases	Brief Facts	Financial/Other Implication
1	Litigation involving Securities and Economic Laws	1	A notice has been served on Mr. Neeraj Jain, Director of the Company, with respect to assessment year 1999-2000 for an amount of Rs. 3,43,335 plus interest-under section 221(1) of the Income Tax Act, 1961 from the office of Income Tax Officer, Agra, U.P. Against this order the Promoter has made appeal. The Promoter has however deposited a sum of Rs. Rs.3,37,352 only as on September 29, 2009. The next date of hearing has not been notified as yet.	In case the matter is decided against the director, he will not get the refund of the tax amount deposited by him and he will have to pay the balance tax and interest.
2	Litigation involving Criminal laws	2	<p>A case bearing No. 869/2008 has been registered U/s 395 of Indian Penal Code, 1860 against Shri Neeraj Jain, Shri Pankaj Jain (Both Directors of the Company) including 20-25 other persons associated with the Company at Police Station, New Agra on 8.11.2008. The next date of hearing is 06.09.2010.</p> <p>The police has converted the said case u/s 323, 504,506 of Indian Penal Code, 1860.</p> <p>A case no.1062/2009 has been filed by Mr. Dilip Gupta against some persons associated with the Company including Shri Akshay Kumar Jain who is director of the Company on 16.01.2009 with Dist. Sessions Judge, Agra. The allegations made are under sections 147 (punishment for rioting,), 427 (mischief, causing damage to the amt of Rs.50/- or up wards) and 435 of IPC which relate to the offence of mischief by fire or explosive substance with intent to cause damage to amt of Rs.100/- or upwards. The next date of hearing is 29.08.2010.</p>	<p>Directors of the Company may be subject to disqualification under the Companies Act, if found guilty for the violation of the mentioned sections of IPC and it may result in vacation of office under section 283 of the Act.</p> <p>The Director of the Company who has been named in the case may become subject to disqualification under the Companies Act, if found guilty for the violation of the mentioned sections of IPC and it may result in vacation of office under section 283 of the Act.</p>

2) "IPO Grade 1" assigned by ICRA indicates poor fundamentals

ICRA has assigned an "IPO Grade 1" indicating poor fundamentals, to the proposed initial public offering of Sea TV Network Limited. For details regarding grading, please refer page no. 13 of the Red Herring Prospectus.

3) Delay in project implementation may lead to an adverse impact on our business.

If the proposed project is delayed due to all or any of the reasons mentioned below, it may have an adverse impact on the future of our business and could stunt our growth process. The various reasons for delays that may take place in the project implementation are as follows:

a) Delay in receipt of funds through the proposed issue

If the proposed Initial Public Offering of Equity Shares gets delayed it would lead to a corresponding delay in receipt of funds and consequently it may delay the project implementation thereby creating the possibility of taking away the first mover advantage from us.

b) Delay in placing orders of the total plant and machinery

If there is any delay in the issue process it may lead to undue delays in the implementation of the project as the orders for the equipment etc. will be placed only after the receipt of the issue proceeds. The Company is yet to place orders for Rs.4450.25 lacs being 100% of the plant & machinery cost relating to project.

c) We have planned significant capital expenditures; our capital expenditure plans may not yield the benefits intended.

The significant capital expenditures that we have planned are subject to many external factors as well. In case there are any adverse changes in the factors beyond our control like government policies etc. then the benefits expected might not be commensurate with the actual benefits derived from the expenditure.

d) Our project is subject to the risk of cost and time overruns.

Our project as referred to in the section titled "Objects of the Issue" on page 23 of this RHP contains project costs and implementation schedules estimated by us. We intend to apply the net proceeds of the Issue to setting up of complete Digital Headend and network for implementation of Conditional Access System (CAS). Our expansion plans are subject to a number of contingencies, including changes in laws and regulations, governmental action, inability to obtain equipment and other supplies at quoted or at acceptable rates, accidents, natural calamities, terrorist activity and other factors, many of which may be beyond our control. Although we have a capability to complete the project within parameters estimated by us, we cannot assure you that the actual costs incurred or time taken for implementation of these plans will not vary from our estimated parameters.

e) We are required to obtain and maintain certain governmental and regulatory licenses and permits and the failure to obtain and maintain such licenses and permits in a timely manner, or at all, may adversely affect our business and operations.

We are required to obtain and maintain certain approvals, licenses, registrations and permits in connection with our business and operations. There can be no assurance that we will be able to obtain and maintain such approvals, licenses, registrations and permits in the future. An inability to obtain or maintain such registrations and licenses in a timely manner, or at all, and to comply with the prescribed conditions in connection therewith may adversely affect our ability to carry on our business and operations, and consequently our results of operations and financial condition.

Licenses/Approvals applied but yet not received:

- ✓ The Company has made an application to the Northern Central Railway on March 14, 2009 for its permission to lay underground cables under certain railway crossings in the city of Agra under the purview of the aforesaid authority. The Company has paid the requisite fees for the aforesaid purpose and is awaiting the approval.
- ✓ The Company has made an application to the District Forest Officer, Agra on August 31, 2009 for its permission to lay underground cables in areas in the city of Agra under the purview of the aforesaid authority. The Company is awaiting the approval.

✓ **Up-Linking of TV Channels**

Company has made 3 applications to the Ministry of Information & Broadcasting for uplinking TV Channels with news and current affairs in the name of "REAL NEWS", "OCEAN TV" and "YOUR TV" on August 12, 2010. All applications are pending as on date.

Licenses/Approvals yet to be applied

- ✓ The Company yet to apply to the National Highways Authority of India for permission to lay underground cables in areas in the city of Agra under the purview of the aforesaid authority.
- ✓ The Company yet to apply to the Agra Nagar Nigam for permission to lay underground cables in areas in the city of Agra under the purview of the aforesaid authority.

4) Growing competition may adversely affect our competitive position and our profitability.

Competition from other Multi System Operators (MSOs)

We operate in a highly competitive environment. Significant additional competition in the markets where we sell products may see our market share eroded.

At present there are two competitors who operate as MSOs in the city of Agra.

Presently, there is no authentic data available for any market share being enjoyed by the MSOs operating in the city of Agra. This is also one of the inherent problems of the current analog system that is being used by us that exact number of subscribers cannot be ascertained since no monitoring device (like a set top box) is placed at subscriber's end. For details, please refer the heading "Technology" in the section "Business Overview" on page no.48 of Red Herring Prospectus. This problem will be rectified once we shift to the digital system as proposed in the section "Objects of the Issue".

Competition from DTH service providers

However, there is no bar for to entry of any more players in this market. Already, companies like TATA SKY, DISH TV, BIG TV etc. are trying to have an all India reach by using the DTH platform for providing TV programmes through satellite. However, it may be noted here we are not in direct competition with the DTH service providers as the platform on which they are operating is entirely different from the one that we are proposing to set up. DTH stands for Direct-To-Home television. DTH is defined as the reception of satellite programmes with a personal dish in an individual home. Under the DTH platform there is no interface of the cable operators and the broadcasters are directly in touch with the consumers. On the other hand our business model is based upon being the interface between the broadcaster and the consumers.

5) Inability to manage our growth could disrupt our business and reduce our profitability.

We have experienced high growth in recent times and expect our business to grow significantly in view of our plan for modernization and capacity expansion.

This fact is suitably illustrated by glancing at the following figures:

	(In Rs. Lacs)				
	31st March 2010	31st March 2009	31st March 2008	31st March 2007	31st March 2006
Profit After Tax	150.52	102.17	59.97	25.17	2.08
Net Worth	982.36	851.62	758.11	200.99	147.35

We expect this growth to place significant demands on us and require us to continuously evolve and improve our operational, financial and internal controls across the organization. In particular, continued expansion increases the challenges involved in:

- ✓ maintaining high levels of customer satisfaction;
- ✓ recruiting, training and retaining sufficient skilled management, technical and marketing personnel;
- ✓ adhering to quality and process execution standards that meet customer expectations;
- ✓ preserving a uniform culture, values and work environment in operations within and outside India;
- ✓ developing and improving our internal administrative infrastructure, particularly our financial; and
- ✓ maintaining desired level of operational, communications and other internal systems.

Any inability to manage our growth may have an adverse effect on our business and financial results.

6) Our current Premises are located on residential property which may be a cause of Concern for the future of our Business:

The premises on which the present registered office of the company is situated is located on residential property. In the event that the state government takes any action against the Company in the form of a sealing order for the said property, it would result in jeopardizing the operations of the Company as the main control room of the Company is situated in these premises.

7) We have incurred losses in the first year of our operations

We have incurred a loss of Rs. 0.15 Lacs in the first year of our operations. The losses were incurred as it was the first year of operations, business operations had not picked up yet and as a result a loss was incurred as there was not much income generation vis-à-vis the costs incurred. There can be no assurance that we may not incur losses in the future too.

8) We are dependent on the management team for our success and the loss of any one of them could lead to adversely affecting our results of operations.

Our success is substantially dependent on the expertise and services of our senior management team and our ability to attract and recruit talented and skilled personnel's. The loss of the services of such key members of our management team or our directors or other key managerial personnel or an inability to retain these personnel could have an adverse effect on our business and results of our operations.

9) We have entered into certain loan agreements with various Banks. These agreements, inter alia provide for some restrictive covenants which might hamper the smooth functioning of the business.

The lenders have provided for restrictive covenants like Obtaining prior permission from it:

- ✓ for declaration of dividends.
- ✓ for undertaking any new project or expansion.
- ✓ for effecting any change in the Promoter Directors
- ✓ for effecting any merger/amalgamation.
- ✓ Effect any change in the Company's capital structure.

A sum of Rs.675.95 lacs was outstanding as on March 31, 2010. For further details you may kindly refer to page no 89 of the RHP.

10) Delays in identification and acquisition of suitable land for the project could cause delays in implementation of the project and impact our profitability

We propose to acquire property for setting up 20 branch offices in Agra city. There might be shortage or ready availability of suitable land for setting up branch offices in the city of Agra. Any delay in identifying suitable property or availability of the same could lead to delays in implementation of the project.

11) We may face risks associated with potential acquisitions, investments, strategic partnerships or other ventures, including whether we can identify opportunities, complete the transactions and integration of the target companies into our business.

Our proposed growth strategy involves entering into strategic partnerships with other broadcasters in different regions, where we are currently under-represented and, evaluating on a case-by-case basis potential acquisition targets that offer an opportunity to grow our business and/or expand our capabilities or geographical reach. We may also have discussions with certain companies regarding our acquiring, investing in or partnering with their businesses, products, services or technologies. We may not be able to identify and fully evaluate a suitable acquisition, investment or strategic partnership, which may place us at a disadvantage if our competitors are able to grow their market share through acquisitions. If we do identify suitable candidates, we may not be able to complete those transactions on commercially acceptable terms or at all, or such acquisitions may result in the incurrance of indebtedness or the issuance of additional equity securities. If we acquire another company, we could have difficulty in integrating that company's personnel, products, operations and technology. In addition, the key personnel of the acquired company may decide not to work for us and its key clients may decide to terminate their agreements with us or reduce the volume of their purchases. These difficulties could disrupt our ongoing business, distract our management and employees and adversely affect our results of operations.

12) There was a delay in filing of certain forms with the ROC. Though the same have been filed along with a late fees there is a possibility of action against us in future by the ROC.

There has been a delay in filing of the following forms with the ROC:

Details of form	Nature	Due Dates	Date of Filing
Form 5, 23	for March 24 2007 and March 29 2007	23-04-2007 and 28-04-2007	05-06-2007 and 18-06-2007
Form 2,23	for March 24 2007	23-04-2007 and 28-04-2007	18-06-2007
Annual Return	for the year 2005-06	29-11-2006	27-12-2006
Annual Accounts	for the year 2004-05 and 2005-06	30-10-2005 and 30-10-2006	08-11-2005 and 27-12-2006
Form 32	For appointment of Mr. Sharad Luthra and Gaurav Luthra as Directors	30-10-2005	31-10-2005
Form 32	for resignation of Mr. Sharad Luthra and Gaurav Luthra from post of Directors	30-04-2007	30-04-2007
Form 23	for September 30 2005 u/s 314 and March 24 2007 u/s 314	30-10-2005 and 23-04-2007	31-10-2005 and 31-10-2007
Form 22	For July 01 2004	31-07-2004	20-05-2008
Form 23	For January 07 2008 u/s 314	06-02-2008	15-05-2008
Form 23	For January 10 2008 u/s 192	09-02-2008	07-05-2008
Form 23	For March 24 2007 u/s 314	23-04-2007	07-05-2008
Form 23	For December 31 2007	30-01-2008	15-05-2008
Form 20 B	For September 29 2008	28-10-2008	11-12-2008

Although the forms as tabulated above have been filed alongwith the requisite additional fees for filing the forms, it does not exonerate the Company from the continuing liability for late filing of the documents till date of actual filing.

13) Adverse regulations/rulings of TRAI may hamper the business of the Company.

Over the years the Cable TV Business has witnessed many new developments due to technological advancements. The Government has taken steps towards promoting digitalization of TV signals through the regulatory body TRAI. While issuing directions for digitalization of TV signals alongwith implementation of CAS if TRAI issue regulations favouring a particular type of platform, e.g. HITS or DTH it would have adverse impact on the existing MSO's and thus may have direct bearing on the profitability of our business.

14) The registered trademark "Sea TV" (Registration no- 1238408 in class-41) is not owned by us. This might prove to be against our business interests.

The registered trademark "Sea TV" (Registration no- 1238408 in class-41) had been licensed from M/s S.P.N. Trust (A Registered Trust), a Trust having its office at 148, Manas Nagar, Shahganj, Agra, U.P, vide an agreement dated 31st January, 2006. However, vide an agreement dated the Tenth day of March, 2008, SPN Trust, the owner of the trademark, has agreed to transfer the whole rights and benefits of the said trademark, including the artistic work, to us for a consideration of Rs. 51,000/- only. As per this agreement we are free to use, advertise the said trademark and SPN trust shall not infringe or use the

trademark including the artistic work that they have transferred. An application has been moved with the Registrar of Trade Marks on 09 May 2008 for transferring of the said trademark to us. The request has been allowed and the changes will be notified in the Trade Marks Journal in due course.

15) Any penalty or action taken by any regulatory authorities in future for non-compliance of Section 383A of the Companies Act, 1956 could impact financial position of the Company to that extent.

The Company has not complied with the provisions of Section 383A of the Companies Act, 1956 during the period September 29, 2007 to January 8, 2008 (for 102 days) and again for the period April 15, 2008 to April 27, 2010 (for 743 days) as the Company had not appointed any Company Secretary during the said period. Thereby there was a non-compliance of Section 383A of the Companies Act, 1956 for a total period of 845 days. This may attract a maximum liability of Rs.4,22,500. No show cause notice in respect of the above has been received by the Company from the office of Registrar of the Companies till date. Any penalty in future by any regulatory authorities could affect Company's financials to that extent.

16) The Company has unsecured debt that is repayable on demand.

The Company has availed of certain unsecured loans that are repayable on demand. In the event that the lenders of such loans demands the repayment of these loans, we would need to find alternative sources of financing, which may not be available on commercially reasonable terms or at all. As on March 31, 2010 the Company has outstanding unsecured loans of Rs. 19.14 Lacs which are repayable on demand.

17) The Company has in the past entered into related party transactions and may continue to do so in the future.

The Company has entered into transactions with its promoter, certain directors & promoter group entities. There can be no assurance that the Company could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that the Company will enter into related party transactions in the future. There can be no assurance that such transactions, individually or in the aggregate, will not have an adverse effect on the Company's financial condition and results of operations. For further information on our transactions with the promoter, certain directors & promoter group entities, please refer "Details of related party transaction" on page 104 of this Red Herring Prospectus. The total value of transactions with related parties for the year ended March 31, 2010, March 31, 2009 and March 31, 2008 were Rs.118.49 lacs, Rs. 175.08 lacs and 496.86 lacs respectively.

18) We have experienced negative cash flows in financial year 2007. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

The details of the cash flows of the Company for preceding Five years are as follows:

(Rs. in Lacs)					
Particulars	Period Ended 31.03.10	Year Ended 31.03.09	Year Ended 31.03.08	Year Ended 31.03.07	Year Ended 31.03.06
Net Cash used in Operating Activities	193.68	171.70	(32.24)	101.92	(44.75)
Net cash used in Investing Activities	(283.50)	(322.74)	(518.08)	(130.92)	(9.72)
Net Cash from Financing Activities	131.81	164.14	566.79	28.05	91.73
Cash Equivalent	41.99	13.10	16.47	(0.95)	37.26

For detailed cash flow statement, please refer page no. 88 of the RHP.

19) Our management will have flexibility in applying the Proceeds of the Issue and the deployment of the Proceeds is not subject to any monitoring by any independent agency.

We intend to use the Proceeds of the Issue for the purposes described in "Objects of the Issue" on page 23. Our management may revise estimated costs, fund requirements and deployment schedule owing to factors relating to our business and operations and external factors which may not be within the control of our management.

The utilization of the Proceeds of the Issue and other financings will be monitored only by the Audit Committee of the Board and is not subject to any monitoring by any independent agency. Proceeds of the

Issue allocated to general corporate purposes will be used at the discretion of the management. Further, pending utilization of the Proceeds of the Issue, we intend to invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds and deposit with banks for necessary duration or reducing the working capital / term borrowings from banks and financial institutions.

20)The Appraiser, M/s Allahabad Bank in its project appraisal report has pointed out some weaknesses and threats of our Company.

Weakness

- ✓ This is a capital Intensive project.
- ✓ No tie-up with any foreign players of this line.

Threats

- ✓ Competition from other existing players in Agra city.
- ✓ Inability to invest in modernisation and latest technological advancements for any reason in future can affect the business operations.
- ✓ Technical obsolescence.

EXTERNAL RISK FACTORS

A) Governmental regulations may restrict our ability to market our services, which could result in a loss of revenue.

TRAI, the apex body regulating our business may come up with certain notifications/directions/regulations that might favour certain players in the industry while proving detrimental to the business of others. This is due to the fact that the industry is heavily segmented into participants of various categories. As a result a particular notification may favour a particular category of market participants while proving detrimental to others.

B) Risk in respect of policies and political situation in India

Since 1991, the Government of India has pursued policies of economic liberalization, including certain policies that significantly relaxing restrictions on the private sector. Any change in the direction of economic policies as also specific policies relating to cable Industry could affect us. Significant changes in India's economic liberalization and deregulation policies could affect business and economic conditions in India and impact our business.

C) Taxes and other levies imposed by the Government of India or other state governments, as well as other financial policies and regulations, may have a material adverse effect on our business, financial condition and results of operations.

Taxes and other levies imposed by the central or state governments in India that affect our industry include customs duties, excise duties, sales tax, service tax, income tax and other taxes, duties or surcharges introduced on a permanent or temporary basis from time to time.

The central and state tax scheme 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 may adversely affect our competitive position and profitability. Several state governments in India have introduced a value added tax regime. The impact of the introduction of the value added tax regime on our business and operations will depend on a range of factors including the rates applicable and the exemptions available to our facilities. Currently, we are unable to ascertain the impact of the value added tax regime on our business and operations.

The Government of India has introduced a Fringe Benefit Tax payable in connection with certain expenditures incurred by us, which is likely to increase our tax liability.

E) Further expansions in the cable Industry in our segment of operation may result in excess capacity, which may affect our financial condition.

The cable TV industry is volume driven. It thrives on economies of scale. To garner market share many participants of this industry may opt to go on expansion drives which coupled with aggressive pricing may result in the bottomlines across the industry being eroded significantly. This might have an adverse impact on our financial condition also.

F) Change in wage structure across Industry will affect our operations adversely

Wage pressures in India may prevent us from sustaining its competitive advantage and may reduce its profit margins. Wage costs in India have historically been significantly lower than wage costs in the United States and Europe for comparably skilled professionals, which has been one of our competitive strengths. However, wage increases in India may prevent us from sustaining this competitive advantage and may negatively affect our profit margins. Wages in India are increasing at a faster rate than in the United States, which could result in increased costs for software professionals, particularly project managers and other mid-level professionals. We may need to continue to increase the levels of its employee compensation to remain competitive and manage attrition. Compensation increases may result in a material adverse effect on our business, results of operation and financial condition. However, such a material impact cannot be quantified.

G) Changes in technology or other preferences render our products obsolete, our product sales and revenues will decline.

The Cable TV industry is extremely volatile in nature with technological changes sweeping in at a very fast rate. There have been numerous technological innovations happening in this industry and obsolescence in the existing technology can happen over a very short period of time. Failure to keep up with such changes would lead to conceding the business to other competitors who keep their technology updated. This might adversely impact our turnover.

J) Post Issue volatility in the stock market

After the Issue, the price of our equity shares may be volatile, or an active trading market for our Equity Shares may not develop. The prices of the Equity Shares on the Indian stock exchanges may fluctuate after the Issue as a result of several factors, including: volatility in the Indian and global securities market, our results of operations and performance; performance of our competitors, the Indian information technology industry, information technology enabled services industry and the perception in the market about investments in the information technology sector; adverse media reports on us or the Indian information technology enabled services industry; changes in the estimates of our performance or recommendations by financial analysts; significant developments in India's economic liberalization and deregulation policies; and significant developments in India's fiscal and environmental 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.

Notes:

- ✓ Public Issue of [●] Equity Shares of Rs.10/- each for cash at a price of Rs. [●] per Equity Share (including a share premium of Rs. [●] per Equity Share) aggregating Rs. 5020 lacs by Sea TV Network Limited ("the Company" or "Issuer" or "Sea TV") (hereinafter referred to as the "Issue") comprising of a net offer to the public of [●] Equity Shares of Rs.10/- each aggregating Rs. 5020 lacs (hereinafter referred to as the "net offer to the public".) of which [●] equity shares aggregating Rs. 502 lacs being 10% of the net offer to the public to be compulsorily allotted to QIBs failing which entire subscription monies shall be refunded. The net offer to the public would constitute [●]% of the fully diluted post issue paid up capital of the Company.
- ✓ The net worth of our Company before the Issue as on March 31, 2010 was Rs. 982.36 lacs.
- ✓ The average cost of acquisition of one Equity Share for the Promoters is as follows:

Name of the Promoter	Average cost of Acquisition
Mr. Neeraj Jain	Rs. 1.19 per Equity Share
Mr. Akshay Kumar Jain	Rs. 10.00 per Equity Share
Mr. Pankaj Jain	Rs. 10.00 per Equity Share
Ms. Sonal Jain	Rs. 10.00 per Equity Share
Ms. Chhaya Jain	Rs. 10.00 per Equity Share

- ✓ The book value as on March 31, 2010 was Rs. 14.03 per Equity Share.
- ✓ For related party transactions, kindly refer to the section titled "Related Party Transactions" on page 104 of the RHP. The total value of transactions with related parties for the year ended March 31, 2010, March 31, 2009 and March 31, 2008 were Rs.118.49 lacs, Rs. 175.08 lacs and 496.86 lacs respectively. The percentage of transactions by promoter/group/associate company in the aggregate related party transactions of the issuer company for the year ended March 31, 2010, March 31, 2009 and March 31, 2008 were 98.38%, 97.53% and 98.94% respectively.
- ✓ The Investors are advised to refer to the section titled 'Basis for Issue Price' on page 30 of the RHP before making an investment in the Issue.
- ✓ Trading in Equity Shares of our Company for all the investors shall be in dematerialized form only.

- ✓ Investors may note that in case of over-subscription in the Issue, allotment to Qualified Institutional Buyers, Non-Institutional Bidders and Retail Bidders shall be on a proportionate basis.
- ✓ For more information, see the section titled "Issue Procedure- Basis of Allotment" on page 167 of the RHP.
- ✓ There is no interest of Promoter(s)/Director(s) /KMP(s) other than as mentioned in "Related Party Transactions" on page 104 of the RHP.
- ✓ Our Directors, our Promoters have not purchased the securities of the company during the period of six months preceding the date of filing of the RHP.
- ✓ There are no outstanding loans and advances to any persons in which Directors are interested.

Investors may contact the BRLM for any complaints, information or clarifications pertaining to the Issue.

SECTION III- INTRODUCTION

SUMMARY OF INDUSTRY OVERVIEW

The Cable industry in India has an enormous reach today. As per industry estimates, there are 120 million TV homes in the country. Of this 71 million are served by cable TV network, about 6 million by DTH and rest by terrestrial TV. Apart from some ground-based channels, there are, at present, about 225 Satellite channels registered under Up-linking/Downloading Guidelines of Govt. of India.

Apart from terrestrial network of Doordarshan (a public sector Broadcaster) and newly emerging technologies like IPTV etc, there are at present basically two delivery platforms available for distribution of TV channels to subscriber's viz. cable distribution network and Direct-to-Home (DTH) service. The distribution chain in cable TV industry for delivery of Channels to subscribers consists Broadcasters, Multi System Operators (MSOs) and Local Cable Operators (LCOs). In DTH, the broadcasters and DTH operators are two players in the distribution chain.

The penetration of cable TV homes has moved to 71 million in 2007 over a period of 16-17 years. The phenomenal growth of cable TV network in absence of well directed regulatory framework has led to problems of lack of transparency, determination of actual number of cable connections, monopoly in the last mile cable operations, vertical integration at higher levels of distribution chain and a highly fragmented state at the lower level of the same. Non-addressability is the main reason for controversy over actual number of TV homes. This has led to a situation, where disputes are rampant, revenues are uncertain and investments for up-gradation are not forthcoming.

The first effort in real sense to regulate the cable TV sectors started with Cable Television Networks (Regulation) Act 1995. Telecom Regulatory Authority of India (TRAI) was entrusted with the responsibility to regulate broadcasting and cable services in January 2004. TRAI has since then taken a number of initiatives for regulating the sector.

Source: <http://www.trai.gov.in/WriteReadData/trai/upload/ConsultationPapers/117/cpaper24july07.pdf>
(Report dated July 24, 2007)

What is CAS or Addressable System?

CAS or Addressable System is a description normally used for a set of hardware devices (including a Set Top Box) and connected software used at different stages of distribution of a TV channel through which normally the Pay Channels are transmitted in encrypted form. The subscriber will pay for those Pay Channels, which he or she has chosen to view in such a system and is given an authorization for the same by MSO who owns the CAS network. In this business set-up MSOs are often assisted by LCOs. Under a Non CAS or Non Addressable System, the pay channels are sent in unencrypted form and subscriber will not have any option to choose a pay channel of his choice and pay for that only.

Conditional Access System or Addressable System signifies that a subscriber is identifiable. The MSO and the Broadcaster will know the exact number of subscribers of a pay channel or a bouquet of pay channels and the amount that is due from the subscribers.

"CAS area" means area or areas, in which in terms of notification issued by GOI under The Cable Networks (Regulation) Act 1995, it is obligatory for every MSO/cable operator to transmit or re-transmit programmes of any pay channel through an Addressable System from a specified date. This in effect means that the pay channels in that area will be encrypted and for viewing the said pay channels in such area, a subscriber will have to have a Set Top Box. A complete list of these notified areas is available on TRAI's website, www.trai.gov.in.

Introduction of CAS has following benefits to the consumer:

- ✎ The freedom to choose individual channel.
- ✎ Customers may opt out of channels they do not wish to view.
- ✎ Tariffs are fixed and regulated by TRAI.
- ✎ Common rates for customers in all areas.
- ✎ After CAS the rate increase by pay channels will be lower.
- ✎ New pay channels can be launched without burdening all consumers.
- ✎ Some of the pay channels may go free in the times to come.

- ✎ Using authorized Set Top Boxes only can a subscriber receive these pay channels.
- ✎ A channel that increases its subscription charges unreasonably will get unsubscribed.
- ✎ Quality of channels will also increase in order to attract subscription.

CAS will therefore empower consumer and provide him with:

- ✎ The ability to budget his cable bill.
- ✎ International quality TV viewing experience.
- ✎ DVD quality picture and stereophonic sound.
- ✎ Electronic programming guide at no extra cost.
- ✎ Parental lock facility.
- ✎ Interactive Gaming facility.
- ✎ Expanded Channel Capacity up to 500 channels.
- ✎ Consistent picture quality across all channels.
- ✎ Approach and make complaints against any operator / broadcaster to TRAI, if required.

Penetration of CAS has already reached about 31% in Metro cities where CAS has been notified. About 5.5 Lakh consumers own STBs in these cities. Industry sources point out that one reason for low penetration/adoption of CAS is that most MSOs have not yet invested adequately in Headends and STBs required for Digitalisation of cable TV operations. When MSOs invest adequately in setting up the required system, LCOs will have no choice but to join the system, bringing the transparency to the advantage of MSOs, Broadcasters as well as consumers.

Subscriber's Tariff under CAS

TRAI has fixed the tariff to be charged to the subscribers availing "Pay Channels" broadcasting. "Pay channel" means a channel for which fees is to be paid to the Broadcaster and which would require the use of an addressable system (a set top box) attached with the TV set of a subscriber in CAS notified area.

Broadcasters get their payment from MSOs, out of subscriber revenue collected by them. According to the present tariff, company can charge following fees from the subscribers in the notified area:

Subscribers will pay maximum Rs. 5 per Pay channel (excluding taxes) per month to the service providers (MSO). He is free to choose the channels as per his choice. Broadcasters can fix the MRP of their channels within this ceiling.

Free-to Air (FTA) Channels means a channel for which no fees is to be paid to the Broadcaster and which would not require the use of Set Top Box for viewing such channels. At present there are about 60 FTA channels in operation. TRAI has fixed that maximum amount that a MSO can demand for minimum package of 30 FTA channels is Rs.77 per month (excluding taxes) from each subscriber. Since the channels are carried through the distribution infrastructure created for transmission, a charge has to be paid for the same to the cable operator. This charge is known as "Basic Service Tier Charge". In case any additional FTA channels are offered over and above the prescribed minimum of 30 channels, no additional amount will be payable by the subscriber.

TRAI has provided for a Standard Tariff Package for supply of STBs. The package provides the every MSO/cable operator in CAS area shall compulsorily offer to the subscribers the following options as a standard tariff:

- ✎ Option –I: Rental of Rs. 30 p.m. + Refundable Security deposit of Rs. 999/-; and
- ✎ Option –II: Rental of Rs. 45 p.m. + Refundable Security deposit of Rs. 250/-.

If any subscriber has two TVs and wishes to watch TV programmes of Pay channels at a time on both TVs, than he has to install two STBs at his place.

No monthly rental will be payable after 5 years and STB will become property of the subscriber.

If any subscriber chooses to purchase and install own Set top box then in that case he will not be liable to pay any rent.

It would not be possible for the subscriber to receive and view Pay channels without subscribing to the FTA channels. However, one can view FTA channels without a STB on payment for a package of FTA channels i.e. Rs.77/- per month.

Revenue Sharing between Broadcasters and Cable operators

As per sharing arrangement notified by TRAI, 45% of Subscriber revenue will go to the Channel owner, 30% to the MSO and 25% to the LCO. In case subscriber is directly associated with MSO, no payment will then go to the LCO for such subscriber. In such a case MSO would be entitled to keep 55% of the revenue.

Revenue sharing arrangement for FTA channels fees will be only between MSO and LCO. In case of a direct Subscriber, MSO would keep the total amount of Rs. 77 per month being charged.

SUMMARY OF BUSINESS OVERVIEW

Sea TV Network Ltd. (herein after referred to as "Sea TV") is an Agra (U.P) based company engaged in providing services of a Multi System Operator (MSO) to various Local Cable TV operators of Agra city. It was incorporated on 21.05.2004. The promoters of Sea TV are in this line of activity since about 16 years and are well conversant with the Cable TV industry.

Sea TV is one of the three existing MSOs in Agra City. Sea TV also has its own local channels, programmes of which are produced by its own production team. These local channels mainly focus on Agra city/U.P State news/events and information, which is more relevant to the city viewers. These channels are broadcasted free of charge to the TV subscribers of Sea TV.

Expansion and Growth Initiatives of Sea TV

The company focuses on the cable distribution business and intends to emerge as a MSO with an All India presence, while working in consonance with the Broadcasters and the viewers as against the normal practice in the Industry of working as a rival to the Broadcasters.

Keeping in view the Industry scenario, Sea TV has decided to take following steps to increase and expand its business operations substantially within a year.

- ✓ Setting up complete Digital Headend and network for implementation of Conditional Access System (CAS).
- ✓ Setting up network for complete IPTV solution.
- ✓ Setting up of own cable distribution (underground optical fibre) network capable of digital transmission throughout Agra City and adjoining areas
- ✓ Setting up own 20 branch-offices in the city including in the adjoining areas with required infrastructure for receiving digital signals and re-transmitting the same without much value addition through co-axial cables to individual customers/subscribers.

This would reduce our dependence on LCOs to a great extent. However, wherever necessary according to the local conditions, we would continue its business operations with LCOs in some of the areas of City, which may not be covered by our branch offices.

We would derive following advantages by adopting and setting up CAS technology using IPTV format:

- ✓ It would provide a transparent system where under-declaration of subscribers will not be possible for LCOs and the actual number of subscribers would be reflected.
- ✓ It would reduce dependence on LCOs.
- ✓ Increase in subscriber base will lead to increase in revenue from Advertisement and Carriage Fees
- ✓ Company's revenue would also increase from new stream of income i.e. rent of set-off Box to be installed by each subscriber

Revenue Streams for the Company

Company would derive its revenue from following different streams after implementation of the project:

- ✓ Subscription Revenue – Direct Subscribers
- ✓ Subscription Revenue – Franchisees
- ✓ Set Top Box Rent
- ✓ Value Added services through IPTV Set-up
- ✓ Carriage Fees from Broadcasting Channels
- ✓ Optical Fibre Network Rental Income
- ✓ Advertisement / Time sales (on own Channels like Sea News, etc.)

We propose to install Optical Fibre Network with Optical Cable having 48 lines and we would reserve 33 lines for own use against the immediate requirement of 15 lines. We propose to give remaining 15 lines network on rent to third parties which would translate into an additional source of income for us.

Value Added Services Revenue could also be generated through our own Channels by providing services like Movie on demand, Inter-active Games, TV Competitions & Quiz, etc.

Technical & Media Operations as well Corporate Office functions of the company are presently being carried out from a rented property located at 148, Manas Nagar, Agra having constructed area of about 9000 sq. ft. It

is not sufficient to accommodate the increasing business operations of the company. It is proposed to shift Corporate Office to the proposed new building.

Marketing and Selling Arrangements

The Promoters of Sea TV are already in this line of business i.e. Cable TV since about the last 16 years. Now Sea TV proposes to adopt latest technology i.e. IPTV for providing TV channels to its viewers. We already have a network of about 150 franchisees throughout Agra city. Therefore, we do not foresee any problem in the smooth implementation of the proposed project. Customers want quality and at present it is being compromised on due to the limitations of the analog medium of cable transmission. IPTV technology is customer friendly and is capable of providing many value added services. CAS as well as IPTV has been introduced in some of the Metro cities of India and customers have shown very good response in adopting the new version/technology as it has many advantages.

As we have our own TV channels, which are very popular in Agra city, it is proposed to make regular advertisements in these channels to educate the customers about the IPTV/CAS TV viewing and its benefits. We also plan to use print media regularly for marketing and advertising our products. Sea TV is an established MSO having established itself as a known Brand in Agra city. This would greatly benefit us in getting higher market share in the city.

Marketing team of the Company would also be strengthened appropriately by employing experienced professionals to market and sell the company's services.

ISSUE DETAILS IN BRIEF

The details of the issue are as follows:

Equity Shares offered:	
Fresh Issue by the Company	[●] Equity Shares
Of Which	
Net Issue to Public	[●] Equity Shares aggregating to Rs. 5020 lacs
Of which	
A) Qualified Institutional Buyers portion	Up to [●] Equity Shares, i.e., up to 50% of the Net Issue to Public aggregating to Rs. 2510 lacs. (Allocation on a proportionate basis) (However, atleast 10% of the Net Offer to the Public i.e. [●] Equity Shares aggregating Rs.502 lacs, shall be compulsorily subscribed by and allotted to Qualified Institutional Buyers (QIBs) failing which entire subscription monies shall be refunded.)
B) Non-Institutional Portion	At least [●] Equity Shares aggregating to Rs. 753 lacs, i.e., minimum 15% of the Net Issue to Public (Allocation on a proportionate basis)
C) Retail Individual Investors Portion	At least [●] Equity Shares aggregating to Rs. 1757 lacs, i.e., minimum 35% of the Net Issue to Public (Allocation on a proportionate basis)
Equity Shares outstanding prior to the Issue	7000000 Equity Shares of face value of Rs.10/- each
Equity Shares outstanding after the Issue	[●] Equity Shares of face value of Rs.10/- each
Use of Issue proceeds	We intend to use the net proceeds of the Issue for part fund our Project. Kindly refer to the section titled "Objects of the Issue" on page 23 of the RHP for a detailed discussion on the objects of the Issue

Notes:

- ✈ Under subscription, if any, in the Retail Individual Investors, Non-institutional Investors or QIBs portion would be allowed to be met with spill over from any other category at the sole discretion of the Company and the BRLM.
- ✈ As per the SEBI Regulations, allocation to QIBs is proportionate as per the terms of this RHP. 5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% reservation in the QIB Portion will also be eligible for allocation in the remaining QIB Portion.

SUMMARY FINANCIAL AND OPERATING INFORMATION

The following summary financial and operating information is derived from our restated financial statements as of March 31 2005, 2006, 2007, 2008, 2009 and 2010 as described in the Auditor's Report in the section titled " Financial Statements" beginning on page 85 of this RHP. These Financial statements have been prepared in accordance with the Indian GAAP, the Companies Act, 1956 and have been restated as required under SEBI Regulations. The summary financial and operating information presented below should be read in conjunction with the financial statements, the notes thereto included in the sections titled "Financial Statements" and the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on pages 85 & 121, respectively, of this RHP.

(Rupees in Lacs)						
Summary Statement of Assets and Liabilities (Restated)						
		AS AT				
		31-Mar- 2010	31-Mar- 2009	31-Mar- 2008	31-Mar- 2007	31-Mar- 2006
A	Fixed Assets					
	Gross Block	1,254.33	968.01	659.22	140.64	9.72
	Less: Depreciation	140.36	81.49	37.81	7.55	1.08
	Net Block	1,113.97	886.52	621.41	133.09	8.64
	Less: Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
	Net Block after adjustment for Revaluation Reserve	1,113.97	886.52	621.41	133.09	8.64
	Capital Work in Progress	21.08	18.50	0.00	0.00	0.00
	Total Fixed Assets	1,135.05	905.02	621.41	133.09	8.64
B	Investments	0.00	0.00	0.00	0.00	0.00
C	Currents Assets , Loans and Advances					
	Inventories	0.00	0.00	0.00	0.00	0.00
	Sundry Debtors	662.56	316.92	198.59	116.65	60.97
	Cash and Bank Balance	112.34	70.36	57.26	40.79	41.74
	Loans and Advances	61.63	72.14	70.02	59.44	70.79
	Total Current Assets	836.53	459.42	325.87	216.88	173.50
D	Total Assets(A+B+C)	1,971.58	1,364.44	947.28	349.97	182.14
E	Liabilities and Provisions					
	Loan Funds					
	Secured loans	675.95	273.71	44.44	0.00	0.00
	Unsecured Loans	19.14	2.07	0.00	0.00	0.00
	Deferred Tax Liabilities	68.25	43.29	25.30	10.06	0.43
	Total Loans	763.34	319.07	69.74	10.06	0.43
	Current Liabilities & Provisions					
	Liabilities	179.92	160.84	102.45	137.14	33.32
	Provisions	45.96	32.91	16.98	1.78	1.04
	Total Current Liabilities	225.88	193.75	119.43	138.92	34.36
	Total Liabilities and Provisions	989.22	512.82	189.17	148.98	34.79
F	Net Worth (D-E)	982.36	851.62	758.11	200.99	147.35
G	Represented by Shareholders					
	Share Capital	700.00	700.00	700.00	160.85	5.10
	Share Application Pending Allotment	0.00	0.00	0.00	13.95	141.35
	Reserve and Surplus	339.76	189.24	87.07	27.10	1.93
	Less: Miscellaneous Expenditure to the extend not written off	57.40	37.62	28.96	0.91	1.03

	Net Worth	982.36	851.62	758.11	200.99	147.35
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(Rupees in Lacs)					
Summary Statement of Profit & Losses (Restated)					
	31-Mar-2010	31-Mar-2009	31-Mar-2008	31-Mar-2007	31-Mar-2006
Income					
-Operating Income	936.77	788.04	580.12	435.61	151.49
-Other Income	9.48	8.30	1.13	17.52	23.56
Total Income	946.25	796.34	581.25	453.13	175.05
Expenditure					
-Operating Cost	349.13	358.82	335.18	358.46	149.26
-Employee Cost	157.91	159.61	81.29	16.94	4.56
-Administration Cost	46.81	34.88	30.19	21.85	14.92
-Selling Cost	41.60	21.78	8.93	8.59	1.09
Total Expenditure	595.45	575.09	455.59	405.84	169.83
Profit Before Finance Cost, Taxation & Depreciation	350.80	221.25	125.66	47.29	5.22
-Depreciation for the Year	58.87	43.68	30.26	6.47	1.08
Profit Before Finance Cost & Taxation	291.93	177.57	95.40	40.82	4.14
-Finance Cost	63.83	24.38	2.85	0.30	0.12
Profit Before Tax	228.10	153.19	92.55	40.52	4.02
-Provision For Taxation	52.62	31.81	16.64	5.20	0.92
-FBT For The Year	0.00	1.21	0.70	0.52	0.59
-Deferred Tax Current Year	24.96	18.00	15.24	9.63	0.43
Profit After Tax	150.52	102.17	59.97	25.17	2.08
-Add : Surplus brought forward from previous year	169.24	77.07	17.10	1.93	(0.15)
-Less: Transfer to General Reserve	10.00	10.00	0.00	10.00	0.00
Balance Carried to Balance Sheet	309.76	169.24	77.07	17.10	1.93

Notes:

- a) Sundry Debtors increased from Rs. 198.59 Lacs as at March 31, 2008 to Rs. 316.92 Lacs as at March 31, 2009 and further to Rs. 662.56 Lacs as at March 31, 2010.

Due to entry of one new MSO in the local market where we operate in November, 2008, credit period for advertisement and carriage fees has increased from 3-4 months to almost 6 months. In addition, the credit period of LCO has also increased drastically during that period due to this reason. In view of both the above reasons, the sundry debtors increased from Rs. 198.59 Lacs as at March 31, 2008 to Rs. 316.92 Lacs as at March 31, 2009 and further to Rs. 662.56 Lacs as at March 31, 2010.

- b) The Secured Loans increased from Rs.44.44 Lacs as at March 31, 2008 to Rs.273.71 Lacs as at March 31, 2009 and further to Rs.675.95 Lacs as at March 31, 2010.

During FY 2008-09 increase in secured loans mainly represents term loan for Rs.139.66 Lacs for purchase of immovable property and Rs.39.76 Lacs for purchase of Plant and Machinery and overdraft against FDR of Rs.47.66 Lacs.

During FY 2009-10 increase in secured loans mainly represents cash credit against Book debt 199.71 Lacs (As the outstanding of trade debtors had been increased from previous level), Demand loan against FDR of Rs.40.22 Lacs and Term loan for purchase of machinery (Head end equipments, laying of duct and optical fibre cable) of Rs.206.41 Lacs.

- c) The Unsecured Loans increased from Rs. 0.00 Lacs as at March 31, 2008 to Rs.2.07 Lacs as at March 31, 2009 and further to Rs.19.14 Lacs as at March 31, 2010.

These loans were taken from directors to meet its short term cash requirement of the Company. In addition, in view of business necessity due to entry of new competitor during financial year 2008-09, an unsecured loan of Rs.97 lacs were taken from Directors of the company to meet liability/advance to pay channels but subsequently cheques for Rs.95 lacs were returned back without presenting in bank as the pay channel parties had agreed to defer the payments.

- d) In the statement of Profit & Loss a/c of FY 2007-08 in the restated financials, we have mentioned the provision for Taxation of Rs.16.64 lacs in the RHP whereas in the DRHP we had mentioned the same for Rs.15.86 lacs. This difference of Rs.0.78 lacs occurred as the actual tax paid including interest thereon in the year 2008-09 for the FY 2007-08 was more than the provision created for taxation in FY 2007-08. Hence for the purpose of better disclosure, the amount of Rs.0.78 lacs has been restated in the FY 2007-08 under the heading "Provision for Taxation". Consequently, there was a change in the figure of "Profit After Tax" and "Net Worth" of the Company in RHP as compared with figures shown in DRHP.

GENERAL INFORMATION

SEA TV NETWORK LIMITED

Incorporation

Incorporated as Sea TV Network Limited on May 21, 2004 with the Registrar of Companies, Uttar Pradesh and Uttarakhand, Kanpur.

CIN: U92132UP2004PLC028650

Registrar of Companies: Registrar of Companies, Uttar Pradesh and Uttarakhand, 37/17, Westcott Building, The Mall, Kanpur-208001

Changes in the Registered Office since incorporation

The Registered office of the Company has never been changed since its incorporation till the date of filing of this RHP with SEBI and Stock Exchanges.

Registered Office of the Company:

148, Manas Nagar, Shahganj, Agra- 282010
Tel.:0562-4036666, 2512122, 2512123, 2512223
Fax: 0562-2511070
Email: cs@seatvnetwork.com
Website: www.seatvnetwork.com

Board of Directors

S. NO	NAME OF DIRECTOR	DESIGNATION	STATUS	DIRECTOR IDENTIFICATION NUMBER
1.	Neeraj Jain	Chairman and Managing Director	Promoter Director	00576497
2.	Akshay Kumar Jain	Whole Time Director	Promoter Director	00509865
3.	Pankaj Jain	Whole Time Director	Promoter Director	00509839
4.	Daulat Raichandani	Additional Director	Independent Director	03195172
5.	Rajeev Kumar Jain	Director	Independent Director	01987821
6.	Narendra Kumar Jain	Director	Independent Director	01985845

For further details of our Chairman cum Managing Director and Directors, see the section titled "Our Management" appearing on page 67 of this RHP.

COMPANY SECRETARY & COMPLIANCE OFFICER

Mr. Ashish Mittal

SEA TV Network Limited

148, Manas Nagar, Shahganj, Agra- 282010
Tel.:0562-4036666, 2512122, 2512123, 2512223
Fax: 0562-2511070
Email: cs@seatvnetwork.com
Website: www.seatvnetwork.com

LEGAL ADVISOR TO THE ISSUE

M/s Zenith India Lawyers, Advocates & Solicitors
M-7/17, Second Floor, DLF-II
Gurgaon, 122002
Telfax: 0124 - 4296671
Email: rajranib@yahoo.com, rajranibhalla@gmail.com
Contact Person: Mrs. Raj Rani Bhalla, Sr. Partner

BANKERS TO THE COMPANY

HDFC Bank Limited

13, M.G. Road, Agra- 282001
Tel: 0562 2262539
Fax: 0562-4012884
Email: ashish.agarwal@hdfcbank.com

Punjab National Bank

20/17C, Sirki Mandi, Loha Mandi,
Shahganj
Agra-282002
Tel: 0562 2510109
Fax: Not Available
Email: Not Available

Canara Bank

243,Jaipur House Colony
Agra-282002
Tel: 0562 2811235, 2810480
Fax: Not Available
Email: luck0193@canbank.co.in

Syndicate Bank

Village and Po-Barara, District
Agra-282001
Tel: 0562 2760207
Fax: Not Available
Email: Not Available

Allahabad Bank

17, Parliament Street
New Delhi-110001
Tel: 011 23743694
Fax: 011 23363694
Email: delpstr@del.allahabadbank.co.in

State Bank of India

19/10-A-22, Jaipur House
Agra-282010
Tel : 0562-2813446
Fax : 0562-2810425
Email : sbi.06532@sbi.co.in

Oriental Bank of Commerce

E-15/8, Prince Tower, Sanjay Place,
Agra-282002
Tel : 0562-2854952, 3018791
Fax : 0562-2856207
Email : bm0842@obc.co.in

The Investors are requested to contact the Compliance Officer or the Registrar to the issue for any pre-issue/post-issue questions or information, including letter of allotment, refund orders, demat credits of allotted shares etc.

ISSUE MANAGEMENT TEAM

BOOK RUNNING LEAD MANAGER TO THE ISSUE

Chartered Capital and Investment Limited

SEBI Registration. No.: INM000004018
711, Mahakant, Opp V.S. Hospital,
Ellisbridge,
Ahmedabad-380 006
Tel: +91-79-2657 5337, 2657 7571
Fax: +91-79-2657 5731
E-mail: sea.ipo@charteredcapital.net
Investor Grievance Id: investor.relation@charteredcapital.net
Website: www.charteredcapital.net
Contact Person: Mr. Manoj Kumar Ramrakhyani

REGISTRAR TO THE ISSUE

Link Intime India Private Limited
SEBI Registration. No.: INR000004058
C-13, Pannalal Silk Mills Compound,
L.B.S. Marg, Bhandup (West),
Mumbai 400 078
Ph:(022) 25960320
Fax:- (022) 25960329
Website: www.linkintime.co.in
E-mail:- stnl.ipo@linkintime.co.in
Contact Person: Mr. Chetan Shinde

BANKERS TO THE ISSUE AND ESCROW COLLECTION BANKS

ICICI Bank Limited

**Capital Markets Division,
30, Mumbai Samachar Marg,
Mumbai – 400 001**
Tel: +91-22-6631 0311, 6631 0312
Fax: +91-22-2261 1138, 6631 0350
E-mail: venkataraghavan.t@icicibank.com
Contact Person: Mr. Venkataraghavan T. A.

HDFC Bank Limited

FIG-OPS Department,
Lodha-I Think Techno Campus,
O-3 Level, Next to Kanjurmarg Railway Station,
Kanjurmarg (East),
Mumbai- 400042
Tel: +91-22-3075 2928
Fax: +91-22-2579 9801
E-mail: deepak.rane@hdfcbank.com
Contact Person: Mr. Deepak Rane

Indusind Bank Limited

Cash Management Services,
IBL House, 1st Floor,
Cross "B" Road, MIDC,
J.B. Nagar, Off-Andheri-Kurla Road,
Andheri (East), Mumbai-400 059
Tel: +91-22-6772 8721
Fax: +91-22-6641 2349
E-mail: suresh.esaki@indusind.com
Contact Person: Mr. Suresh Esaki

Self Certified Syndicate Banks

The list of banks that have been notified by SEBI to act for the ASBA Process are provided on <http://www.sebi.gov.in>. For details on designated branches of SCSBs collecting the ASBA Bid cum application Form please refer the above mentioned SEBI website.

BROKERS TO THE ISSUE

All members of the recognized Stock Exchanges would be eligible to act as Brokers to the Issue.

SYNDICATE MEMBER**Chartered Capital and Investment Limited**

711, Mahakant, Opp V.S. Hospital,

Ellisbridge,

Ahmedabad-380 006

Tel: +91-79-2657 5337, 2657 7571

Fax: +91-79-2657 5731

E-mail: sea.ipo@charteredcapital.net

Contact Person: Mr. Manoj Kumar Ramrakhyani

AUDITORS

M/s. Surendra G & Company, Chartered Accountants

7-D, Block 57, Sanjay Place

Agra-282002

Telefax: +91-562-4062 866

Email:surendra_garg1@yahoo.co.in

Contact Person: Mr. Surendra Kumar Garg

STATEMENT OF RESPONSIBILITIES OF BRLM TO THE ISSUE

The Responsibilities of the BRLM to the Issue are as under:

1. Capital structuring with the relative components and formalities such as type of instruments, etc.
2. Due diligence of the Company's operations / management / business plans etc.
3. Drafting & Design of Offer Document and of statutory advertisement including memorandum containing salient features of the Offer Document. Ensure compliance with stipulated requirements and completion of prescribed formalities with SEBI, Stock Exchanges, RoC.
4. Primary coordination with SEBI, Stock Exchanges and RoC upto bidding and coordinating interface with lawyers for agreement.
5. Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertisement, brochure, etc.
6. Appointment of Registrar, Bankers, Printer and Advertising agency.
7. Company Positioning and pre-marketing exercise, finalize media and PR strategy.
8. Qualified Institutional Buyers (QIB): Finalising the list and division of investors for one to one meeting and coordinating institutional investors meetings.
9. Non Institutional and Retail Marketing of the Issue, which will cover inter alia,
 - ✓ Formulating marketing strategies
 - ✓ Preparation of publicity budget
 - ✓ Finalizing centres for holding conferences for brokers, etc.
 - ✓ Finalize collection centres
 - ✓ Follow-up on distribution of publicity and Issue material including form, prospectus and deciding on the quantum of the Issue material
10. Appointment of Syndicate Members.
11. Managing the Book, Interaction/Co-ordination with Stock Exchange for book building software, bidding terminals and mock trading.
12. Finalising pricing, QIB allocation and intimation by BRLM in consultation with the Company.
13. Finalization of Prospectus and RoC filing etc.
14. Post bidding activities including management of Escrow Accounts, co-ordination with Registrar and Banks, Refund to Bidders, etc.
15. The post Issue activities of the Issue will involve essential follow up steps, which include finalisation of listing of instruments and dispatch of non institutional allotments advice and related orders, with the various agencies connected with the work such as Registrars to the Issue, Bankers to the Issue and the bank handling refund business.

CREDIT RATING

This being a public issue of equity shares, no credit rating is required.

IPO GRADING

The Company has appointed ICRA Limited for the purpose of IPO Grading.

This Issue has been graded by ICRA Limited as "IPO Grade 1", indicating poor fundamentals through its letter dated February 17, 2010. For details in relation to the report of ICRA Limited furnishing rationale for the IPO grading, please refer to Annexure beginning on page 203 of this RHP. Attention of the Investors is drawn to the disclaimer of ICRA Limited appearing on page 137 of the RHP.

TRUSTEES

This being an issue of Equity shares, appointment of Trustees is not required.

MONITORING AGENCY

No agency has been appointed to monitor utilization of Funds as the issue size is not in excess of Rs.500 crore. However, in case such an agency is appointed such agency shall file the monitoring report with the issuer company on a half yearly basis till the proceeds of the issue have been entirely utilized. The monitoring report alongwith the management comments thereon will be placed before the Audit committee.

APPRAISER

The project has been appraised by Allahabad Bank. Contact Details of appraising entity are as under:

ALLAHABAD BANK

17, Parliament Street, New Delhi-110001

Tel: 011-23743694

Email: delpstr@del.allahabadbank.co.in

SWOT analysis of the Company as perceived by its Allahabad Bank in its project appraisal report.

Strengths

- ✓ Promoters are well experienced in this line of business.
- ✓ Company has more than 150 franchisees who are LCOs.
- ✓ Existing Subscriber base and market share of about 60-65% in Agra.
- ✓ Experienced management.
- ✓ The present project is basically for expansion of existing business using latest technology.
- ✓ India's large population base with increasing purchasing power.
- ✓ Young population demography of India.

Weakness

- ✓ This is a capital Intensive project.
- ✓ No tie-up with any foreign players of this line.

Opportunities

- ✓ Huge opportunities exist for scaling up the operations in this line of business through out India.
- ✓ Use of latest technologies would help in increasing market share.
- ✓ Opportunity to provide Optical fibre network to others players and receive rent.
- ✓ Opportunity to join hands with other big players to scale up operations in future.
- ✓ Opportunity to get FDI and Private equity.

Threats

- ✓ Competition from other existing players in Agra city.
- ✓ Inability to invest in modernisation and latest technological advancements for any reason in future can affect the business operations.
- ✓ Technical obsolescence.

Withdrawal of the Issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before Allotment. If our Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue informing the reason. The notice shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.

Book Building Process

Book building refers to the collection of Bids from investors, which is based on the Price Band, with the Issue Price being finalized after the Bid/Issue Closing Date. The principal parties involved in the Book Building Process are:

1. The Company.
2. The Book Running Lead Manager; and
3. The Syndicate Members who are intermediaries registered with SEBI or registered as brokers with the Stock Exchange (s) and eligible to act as underwriters. The BRLM appoints the Syndicate Members, and
4. The Registrar to the issue.
5. Self Certified Syndicate Banks

The SEBI Regulations has permitted an issue of securities to the public through the 100% Book Building Process, wherein (i) up to 50 % of the Issue shall be allocated on a proportionate basis to QIBs, including upto 5% of the QIB portion that shall be available for Allocation on a proportionate basis to Mutual Funds only and the remainder of the QIB portion shall be available for Allocation on a proportionate basis to all QIB Bidders, including Mutual Funds. Further, (ii) at least 15% of the Issue shall be available for allotment on a proportionate basis to Non Institutional Bidders and (iii) at least 35% of the Issue shall be available for allotment on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price. We will comply with the SEBI Regulations for this Issue. In this regard, we have appointed the BRLM to procure subscriptions to the Issue.

QIBs are not allowed to withdraw their Bid(s) after the Bid /Issue Closing Date. The allocation to QIBs will be on a proportionate basis. For further details please refer the section titled "Terms of the Issue" on page 144 of the Red Herring Prospectus.

Book Building Process under the SEBI Regulations is subject to change and the investors are advised to make their own judgment about investment through this process prior to making a Bid in the Issue.

Steps to be taken by the Bidders for bidding:

- Check whether he/she is eligible for bidding;
- Bidder necessarily needs to have a demat account; and
- Ensure that the Bid cum Application Form/ASBA Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form/ASBA Form.

Illustration of Book Building and Price Discovery Process (Investors should note that this example is solely for illustrative purposes and is not specific to the Issue)

Bidders can bid at any price within the price band. For instance, assume a price band of Rs. 20 to Rs. 24 per share, offer size of 3,000 equity shares and receipt of five bids from bidders out of which one bidder has bid for 500 shares at Rs. 24 per share while another has bid for 1,500 shares at Rs. 22 per share. A graphical representation of consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book given below shows the demand for the shares of the Company at various prices and is collated from bids from various investors.

Bid Quantity	Bid Price (Rs.)	Cumulative Quantity	Subscription
500	24	500	16.67%
1000	23	1500	50.00%
1500	22	3000	100.00%
2000	21	5000	166.67%
2500	20	7500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the Company is able to offer the desired number of shares is the price at which the book cuts off i.e. Rs. 22 in the above example. The Company, in consultation with the BRLM, will finalise the Issue price at or below such cut off price, i.e. at or below Rs. 22. All bids at or above this Issue price and cut off bids are valid bids and are considered for allocation in the respective categories.

UNDERWRITING AGREEMENT

After the determination of the Offer Price and Allocation, but prior to filing of the Prospectus with the RoC, the Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through this Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the BRLM shall be responsible for bringing in the amount devolved, in the event that the Syndicate Members do not fulfill their underwriting obligations.

Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are subject to certain conditions to closing, as specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

Name and Address of the Underwriters	Indicative Number of Equity shares to be Underwritten	Amount Underwritten (Rs. in Lacs)
Chartered Capital And Investment Ltd. 711, Mahakant, Opp V.S. Hospital, Ellisbridge, Ahmedabad-380 006	[•]	[•]

(The above-mentioned is indicative underwriting and this would be finalized after the pricing and actual Allocation and has been intentionally left blank to be filled in before filing of the Prospectus with the RoC.)

The Underwriting Agreement is dated [•] In the opinion of the Board of Directors of the Company (based on a certificate given to them by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. All the abovementioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchanges. The Board of Directors of the Company have accepted the Underwriting Agreement mentioned above at their meetings held on [•] and the Company have issued letters of acceptance dated [•] to the Underwriters accordingly.

Allocation among Underwriters may not necessarily be in proportion to their underwriting commitments. 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. In the event of any default, the respective underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure / subscribe to the extent of the defaulted amount.

CAPITAL STRUCTURE OF THE COMPANY

Share capital of our Company as at the date of filing of this RHP with SEBI is set forth below:

(Rs. in lacs, except share data)

Share Capital	Face Value	Aggregate Value
(A) Authorized Share Capital		
1,70,00,000 Equity Shares of Rs.10 each	1700	
(B) Issued, Subscribed and Paid-Up Capital before the Issue		
70,00,000 Equity Shares of Rs.10 each	700	
(C) Present Issue in terms of the RHP #		
[•] Equity Shares of Rs.10 each is the Net Issue to Public	[•]	5020
Of which		
(i) QIB Portion of up to [•] Equity Shares, being upto 50% of the Net Issue*	[•]	2510
(ii) Non-Institutional Portion of at least [•] Equity Shares, being atleast 15% of the Net Issue	[•]	753
(iii) Retail Portion of at least [•] Equity Shares, being atleast 35% of the Net Issue	[•]	1757
(D) Paid up Equity Capital after the Issue		
[•] Equity shares of Rs. 10 each	[•]	5720
(E) Securities Premium Account		
Before the Issue	0.00	
After the Issue	[•]	

* Atleast 10% of the Net Offer to the Public i.e. [•] Equity Shares aggregating Rs.502 lacs, shall be compulsorily subscribed by and allotted to Qualified Institutional Buyers (QIBs) failing which entire subscription monies shall be refunded.

The present Issue has been authorized by the Board of Directors in their meeting dated November 03, 2008 and by the shareholders of our Company at the EGM dated December 01, 2008.

The details of increase and change in authorized share capital of our Company after the date of incorporation till filling of the RHP with SEBI is as follows:

(In Rs.)

Date of change	Nature of increase/change	Number of Equity Shares	Face Value	Nature of Instrument	Cumulative authorized Share Capital
24.03.2007	Increase	1500000	10	Equity	20000000
29.03.2007	Increase	3000000	10	Equity	50000000
30.11.2007	Increase	5000000	10	Equity	100000000
31.12.2007	Increase	7000000	10	Equity	170000000

Notes to Capital Structure:

1. Share Capital History of our Company

Date of Allotment	Nature of Instrument	Number of shares Allotted	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Value	Nature of Issue & reason for allotment	Cumulative paid up share capital (Rs.)	Cumulative share premium (Rs.)
21.05.2004	Equity Shares	51000	10	10	Cash	510000	Initial Allotment	510000	0.00

24.03.2007	Equity Shares	1557500	10	10	Cash	15575000	Further issue	16085000	0.00
29.09.2007	Equity Shares	3391500	10	10	Cash	33915000	Further issue	50000000	0.00
02.01.2008	Equity Shares	2000000	10	10	Cash	20000000	Further issue	70000000	0.00

2. Details of Allotment to Promoters, Promoters Holding and Lock-in:

a.) Allotment of Equity Shares to Promoters

Name of the Promoter	Date of Allotment/ Acquisition	No. of Equity Shares	Face Value (Rs.)	Issue/ acquisition Price (Rs.)	Consideration	Nature of Issue & reason for allotment	% of Pre Issue Capital	% of Post Issue Capital
Mr. Neeraj Jain								
	21-05-2004	45000	10	10	Cash	Initial Allotment		
	24-03-2007	100000	10	10	Cash	Further Issue		
	07-10-2007	4624000	10	1	Transfer in cash	Transfer from various Persons ¹		
	07-01-2008	2001800	10	1	Transfer in cash	Transfer from various Persons ²		
Total		6770800					96.73	[•]
¹ On October 7, 2007, Mr. Akshay Kumar Jain, Mrs. Chhaya Jain, Mr. Pankaj Jain & Mrs. Sonal Jain transferred 1450000, 1259500, 1519500 & 395000 Equity Shares respectively to Mr. Neeraj Jain.								
² On January 7, 2008, Mr. Akshay Kumar Jain, Mrs. Chhaya Jain, Mrs. Sonal Jain, Mr. Chakresh Kumar Jain & Mr. Bhagwan Swaroop Jain transferred 510000, 1170000, 320000, 900 & 900 Equity Shares respectively to Mr. Neeraj Jain.								
Mr. Akshay Kumar Jain								
	21-05-2004	1000	10	10	Cash	Initial Allotment		
	24-03-2007	10000	10	10	Cash	Further Issue		
	29-09-2007	47500	10	10	Cash	Further Issue		
Total		58500					0.84	[•]
Mr. Pankaj Jain								
	21-05-2004	1000	10	10	Cash	Initial Allotment		
	24-03-2007	45000	10	10	Cash	Further Issue		
Total		46000					0.66	[•]
Ms. Sonal Jain								
	21-05-2004	1000	10	10	Cash	Initial Allotment		
	24-03-2007	45000	10	10	Cash	Further Issue		
	29-09-2007	52500	10	10	Cash	Further Issue		
Total		98500					1.41	[•]
Ms. Chhaya Jain								
	21-05-2004	1000	10	10	Cash	Initial Allotment		
	24-03-2007	25000	10	10	Cash	Further Issue		
Total		26000					0.37	[•]
Grand Total		6999800					100.00	[•]

As on date of this Red Herring Prospectus, none of the Equity Shares held by the Promoters & Promoters Group have been pledged to any person, including banks and financial institutions.

b.) Lock in of Minimum Promoters' Contribution

Pursuant to Regulation 32 of the SEBI Regulations, the Promoters are required to contribute not less than 20% of the post-Issue capital of our Company as minimum Promoter's contribution. Accordingly, an aggregate of 20% of the post Issue equity share capital of our Company held by the Promoters shall be locked in as minimum Promoters' contribution. All the Equity Shares held by the promoters are eligible for being locked in for period of three years.

The details of the Equity Shares forming part of the promoter's contribution which shall be locked in for a period of three years have been provided below

Sr. No	Date of Allotment / Transfer	Date when made fully paid up	Consideration (Cash, bonus, kind, etc.)	No. of Shares	Face Value(Rs.)	Issue/acquisition price (Rs.)		% of Post issue Paid Up Capital
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]

The lock-in shall start from the date of allotment in the proposed public issue & the last date of lock-in shall be reckoned as three years from the date of commencement of commercial production or the date of allotment in the public issue whichever is later. The Equity Shares to be locked-in for a period of three years will be computed as 20% of the equity capital after the issue.

Our Promoter has given their written consent for inclusion of the aforesaid Equity Shares as a part of Promoter's contribution which is subject to lock-in for a period of 3 years.

- ✓ The Company hereby confirms that the minimum Promoters' contribution of 20% of the post-Issue Capital, which is subject to lock-in for three years are not ineligible in term of regulation 33 of SEBI (Issue of Capital and Disclosure requirements) Regulations, 2009 and does not consist of :
 - (a) Equity Shares acquired within three years before the filing of the Red Herring Prospectus with SEBI for consideration other than cash and revaluation of assets or capitalisation of intangible assets or resulting from a bonus issued by utilization of revaluation reserves or unrealized profits of the Company or from bonus issue against Equity Shares which are ineligible for minimum Promoter's contribution.
 - (b) Securities acquired by the Promoters, during the preceding one year, at a price lower than the price at which Equity Shares are being offered to the public in the Issue.
 - (c) Equity Shares issued to the Promoters on conversion of partnership firms into limited company.
 - (d) Pledged Equity Shares held by the Promoters.
- ✓ In terms of regulation 36(b) of the SEBI (ICDR) Regulations, 2009, other than the 20% of post-issue shareholding of the Company held by the Promoters which are locked-in for three years, the entire shareholding of persons falling under promoters, promoter group, will be locked in for a period of one year. The lock-in shall start from the date of allotment in the proposed public issue & the last date of lock-in shall be reckoned as one year from the date of commencement of commercial production or the date of allotment in the public issue whichever is later.
- ✓ In terms of regulation 37 of the SEBI (ICDR) Regulations, 2009, the entire pre-issue issued equity share capital of the Company, held by the persons other than promoters, promoter group, will be locked in for a period of one year. The lock-in shall start from the date of allotment in the proposed public issue & the last date of lock-in shall be reckoned as one year from the date of commencement of commercial production or the date of allotment in the public issue whichever is later.
- ✓ The Promoters have vide their letter dated December 11, 2008 given their consent for lock in as stated above.

- ✓ In terms of regulation 39 of the SEBI ICDR Regulations, Equity Shares held by promoters and locked-in may be pledged with any scheduled commercial bank or public financial institution as collateral security for loan granted by such bank or institution, subject to the following:
 - (a) if the Equity Shares are locked-in for a period of three years as mentioned above, the loan has been granted by such bank or institution for the purpose of 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;
 - (b) if the Equity Shares are locked-in for a period of one year as mentioned above, the pledge of Equity Shares is one of the terms of sanction of the loan.
 - ✓ In terms of regulation 40 of the SEBI ICDR Regulations, Subject to the provisions of Securities and Exchange Board of India (Substantial Acquisition of shares and Takeovers) Regulations, 1997, the Equity Shares held by promoters and locked-in as per regulation 36 may be transferred to another promoter or any person of the promoter group or a new promoter or a person in control of the issuer and the Equity Shares held by persons other than promoters and locked-in as per regulation 37 may be transferred to any other person holding the Equity Shares which are locked-in along with the Equity Shares proposed to be transferred. However, the lock-in on such Equity Shares shall continue for the remaining period with the transferee and such transferee shall not be eligible to transfer them till the lock-in period stipulated in these regulations has expired.
 - ✓ The share certificates which are in physical form for locked-in Equity Shares will carry an inscription "nontransferable" along with the duration of specified non – transferable period mentioned on the face of the share certificate and in case of shares are in dematerialized form, the company will ensure that lock-in is recorded with respective depositories, as per Regulation 35(2) of the SEBI Regulations.
 - ✓ Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from persons defined as promoters under the SEBI Regulations.
3. The Promoters/Promoter Group, the Directors of the issuer Company or their immediate relatives has not purchased or sold or financed the purchase by any other person of the Equity Shares of the Company, during a period of six months preceding the date of filing of this Red Herring Prospectus with SEBI.

4. Shareholding of Promoter Group other than Promoters: Nil

5. Pre and Post-Issue Shareholding Pattern of our Company:

Category	Pre Issue		Post Issue	
	Shares	%	Shares	%
Promoters & Promoters Group				
Promoters				
Mr. Neeraj Jain	6770800	96.73%	6770800	[•]
Mr. Akshay Kumar Jain	58500	0.84%	58500	[•]
Mr. Pankaj Jain	46000	0.66%	46000	[•]
Ms. Sonal Jain	98500	1.41%	98500	[•]
Ms. Chhaya Jain	26000	0.37%	26000	[•]
Sub-total (A)	6999800	99.997%	6999800	[•]
Promoters Group				
NIL				
Sub-total (B)	0.00	0.00	0.00	0.00
Total Promoters Group Shareholding [A+B]= [X]				
	6999800	99.997%	6999800	[•]
Others				
Anubhav Jain	100	0.001%	100	[•]
Vivek Jain	100	0.001%	100	[•]
Employees	0.00	0.00%	0.00	[•]
Public	0.00	0.00%	[•]	[•]
Sub Total [Y]	200	0.002%	[•]	[•]
Grand Total	7000000	100%	[•]	100%

[X+Y]				
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6. Equity Shares held by the top ten shareholders

a.) Top ten shareholders as on the date of and 10 days prior to filing of the RHP with SEBI

Name of Shareholders	Number of shares	% of Total
Neeraj Jain	6770800	96.73%
Sonal Jain	98500	1.41%
Akshay Kumar Jain	58500	0.84%
Pankaj Jain	46000	0.66%
Chhaya Jain	26000	0.37%
Anubhav Jain	100	0.001%
Vivek Jain	100	0.001%
TOTAL	7000000	100%

b.) Top ten equity shareholders as on two years prior to the date of filing of the Red Herring Prospectus with SEBI

Name of Shareholders	Number of shares	% of Total
Neeraj Jain	6770800	96.73%
Sonal Jain	98500	1.41%
Akshay Kumar Jain	58500	0.84%
Pankaj Jain	46000	0.66%
Chhaya Jain	26000	0.37%
Anubhav Jain	100	0.001%
Vivek Jain	100	0.001%
TOTAL	7000000	100%

7. Buy-back and Standby arrangements

There is no "buy back" or "stand by" arrangement for purchase of Equity Shares by the Company, its Promoters, Directors, or the BRLM for the Equity Shares offered through the RHP.

8. The Company has not raised any bridge loan against the proceeds of the Issue.
9. The Equity Shares offered through the Issue will be fully paid up.
10. The issuer has not made any issue of Equity Shares at a price lower than the issue price during the preceding one year.
11. In the Public Issue, in case of over subscription in all categories, up to 50% of the Net Issue to Public shall be allocated to QIBs on a proportionate basis. However, atleast 10% of the Net Offer to the Public shall be compulsorily subscribed by and allotted to Qualified Institutional Buyers (QIBs) failing which entire subscription monies shall be refunded. Further, at least 15% of the Net Issue to Public shall be available for allocation to non-institutional bidders and at least 35% of the Net Issue to Public shall be available for allocation to Retail Bidders, on proportionate basis and subject to valid bids being received at or above the Issue Price. Under subscription, if any, in the Non-institutional, Retail or QIBs categories shall be allowed to be met with spillover from any other category at the sole discretion of the Company and the BRLM.
12. There would be no further issue of capital whether by way of issue of bonus shares, preferential allotment, Rights issue or in any other manner during the period commencing from submission of the RHP with SEBI until the Equity Shares offered through the Prospectus have been listed.
13. At present we do not have any intention or proposal to alter our capital structure for a period of six months from date of opening of the Issue, by way of split/consolidation of the denomination of Equity Shares or to make a further issue of Equity Shares (including issue of securities convertible into Equity Shares) whether preferential or otherwise except ESOPs if any or if we enter into acquisition or joint ventures or make investments, in which case we may consider raising additional capital to fund such

activity or use equity shares as a currency for acquisition or participation in such joint ventures or investments.

14. As on the date of filing the RHP with SEBI, there are no outstanding financial instruments or any other right, which would entitle the Promoters or shareholders or any other person any option to receive equity shares after the Issue. The Company does not have any shares to be allotted, which are outstanding under ESOPs.
15. We have not issued any Equity Shares out of revaluation reserve or reserves without accrual of cash resources.
16. At any given point of time there shall be only one denomination of Equity Shares of our Company, unless otherwise permitted by law. The Company shall comply with such disclosures and accounting norms specified by SEBI from time to time.
17. No single applicant can make an application for number of shares, which exceeds the number of shares offered.
18. Our Company has 7 shareholders as on the date of filing the RHP with SEBI.
19. An over-subscription to the extent of 10% of the Net Issue to Public can be retained for the purposes of rounding off to the nearest multiple of 65 Equity Share while finalizing the basis of allotment.

OBJECTS OF THE ISSUE

The objects of the issue are to raise financial resources for:

Sr. No	Object	Amount Required (Rs. In Lacs)
1	Setting up complete Digital Headend and network for implementation of Conditional Access System (CAS) to convert from the present Analog system to distribution to a Digital System.	2751.78
2	Setting up network for complete IPTV solution.	528.43
3	Setting up of own cable distribution (underground optical fiber) network capable of digital transmission throughout Agra City and adjoining areas	656.00
4	Setting up own 20 branch-offices in the city including in the adjoining areas with required infrastructure for receiving digital signals and re-transmitting the same without much value addition through co-axial cables to individual customers/subscribers.	1555.07
6	Meeting the expenses of the issue	473.72
7	Creating a public trading market for the Equity Shares of the Company by listing them on the Stock Exchanges.	NA
	Total	5965

The proceeds from the Issue after deducting the Issue related expenses are referred to as "Net Proceeds from the Issue".

We believe that listing will enhance our brand name, provide liquidity to our existing shareholders and create a public market for our Equity Shares in India. The main objects and objects incidental or ancillary to the main objects set out in our Memorandum enable us to undertake our existing activities and the activities for which funds are being raised by us through the Issue.

The fund requirement has been appraised by Allahabad Bank. The fund requirement below is based on our current business plan. In view of the dynamic nature of the industry in which we operate, we may have to revise our business plan from time to time and consequently our fund requirement and consequent utilisation of proceeds from the Issue may also change. In case of any variations in the actual utilisation of funds earmarked for the above activities, any increased fund deployment for a particular activity will be met from our internal accruals.

Fund Requirements

<i>Rs. in lacs</i>		
Sr. No.	Particulars	Amount
1	Land	217.44
2	Buildings	543.50
3	Plant and Machinery	4450.25
4	Electrical Installations	20.00
5	Furniture & Fixtures	140.00
6	Computers , Printers etc	25.00
7	Pre-operative Expenses	95.09
8	Public Issue Expenses	473.72
	TOTAL	5965.00

Funding Plan (Means of finance)

(Rs. in lacs)

Sr. No.	Means of finance	Amount
A	Term Loan	895.00
B	Internal Accruals	50.00
C	Proceeds of IPO	5020.00
	Total	5965.00

"Firm arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through proposed Public/ Rights issue and existing identifiable internal accruals, have been made.

The balance fund requirement over and above the issue proceeds and borrowings will be met from our Internal Accruals or other term loans."

The project has been appraised by Allahabad Bank. The Bank appraised the project for granting the term loan to the Company and sanctioned the term loan of Rs.895 lacs. The Date of appraisal report is December 8, 2007.

Sea TV has received a sanction letter dated December 8, 2007 from Allahabad Bank for Rs. 895 lacs. The same has been renewed five times:

1. for a period of 6 months upto December 08, 2008 vide the bank's letter no. EPN/ADV/SeaTV/387 dated September 02, 2008.
2. for a period of 6 months upto June 08, 2009 vide the bank's letter no. ALB/PST/ADV/1681 dated December 11, 2008.
3. for a period of 6 months upto December 08, 2009 vide the bank's letter no. PST/ADV/2427 dated November 13, 2009.
4. for a period of 6 months upto June 08, 2010 vide the bank's letter no. PST/ADV/2476 dated December 01, 2009.
5. For a period of 4 months upto October 08, 2010 vide the bank's letter no. ALB/ND/PST/ADV/3107 dated May 21, 2010

Details of Use of Proceeds and Schedule of Implementation

Details of Use of Proceeds:

1. Setting up complete Digital Headend and network for implementation of Conditional Access System (CAS) to convert from the present Analog system to distribution to a Digital System.

Land

Particulars	Area (In Sq Yard)	Rate per Sq Yard	Amount (In Rs Lacs)
Estimated cost of Commercial Land	1200	16000	192.00
Land Registration and Incidental Cost @ 12%			23.04
Land Development	1200	200	2.40
Total			217.44

Buildings

Particulars	Area (In Sq Ft)	Rate per Sq Ft	Amount (In Rs Lacs)
Corporate office	10800	750	81.00
Boundry Wall & and Entry Gate			7.50
Car and Scooter Parking Shed & Flooring	2500	200	5.00
Total			93.50

Schedule of Plant and Machinery

Particulars of Equipments	Qty.	Supplier's Name	Cost (Rs. In lakhs)	Date of Quotation
Main control Room Equipments				
Set of Equipments as given in Suppliers Quotation	2 sets	Surbhi Broadband P Ltd	580.00	April 15, 2010
Installation and Commissioning			29.00	
Sub-total			609.00	
Set Top Boxes				
DVBC Set Top Boxes (Rs. 2395 Per Set)	65000	Surbhi Broadband P Ltd	1556.75	April 15, 2010
Sub-total			1556.75	
Fire Fighting Equipments		As per management Estimates	10.00	
Other Miscellaneous Equipments		As per management Estimates	25.00	
Total			2200.75	

Particulars	Cost (Rs. In lacs)
Electrical Installation	20.00

Furniture & Fixtures	
Particulars	Cost (Rs. In lacs)
For Corporate office	100.00
Total	100.00

Particulars	Cost (Rs. In lacs)
Computers, Printers, etc	25.00

Particulars	Cost (Rs. In lacs)
Pre-operative Expenses	95.09

2. Setting up network for complete IPTV solution.

Schedule of Plant and Machinery

Particulars of Equipments	Qty.	Supplier's Name	Cost (Rs. In lakhs)	Date of Quotation
Branch Networking				
Equipments as per Quotation for networking of IPTV Segment	1 Set	Surbhi Broadband P Ltd	98.50	April 15, 2010
Installation & Commissioning			4.93	
Sub-total			103.43	

Set Top Boxes				
IPTV Set Top Boxes (Rs. 4250 Per Set)	10000	Surbhi Broadband P Ltd	425.00	April 15, 2010
Sub-total			425.00	
Total			528.43	

3. Setting up of own cable distribution (underground optical fibre) network capable of digital transmission throughout Agra City and adjoining areas

Schedule of Plant and Machinery

Particulars of Equipments	Qty.	Supplier's Name	Cost (Rs. In lakhs)	Date of Quotation
Optical Fibre Network				
PLB HDPE Duct size 40/33 mm and Accessories as per Quotation	200 KM	Himalayan Pipe Industries	64.21	August 5, 2010
Optical Fiber cable-96 fiber as per Quotation	200 KM	Surbhi Broadband P Ltd	168.75	April 15, 2010
Labour Charges		Ocean Infraestates Limited	423.04	April 18, 2010
Sub-total			656.00	

4. Setting up own 20 branch-offices in the city including in the adjoining areas with required infrastructure for receiving digital signals and re-transmitting the same without much value addition through co-axial cables to individual customers/subscribers.

List of Locations where Branch Offices are proposed to be set up in the city of Agra:

S.No.	Office Location
1	Shastri Puram, Bodla Road, Agra
2	Shaheed Nagar, Mall Road, Agra
3	Sewla Saraya, Agra
4	Sadar Market, Agra
5	Dhakran Crossing, Agra
6	Bijlighar Crossing, Agra
7	St.Johns Crossing, Agra
8	Sanjay Place, Agra
9	Sikandra, Bye Pass Road, Agra
10	Khandari Crossing, Agra
11	Dayal Bagh Road, Agra
12	New Agra, Agra
13	Kamla Nagar, Agra
14	Shahganj, Agra
15	Transyamuna Colony, Agra
16	Belanganj Crossing, Agra
17	Chhipitola, Agra
18	Old Idgah Colony, Agra
19	Gailana, Agra
20	Arjun Nagar, Shahganj, Agra

Buildings

Particulars	Area (In Sq	Rate per Sq	Amount (In Rs
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	Ft)	Ft	Lacs)
Commercial Space for 20 Branch Offices	15000	3000	450.00
Total			450

Schedule of Plant and Machinery

Particulars of Equipments	Qty.	Supplier's Name	Cost (Rs. In lakhs)	Date of Quotation
Equipments for Branches				
Television Sets - Samsung LCD 32"	20	Sparsh Retail Pvt Ltd.	9.00	August 4, 2010
Television Sets - Samsung LCD 40"	20	Sparsh Retail Pvt Ltd.	13.40	August 4, 2010
Invertors - Sukam 7.5 KVA with Battery	20	Suresh Electricals	29.00	April 13, 2010
D. G. Sets - 15KVA	20	Kay Gee Engineers	35.53	August 13, 2010
Splicing Machine	20	Keith electronics P Ltd	88.00	May 07, 2010
Laptops HP1007AX	20	B.M. Computers	10.00	April 13, 2010
Computers SR 51601 L - Compaq	20	B.M. Computers	6.00	April 13, 2010
Airconditioners 1.5 T Window type with voltage stabilizers	20	Sparsh Retail Pvt Ltd.	4.50	August 4, 2010
Airconditioners 1.5 T Split Type with voltage stabilizers	20	Sparsh Retail Pvt Ltd.	5.80	August 4, 2010
Digital QAM/analog RF Signal Meters	20	Surbhi Broadband P Ltd	7.07	April 15, 2010
Analog Signal Meters	60	Surbhi Broadband P Ltd	2.91	April 15, 2010
Optical Signal Meters	20	Surbhi Broadband P Ltd	2.91	April 15, 2010
TS-M-86 PD Master Amplifier	20	Surbhi Broadband P Ltd	3.74	April 15, 2010
Installation and Commissioning			10.00	
Sub-total			227.86	
Branch Networking				
Equipments as per Quotation for networking of Digital Segment	1 Set	Surbhi Broadband P Ltd	797.35	April 15, 2010
Installation & Commissioning			39.86	
Sub-total			837.21	
Total			1065.07	

Orders are yet to be placed for 100% of the plant and machineries required, having a total value of Rs. 4450.25 lacs, for the proposed project of the company.

The Company has neither purchased nor proposes to purchase any second hand machinery for the proposed project.

Furniture & Fixtures	
Particulars	Cost (Rs. In lacs)
For Branch offices	40.00
Total	40.00

IPO expenses

The expenses for this Issue include underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, fees to various advisors, statutory advertisement expenses and listing fees payable to the Stock Exchanges, among others. The estimated Issue expenses are as under:

(Rs. in lacs)

Activity	Estimated Amount	% of Total Expenses	% of Total Issue Size*
Lead Management Fees	[•]	[•]	[•]
Underwriting Commission	[•]	[•]	[•]
Selling Commission	[•]	[•]	[•]
Advertisement and Marketing expenses	[•]	[•]	[•]
Printing and Stationery	[•]	[•]	[•]
Registrar to the Issue	[•]	[•]	[•]
Others (legal fee, listing fee, etc)	[•]	[•]	[•]
Total Estimated Issue expenses	473.72	100	9.43%

*will be incorporated after finalisation of Issue Price

The Net Proceeds will not be used to meet our working capital requirements as we expect to have internal accruals, avail debt, and avail our existing or new lines of credit to meet our existing working capital requirements.

Schedule of implementation

Activity	Commencement date	Completion Date	Remarks
Purchase of Land for Corporate Office	December 2010	February 2011	Yet to commence
Land Development	February 2011	March 2011	Yet to commence
Civil structure of Corporate office	March 2011	September 2011	Yet to commence
Flooring, Electrical Fitting, and Interiors and Finishing of Corporate Office	October 2011	March 2012	Yet to commence
Purchase of space required for 20 Branch offices	December 2010	March 2011	Yet to commence
Placing of Orders for Machinery and Equipments at site	December 2010	January 2011	Yet to commence
Delivery of Equipments	March 2011	April 2011	Yet to commence
Installation of Machinery	April 2011	June 2011	Yet to commence
Trial Runs	June 2011	June 2011	Yet to commence
Commercial Operations	July 2011	Not Applicable	Yet to commence

Funds deployed and source of financing

The Company has received the Sources and Deployment Funds Certificate dated August 14, 2010 from Surendra G. & Company, Chartered Accountants and Statutory Auditors of the Company. The certificate states that the Company has deployed amount aggregating Rs.58.95 Lacs upto August 14, 2010 towards funding of the proposed project. Details of the sources and deployment of funds as on August 14, 2010 as per the certificate is as follows:

Particulars	Amount (Rs. Lacs)
Preliminary Public Issue Expenses	58.95
Total	58.95

Sources of Financing of Funds Already Deployed

Particulars	Amount (Rs. Lacs)
Internal Accruals	58.95
Total	58.95

DETAILS OF BALANCE FUND REQUIREMENT:

Deployment of	Already	To be incurred	
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Funds	incurred till 14.08.2010			Total
		FY 2010-11	FY 2011-12	
Land	0.00	217.44	-	217.44
Buildings	0.00	468.50	75.00	543.50
Plant and Machinery	0.00	1860.00	2590.25	4450.25
Electric Installation	0.00	20.00	-	20.00
Furniture & Fixtures	0.00	-	140.00	140.00
Computers, Printers etc	0.00	-	25.00	25.00
Pre-operative Expenses	0.00	95.09	-	95.09
Public Issue Expenses	58.95	414.77	-	473.72
Total	58.95	3075.80	2830.30	5965.00

Interim Use of Funds:

The management, in accordance with the policies set up by the Board, will have flexibility in deploying the net proceeds received by the company from the Issue. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest/dividend bearing liquid instruments including money market mutual funds and deposit with banks for necessary duration or reducing the working capital / term borrowings from banks and financial institutions.

No part of the Issue proceeds will be paid by the Company as consideration to Sea TV's Promoters, Directors, key management personnel or companies promoted by Sea TV's promoters except in the course of normal business.

Monitoring of Utilisation of Funds:

As the net proceeds of the Issue will be less than Rs. 50000 Lacs, under the SEBI Regulations it is not required that a monitoring agency be appointed by the Company. The company undertakes to disclose the utilisation of proceeds in its financial statements. We will disclose the utilization of proceeds under a separate head in our Company's balance sheet for fiscal 2011 and 2012 clearly specifying the purpose for which such proceeds have been utilized. We, in our balance sheet for fiscal 2011 and 2012, provide details, if any, in relation to all such proceeds of the issue that have not been utilized thereby also indicating investments, if any, of such unutilized proceeds of the issue.

BASIS OF ISSUE PRICE

QUALITATIVE FACTORS

- ✓ Promoters have a long experience in this business. For further details please refer to page 79 of this RHP.
- ✓ First mover advantage with the Company in the State of Uttar Pradesh. For further details please refer to page 45 of this RHP.
- ✓ Proposed Investment in superior and latest technology available worldwide. For further details please refer to page 48 of this RHP.
- ✓ Line of business has considerable growth potential. For further details please refer to page 43 of this RHP.

QUANTITATIVE FACTORS

1. Earning Per Share (EPS) of Equity Share having face value of Rs.10 each (as adjusted for changes in capital)

Year	Basic & Diluted EPS (In Rs.)	Weight
March 31 2008	0.86	1
March 31 2009	1.46	2
March 31 2010	2.15	3
Weighted Average EPS	1.71	

Note:

- a. As on year ended March 31 EPS calculations have been done in accordance with Accounting Standard 20 – “Earnings per share” issued by the Institute of Chartered Accountants of India.
 - b. The weighted average of adjusted EPS for these fiscal years have been computed by giving weights of 1, 2 and 3 for the fiscal years ending March 31, 2008, 2009 and 2010 respectively.
2. Price/Earning (P/E) ratio in relation to Issue Price of Rs. [•]
 - a. Based, EPS of as on March 31 2010 of Rs. 2.15 – P/E is [•]
 - b. Based on weighted average EPS of Rs. 1.71 – P/E is [•]
 3. Average Return on Net Worth (“RONW”)

Year	RONW	Weight
2007-08	7.92	1
2008-09	12.00	2
2009-10	15.33	3
Weighted Average RONW	12.99	

Note: The average return on net worth has been computed on the basis of the adjusted profits and losses of the respective years drawn after considering the impact of accounting policy changes and material adjustments/ regroupings pertaining to earlier years.

4. **Minimum Return on Increased Net Worth to maintain pre-issue EPS is [•]**
5. **Net Asset Value per share (“NAV”)**

	In Rs.
Net Asset Value (pre-issue) (as on 31/3/2008)	10.83
Net Asset Value (pre-issue) (as on 31/3/2009)	12.17
Net Asset Value (pre-issue) (as on 31/3/2010)	14.03
Net Asset Value (post issue)	[•]
Issue Price	[•]

6. Comparative Figures (for the year ended 31st March, 2010)

We are a part of the Entertainment/ Electronic Media Software Industry.

The highest and lowest P/E ratios of this industry are as follows:

Highest: 127.90

Lowest: 1.20

Average: 25.10

Company	EPS (Rs.)	Face value (Rs.)	P/E	RONW(%)	NAV (Rs.)
Sea TV Network Limited	2.15	10	[•]	15.33%	14.03
Den Networks Limited	1.60	10	127.90	-	55.60
Hathway Cable & Datacom Limited	-	10	-	-	62.00

Source: Capital Market Aug 09-22, 2010

7. The face value of Equity Shares of Sea TV is Rs 10/- per share and the issue price is [•] times of the face value.

The Issue Price of Rs. [•] has been determined by the Company in consultation with the Lead Manager, on the basis of assessment of market demand for the Equity Shares and the same is justified on the basis of the above factors.

Investors are requested to see the section titled "Risk Factors" on page ix of this Red Herring Prospectus and the financials of the Company including important profitability and return ratios, as set out in the Auditors Report on financial statements on page 85 of this Red Herring Prospectus to have a more informed view. Provided however that the Issue Price for the Equity Shares in this Issue will not be determined solely on the basis of such profitability and return ratios, financial statements or other forward looking statements. The Issue Price will be determined on the basis of demand from Investors upon completion of the Book Building process.

STATEMENT OF TAX BENEFITS

The Board of Directors
Sea TV Network Limited

Dear Sirs,

Re: Opinion on Tax Benefits

We hereby report that the enclosed annexure states the possible tax benefits available to Sea TV Network Ltd. (the "Company") and its shareholders under the current tax laws in India. 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 business imperatives the Company faces in the future, the Company may or may not choose to fulfill.

The benefits discussed in the annexure are not exhaustive. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

We do not express any opinion or provide any assurance 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.

The contents of this annexure are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

For Surendra G. & Company
Chartered Accountants

(S.K.Garg)
M.No.070974

Place: Agra
Date: 16 Aug 2010

TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS

- This statement sets out below the possible tax benefits available to the Company and to the 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. 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 imperatives, the Company may or may not choose to fulfill.
- This Statement sets out below the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of equity shares. This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for a professional tax advice. In view of the individual nature of tax consequences and changing tax laws, each investor is advised to consult his or her or their own tax consultant with respect to specific tax implications arising out of their participation in the issue;
- In respect of non-residents, the tax rates and the consequent taxation, mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile; and
- The stated benefits will be available only to the sole/ first named holder in case the shares are held by joint shareholders.

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE INCOME TAX ACT, 1961 AND OTHER DIRECT TAX LAWS PRESENTLY IN FORCE IN INDIA

A. SPECIAL TAX BENEFITS FOR THE ISSUER AND ITS SHAREHOLDERS - NIL

B. OTHER GENERAL TAX BENEFITS

Following tax benefits are available to all companies or to the shareholders of any company, after fulfilling certain conditions as required in the respective acts.

BENEFITS UNDER THE INCOME TAX ACT, 1961 ('the IT Act')

I. BENEFITS AVAILABLE TO THE COMPANY

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from domestic company is exempt from income tax.
2. The Company shall be eligible for amortization of preliminary expenditure as specified in section 35D of the Act being expenditure on public issue of shares , subject to the conditions and limits specified in that section.
3. The company shall be entitled to claim depreciation on tangible and intangible assets owned by it and used for the purpose of its business as explained in section 32 of the IT Act.
4. Under Section 115 JAA (2A) of the I.T. Act, tax credit shall be allowed in respect of any tax paid under Section 115JB of the IT Act (MAT) for any Assessment Year commencing on or after 1st April, 2006. Credit eligible for carry forward is the difference between MAT paid and the tax computed as per the normal provisions of the Act. Such MAT credit shall not be available for set off beyond 7 years immediately succeeding the year in which the MAT credit initially arose.

II. BENEFITS AVAILABLE TO RESIDENT SHAREHOLDERS

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received from a domestic company is exempt from income tax in the hands of shareholders.
2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on sale of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

3. Section 48 of the IT Act, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition / improvement and expenses incurred wholly and exclusively in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains. However, in respect of long term capital gains (if shares are held for a period exceeding 12 months) from transfer of shares of Indian Company, it permits substitution of cost of acquisition / improvement with the indexed cost of acquisition / improvement, which adjusts the cost of acquisition/ improvement by a cost inflation index, as prescribed from time to time.
4. As per the provisions of Section 112 of the IT Act, long term capital gains (which are not exempt under Section 10(38) of the IT Act) arising on transfer of shares in the Company would be subject to tax at a rate of 20 per cent (plus applicable surcharge and education cess) after indexation. However, such tax on long term capital gains resulting on transfer of listed securities shall be restricted to 15 per cent without indexation, at the option of the shareholder.
5. As per the provisions of Section 111A of the IT Act, short-term capital gains arising from sale of an equity share in the Company would be taxable at a rate of 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
6. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of such transfer in the bonds issued by:
 - a. National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
 - b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place.

Investments in such specified assets to avail exemption under Section 54EC, on or after 1-4-2007 will not exceed Rs. 50 lacs in a financial year.

7. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long term capital gains which are not exempt from tax under Section 10(38) of the IT Act arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax, if the sale proceeds from transfer of such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.

III. BENEFITS AVAILABLE TO MUTUAL FUNDS

As per the provisions of Section 10(23D) of the IT Act, Mutual Funds registered under the Securities and Exchange Board of India or Mutual Funds set up by Public Sector Banks or Public Financial Institutions or authorized by the Reserve Bank of India and subject to the conditions specified therein, would be eligible for exemption from income tax on their income.

IV. BENEFITS AVAILABLE TO FOREIGN INSTITUTIONAL INVESTORS ('FIIS')

1. As per the provisions of Section 10(34) of the IT Act, dividend income (referred to in Section 115-O of the IT Act) would be exempt from tax in the hands of the shareholders of the Company.
2. As per the provisions of Section 10(38) of the IT Act, long term capital gains arising on transfer of equity shares in the Company would be exempt from tax where the sale transaction has been entered into on a recognized stock exchange of India and is liable to securities transaction tax.

3. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains which are not exempt under Section 10(38) of the IT Act would be exempt from tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of such transfer in the bonds issued by:

- a. National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
- b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year of such transfer or conversion into money takes place.

Investments in such specified assets to avail exemption under Section 54EC, on or after 1-4-2007 will not exceed Rs. 50 lacs in a financial year.

4. As per the provisions of Section 111A of the IT Act, short-term capital gains arising from transfer of equity share in the Company would be taxable at a concessional rate of 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
5. As per the provisions of Section 115AD of the IT Act, income of FIIs arising from securities (other than income by way of dividends referred to in Section 115O of the IT Act) would be taxed at concessional rates, as follows:

Nature of income	Rate of tax (%)
Income in respect of securities	20
Long term capital gains	10
Short term capital gains (Other than short term capital gain referred to in Section 111A)	30

The above tax rates would be increased by the applicable surcharge and education cess. The benefits of indexation and foreign currency fluctuation protection as provided under Section 48 of the IT Act are not available to an FII.

Under Section 115AD (1)(ii) of the IT Act, short term capital gains on transfer of securities shall be chargeable @ 30% and 15% (where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax). The above rates are to be increased by applicable surcharge and education cess.

Under Section 115AD(1)(iii) of the IT Act, income by way of long term capital gain arising from the transfer of shares (in cases not covered under Section 10(38) of the Act) held in the company will be taxable @10% (plus applicable surcharge and education cess).

V. BENEFITS AVAILABLE TO VENTURE CAPITAL COMPANIES/ FUNDS

As per the provisions of Section 10(23FB) of the IT Act, any income of Venture Capital companies/ funds (set up to raise funds for investment in venture capital undertaking registered and notified in this behalf) registered with the Securities and Exchange Board of India would be exempt from income tax, subject to conditions specified therein.

VI. BENEFITS AVAILABLE TO NON-RESIDENTS/ NON-RESIDENT INDIAN SHAREHOLDERS (OTHER THAN MUTUAL FUNDS, FIIS AND FOREIGN VENTURE CAPITAL INVESTORS)

1. As per the provisions of Section 10(34) of the IT Act, any income by way of dividends referred to in Section 115-O (i.e. dividends declared, distributed or paid on or after 1 April, 2003) received on the shares of any company is exempted from the tax.
2. As per the provisions of Section 10(38) of the IT Act, long-term capital gains arising on transfer of equity shares in the Company would be exempt from tax provided the transaction of sale has been entered through a recognized stock exchange and such transaction is chargeable to securities transaction tax.
3. In terms of first proviso to Section 48 of the IT Act, in case of a non-resident, while computing the capital gains arising from transfer of shares in or debentures 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. Cost indexation benefits will not be available in such a case.
4. As per the provisions of Section 54EC of the IT Act and subject to the conditions and to the extent specified therein, long-term capital gains (which are not exempt under Section 10(38) of the IT Act) would be exempt from tax to the extent such capital gains are invested in long term specified assets within 6 months from the date of such transfer in the bonds issued by:
 - a. National Highway Authority of India constituted under Section 3 of The National Highway Authority of India Act, 1988;
 - b. Rural Electrification Corporation Limited, the company formed and registered under the Companies Act, 1956;

If only part of the capital gain is so reinvested, exemption available shall be in the same proportion as the cost of long term specified assets bears to the whole of the capital gain. However, in case the long term specified asset is transferred or converted into money within three years from the date of its acquisition, the amount so exempted shall be chargeable to tax during the year such transfer or conversion into money takes place.

Investments in such specified assets to avail exemption under Section 54EC, on or after 1-4-2007 will not exceed Rs. 50 lacs in a financial year.

5. As per the provisions of Section 54F of the IT Act and subject to the conditions specified therein, long term capital gains (which are not exempt under Section 10(38) of the IT Act) arising to an individual or a Hindu Undivided Family ('HUF') on transfer of shares of the Company will be exempt from capital gains tax if, the sale proceeds from such shares are used for purchase of residential house property within a period of 1 year before or 2 years after the date on which the transfer took place or for construction of residential house property within a period of 3 years after the date of such transfer.
6. Under Section 111A of the IT Act, short-term capital gains arising from sale of an equity share in the Company would be taxable at a concessional rate of 15 per cent (plus applicable surcharge and education cess) where such transaction of sale is entered on a recognized stock exchange in India and is liable to securities transaction tax.
7. As per the provisions of Section 112 of the IT Act, long term gains as computed above (which are not exempt under Section 10(38) of the IT Act) would be subject to tax at a rate of 20 per cent (plus applicable surcharge and education cess). However, as per the proviso to Section 112(1), if the tax on long term capital gains resulting on transfer of listed securities or units, calculated at the rate of 20 percent with indexation benefit exceeds the tax on long term gains computed at the rate of 10 per cent without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10 percent (plus applicable surcharge and education cess).
8. Where shares of the Company have been subscribed in convertible foreign exchange, Non- Resident Indians (i.e. an individual being a citizen of India or person of Indian origin who is not a resident) have the option of being governed by the provisions of Chapter XII-A of the IT Act, which inter alia entitles them to the following benefits:

Under Section 115E of the IT Act, where the total income of a non-resident Indian includes any income from investment or income from capital gains of an asset other than a specified asset, such income shall be taxed at a concessional rate of 20 per cent (plus applicable surcharge and education cess). Also, where shares in the company are subscribed for in convertible foreign exchange by a Non-Resident Indian, long term capital gains arising to the non-resident Indian shall be taxed at a concessional rate of 10 per cent

(plus applicable surcharge and education cess). The benefit of indexation of cost and the protection against risk of foreign exchange fluctuation would not be available.

Under Section 115F of the IT Act, long-term capital gains arising to a Non-Resident Indian from transfer of shares of the Company, subscribed in convertible foreign exchange, shall be exempt from income tax, if the entire net consideration is reinvested in specified assets/ saving certificates within 6 months of the date of transfer. Where only a 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/ saving certificates are transferred or converted into money within 3 years from the date of their acquisition.

Under Section 115G of the IT 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, arising out of assets acquired, purchased or subscribed in convertible foreign exchange and tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the IT Act.

Under Section 115I of the IT Act, a Non-Resident Indian may elect not to be governed by the foregoing provisions for any assessment year by furnishing his return of income for that assessment year under Section 139 of the IT Act, declaring therein that the provisions of Chapter XII-A shall not apply to him for that assessment year and accordingly his total income for that assessment year will be computed in accordance with the other provisions of the IT Act.

BENEFITS AVAILABLE UNDER THE WEALTH TAX ACT, 1957

Asset as defined under Section 2(ea) of the Wealth Tax Act, 1957 does not include shares in companies and hence, shares of the Company held by the shareholders would not be liable to wealth tax.

BENEFITS AVAILABLE UNDER THE GIFT-TAX ACT

Gift tax is not leviable in respect of any gifts made on or after 1st October, 1998. Therefore, any gift of shares of the Company will not attract Gift tax.

Note:

- ✓ All the above benefits are as per current tax laws.
- ✓ This statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences, the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
- ✓ In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.

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

The Cable industry in India has an enormous reach today. As per industry estimates, there are 120 million TV homes in the country. Of this 71 million are served by cable TV network, about 6 million by DTH and rest by terrestrial TV. Apart from some ground-based channels, there are, at present, about 225 Satellite channels registered under Up-linking/Downloading Guidelines of Govt. of India.

Apart from terrestrial network of Doordarshan (a public sector Broadcaster) and newly emerging technologies like IPTV etc, there are at present basically two delivery platforms available for distribution of TV channels to subscriber's viz. cable distribution network and Direct-to-Home (DTH) service. The distribution chain in cable TV industry for delivery of Channels to subscribers consists Broadcasters, Multi System Operators (MSOs) and Local Cable Operators (LCOs). In DTH, the broadcasters and DTH operators are two players in the distribution chain.

The penetration of cable TV homes has moved to 71 million in 2007 over a period of 16-17 years. The phenomenal growth of cable TV network in absence of well directed regulatory framework has led to problems of lack of transparency, determination of actual number of cable connections, monopoly in the last mile cable operations, vertical integration at higher levels of distribution chain and a highly fragmented state at the lower level of the same. Non-addressability is the main reason for controversy over actual number of TV homes. This has led to a situation, where disputes are rampant, revenues are uncertain and investments for up-gradation are not forthcoming.

The first effort in real sense to regulate the cable TV sectors started with Cable Television Networks (Regulation) Act 1995. Telecom Regulatory Authority of India (TRAI) was entrusted with the responsibility to regulate broadcasting and cable services in January 2004. TRAI has since then taken a number of initiatives for regulating the sector. The key measures taken by TRAI are the following:

- ✈ Comprehensive recommendation to GOI on issues relating to broadcasting and distribution of TV channels.
- ✈ Protecting consumer interest and minimizing disputes among the service providers by pegging tariff for cable services to a reference date i.e., 26.12.2003.
- ✈ Promoted competition through the notification on regulation of interconnection issues, which inter-alia provided for making signals available on non-discriminatory basis.
- ✈ Recommendation to GOI to facilitate the participation of private sector in Terrestrial Television.
- ✈ Recommendation to GOI on Digitalisation of Cable services.
- ✈ Regulatory framework for the Cable services in Conditional Access System (CAS) Notified areas in the form of Tariff dispensation for pay channels, basic service tier and supply of Set Top Boxes.
- ✈ Regulatory framework for providing Television viewing through IPTV. This is a system where Television content is provided through Internet Protocol and user can also avail Internet services.

Source: <http://www.trai.gov.in/WriteReadData/trai/upload/ConsultationPapers/117/cpaper24july07.pdf>
(Report dated July 24, 2007)

What is CAS or Addressable System?

CAS or Addressable System is a description normally used for a set of hardware devices (including a Set Top Box) and connected software used at different stages of distribution of a TV channel through which normally the Pay Channels are transmitted in encrypted form. The subscriber will pay for those Pay Channels, which he or she has chosen to view in such a system and is given an authorization for the same by MSO who owns the CAS network. In this business set-up MSOs are often assisted by LCOs. Under a Non CAS or Non Addressable System, the pay channels are sent in unencrypted form and subscriber will not have any option to choose a pay channel of his choice and pay for that only.

Conditional Access System or Addressable System signifies that a subscriber is identifiable. The MSO and the Broadcaster will know the exact number of subscribers of a pay channel or a bouquet of pay channels and the amount that is due from the subscribers.

"CAS area" means area or areas, in which in terms of notification issued by GOI under The Cable Networks (Regulation) Act 1995, it is obligatory for every MSO/cable operator to transmit or re-transmit programmes of any pay channel through an Addressable System from a specified date. This in effect means that the pay channels in that area will be encrypted and for viewing the said pay channels in such area, a subscriber will

have to have a Set Top Box. A complete list of these notified areas is available on TRAI's website, www.trai.gov.in.

Need for Digitalization of Cable TV

Over the last few years, the number of channels being offered on Cable Television has rapidly multiplied. Capacity of Cable networks has although gone up, they are not able to cope up with the demand for space from new channels. At many locations, it is reported that number of channels being demanded are far more than the maximum that can be carried with the existing analogue system. Digital transmission offers a number of advantages over analogue broadcasting and therefore is a growth driver. The advantages include better reception quality, increased channel carrying capacity, new features such as programme guides, etc and potential to provide triple play: voice, Video and data. Much of the Television production use digital technology. DTH service platform is in digital format. The Broadband based IPTV, which also in digital format, is expected to give an enhanced level of competition to other platforms of delivery. Thus digital technology in cable television in above background is inevitable and has to happen if the cable medium as a platform for distribution of signals has to compete with other delivery platforms. There is a cost attached to moving to the digital platform. Consumers have to invest in digital set top boxes or digital television. Most advanced countries in the world have provided a launch date as well as a sunset date.

Recently, CAS has rolled out in some parts of Delhi, Mumbai and Kolkata. Earlier, in Chennai, the MSOs have also put in place the digital headends to meet the demands of CAS. A group on Digitalisation and Voluntary CAS constituted by TRAI has recently submitted a report emphasizing the need to push CAS in 55 more cities apart from four metros and time for roll out of CAS in these cities have been laid out. If this is to be achieved, then it would require setting up of digital headends by each MSO separately for each city or for a group of neighbouring cities. The Government's next plan is to introduce CAS in the remaining parts of Delhi, Mumbai and Kolkata. TRAI has proposed a three-phase rollout of CAS in 55 cities, including Agra between June 2008 and June 2011. The first phase will begin from June 1, 2008 and cover 19 cities like Jaipur, Hyderabad, Bangalore, Noida, Navi Mumbai and Gurgaon. The second and third phase will be effective from June 2009 and June 2010 respectively and cover 18 cities each. Introduction of CAS in Agra has been planned by TRAI in the 2nd phase of rollout of CAS as mentioned above.

Headend In the Sky (HITS) is another platform to distribute the signals straight to the cable operators to meet the requirement of CAS in consumer interest. This has advantage of spreading CAS and digitalisation throughout the country at one go because of country-wide footprints of HITS. Recently, Ministry of Information and Broadcasting of GOI has asked TRAI to formulate and recommend the policy guidelines for HITS operations.

Introduction of CAS has following benefits to the consumer:

- ✎ The freedom to choose individual channel.
- ✎ Customers may opt out of channels they do not wish to view.
- ✎ Tariffs are fixed and regulated by TRAI.
- ✎ Common rates for customers in all areas.
- ✎ After CAS the rate increase by pay channels will be lower.
- ✎ New pay channels can be launched without burdening all consumers.
- ✎ Some of the pay channels may go free in the times to come.
- ✎ Using authorized Set Top Boxes only can a subscriber receive these pay channels.
- ✎ A channel that increases its subscription charges unreasonably will get unsubscribed.
- ✎ Quality of channels will also increase in order to attract subscription.

CAS will therefore empower consumer and provide him with:

- ✎ The ability to budget his cable bill.
- ✎ International quality TV viewing experience.
- ✎ DVD quality picture and stereophonic sound.
- ✎ Electronic programming guide at no extra cost.
- ✎ Parental lock facility.
- ✎ Interactive Gaming facility.
- ✎ Expanded Channel Capacity up to 500 channels.
- ✎ Consistent picture quality across all channels.
- ✎ Approach and make complaints against any operator / broadcaster to TRAI, if required.

According to TRAI, there are around 6000 MSOs across India, who are catering to the need of around 60000 Cable operators in the country, who in turn are transmitting the TV signals to about 71 million cable TV subscribers.

As per a recent SSKI Report of June 2007, the Industry numbers game is as follows:

- ✓ India has over 40,000 last mile operators reaching out to 68 million households.
- ✓ 80% of LCOs have an average of 400-500 subscribers each.
- ✓ Under-declaration by LCOs is as high as 85%; less than 10 million subscribers out of 68 million households are actually reported.
- ✓ Broadcasters receive 14-17% of total subscription revenues collected, while MSOs make 4-6% and LCOs garner 76-80%
- ✓ Advertising is the key revenue stream (75-90%) for Broadcasters owing to a poor pay revenue model.
- ✓ Zee, Star and Sony earn 25-30% of their revenues through pay stream; niche broadcasters like TV18 and Ten Sports generate less than 20% of their total revenues through subscription route.

Introduction of CAS in Cable TV viewing would bring in transparency and thereafter all industry chain intermediates i.e. Broadcasters, MSOs and LCOs would be able to share the revenues in a fair manner.

Various industry experts feel that as more DTH players enter the market, competition will increase, driving down STB prices and leading to significant growth in CAS penetration. This will give the consumer/viewer the necessary incentive to voluntarily opt for digital cable. This effect is similar to what has been experienced in Telecom industry in India over the last few years.

Penetration of CAS has already reached about 31% in Metro cities where CAS has been notified. About 5.5 Lakh consumers own STBs in these cities. Industry sources point out that one reason for low penetration/adoption of CAS is that most MSOs have not yet invested adequately in Headends and STBs required for Digitalisation of cable TV operations. When MSOs invest adequately in setting up the required system, LCOs will have no choice but to join the system, bringing the transparency to the advantage of MSOs, Broadcasters as well as consumers.

As reported in the Financial Express, In four years time, India will overtake Japan and three other countries—Australia, Hong Kong and South Korea—to emerge as the second largest digital cable TV home market (after China) in the Asia-Pacific region, according to reports of independent media research firms, Informa Telecoms and Media group and Media Partners Asia (MPA). However, in terms of digital cable TV penetration of TV homes, India will still lag behind China, Singapore, Australia, Japan among others at 7% in 2012 from the current 1%.

The modest pace of digital upgrade in India is attributed by the MPA report to lack of investment, regulatory barriers and last mile fragmentation. MPA forecast indicates that total digital cable subscribers will grow to 154 million by 2012 in the region and to 209 million by 2017. This implies that close to 60 % of the region's cable homes will have at least one Set-top-box by 2017.

China will lead the market with 165 million digital cable subscribers forecasts by 2017. Digital cable home volumes is expected to expand in India to over 12 million in 2012 (almost double the number of subscribers in Japan) and 22 million digital cable subscribers by 2017. This will still represent less than 20% share of total cable subscribers. Korea and Japan together will account for 16 million digital subscribers by 2017 with Japan reaching 100% penetration by 2014.

According to Cable and Satellite Broadcasting Association of Asia (Caasba), India, in terms of digital pay TV subscribers, India will cross Japan by 2012 to reach over 38 million subscribers and 56 million subscribers by 2017 from the 6-million mark today. The report notes that aggressive competition from DTH players, slow but steady flow of capital, emergence of large and acquisitive MSOs will boost the market for digital pay TV.

What is IPTV?

IPTV stands for Internet Protocol Television. This is a system where interactive digital video including television services are delivered using Internet Protocol (IP) over a network infrastructure, which may include delivery by a broadband connection. This technology enables the user to access Internet and IP delivered television content, including broadcast channels. IPTV is not connected to the Internet and therefore there are no download charges.

IPTV provides interactive video over managed platform with strictly maintained quality of service parameters. Therefore IPTV gives an unmatched experience to the viewer. IPTV is distinctly different from Internet Video that simply allows users to watch videos over internet with no end-to-end service management.

Contrary to the traditional method of current terrestrial broadcast television, IPTV removes the fixed television schedule. IPTV enables viewing Television programmes of one's choice, whenever an individual consumer demands it. Broadband service is critical for success of IPTV. Broadband services are growing in India at more than 13% year-on-year. India is all set to become the largest addressable "pay TV" market by 2015.

How does IPTV service function?

There are three main components for delivering this service:

1. Head End – where the content like Broadcasted channels, games, Time shifted TV, etc. are encoded, stored and streaming.
2. Delivery Network – using Optical Fibre Network having Multi Protocol Switching system.
3. Set Top Box (STB) – This is required at the customer location to convert the IP signal back to TV signal.

IPTV Services and Features

- ✓ Satellite Broadcast Channels
- ✓ Instant and Interactive
- ✓ Conditional Access System
- ✓ Video on Demand
- ✓ Time Shifted TV (TSTV)
- ✓ Interactive Gaming
- ✓ Remote Surveillance

Subscriber's Tariff under CAS

TRAI has fixed the tariff to be charged to the subscribers availing "Pay Channels" broadcasting. "Pay channel" means a channel for which fees is to be paid to the Broadcaster and which would require the use of an addressable system (a set top box) attached with the TV set of a subscriber in CAS notified area.

Broadcasters get their payment from MSOs, out of subscriber revenue collected by them. According to the present tariff, company can charge following fees from the subscribers in the notified area:

Subscribers will pay maximum Rs. 5 per Pay channel (excluding taxes) per month to the service providers (MSO). He is free to choose the channels as per his choice. Broadcasters can fix the MRP of their channels within this ceiling.

Free-to Air (FTA) Channels means a channel for which no fees is to be paid to the Broadcaster and which would not require the use of Set Top Box for viewing such channels. At present there are about 60 FTA channels in operation. TRAI has fixed that maximum amount that a MSO can demand for minimum package of 30 FTA channels is Rs.77 per month (excluding taxes) from each subscriber. Since the channels are carried through the distribution infrastructure created for transmission, a charge has to be paid for the same to the cable operator. This charge is known as "Basic Service Tier Charge". In case any additional FTA channels are offered over and above the prescribed minimum of 30 channels, no additional amount will be payable by the subscriber.

TRAI has provided for a Standard Tariff Package for supply of STBs. The package provides the every MSO/cable operator in CAS area shall compulsorily offer to the subscribers the following options as a standard tariff:

- ✓ Option –I: Rental of Rs. 30 p.m. + Refundable Security deposit of Rs. 999/-; and
- ✓ Option –II: Rental of Rs. 45 p.m. + Refundable Security deposit of Rs. 250/-.

If any subscriber has two TVs and wishes to watch TV programmes of Pay channels at a time on both TVs, than he has to install two STBs at his place.

No monthly rental will be payable after 5 years and STB will become property of the subscriber.

If any subscriber chooses to purchase and install own Set top box then in that case he will not be liable to pay any rent.

It would not be possible for the subscriber to receive and view Pay channels without subscribing to the FTA channels. However, one can view FTA channels without a STB on payment for a package of FTA channels i.e. Rs.77/- per month.

Revenue Sharing between Broadcasters and Cable operators

As per sharing arrangement notified by TRAI, 45% of Subscriber revenue will go to the Channel owner, 30% to the MSO and 25% to the LCO. In case subscriber is directly associated with MSO, no payment will then go to the LCO for such subscriber. In such a case MSO would be entitled to keep 55% of the revenue.

Revenue sharing arrangement for FTA channels fees will be only between MSO and LCO. In case of a direct Subscriber, MSO would keep the total amount of Rs. 77 per month being charged.

FDI Policy for Cable TV Industry

Indian Cable TV industry, at present, is allowed to avail Foreign Direct Investment (FDI) up to 49%. According to The Economic Times press report dated 20.11.2007 Govt. of India is set to allow 74% FDI in Cable TV services and Headend Sky in the Sky (HITS) – a satellite based system to distribute TV signals via cable – while also permitting 100% FDI in down-linking of general and entertainment channels uplinked from abroad. Raising the FDI limit in Cable industry to 74% is set to have huge implications. Major international Cable operators who have been eyeing India for a long time are likely to enter the segment. As per the said press report, India's cable industry at present is in the hands of some 30,000 independent cable operators and 5,000 MSOs. More importantly, with cable operators already having last-mile infrastructure in place, the sector will finally be able to take on telecom companies and compete with them with regard to new technologies such as IPTV and Broadband. Cable operators offering broadband connectivity can tap the internet telephony market (called VoIP).

This can eat into revenues of telecom companies. Simply put, the customer will benefit the most as entry of foreign players will give Indian cable industry access to latest technology, which will lead to massive improvement in the quality of value-added-services like internet on cable, video on demand, etc. This would in effect give a boost to cable industry in getting more and more subscribers and in turn increase their revenues drastically.

BUSINESS OVERVIEW

Sea TV Network Ltd. (herein after referred to as "Sea TV") is an Agra (U.P) based company engaged in providing services of a Multi System Operator (MSO) to various Local Cable TV operators of Agra city. It was incorporated on 21.05.2004. The promoters of Sea TV are in this line of activity since about 16 years and are well conversant with the Cable TV industry.

Sea TV is one of the three existing MSOs in Agra City.

A brief background of the experience of the Promoters in this field is as follows:

The Jain brothers, under the guidance of Mr. Neeraj Jain, started their cable TV business in the year 1992 in the name of "Shubham Cable Satellite" from 118 Manas Nagar, Shahganj Agra. This was not a corporate entity and the business was at a very rudimentary stage with only two channels. Even with such a small network they managed to garner a viewer base of approximately 800 customers. As the fancy towards this new mode of television picked up, the demand for the number of channels increased. As a result they expanded their network and were able to telecast a bouquet of 18 channels. Encouraged with the continual growth of their subscriber base they set up another Headend in the year 1995 with a capacity of 35 channels, at 4 Mini MIG Friend's colony, New Shahganj, Agra. This new branch of theirs captured a base of 500-700 subscribers. By this time organised players also entered the cable market in Agra city. Many FTA (Free to Air) channels were converted into pay channels. The Jain brothers tied up with various organised market participants and started taking signals from them at both locations. This continued till the year 2002.

It may be noted here that upto this time the status of the Jain brothers was that of an LCO (Local Cable Operator) and not an MSO (Multi System Operator). The difference between the two entities is that the latter gets the signals directly from a broadcaster and distributes it through the former. The subscriber base belongs to the latter and the former is merely an agent.

In January 2003, the Jain brothers started business operations under SPN Trust, an existing family trust, for having smoother operations and better control over their business, under the name and style of "Sea TV". Since the first day of commencement of business operations under SPN Trust, they acquired the status of a full fledged MSO, a departure from their status of an LCO.

On 21 May 2004 Sea TV Network Limited was incorporated to carry on the business in a more organized and streamlined manner as a corporate entity. Thereafter, the entire business of the SPN trust alongwith the assets and cable network was purchased by us and we have been running this business since.

Sea TV also has its own local channels, programmes of which are produced by its own production team. These local channels mainly focus on Agra city/U.P State news/events and information, which is more relevant to the city viewers. These channels are broadcasted free of charge to the TV subscribers of Sea TV.

Sea News: - It is a 24 hour News channel of Agra City. The focus is primarily on Local News from Agra City and other news from the state of Uttar Pradesh. This is the USP of this news channel, as such news content is not catered to by the National level news channels.

The entire operations of the news channel are managed in-house by our production team consisting of 41 employees. The news production involves the following steps:

- ✓ The information of the news is obtained by the news desk.
- ✓ The news desk in-charge then assigns the appropriate cameraman and news reporter to cover the news. The cameramen are equipped with 3CCD Digital Cameras and they cover the news item. The news is covered on DV cassettes and sent to the script writer in the office.
- ✓ The script writer then drafts a suitable news report and forwards it to the news editor who collates the write up with the visuals and voice over for the news item. The same is then recorded in the in-house news studio of the Company.
- ✓ The finished news item is then broadcasted over the network owned by the Company.

It is worth mentioning here that we do not require the assistance of any external agency for news production and broadcasting. Many programmes are telecast "Live" on this channel. Through these programmes the local populace can ask their questions on line and get the answers from the experts participating in the show.

The Ministry of Information and Broadcasting, Government of India has given its permission for up-linking news and current affairs TV. channel "**Sea News**" in Hindi, English and all other Indian languages (in digital mode) through the teleport of M/s Noida Software Technology Park Limited, Noida using INSAT 4A satellite for a period of 10 years vide office memorandum no. 1404/27(ii)/2008-TV(I) dated 11.11.2009.

The Ministry of Information and Broadcasting, Government of India has given its permission for down-linking into India a news and current affairs TV channel "**Sea News**" in Hindi, English and all other Indian languages (in digital mode) through the teleport of M/s Noida Software Technology Park Limited, Noida using INSAT 4A satellite for a period of 5 years vide letter no 1404/27(ii)/2008-TV(I) dated 11.11.2009. Registration No. is 279/I/2009-TV(I).

Sea Jinvani: - This channel is dedicated to the followers of 'Jain Religion'. All type of religious programmes like Pravachan, Satsang, Short stories on the various Jain Tirth, Songs etc are telecast through this channel. The Company also has plans to launch this channel as a Satellite Channel as a part of the second phase of its expansion activities. It has been conceived to be an international channel based on Jainism, while at the same time giving due weightage to all other religious cultural events and religious practices of the people.

The Ministry of Information and Broadcasting, Government of India has given its permission for up-linking of non-news and current affairs TV channel "**Jinvani**" in Hindi, English and all other Indian languages (in digital mode) through the teleport of M/s Essel Shyam Communication Limited, Noida using INSAT 4A satellite for a period of 10 years vide office memorandum no. 1404/27(ii)/2008-TV(I) dated 11.11.2009.

The Ministry of Information and Broadcasting, Government of India has given its permission for down-linking into India a non-news and current affairs TV channel "**Jinvani**" in Hindi, English and all other Indian languages (in digital mode) through the teleport of M/s Essel Shyam Communication Limited, Noida using INSAT 4A satellite for a period of 5 years vide letter no 1404/27(ii)/2008-TV(I) dated 11.11.2009. Registration No. is 278/I/2009-TV(I).

Sea TV:- On this channel we telecast local cultural programmes, sport meets, annual functions, various other programmes e.g "Kavi Sammelan" etc. Thus we are able to attract schools/colleges, Clubs, Hotels, Committees and provide them a local platform for their performances.

Sea Bhakti: It is 24 hour religious channel.

Besides these niche channels the Company also plays old Hindi Movies and Music on its local channels.

Company has made 3 applications to the Ministry of Information & Broadcasting for uplinking TV Channels with news and current affairs in the name of "REAL NEWS", "OCEAN TV" and "YOUR TV" on August 12, 2010. All applications are pending as on date.

Machineries

For details about the machineries relating to the proposed project, please refer section titled "Objects of the Issue" on page no. 25 of this Red Herring Prospectus.

Strengths of the Company

1. Industry experience of promoters

The experience of the promoters helps the company to expand and operate the business of the company in an efficient manner. Mr. Neeraj Jain, Mr. Pankaj Jain and Mr. Akshay Kumar Jain, who are among the promoters of the company, are having an experience of more than decade in the Cable TV industry.

2. Subscriber Base of the company

Company is one of the three MSOs in the Agra city and since the promoters of the company is in this business for more than a decade, company has more than 150 franchises given to LCOs who are having an established relationship with the subscribers and consequently company is having a respectable subscriber base and market share in the Agra city.

3. Company has its own brand channels

Company also has its own local channels mainly focusing on the local news, events and information which is more relevant to the city viewers. Company owns four local channels i.e. Sea News, Sea Jinvani, Sea TV and Sea Bhakti through which company entertains and keeps the subscribers updated about the local events and information.

4. Population of India

As the purchasing power of the large population base of India is increasing, it helps the company to increase its subscriber base and provide a high quality product to the consumers.

Strategy of the Company

Our vision is to become a renowned Multi System Operator and Broadcaster by providing cost-effective and quality products. In line with this vision, our strategy is to capitalize on our core strengths and thus enhance the volume of our business. We intend to focus on our existing range of products with specific emphasis on the following as a part of our growth strategy:

→ To increase our scale of operations by undertaking a modernization cum expansion program

With the increased demand from our customers, we have realized the need for increasing our reach by modernizing our existing facilities by setting up a Digital Cable Network and a Network for providing Complete IPTV solution. This will help us capture a wider market share as we shall be ready beforehand as Conditional Access System is made mandatory in the city of Agra. Most importantly, it will help us have access to our actual and exact subscriber base as all connection will be mapped from a Central Control room. Both these features would help us in raising our revenues after implementation of the project. For more details please refer to section titled "Objects of the Issue" on page no. 23 of this Red Herring Prospectus.

→ To strengthen our relationships with existing clients and to develop relationships with new clients

Our Company has executed various carriage fee agreements with Broadcasters. We plan to increase the revenue from this stream after implementation of the proposed project. After implementation of the proposed project, we shall have access to our actual and exact subscriber base. This will help us in negotiating better terms with the Broadcasters.

→ To widen our portfolio across sectors

Presently our Company is functioning as an MSO. It plans to join the ranks of a Broadcaster after launch of its two satellite channels, "Jinvani" and "Sea News". We have already taken steps towards this purpose and have obtained the requisite licences for the same. We have also made applications for up-linking of TV channels "YOUR TV", "OCEAN TV" and "REAL NEWS".

→ To strengthen our competitive position

Our Company intends to strengthen the competitive position of our service offerings by undertaking brand-building exercise. We would focus on providing quality services at competitive prices. The present guidelines allow us to offer extremely competitive rates to our subscribers while not compromising on our margins. This is a huge advantage for us when compared to the other platform offering digital services i.e. DTH.

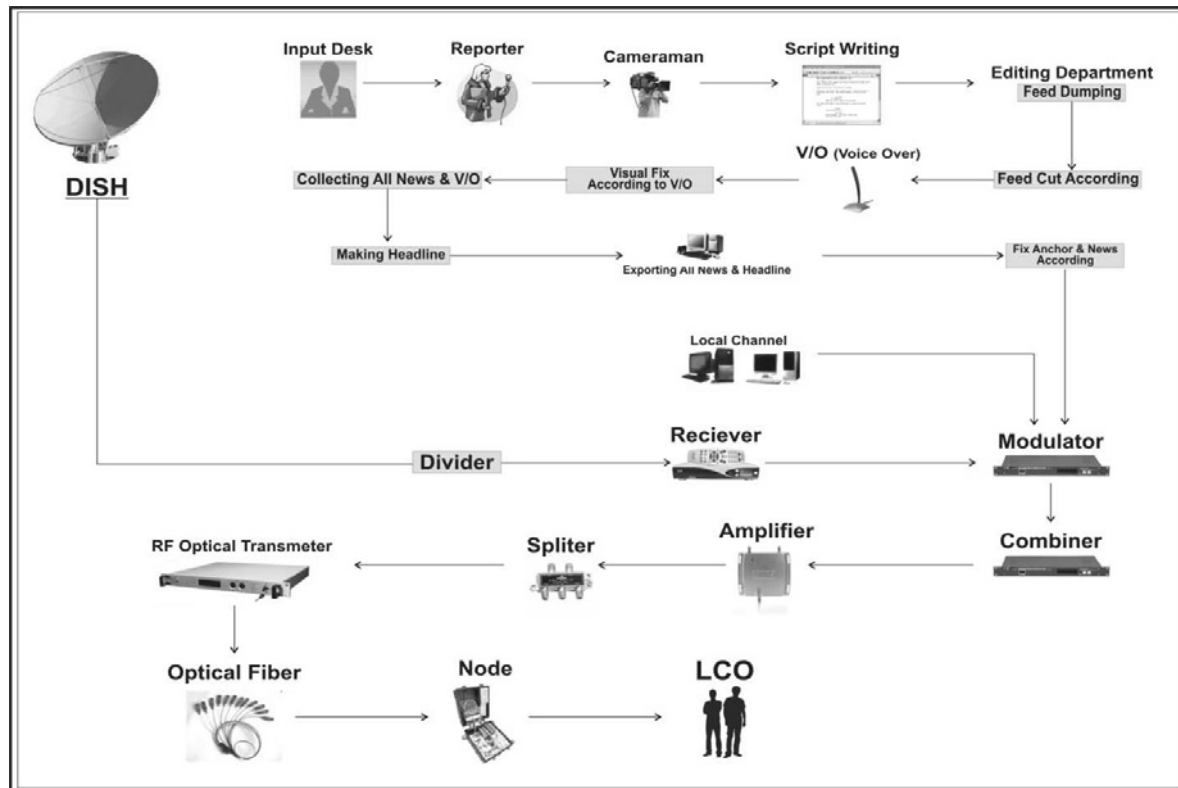
→ Explore potential acquisition and partnership opportunities.

The Company intends to explore opportunities for expanding its reach in the Cable industry through potential acquisitions as and when such opportunities arise. The Company also intends to develop new and existing business partnerships with other major MSOs to capitalize on business opportunities to further increase its profile in the rapidly consolidating Cable TV industry.

Business Process of the Company

- The broadcasters of various Television channels beam their signals to a satellite in a coded form (the free to air channels are not in a coded form).
- We download these signals through Dish Antennae and relay them to power dividers. The power dividers split the signals received by it and relay them to receivers.

- The signals which are received by the receiver contain signals of numerous channels. The receiver filters and decodes the particular channel for which it is tuned out of the signals relayed to it.
- The filtered channel is then relayed to a modulator. The modulator serves two functions: It places the channel on the desired band and improves the signal strength of the channel.
- All the channels from various modulators are sent to a combiner which bunches up all the channels and relays them to an amplifier which boosts the signals' strength.
- This signal is relayed to a transmitter. From the transmitter relays the signals to a node placed at the LCO's site.
- The LCO then distributes the signals received from the node to all the final customers.



Expansion and Growth Initiatives of Sea TV

The company focuses on the cable distribution business and intends to emerge as a MSO with an All India presence, while working in consonance with the Broadcasters and the viewers as against the normal practice in the Industry of working as a rival to the Broadcasters.

Keeping in view the Industry scenario, Sea TV has decided to take following steps to increase and expand its business operations substantially.

- ✦ Setting up complete Digital Headend and network for implementation of Conditional Access System (CAS).
- ✦ Setting up network for complete IPTV solution.
- ✦ Setting up of own cable distribution (underground optical fibre) network capable of digital transmission throughout Agra City and adjoining areas

- ✎ Setting up own 20 branch-offices in the city including in the adjoining areas with required infrastructure for receiving digital signals and re-transmitting the same without much value addition through co-axial cables to individual customers/subscribers.

The present Analog system of cable distribution has the following drawbacks:

- ✎ The number of channels cannot exceed 106.
- ✎ The picture quality is compromised on.
- ✎ The customers do not have the freedom to view the channels of their choice only.
- ✎ The customers have to be bound by the number of channels he can view depending upon the limitations imposed by his television set.

After the proposed Digital network is set up by Sea TV, all the aforesaid problems would be taken care of.

This would reduce our dependence on LCOs to a great extent. However, wherever necessary according to the local conditions, we would continue its business operations with LCOs in some of the areas of City, which may not be covered by our branch offices.

Each Branch office of the company will be equipped with required equipments to handle load of about 5000 subscriber connections. These offices will serve different parts of the city. Each office will be manned by a Branch Manager with 2 assistants and about 20 linemen. In other words, Sea TV plans to set-up complete infrastructure/facilities for providing TV Channels through Digital Transmission through Conditional Access System (CAS) using IPTV format in whole of Agra City and adjoining areas. CAS is a system through which one can control the delivery of channels to only those subscribers who demand and pay for such channels.

We would derive following advantages by adopting and setting up CAS technology using IPTV format:

- ✎ It would provide a transparent system where under-declaration of subscribers will not be possible for LCOs and the actual number of subscribers would be reflected.
- ✎ It would reduce dependence on LCOs.
- ✎ Increase in subscriber base will lead to increase in revenue from Advertisement and Carriage Fees
- ✎ Company's revenue would also increase from new stream of income i.e. rent of set-off Box to be installed by each subscriber

Challenges before the Company

Though IPTV is one step ahead of the existing technologies, still it faces a lot of challenges like poor last mile Broadband connectivity, low broadband penetration among masses, unclear and outdated regulatory norms specified for cable TV and regionalization of content. Further right now, the telecom sector and cable industry in India are involved in a slugfest over who can provide IPTV service. Not wanting to lose ground to telecom companies, the Cable industry is demanding the inclusion of IPTV under the Cable TV Act. Both segments see huge potential in IPTV over the near future and the fight is to grab a part of this pie.

Sea TV will have an upper edge over other cable operators in switching to IPTV technology as it would have its own underground optical fibre network in place, which is required for providing IPTV service to the subscribers.

Revenue Streams for the Company

Company would derive its revenue from following different streams after implementation of the project:

- ✎ Subscription Revenue – Direct Subscribers
- ✎ Subscription Revenue – Franchisees
- ✎ Set Top Box Rent
- ✎ Value Added services through IPTV Set-up
- ✎ Carriage Fees from Broadcasting Channels
- ✎ Optical Fibre Network Rental Income
- ✎ Advertisement / Time sales (on own Channels like Sea News, etc.)

We propose to install Optical Fibre Network with Optical Cable having 48 lines and we would reserve 33 lines for own use against the immediate requirement of 15 lines. We propose to give remaining 15 lines network on rent to third parties which would translate into an additional source of income for us.

Value Added Services Revenue could also be generated through our own Channels by providing services like Movie on demand, Inter-active Games, TV Competitions & Quiz, etc.

Technical & Media Operations as well Corporate Office functions of the company are presently being carried out from a rented property located at 148, Manas Nagar, Agra having constructed area of about 9000 sq. ft. It is not sufficient to accommodate the increasing business operations of the company. It is proposed to shift Corporate Office to the proposed new building.

Marketing and Selling Arrangements

The Promoters of Sea TV are already in this line of business i.e. Cable TV since about the last 16 years. Now Sea TV proposes to adopt latest technology i.e. IPTV for providing TV channels to its viewers. We already have a network of about 150 franchisees throughout Agra city. Therefore, we do not foresee any problem in the smooth implementation of the proposed project. Customers want quality and at present it is being compromised on due to the limitations of the analog medium of cable transmission. IPTV technology is customer friendly and is capable of providing many value added services. CAS as well as IPTV has been introduced in some of the Metro cities of India and customers have shown very good response in adopting the new version/technology as it has many advantages.

As we have our own TV channels, which are very popular in Agra city, it is proposed to make regular advertisements in these channels to educate the customers about the IPTV/CAS TV viewing and its benefits. We also plan to use print media regularly for marketing and advertising our products. Sea TV is an established MSO having established itself as a known Brand in Agra city. This would greatly benefit us in getting higher market share in the city.

Marketing team of the Company would also be strengthened appropriately by employing experienced professionals to market and sell the company's services.

Utilities

Facilities for the water and electricity are sufficient for the daily operations of the business of the company.

Collaborations

No collaboration with any entity for technical and financial assistance has been entered into by the company.

Competition

Company is one of the three existing MSOs in the Agra city and hence faces competition from the other two MSOs in the city. Company also faces competition from the providers of television services through different transmission platforms, such as DTH satellite television and IPTV. Company believes that its strongest competitors providing cable television services include Moon TV and Digicable, and competitors providing DTH satellite television services include TataSky, Dish TV, Sun Direct, BIG TV and Bharti Airtel.

Technology

The Company is presently using Analog Technology for distributing its signals to its Local cable operators. In the analog format is based on a 860 Mhz Network and the maximum video channels that can be carried on such a network is 106 channels only. The analog system requires a high degree of maintenance in order to maintain the quality of the output. Also the viewers do not have the freedom to view the channels of their choice only and they have to be bound by the number of channels they can view depending upon the limitations imposed by their television set. The system also witness low spectrum, low quality, Noisy and Grainy pictures and thus quality is compromised on. In analog system due to non-addressability the exact number of subscribers can not be ascertained and thus under-declaration of number of subscribers by LCO's results in heavy loss of revenue.

The company is proposing to set up complete Digital Headend and network for implementation of Conditional Access System (CAS) to convert from the present Analog system to distribution to a Digital System. The Company also proposed to set up a Network for IPTV solutions. Digital Technology & IPTV, though relatively new concepts, offer number of advantages over the analog system and therefore considered as growth driver. In digital system availability of high spectrum enjoys the capacity of delivering more than 2000 Channels. It provides facilities of High quality signals with value added services such as Video on Demand, Music on Demand, Interactivity and Gaming etc. In the days to come when the number of available channels are on increase, it will only be a viable choice to opt for. With the Digital System and CAS adoption, exact number of

subscribers can be determined and hence revenue can be increased manifold. Additionally in Digital System Value Added Services can also be a resource for generating the extra revenue.

The GOI desires to introduce the CAS concept at an early date and sincere efforts have been already initiated for the same. Introduction of CAS has benefits of the freedom to choose the individual channel with an option to opt out of channels they do not wish to view. The rates for all the customers shall also be equal in all areas and which are regulated by TRAI.

To adopt the CAS, digital technology is a mandatory requirement. Therefore keeping this high aimed project in mind we plan to lay down an underground Optical Fibre Cable Network in Agra city and in nearby rural areas as well. Using underground Optical Fibre Cable Network we can assure uninterrupted signals with the least disturbances caused due to cable breaks owing to stormy winds or tree fall etc.

Export Obligation and Export Possibilities

There is no export obligation on the Company.

Property

IMMOVABLE PROPERTIES OWNED BY THE COMPANY

1	Sale Deed:	Executed between Smt. Asha Rani W/o Sri Satish Kumar R/o 58 MIG New Shahganj, Agra as a seller and M/s SEA TV Network Limited a Company registered under Companies Act 1956 having their registered office at 148, Manas Nagar, Shahganj Agra, through its Managing Director Mr. Neeraj Jain as a purchaser.
	Description of Property	Residential Building No. 47B/5A having Plot No. 5 situated at Loha Mandi Agra measuring 209 Sq. Meter, 100 ft from East to West and 22 feet from North to South.
	Date of execution	Sale deed has been executed on 04/09/2008 at Agra.
	Registration and Stamping	Stamped for Rs. 1,26,000 (One Lac Twenty Six Thousand) and Registered at the Office of Sub Registrar II Agra (Sadar) in Book No. 1 Sheet No. 5830 Page Nos.135 to 152 Serial No. 5945, dated 06/09/2008.
	Consideration	Rs. 18,00,000 (Eighteen Lacs)as mentioned in sale deed.
	Registration:	Registered
2	Sale Deed:	Executed between Smt. Rukman Devi W/o Late Sri Omprakash R/o 59 MIG New Shahganj, Agra as a seller and M/s SEA TV Network Limited a Company registered under Companies Act 1956 having their registered office at 148, Manas Nagar, Shahganj Agra, through its Managing Director Mr. Neeraj Jain as a purchaser.
	Description of Property	Residential Building No. 47B/5 having Plot No. 4B situated at Loha Mandi Agra measuring 264.7 Sq. Meter, 100 ft from East to West and 28.5 feet from North to South.
	Date of execution	Sale deed has been executed on 04/09/2008 at Agra.
	Registration and Stamping	Stamped for Rs. 1,29,500 (One Lac Twenty Nine Thousand and Five Hundred) and Registered at the Office of Sub Registrar II Agra (Sadar) in Book No. 1 Sheet No. 5832 Page Nos. 61to 84, Serial No. 5976, dated 08/09/2008.
	Consideration	Rs. 18,50,000(Eighteen Lacs and Fifty Thousand) as mentioned in sale deed.
	Registration:	Registered

3	Sale Deed:	Executed between Smt. Seema Rani W/o Late Sri Girish Kumar Agarwal R/o 59 MIG New Shahganj, Agra as a seller and M/s SEA TV Network Limited a Company registered under Companies Act 1956 having their registered office at 148, Manas Nagar , Shahganj Agra , through its Managing Director Mr. Neeraj Jain as a purchaser.
	Description of Property	Residential Building No. 47B/ 4B having Plot No. 4B situated at Loha Mandi Agra measuring 259.16 Sq. Meter, Expanding 90 ft at East, 22 ft at North, 40 ft at South.
	Date of execution	Sale deed has been executed on 04/09/2008 at Agra.
	Registration and Stamping	Stamped for Rs. 1,79,100 (One Lac Seventy Nine Thousand and One Hundred) and Registered at the Office of Sub Registrar II Agra (Sadar) in Book No. 1 Sheet No. 5840 Page Nos. 123 to 154, Serial No. 6121 dated 11/09/2008.
	Consideration	Rs. 24,30,000 (Twenty Four Lacs and Thirty Thousand) as mentioned in sale deed.
	Registration:	Registered

4	Sale Deed:	Executed between Smt. Seema Rani W/o Late Sri Girish Kumar Agarwal R/o 59 MIG New Shahganj, Agra as a seller and M/s SEA TV Network Limited a Company registered under Companies Act 1956 having their registered office at 148, Manas Nagar, Shahganj Agra , through its Managing Director Mr. Neeraj Jain as a purchaser.
	Description of Property	Residential Building No. 47B/ 4B having Plot No. 4B situated at Loha Mandi Agra measuring 259.16 Sq. Meter, Expanding 90 ft at East, 22 ft at North, 40 ft at South.
	Date of execution	Sale deed has been executed on 04/09/2008 at Agra.
	Registration and Stamping	Stamped for Rs. One Lac Nineteen Thousand and Five Hundred Registered at the Office of Sub Registrar II Agra (Sadar) in Book No. 1 Sheet No. 5840 Page No. Ranging from 155 to 180 Serial No. 6122 dated 11/09/2008.
	Consideration	Rs. 16,20,000(Sixteen Lacs and Twenty Thousand) as mentioned in sale deed.
	Registration:	Registered

5	Sale Deed:	Executed between Pradeep Kumar Agarwal S/o Sri Omprakash Agarwal R/o 59 MIG New Shahganj, Agra as a seller and M/s SEA TV Network Limited a Company registered under Companies Act 1956 having their registered office at 148, Manas Nagar, Shahganj Agra, through its Managing Director Mr. Neeraj Jain as a purchaser.
	Description of Property	Residential Building No. 47B/4A having Plot No. 4A situated at Loha Mandi Agra measuring 390.78 Sq. Meter, 47 ft from East to West and 89.5 feet from North to South.
	Date of execution	Sale deed has been executed on 10/09/2008 at Agra.
	Registration and Stamping	Stamped for Rs. 4,76,200 (Four Lacs Seventy Six Thousands only) and Registration of this property has been done in three parts (42%, 42%, 16%) at the Office of Sub Registrar II Agra (Sadar) in Book No. 1 Sheet No. 5837 Page No. Ranging from 115 to 136, 137 to 156, 157 to 178, Serial No. 6069 to 6071 dated 10/09/2008.
	Consideration	Rs.68,00,000 (Sixty Eight Lacs only) as mentioned in sale deed.
	Registration:	Registered

IMMOVABLE PROPERTY TAKEN ON LEASE – (Registered Office) The Company has taken on lease a space, at 148, Manas Nagar, Shahganj, Agra, UP, comprising of an area admeasuring around 400 square yards, where its registered office is located, for a period of 11 months, with an option to renew, by way of

Rent Agreement dated January 9, 2008 for a monthly rent of Rs. 1,00,000/-with effect from April 01, 2007, from Mr. Neeraj Jain and Mr. Pankaj Jain (both Directors of the Company).
This rent agreement has been extended for a further period of 11 months from January 1, 2010.

Human Resource

Company believes that the ability to maintain growth depends to a large extent on the talented employees and retaining of those employees in the company. Company approximately has 119 employees in its various departments the detail of which is given below:

SL. No.	Name of Department	Number of Employees
1.	Finance & Legal	03
2.	Jinvani	09
3.	Advertisement	15
4.	Administration	30
5.	News	36
6.	Operations	26
	TOTAL	119

Insurance

Company has taken Standard Fire & Special Perils Policy for the properties owned by the company located at 47 B/5A, 47 B/4B, 47 B/4A, and 47 B/5, Madhav Kunj, Gopal Pura, Lohamandi, Agra, Uttar Pradesh – 282010, total sum insured for all the properties is Rs. 62 lacs for Basic cover and Rs. 62 lacs for Earth Quake cover, and a premium of Rs. 8377 is paid for the twelve months expiring on November 25, 2010.

Intellectual Property

1. Registered trademark "JINVANI" bearing registration number 1344489 dated March 14, 2005 issued by the Trade Marks Registry, Government of India under the Trade Marks Act, 1999, in respect of class 41 (Entertainment channels, TV Programs, Dramas, comedies, Music, Songs, News, Religious Programs, Movies Serials, Cultural, Programs, Cartoon Programs, Educational Programs, Sports Programs & Albums).
2. Initially, we were having the license to use the registered trade mark "Sea TV" from M/s S.P.N. Trust vide an agreement dated January 31, 2006. Thereafter, M/s S.P.N. Trust agreed to transfer to us the whole rights and benefits of the said trademark vide an agreement dated March 10, 2008 for a consideration of Rs. 51000/- only. As per this agreement we are free to use, advertise the said trademark and SPN trust shall not infringe or use the trademark including the artistic work that they have transferred. Thereafter, an application was made to the Registrar of Trade marks on May 09, 2008 to transfer the said trademark to us. The said request has been allowed by the Registrar of Trade Marks vide their letter dated July 24, 2008.

KEY INDUSTRY REGULATIONS

In India, the Business of Broadcasting and Cable Services is regulated by the following laws:

- (a) Cable Television Networks Regulation Act, 1995 and the Cable Television Networks Rules, 1995 made thereunder.
- (b) Telecom Regulatory Authority of India Act, 1997 (TRAI Act) and the Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004; Register of Interconnect Agreements (Broadcasting & Cable Services) Regulation, 2004; and other Regulations/Orders issued thereunder.

Further, the Cable Operators in the State of Uttar Pradesh are also required to comply with the Uttar Pradesh Cinematograph (Regulation) Act, 1955 and Uttar Pradesh Cable Television Network (Exhibition) Rules, 1997.

Cable Television Networks (Regulation) Act, 1995

To regulate the operation of Cable Television network in the Country so as to bring about uniformity in their operations the Cable Television Networks (Regulation) Act, 1995 was enacted on March 25, 1995.

The said Act regulates the business of Broadcaster, Multi-System Operator (MSO) and Cable Operators. Under the Act, MSOs are also categorized as a class of cable operators. The said Act provides for a mandatory registration of the Cable Operators desiring to operate a Cable TV Network, with the Registering Authority namely "Head Post Master" of a Head Post Office of the area within whose territorial jurisdiction the office of the concerned Cable Operator is situated.

The said Act prohibits transmission or re-transmission of any programme unless such programme is in conformity with the prescribed Programme Code which prohibits carrying of such programmes which, inter alia, offends against good taste or decency; contains criticism of friendly countries; contains attack on religions or communities; contains anything obscene, defamatory; contains anything affecting the integrity of the Nation, etc.

The said Act also prohibits transmission or re-transmission of any advertisements unless such advertisements are in conformity with the prescribed Advertisement Code. It is laid down that advertising carried in the Cable Service shall be so designed as to conform to the laws of the Country and should not offend morality, decency and religious susceptibility of the Subscribers. It is further laid down that no advertisements shall be permitted which, inter alia, derides any race, caste, colour, creed and nationality; is against any provisions of the Constitution of India; tends to incite people to crime, cause disorder or violence or breach of law or glorifies violence or obscenity in any way; exploits the national emblem, etc.

The said Act was further amended with effect from December 31, 2002 to empower the Central Government to make it obligatory for every Cable Operator to transmit or re-transmit programme of any pay channels through an addressable system [**popularly known as Conditional Access System (CAS)**] with effect from date to be specified by the government from time to time in respect of a particular area, if the Central Government was satisfied that it is necessary in public interest to do so. Pursuant to the said powers, the Central Government issued a Notification dated 14.01.2003 making it obligatory for every Cable Operator to transmit / re-transmit programmes of every pay channels through an addressable system in Chennai Metropolitan area, Municipal Council of Greater Mumbai area, Kolkata Metropolitan area and National Capital Territory of Delhi within six months from 15th day of January, 2003. The issue of introduction of CAS has been mired with controversies and continued litigation and the dates of implementation of CAS have been deferred several times. In fact, on February 23, 2003 even TRAI chose to recommend, inter alia, that the introduction of CAS be kept in abeyance for at least three months. However, a Division Bench of the Delhi High Court has on

20.07.2006 directed the Central Government to implement CAS, pursuant where to the Government has notified implementation of CAS with effect from 01.01.2007.

THE CABLE TELEVISION NETWORKS RULES, 1994

The Cable Television Networks Rules, 1994, notified on 29th September, 1994, provided, inter alia, for the following:

Registration, Programme Code, Manner of publicising the subscription rates of pay channels, Submission of report to the Central Government, Declaration to channels as 'free-to-air' and 'pay', Responsibility of cable operators in certain cases, Manner of making provisions for rent, security deposit, etc. for set top boxes.

The Rule 7 relating to the "Advertisement Code" as provided in the Rules originally notified, read as follows:

(1) Advertising carried in the cable service shall be so designed as to conform to the laws of the country and should not offend morality, decency and religious susceptibilities of the subscribers.

(2) No advertisement shall be permitted which—

- (i) derides any race, caste, colour, creed and nationality;
- (ii) is against any provision of the Constitution of India;
- (iii) tends to incite people to crime, cause disorder or violence or breach of law or glorifies violence or obscenity in any way;
- (iv) presents criminality as desirable;
- (v) exploits the national emblem, or any part of the Constitution or the person or personality of a national leader or a State dignitary;
- (vi) in its depiction of women violates the Constitutional guarantees to all citizens. In particular, no advertisement shall be permitted which projects a derogatory image of women. Women must not be portrayed in a manner that emphasises passive, submissive qualities and encourages them to play a subordinate, secondary role in the family and society. The cable operator shall ensure that the portrayal of the female form, in the programmes carried in his cable service is tasteful and aesthetic, and is within the well established norms of good taste and decency;
- (vii) exploits social evils like dowry, child marriage.

1[(viii) promotes directly or indirectly production, sale or consumption of—

- (a) cigarettes, tobacco products, wine, alcohol, liquor or other intoxicants;
- (b) infant milk substitutes, feeding bottle or infant foods.]

(3) No advertisement shall be permitted the objects whereof are wholly or mainly of a religious or political nature; advertisements must not be directed towards any religious or political end.

2[(3A) No advertisement shall contain reference which hurt religious sentiments.]

(4) The goods or services advertised shall not suffer from any defect or deficiency as mentioned in the Consumer Protection Act, 1986.

(5) No advertisement shall contain references which are likely to lead the public to infer that the product advertised or any of its ingredients has some special or miraculous or super-natural property or quality, which is difficult of being proved.

(6) The picture and the audible matter of the advertisement shall not be excessively 'loud'

(7) No advertisement which endangers the safety of children or creates in them any interest in unhealthy practices or shows them begging or in an undignified or indecent manner shall not be carried in the cable service.

(8) Indecent, vulgar, suggestive, repulsive or offensive themes or treatment shall be avoided in all advertisements.

(9) No advertisement which violates the standards of practice for advertising agencies as approved by the Advertising Agencies Association of India, Bombay, from time to time shall be carried in the cable service.

(10) All advertisements should be clearly distinguishable from the programme and should not in any manner interfere with the programme viz., use of lower part of screen to carry captions, static or moving alongside the programme.

Vide the Cable Television Networks (Amendment) Rules, 2009, the following changes have been made in the Rule relating to the Advertisement Code (Rule 7):

(The Amendment Rules have come into force on 27.02.2009 that is the date of their publication in the official gazette.)

In the Cable Television Networks Rules, 1994, in rule 7, in sub-rule (2), in clause (viii), after sub-clause (A), the following shall be inserted, namely:—

“Provided that a product that uses a brand name or logo, which is also used for cigarettes, tobacco products, wine, alcohol, liquor or other intoxicants, may be advertised on cable service subject to the following conditions that –

- (i) the story board or visual of the advertisement must depict only the product being advertised and not the prohibited products in any form or manner;
- (ii) the advertisement must not make any direct or indirect reference to the prohibited products;
- (iii) the advertisement must not contain any nuances or phrases promoting prohibited products;
- (iv) the advertisement must not use particular colours and layout or presentations associated with prohibited products;
- (v) the advertisement must not use situations typical for promotion of prohibited products when advertising the other products:

Provided further that -

- (i) the advertiser shall submit an application with a copy of the proposed advertisement along with a certificate by a registered Chartered Accountant that the product carrying the same name as cigarettes, tobacco products, wine, alcohol, liquor or other intoxicants is distributed in reasonable quantity and is available in a substantial number of outlets where other products of the same category are available and the proposed expenditure on such advertising thereon shall not be disproportionate to the actual sales turnover of the product;
- (ii) all such advertisements found to be genuine brand extensions by the Ministry of Information and Broadcasting shall be previewed and certified by the Central Board of Film Certification as suitable for unrestricted public exhibition and are in accordance with the provisions contained in sub-clause (i) to (v) of the first proviso, prior to their telecast or transmission or retransmission..

TRAI Act - Cable and Broadcasting Sectors

The TRAI Act established the Telecom Regulatory Authority of India (“**TRAI**”) and the Telecom Disputes Settlement and Appellate Tribunal (“**TDSAT**”). The TRAI and TDSAT are the regulatory and appellate bodies in India, which regulate telecommunication services and adjudicate disputes in relation thereto, respectively.

Under the TRAI Act, the TRAI is empowered to make recommendations to the Central Government or the entity empowered under the Telegraph Act to issue licenses in connection with matters such as the need and timing for introduction of new service providers, terms and conditions of licenses issued to service providers and the revocation of licenses for non-compliance with terms and conditions. The functions to be discharged by the TRAI include ensuring compliance with the terms and conditions of licenses, regulate revenue sharing arrangements among service providers and specifying the standards of quality of service to be provided by service providers.

Television broadcasting in India is governed by regulations which apply to the various stages of gathering, processing, uplinking, down-linking and accessing the television programming. In addition to the said legislation, the industry is also governed by an industry regulator.

Television broadcasting was brought under the ambit of the TRAI by classifying broadcasting and cable services as “telecommunications” on January 9, 2004, by the Government of India vide Notification No. 39 dated 09.01.2004 [S.O. 44(E)] notifying “broadcasting” and “cable” services to be “telecommunication services” under the TRAI Act. On the same day, the Government, by its Order

being S.O. 45(E), also entrusted certain additional functions to TRAI in respect of broadcasting and cable services i.e.:

- (a) Broadcasting and Cable Services were brought within the purview of TRAI Act thereby extending the applicability of the relevant provisions of the TRAI Act to the said two services also;
- (b) the said amendment entrusted the above mentioned additional functions to TRAI; and
- (c) TDSAT was empowered to entertain disputes in Cable and Broadcasting Sectors also.

Policy Guidelines for Down-linking of Television Channels

Ministry of Information and Broadcasting, Government of India, has formulated policy guidelines dated November 11, 2005 ("**Downlinking Guidelines**") for downlinking all satellite television channels downlinked/received/transmitted and re-transmitted in India for public viewing. Pursuant to this Downlinking Guidelines no person/entity shall downlink a channel, which has not been registered by the Ministry of Information and Broadcasting under these Downlinking Guidelines. Henceforth, all persons/ entities providing Television Satellite Broadcasting Services (TV Channels) uplinked from other countries to viewers in India as well as any entity desirous of providing such a Television Satellite Broadcasting Service (TV Channel), receivable in India for public viewership, shall be required to obtain permission from Ministry of Information and Broadcasting, in accordance with the terms and conditions prescribed under these Downlinking Guidelines.

TRAI had also issued its 4th amendment dated 07.03.2006 to its 2nd Tariff Order, wherein it defined "ordinary subscriber" and "commercial subscriber". It fixed the rates prevailing as on 01.03.2006 as ceiling for the "commercial subscribers" except in cases of conversion from free to air to pay channel and new channels / bouquet(s).

Modification of downlinking guidelines:

Vide order dated 15.12.2009, the Ministry of Information and Broadcasting, Government of India has amended the clause 5.6 of the Downlinking Guidelines as under:

5.6 The applicant company shall provide satellite T.V. channel signal reception decoders only to MSOs/Cable operators registered under the cable television networks (regulation) Act 1995, or to a DTH operator registered under the DTH Guidelines issued by the government of India or to an internet protocol television (IPTV) service provider duly permitted under their existing telecom license or authorized by department of telecommunications or to a HITS operator duly permitted under the policy guidelines for HITS operators issued by ministry of information and broadcasting, government of India to provide such service.

Having been empowered to regulate Cable and Broadcasting Sectors, TRAI also issued, inter-alia, some significant Orders/Regulations, i.e.:

(I) TARIFF ORDER

Earlier since there was considerable uncertainty about different aspects of Conditional Access System regime and since there were no standard rates or conditions on which services were being provided by the Cable Operators to the Subscribers, TRAI intervened and notified that the charges payable by the Cable Subscribers to the Cable Operators, by the Cable Operators to Multi-Service Operators and by Multi-Service Operators to Broadcasters, as prevailing on 26th December, 2003, shall be the ceilings, with respect to both free to air channels and pay channels, both for CAS and Non-CAS areas. Since the Government, in the Finance Bill, 2004, had proposed to increase the service tax and levy an educational cess on Cable services, TRAI amended its Tariff Order on 13.08.2004 and provided for the exclusion of Taxes from these "Charges". Keeping in view the inflation, TRAI allowed an increase of 7% over the said ceiling charges with effect from 01.01.2005 by its Tariff Order Amendment dated 01.12.2004.

Subsequently, clarifications were required as to the manner in which New Pay Channels could be priced and the impact on retail prices as also the impact of conversion of Free to Air Channels as on 26.12.2003 to Pay Channels. TRAI repealed its earlier Tariff Order and issued its second Tariff Order. While maintaining the earlier ceiling on Charges prevalent as on 26.12.2003, TRAI further provided that if any New Pay Channel(s) are introduced after 26.12.2003 or any Free to Air Channel as on 26.12.2003 are converted to pay channels subsequently, then the ceiling on charges can be extended. However, four pre-conditions were attached by TRAI. The ceiling on charges could be exceeded, if (a) the new channel(s) are provided on a stand alone basis either individually or as a part of a new separate bouquet; (b) that these new channel(s) are not included in the bouquet being provided on 26.12.2003; (c) that the extent to which the ceilings can be exceeded would be limited to the rates for the new channel(s); and (d) that the rates for these channel(s) must be similar to the rates of similar channel(s) as on 26.12.2003.

TRAI further laid down that in case the number of pay channel(s) that were being shown on 26.12.2003 are reduced, then the ceiling charges will have to be reduced taking into account the rates of similar channel(s) as on 26.12.2003.

AMENDMENTS IN TRAI TARIFF ORDERS:

A. TRAI vide NOTIFICATION No. 1-32/2008-B&CS dated 26th December, 2008 has notified the **TELECOMMUNICATION (BROADCASTING AND CABLE) SERVICES (THIRD) (CAS AREAS) TARIFF (THIRD AMENDMENT) ORDER, 2008** (NO. 5 OF 2008) w.e.f. 1st January, 2009 whereby the following revision in the tariff has been made:

(a) in clause 4, for the word and figure "Rs.77/-", the words "rupees eighty two" shall be substituted;
(b) in sub-clause (ii) of clause 6, for the words "five rupees", the words "five rupees and thirty five paise" shall be substituted.

3. In the Schedule to the principal Tariff Order,-----

(a) in the table under OPTION – I, under the column "Monthly Rental Scheme with Security Deposit", -

(i) against the item "1) Rent per month per Set Top Box", for the word and figure "Rs. 30/-", the words "rupees twenty two" shall be substituted;

(ii) against the item "2) Security Deposit [Refundable]", for the word and figure "Rs.999/-", the words "rupees seven hundred and fifty" shall be substituted;

(iii) against the item "7) Deduction from Refundable Security Deposit", for the words, figures and brackets "twelve rupees and fifty paise (Rs.12.50)", the words, figures and brackets "ten rupees (Rs.10/-)" shall be substituted;

(b) in the table under OPTION – II, under the column "Monthly Rental Scheme with Security Deposit", -----

(i) against the item "1) Rent Per Month Per Set Top Box", for the word and figure "Rs. 45/-", the words "rupees thirty four" shall be substituted;

(ii) against the item "2) Security Deposit [Refundable]", for the word and figure "Rs. 250/-", the words "rupees two hundred" shall be substituted;

(iii) against the item "7) Deduction from Refundable Security Deposit", for the words, figure and brackets "three rupees (Rs.3)", the words, figures and brackets "two rupees and fifty paise (Rs.2.50)" shall be substituted.

B. TRAI vide NOTIFICATION No. 1-31/2008-B&CS dated 26th December, 2008 has notified the **TELECOMMUNICATION (BROADCASTING AND CABLE) SERVICES (SECOND) TARIFF (NINTH AMENDMENT) ORDER, 2008** (NO. 4 OF 2008) w.e.f. 1st January, 2009 whereby the following revision in the tariff has been made:

In clause 3 of the Telecommunication (Broadcasting and Cable) Services (Second) Tariff Order, 2004 (6 of 2004) (hereinafter referred to as the principal Tariff Order), after the words and figures "prevalent as on 1st day of December, 2007, and increased by an amount not exceeding four per

cent.", the words "and further increased by an amount not exceeding seven per cent of such increased amount" shall be inserted.

3. In the Schedule to the principal Tariff Order,-----

(a) in PART I, for the Table under the heading "Charges payable by a subscriber (referred to in sub-clause (a) of clause 3) to the cable operator or multi system operator transmitting or re-transmitting both Free to Air channels and Pay channels in Non-CAS areas.", the following Table and footnote shall be substituted, namely:-

"Number of pay channels and Free to Air channels to be transmitted or retransmitted through the cable television network. Maximum amount of charges payable by a subscriber per month for first television connection (exclusive of all taxes) for Pay channels and Free to Air channels mentioned under column (2) (3) Serial number.(1) Pay channels 2(a) Free to Air channels 2(b) X Class cities and erstwhile A Class cities* 3(a) Y Class cities excluding erstwhile A Class cities* 3(b) Z Class cities, towns and other habitations 3(c)

1. Upto twenty pay channels minimum thirty Free to Air channels Not exceeding rupees one hundred and seventy one only. Not exceeding rupees one hundred and fifty only. Not exceeding rupees one hundred and thirty nine only.

2. More than twenty and upto thirty pay channels minimum thirty Free to Air channels Not exceeding rupees two hundred and fourteen only. Not exceeding rupees one hundred and eighty two only. Not exceeding rupees one hundred and seventy one only.

3. More than thirty and upto forty five pay channels minimum thirty Free to Air channels Not exceeding rupees two hundred and fifty one only. Not exceeding rupees two hundred and fourteen only. Not exceeding rupees one hundred ninety eight only.

4. More than forty five pay channels minimum thirty Free to Air channels Not exceeding rupees two hundred and seventy eight only. Not exceeding rupees two hundred and thirty five only. Not exceeding rupees two hundred and fourteen only.

* Erstwhile A class cities as per Government of India, Ministry of Finance (Department of Expenditure) O.M. No. 2(21)/E.II(B)/2004 dated 18.11.2004.";

(b) in PART II, under column (2) of the Table, for the words "Rupees seventy seven", the words "Rupees eighty two" shall be substituted;

(c) for Note 4, the following Note shall be substituted, namely:-

"Note 4. Classification of cities referred to under column 3(a) and 3(b) of Part I of the Schedule shall be the same classification as mentioned in the orders of the Government of India, Ministry of Finance issued, from time to time, for the purpose of determining the entitlement of house rent allowance of Central Government Employees as per the O.M. No. 2(21)/E.II(B)/2004 dated 18.11.2004 issued by the Ministry of Finance (Department of Expenditure) as modified by its O.M. No.2(13)/2008-E.II(B) dated 29th August, 2008 or such other classification as may be specified by the Government of India, Ministry of Finance from time to time for the entitlement of the house rent allowance except in respect of cities which had been originally classified as A Class cities as per O.M. No. 2(21)/E.II(B)/2004 dated 18.11.2004, which shall, for the purpose of this Tariff Order, continue to be grouped with erstwhile A-1 Class cities now classified as X Class cities as per the said O.M. No.2(13)/2008- E.II(B) dated 29th August, 2008."

Conversion of Free to Air Channel / Pay Channel

In the matter of conversion of a Free to Air channel / Pay Channel, the regulation now provides, inter alia, that:

(a) the nature of any channel, i.e., Free to Air or Pay will normally remain the same for a period of one year.

(b) Any broadcaster of a Free to Air channel intending to convert the channel into a Pay Channel or any broadcaster of a Pay channel intending to convert the channel into a Free to Air channel will inform TRAI and give public notice in the manner specified in cases of notice for disconnection but the period for this notice will be one month before the scheduled date of conversion.

- (c) Subsequently, TRAI has further provided that in determining the similarity of rates of similar channels the following factors shall be taken into account:
- (i) the genre and language of the new pay or converted Free to Air to pay channel;
 - (ii) the range of price ascribed to the channel of similar genre and language in the price of a bouquet(s) and prices of bouquet(s) that existed as on 26.12.2003; and,
 - (iii) the range of prices of the individual channel of similar genre and language as existing in the cities where CAS is in existence.

A-La-Carte Pricing

There has been a long pending demand of some Operators that a-la-carte pricing of channels should be available so as to enable the Subscriber to choose the channels they wish to watch and pay for only so chosen channels. In this context, in case of CAS Areas, with effect from 31.12.2006, TRAI has mandated, inter alia, that:

- (a) the broadcaster must offer pay channels on a-la-carte basis to multi system operators;
- (b) the multi system operators must offer pay channels on a-la-carte basis to cable operators.
- (c) multi system operators / cable operators must offer pay channels on a-la-carte basis to the subscribers.
- (d) In addition to the a-la-carte offer, pay channels can also be offered in the form of bouquets.
- (e) TRAI has further fixed a ceiling of five rupees per pay channel per month payable (MRP) by a subscriber to multi system operator / cable operator. TRAI has mandated that the maximum retail price for a pay channel within this ceiling can be fixed by the broadcaster. However, in cases where the subscriber has opted for a pay channel for a period less than four months then the subscriber will have to pay the MRP of the concerned pay channel for four months. This ceiling on MRP is applicable to all the existing pay channels as well as to new pay channels. This power of TRAI to fix MRP has also been acknowledged by the Government in Rule 10 (3) of its Cable Television Networks (Second Amendment) Rules, 2006 dated 31.07.2006.
- (f) Also that the amounts payable by the MSOs to broadcasters and by cable operators to MSOs under the said order read with clauses 5.1, 5.2 and 5.3 of the aforesaid Interconnection Regulation (as amended on 24.8.2006) will not apply to non-CAS areas, to DTH operators or to any other distributor of TV channels.

The Regulations for Non CAS areas:

The **Ministry of Information and Broadcasting has notified the Standards Of Quality Of Service (Broadcasting And Cable Services) (Cable Television – Non-CAS Areas) Regulations, 2009** which have come into force on the 1st day of April, 2009 w.r.t. CAS services in the non CAS areas. The said Regulations have the following provisions:

- Connection, disconnection and reconnection of cable services in non-CAS areas,
- Billing procedure and billing related complaints for cable services,
- Complaint handling and redressal,
- Additional standards of quality of service relating to digital decoder and set top box for digital cable service (with or without conditional access) in non-CAS areas,
- Discontinuance of channels from the cable television network,
- Technical standards as to quality of signals,
- Monitoring of performance of quality of service standards.

(II) INTERCONNECT REGULATIONS

In the background that distribution of cable TV in India is characterized by a few dominant Broadcasters and large Multi System Operators (MSOs) and that some of these players have become even stronger as vertical integration has taken place and that last mile operations on the other hand are highly fragmented and therefore there are large disparities in the bargaining power of various players of the distribution chain, **TRAI issued its 'Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004' dated 10.12.2004, which lays down, inter alia,:**

- (a) **Must provide Clause** – Every Broadcaster has to provide its TV channels on non-discriminatory terms to all distributors of TV channels. It also provides that System Operators will also re-transmit signals received from a Broadcaster, on a non-discriminatory basis to Cable Operators.
- (b) **No unreasonable terms** – TRAI has further laid down that any imposition of terms, which are unreasonable, shall be deemed to constitute a denial of request for channels. Though supply of signals is mandated under the Regulation on reasonable terms, the Regulation does not stipulate what that reasonable term should be. Therefore, TDSAT has held that if a dispute arises between two contracting parties with regard to reasonableness of a term then in that case, the reasonableness of the term has to be decided by an authorised forum like TDSAT and not by any single party to the contract.
- (c) **Standard Agreement** – Time and again, issues have arisen in respect to reasonableness of the terms of the Subscription Agreements. This issue was raised in a Petition, where TDSAT was pleased to observe that most of the issues regarding unreasonableness of the terms should first be dealt with by the TRAI.

In this regard, TRAI has recently issued a Regulation, which provides, inter alia, that all broadcasters, multi system operators and cable operators should mutually negotiate and finalise their interconnection agreements in respect of CAS Areas and in case they are not able to arrive at a mutually acceptable interconnection agreement within a time-period to be specified by TRAI through a direction, then they will have to enter into interconnection agreements in terms of the specified standard interconnection agreements within a time period to be specified by TRAI.

TRAI has however clarified that if the service providers have already entered into mutually acceptable interconnection agreements by the date specified in the direction issued by TRAI, then they need not sign standard interconnection agreements.

TRAI has further clarified that those service providers, who have a pre-existing interconnection agreement as on the date of issue of the said regulation, will also have the option, after the expiry of their existing agreement, to either enter into a mutually acceptable interconnection agreement, or failing which to enter into interconnection agreements as per the specified standard agreements.

The abovementioned Standard Agreement provides, inter alia, that the Subscription amount will be shared between the Broadcasters, MSOs and LCOs in the ratio of 45%, 30% and 25% (excluding FTA Charges and Channel Placement Fee - the former will be retained by the Local Cable Operator and the latter will be retained by the Multi System Operator).

- (d) **Finalising Subscriber Base in Non-CAS Areas** – Numerous controversies have arisen, time and again, with respect to increase in the monthly subscription charges owing to, inter alia, changes in the subscriber base of the MSO's and the LCO's; and in order to put some regulation in place on these issues, TRAI has recently provided for the methodology of accounting for such increases in non CAS areas in various situations.
- (e) **Reference Interconnect Offers (RIO)** - In case of non-CAS Areas, TRAI has further provided for issuance of a Reference Interconnect Offers (RIO) by all Broadcasters. It has provided that all broadcasters should submit copies of their RIO within 90 days of issue of the said Regulation,

describing, inter-alia, the technical and commercial conditions for interconnection for non-addressable systems to TRAI. The broadcasters will publish the same and a copy of the RIO should also be put up on their websites after the terms and conditions of the draft reference interconnect offer are submitted to TRAI. Further that the RIO so published by the broadcaster will form the basis for all interconnection agreements to be executed thereafter. TRAI has also provided that a published RIO may undergo any change only after prior intimation to TRAI. TRAI has mandated that Interconnection agreements should be entered in to by all broadcasters based on the RIO so published, provided that by mutual agreement, the parties concerned may modify and/or add to the terms and conditions stipulated in the published RIO for entering into an individualised agreement.

- (f) **Minimum Guarantee** – TRAI has also dealt with the subject of Minimum Guarantee. In its Interconnect Regulation TRAI provides that where a distributor of TV channels uses a technology by which pay channels can be seen only through an addressable system, then no service provider will demand any minimum guaranteed amount from such a distributor.
- (g) **No Exclusive Contract** - TRAI has also mandated that no Broadcaster of TV channels should engage in any practice or activity or enter into any understanding or arrangement, including Exclusive Contracts with any distributor of TV channels that prevents any other distributor of TV channels from obtaining such TV channels for distribution.

On the subject of exclusivity, TDSAT has had the occasion of considering the subject in *STAR INDIA (P) LTD. Vs. Sea TV Network Ltd. & Anr.* (CA No. 5524 of 2005, SC), wherein the Tribunal has held, inter-alia, that:

- (i) an agent or intermediary is a person who supplies TV channels of a broadcaster or a MSO, to a distributor of TV channels and therefore a distributor can not be an agent because he is the one who receives signals from the agent;
- (ii) any person who is re-transmitting TV channels to general public either directly or indirectly is a distributor and that it includes among others an MSO also. Therefore, since a distributor cannot be an agent and that a distributor includes an MSO; by the same logic even an MSO cannot be an agent;
- (iii) the definitions of the distributor and MSO show that both of them are placed in the same platform in the hierarchy of players in the cable sector and both can only receive signals of the broadcaster's channels either directly or through an agent of the broadcaster and they cannot be an authorized agent of the broadcaster;
- (iv) therefore, keeping in mind the fact that the definition of distributor includes an MSO it is not open to a Broadcaster to appoint any distributor or MSO, as an exclusive agent and if done it would run counter to the prohibition of exclusivity contemplated in clause 3.1 of the Regulation.

Thus, the Tribunal has held that any Operator, who is providing signals to subscribers, either directly or indirectly, cannot be the exclusive agent of the Broadcaster for offering the same signals to other Operators.

- (h) **Period for Renewal of Existing Agreements** – With respect to time period for renewal of the existing agreements, the regulations now provide, inter alia, that:
 - (i) Parties will start the process of negotiations for renewal of existing agreement at least two months before the due date of expiry of the existing agreement.
 - (ii) If the negotiations for renewal of the interconnection agreement continue beyond the due date of expiry of the existing agreement then the terms and conditions of the existing agreement will continue to apply till a new agreement is reached or for the next three months from the date of expiry of the original agreement, whichever is earlier. But once the parties reach an agreement, the new commercial terms will become applicable from the date of expiry of the original agreement.

- (iii) And if the parties are not able to arrive at a mutually acceptable new agreement, then any party may disconnect the retransmission of TV channel signals at any time after the expiry of the original agreement after giving a three weeks notice in the manner specified in case of other disconnections. And that the commercial terms of the original agreement will apply till the date of disconnection of signals.
- (i) **No Disconnection Without Notice** – It is mandatory for a broadcaster or multi system operator to give three weeks prior notice to a distributor of TV channels before disconnecting the TV channel signals clearly giving the reasons for the proposed action. Such a notice is required to be given before disconnection of signals to a distributor of TV channels, if there was an agreement, written or oral, permitting the distribution of the broadcasting service, which has expired due to efflux of time. However, no notice is required if there is no agreement, written or oral, permitting the distribution of the signals. Similarly, it is mandatory for a distributor of TV channels also to give three weeks prior notice before disconnecting the re-transmission of any TV channel to the broadcaster or multi system operator clearly giving the reasons for the proposed action.

The Regulation further provides that in addition to the above notice, the broadcaster / multi system operator / distributor of TV channels will also inform the consumers about such dispute to enable them to protect their interests. Such a notice will give reasons in brief for the disconnection. Further, that the said notice to disconnect signals will have to be given in two local newspapers out of which at least one notice will be given in local language in a newspaper which is published in the local language, in case the distributor of TV channels is operating in one district and in two national newspapers in case the distributor of TV channels is providing services in more than one district. The period of three weeks mentioned in all the above cases will start from the date of publication of the notice in the newspapers or the date of service of the notice on the service provider, whichever is later.

Under the Interconnect Regulations the Broadcasters, MSOs and Cable Operators are required to register following the detailed guidelines issued by the TRAI on the various issues. Further, in a non-addressable system (Non-CAS Area), MSO are required to file a list of cable operators along with their subscriber base to the broadcaster on a monthly basis and to maintain a register of subscribers containing the names of the subscriber, address, monthly fee charged and number of channels received which shall be open for inspection to the Authorised Officer whenever he considers it expedient to inspect such register to find out if there has been a violation of any regulation.

There have been various amendments to the Regulations, the latest being **The Telecommunication (Broadcasting and Cable Services) Interconnection (Sixth Amendment) Regulations, 2010** dated 30th July 2010, vide which the following amendments have been made:

In Regulation 2 of Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004:

(a) for sub-clause (I), the following sub-clause shall be substituted, namely:-

“(I) **“head end in the sky operator”** or **“HITS operator”** means any person permitted by the Central Government to -----

(a) distribute multi channel TV programmes in C band or Ku band -----

(i) by using a satellite system, to intermediaries like cable operators and not directly to subscribers; and

(ii) by using its own cable network, if any, to the subscribers of such cable network through Quadrature Amplitude Modulation (QAM) set top boxes, after first downlinking the signals at its terrestrial receiving station; and

(b) provide passive infrastructure facilities like transponder space on satellite, earth station facilities, etc. to one or more multi system operators or to any consortium of multi system operators or cable operators, for distribution of multi channel TV programmes, in C band or Ku band through QAM set top boxes, using such infrastructure facilities;”;

(b) for sub-clause (m), the following sub-clause shall be substituted, namely:-

"(m) **"multi system operator"** means any person who receives a broadcasting service from broadcasters or their authorized agencies or from a headend-in-the-sky operator and re-transmits the same to one or more cable operators or to consumers or to both and includes its authorised distribution agencies;"

TRAI has also prescribed the Register of Interconnect Agreements (Broadcasting & Cable Services) Regulations, 2004, wherein all the agreements between the Broadcaster, MOS, and Cable Operators are required to be registered with the TRAI/Authorized Officer.

There have been various amendments to the Regulations, the latest being the Register of **Interconnect Agreements (Broadcasting and Cable Services) (Fourth Amendment) Regulation 2009** dated 18th March 2009, vide which the following amendments have been made:

1. In regulation 2 of the Register of Interconnect Agreements (Broadcasting and Cable Services) Regulation, 2004, (hereinafter referred to as the principal regulations),-----

(a) after the clause numbered as "ix.", the following clause shall be inserted, namely:-

"(ix-a.) **"distributor of TV channels"** means any person including an individual, group of persons, public or body corporate, firm or any organisation or body re-transmitting TV channels through electromagnetic waves through cable or through space intended to be received by general public directly or indirectly and such person may include, but is not limited to, a cable operator, direct to home operator, multi system operator, head ends in the sky operator and a service provider offering Internet Protocol television service;"

(b) in the clause numbered as "xi.", for the words " **head ends in the sky operator**" means " , the words " **head ends in the sky operator**" or **"HITS operator"** means " shall be substituted;

(c) after the clause numbered as "xiii.", the following clause shall be inserted, namely:-

"(xiii-a.) "Internet Protocol television service" or "IPTV service" means delivery of multi channel television programmes in addressable mode by using Internet Protocol over a closed network of one or more service providers;"

2. In regulation 5 of the principal regulations, -----

(a) for sub-clause (3) of clause (b), the following sub-clause shall be substituted, namely:-

"(3) Annual Reporting. The reporting of interconnection agreements shall be done on or before the 31st day of July of each year for all interconnection agreements including modifications or amendments made therein, which remained valid as on the 30th day of June of that year or during a part of the period from 1st July of the previous year till the 30th day of June of that year, as the case may be, or as may be specified by the Authority from time to time in terms of the second proviso to regulation 6:

Provided that the Authority may, without prejudice to its powers under section 12 of the Telecom Regulatory Authority of India Act, 1997 (24 of 1997), at any time, call for the details of any interconnect agreement from any broadcaster, and such broadcaster shall furnish such details within such time limit as may be specified by the Authority in the communication calling for such details."

3. In regulation 5-A of the principal regulations, ----

(a) in the heading, for the words and brackets **"Direct to Home (DTH) operators"**, the words and brackets **"Direct to Home (DTH) operators, HITS operators and IPTV service providers"** shall be substituted;

(b) in clause (a), for the words "All direct to home operators", the words "All direct to home operators, HITS operators and IPTV service providers" shall be substituted;

(c) in clause (b), for sub-clauses (2) and (3), the following sub-clauses shall be substituted, namely:-

"(2) First Reporting for new DTH operators and for HITS operators and IPTV service providers. The first reporting of interconnection agreements shall be done -----

- (i) within thirty days from the signing of the interconnect agreements in the case of DTH operators; and
- (ii) within thirty days from the signing of the interconnect agreements or the 31st day of July, 2009, whichever is later, in the case of HITS operators and IPTV service providers.

4. In regulation 7 of the principal regulations, the following proviso shall be inserted, namely:-

"Provided that the provisions of this regulation shall not apply to an interconnection agreement entered in the register -----

- (i) in respect of which a period of three years has expired from the date of reporting of such agreement, or
- (ii) in respect of which the period of validity as specified in the agreement has expired, whichever is later."

The Uttar Pradesh Cable Television Network (Exhibition) Rules, 1997

To regulate the recovery of entertainment tax in the state of Uttar Pradesh, the Government of State of Uttar Pradesh has enacted the Uttar Pradesh Cable Television Network (Exhibition) Rules, 1997 on 24.09.1997, in exercise of its powers under section 38(1) of the Uttar Pradesh Entertainment and Betting Tax Act, 1979.

This Act provides for a mandatory registration of the Cable Operators desiring to operate a Cable TV Network, with the Registering Authority namely District Magistrate of the area within whose territorial jurisdiction the office of the concerned Cable Operator is situated.

This Act requires the Companies to make the following compliance:

- Issue of registration card to subscribers in the form attested by District Entertainment Officer;
- Intimation to District Magistrate regarding monthly rate charged from a subscriber, number of cable connection given, etc.;
- Preparation and maintenance of register and statements in prescribed form 4;
- Submission of monthly statement in form 5 within last three days of the month; and
- Deposit of Entertainment Tax into Government account within a week from end of the month.

As informed by Compliance Officer, the Company has not given any direct connection to any subscriber and therefore, is not under an obligation to comply with the above conditions.

Foreign Investment in Cable Network Services

- Sea TV is covered under multiple sector as mentioned below under the broad head 'Broadcasting' as per the FDI policy:

Sector activity	FDI cap/Equity	Entry route	Other Conditions
Cable Network Presently engaged in Cable Networking Operations in Uttar Pradesh as Multi System Operators (MSO) and the proposed public issue of Rs. 5020.00 Lacs to be raised is to be used by Sea TV for its Cable Networking Operation in Uttar Pradesh.	Upto 49% (FDI+FII)	FIPB permission	Subject to Cable Television Network Rules (1994) notified by Ministry of Information & Broadcasting (MIB)
Up-linking a News & Current Affairs TV Channel Sea TV has got the permission from MIB for up-linking and down-linking into India, news and current affairs TV channel " Sea News " in Hindi, English and all other Indian languages (in digital mode) through the teleport of M/s Noida Software Technology Park Limited, Noida using	Upto 26% (FDI+FII)	FIPB permission	Subject to guidelines issued by Ministry of Information & Broadcasting

INSAT 4A satellite for a period of 10 years and 5 years respectively. Not presently engaged.			
<p>Up-linking a Non-news & Current Affairs TV Channel</p> <p>Sea TV has got the permission from MIB for up-linking and down-linking into India of non-news and current affairs TV channel "Jinvani" in Hindi, English and all other Indian languages (in digital mode) through the teleport of M/s Essel Shyam Communication Limited, Noida using INSAT 4A satellite for a period of 10 years 5 years respectively. Not presently engaged.</p>	Upto 100% (FDI+FII)	FIPB permission	Subject to guidelines issued by Ministry of information & Broadcasting

HISTORY AND CORPORATE STRUCTURE OF OUR COMPANY

A. HISTORY AND MAJOR EVENTS

Our company was incorporated as Sea TV Network Limited at Agra, Uttar Pradesh, on May 21, 2004, under the Companies Act, 1956. The Company obtained the certificate of Commencement of Business on June 01, 2004. Sea TV Network Limited is one of the three MSOs in the Agra region.

Milestones

Year	Activities
2004	Year of Incorporation
2009	The Ministry of Information and Broadcasting, Government of India gave its permission for up-linking and down-linking of non-news and current affairs TV channel " Jinvani " in Hindi, English and all other Indian languages and for a news and current affairs TV. channel " Sea News " in Hindi, English and all other Indian languages

For details regarding Capacity/facility creation, location, products, marketing, competition etc. please refer "**Business Overview**" on page no 43 of RHP. For details regarding raising of Capital in the form of Equity please refer "**Capital Structure**" on page no 17 of RHP. For details regarding raising of Capital in the form of Debt please refer "**Financial Information**" on page no 85 of RHP. For details regarding Corporate profile of the issuer regarding its history, the description of the activities, services, products, market of each segment, the growth of the issuer, exports, Competition, management, the technology, market and managerial competence etc., please refer to "**Business Overview**" and "**Our Management**" on page no 43 & 67 respectively of RHP. The number of shareholders of the Company is 7 as on the date of RHP.

Focus Areas of Business

The company focuses on the cable distribution business and intends to emerge as a MSO with an All India presence, while working in consonance with the Broadcasters and the viewers as against the normal practice in the Industry of working as a rival to the Broadcasters.

B. Main Objects of the Company

1. To procure, acquire, install, take on lease, hire or in exchange or in any other lawful manner, commence, carry on the business of satellite channels, cable TV Network in all or any languages spoken all over the World and to produce, manufacture, distribute, deal, sale, purchase, export, import, exhibit telecasting of all types of documentary films, cinematographic theatres for cable TV Network and Satellite Channels.
2. To carry on the business of Satellite Channels and cable operation, to enter into any arrangement and or agreement for acquiring license or rights to distribute any channel to any person whether residential, commercial or institutional subscribers, viewers and to import, export, purchase, sell any equipment that may be required for reception, transmission and distribution of the channel including but not limited to dish antenna, aerial, head end, decoder, receiver, cable set up converter and the like. To carry on the business of Internet services through cable operation.

Changes in Memorandum & Articles of Association of the Company

Date of Alteration	Nature of Alteration
24.03.2007	Increase of Authorized Capital of the Company from Rs. 5000000 to Rs. 20000000
29.03.2007	Increase of Authorized Capital of the Company from Rs. 20000000 to Rs. 50000000
30.11.2007	Increase of Authorized Capital of the Company from Rs. 50000000 to Rs.100000000
31.12.2007	Increase of Authorized Capital of the Company from Rs. 100000000 to Rs. 170000000

Changes in Registered Office of the Company

The Registered Office of the Company has never been shifted.

C. Subsidiaries of the Issuer Company and their business

The Company has no subsidiaries as on date.

SHAREHOLDERS AGREEMENT

There are no shareholder agreements as on date of Filing of the Red Herring Prospectus with SEBI.

Other Agreements

Except the Contracts / Agreements entered into in the ordinary course of the business carried on or intended to be carried on by the Company, the Company has not entered into any other Agreement / Contract.

Financial / Strategic Partners

There are no financial or strategic partners

OUR MANAGEMENT

BOARD OF DIRECTORS

Sea TV is a professionally managed organization. The Company functions under the control of a Board of Directors. The day to day matters are looked after by key personnel, under the supervision of the Chairman and Managing Director.

Name, Father's Name Designation, Age, Address, Occupation Nationality and DIN	Date of Appointment (DoA) and Terms	Educational and Professional Qualifications	Other Directorships
Neeraj Jain S/o Shri Bhagwan Swaroop Jain Chairman and Managing Director Age: 36 years Address: 118, Manas Nagar, Shahganj, Agra- 282010 Occupation: Business Nationality: Indian DIN: 00576497	Since Incorporation. 5 years from 11/01/2008	Under Graduate	Nil
Akshay Kumar Jain S/o Shri Vinay Kumar Jain Whole Time Director Age:33 years Address: 4, Mini M.I.G, Friends Colony, Shahganj Agra 282010 Occupation: Business Nationality: Indian DIN: 00509865	Since Incorporation. 5 years from 11/01/2008	B.SC	Nil
Pankaj Jain S/o Shri Bhagwan Swaroop Jain Whole Time Director Age: 40 years Address: 4, Mini MIG Friends Colony Shahganj, Agra 282010	Since Incorporation. 5 years from 11/01/2008	Under Graduate	Nil

Occupation: Business Nationality: Indian DIN: 00509839			
Rajeev Kumar Jain S/o Late Shri Kumar Bahadur Jain Independent Director Age: 39 years Address: D/108 DDA Flats, Jhilmil Colony, Delhi-110095 Occupation: Service Nationality: Indian DIN: 01987821	10/01/2008.	B.Com	Nil
Narendra Kumar Jain S/o Shri Padam Chandra Jain Independent Director Age:50 years Address: 359, Babu Ganj, DT- Etah- 207001 Occupation: Business Nationality: Indian DIN: 01985845	16/05/2008.	Graduate	Nil
Daulat Raichandani S/o Shri Chandiram Raichandani Independent Director (Additional Director) Age: 63 years Address:10, Bank Colony, Bagh Farzana, Agra – 282002 Occupation: Retired Nationality: Indian DIN : 03195172	19/08/2010	M.Com, CAIIB	Nil

Neeraj Jain is brother of Pankaj Jain other than this, there is no relationship, in terms of the Companies Act, 1956, between any of the Directors of the Company.

Details of compensation paid & benefits in kinds granted during the last financial year to the Executive Directors:

Name of Executive Director	Compensation paid during the last year (2009-10) (In Rs.)	Benefits granted during the last year
Neeraj Jain	Rs. 30,00,000/-	Nil
Akshay Kumar Jain	Rs. 12,89,188/-	Nil
Pankaj Jain	Rs. 10, 86,233/-	Nil

No portion of the compensation was paid pursuant to a bonus or profit sharing plan.

Details of service contracts entered into by the Directors with the issuer providing benefits upon termination from employment.

There are no service contracts entered into by the directors with M/s. Sea TV Network Limited for providing benefits upon their termination of their employment except statutory benefits.

Arrangement and understanding with major shareholders/customers/suppliers

There is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any director of M/s. Sea TV Network Limited was selected as director or member of senior management.

Brief Profile of Directors

1. Neeraj Jain, Chairman and Managing Director

Mr. Neeraj Jain, Aged about 36 years, is the Promoter and CMD of the Company. He is an undergraduate and has no other professional qualifications. He has an experience of more than 18 years in the Cable TV Industry. He is responsible for the sustained growth of the Company since its inception.

2. Akshay Kumar Jain, Whole Time Director

Mr. Akshay Kumar Jain, aged about 33 years, is the Promoter and Whole Time Director of the Company. He is a science graduate and has no other professional qualifications. He has an experience of more than 12 years in the Cable TV Industry. He is in-charge of the Finance and Accounts Department of the Company.

3. Pankaj Jain, Whole Time Director

Mr. Pankaj Jain, aged about 40 years, is the Promoter and Whole Time Director of the Company. He is an undergraduate and has no other professional qualifications. He has an experience of more than 18 years in the Cable TV Industry. He is in-charge of the Networking and Distribution departments of the Company.

4. Rajeev Kumar Jain, Independent Director

Mr. Rajeev Kumar Jain, aged about 39 years, is a Commerce Graduate with more than 16 years experience as an Accounts officer in various Private Sector Companies.

5. Narendra Kumar Jain, Independent Director

Mr. Narendra kumar Jain, aged 50 years, is Commerce and Arts graduate. He is a businessman having an experience of 30 years in trading of FMCG.

6. Daulat Raichandani, Independent Director (Additional Director)

Mr. Daulat Raichandani, aged 63 years, is Post Graduate in Commerce with an experience of more than four decades in Banking Sector. He worked as AGM (Business Planner) in SBI Bank, later on he was Regional Manager of SBI Bank in 2002-03. He retired as Deputy General Manager of SBI Bank in 2005. During his employment he handled various portfolios like business planning, business development, training of employees apart from handling medium and large sized branches. As Regional Manager and Deputy General Manager of a zone he was responsible for developing and controlling a group of branches.

Details of Borrowing Powers

Vide a resolution passed at the Extra Ordinary General Meeting of the Company held on 01/12/2008, consent of the members of the Company was accorded to the Board of Directors of the Company pursuant to Section

293(1)(d) of the Companies Act, 1956 for borrowing from time to time any sums of money which together with money already borrowed by the company shall not exceed in the aggregate at any time Rs. 50000 lacs irrespective of the fact that such aggregate amount of borrowing outstanding at any one time may exceed the aggregate for the time being of paid up share capital of the company and its free reserves.

COMPENSATION OF MANAGING DIRECTORS/WHOLE TIME DIRECTORS

Terms of Compensation of Whole time Director/Managing Director

Name: **Neeraj Jain**

Designation: *Chairman and Managing Director*

A) SALARY

Rs. 250000 p.m. for period starting from April, 1, 2008 and ending on January 14, 2011

B) PERQUISITES

NIL

C) REIMBURSEMENT OF EXPENSES

On Actual Expenditure subject to submission of bills

In case of inadequacy of profit the directors will be paid the remuneration accordance with the Schedule XIII of the Companies Act, 1956

Name: **Akshay Kumar Jain**

Designation: *Whole Time Director*

A) SALARY

Rs. 250000 p.m. for period starting from April, 1, 2008 and ending on January 14, 2011

B) PERQUISITES

NIL

C) REIMBURSEMENT OF EXPENSES

On Actual Expenditure subject to submission of bills

In case of inadequacy of profit the directors will be paid the remuneration accordance with the Schedule XIII of the Companies Act, 1956

Name: **Pankaj Jain**

Designation: *Whole Time Director*

A) SALARY

Rs. 250000 p.m. for period starting from April, 1, 2008 and ending on January 14, 2011

B) PERQUISITES

NIL

C) REIMBURSEMENT OF EXPENSES

On Actual Expenditure subject to submission of bills

In case of inadequacy of profit the directors will be paid the remuneration accordance with the Schedule XIII of the Companies Act, 1956

Non-Whole time Directors

Non-executive Directors are currently paid sitting fees of Rs. 1000/- for attending each meeting of the Board and Rs. 1000/- for attending each meeting of the committee thereof.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

Corporate governance refers to a combination of regulations, procedures and voluntary practices that enable companies to maximize shareholder's value by attracting financial and human capital and efficient performance. Sea TV believes that good corporate governance contemplates that corporate actions balance the interest of all shareholders and satisfy the tests of accountability and transparency.

Company's Philosophy on Corporate Governance

The Board of Directors of Sea TV Network Limited committed to ensure that the highest standards of Corporate Governance are implemented and practiced in the company as an integral part of discharging its responsibilities to protect and enhance shareholders' value. The Board understands that effective corporate management and control (Corporate Governance) today are almost as important for investors' decision as the economic performance of a company or that of its share. The Company continuously monitors developments in the area of corporate governance, and leads in developing and implementing best corporate governance practices.

The Company stands committed to good Corporate Governance – transparency, disclosure and independent supervision to increase the value of the Company stakeholders. The Guidelines issued by SEBI in respect of the Corporate Governance will be applicable to the Company immediately upon applying for the in-principle approval for listing of the Equity Shares on the stock exchange. Accordingly, the Company has undertaken steps to comply with the SEBI guidelines on Corporate Governance. The Corporate Governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management and the constitution of the Board Committees, majority of them comprising of independent directors. Committees of the Board have been constituted in order to look into the matters in respect of compensation, shareholders/Investor Grievances, Audit, etc, details of which are as follows:

i. Composition of Board of Directors

The Board of Directors of the Company consists of 6 (six) directors and has an optimum combination of executive and non-executive Directors as envisaged in Clause 49 of the Listing Agreement. Accordingly not less than 50% of the Board of Directors comprises of non-executive and independent Directors. Three of the Directors on the Board are independent directors.

S.NO	NAME OF DIRECTOR	DESIGNATION	STATUS*
1.	Neeraj Jain	Chairman and Managing Director	Promoter Director
2.	Akshay Kumar Jain	Director	Promoter Director
3.	Pankaj Jain	Director	Promoter Director
4.	Rajeev Kumar Jain	Director	Independent Director
5.	Narendra Kumar Jain	Director	Independent Director
6.	Daulat Raichandani	Additional Director	Independent Director

** As per Clause 49 of the Listing Agreement*

ii. Audit Committee

Audit Committee is constituted by Board of Directors consist of 3 directors, represented by 2 Non-Executive Independent Director and 1 Executive Director. The Audit Committee provides directions to and reviews functions of the Accounts Department. The Committee evaluates internal audit policies, plans, procedures and performance and reviews the other functions through various internal MIS reports and other year-end certificates issued by the statutory auditors. Quarterly and Annual Accounts will be reviewed by the Audit Committee, prior to their presentation to the Board along with the recommendations of the Audit Committee. Besides, Audit Committee will be authorized to exercise all such powers as are required under the amended Clause 49 of the Listing Agreement.

The Audit committee was reconstituted by a meeting of Board of Directors held on August 19, 2010. The members of the Audit Committee are:

Sr. No	Name of the Director	Designation in Committee	Nature of Directorship
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1.	RAJEEV KUMAR JAIN	CHAIRMAN	INDEPENDENT DIRECTOR
2.	DAULAT RAICHANDANI	MEMBER	INDEPENDENT DIRECTOR
3.	AKSHAY KUMAR JAIN	MEMBER	WHOLE TIME DIRECTOR

The Company Secretary of the Company act as Secretary to the Committee.

The scope of the Audit Committee in companies is defined under Clause 49 of the Listing Agreement dealing with Corporate Governance and the provisions of the Companies Act, 1956.

A. The Audit Committee shall have the following powers:

1. To investigate any activity within its terms of reference
2. To seek information from any employee
3. To obtain outside legal and other professional advice
4. To secure attendance of outsiders with relevant expertise, if it considers necessary

B. The role of the audit committee shall include the following:

1. Overseeing of the 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, re-appointment and, if required, the Replacement or removal of Statutory Auditor and fixation of audit fees.
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 Directors responsibility statement to be included in the Board's report in terms of clause (2AA) of section 217 of the Companies Act, 1956.
 - ✓ Changes, if any, in accounting policies and practices and reasons for the same.
 - ✓ Major accounting policies and practices and reasons for the same
 - ✓ Significant adjustments made in the financial statement arising out of the audit findings.
 - ✓ Compliance with listing and other legal requirements relating to financial statements.
 - ✓ Disclosure of related party transactions.
 - ✓ Qualifications in draft audit party transactions.
5. Reviewing, with the management, the quarterly financial statements before submission to the Board for approval.
6. Reviewing, with the management the performance of statutory and internal auditors, adequacy of internal control system.
7. 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.
8. Discussion with internal auditors and significant findings and follow up there on
9. 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.
10. 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
11. To look into the reasons for substantial defaults in the payment to the depositors debenture holders shareholders (in case on non payment of declared dividends) and creditors.

12. To review the functioning of the Whistle Blower Mechanism, if and when introduced.
13. Carrying out such other function as may be specifically referred to the committees by the Board of Directors of the Company.
14. To review the following information:
- ✓ The management discussion and analysis of financial condition and results of operations.
 - ✓ Statement of significant related party transactions(as defined by the Audit Committee), submitted by management;
 - ✓ Management letters/letters of internal control weaknesses issued by statutory auditors;
 - ✓ Internal audit reports relating to internal control weaknesses; and
 - ✓ The appointment, removal and terms of remuneration of the chief internal Auditor.
15. Reviewing the financial statements and in particulars the investments made by the unlisted subsidiaries of the company.

iii. Remuneration Committee

The Remuneration Committee was reconstituted by a meeting of Board of Directors held on August 19, 2010. The members of the Remuneration Committee are:

Sr. No	Name of the Director	Designation in Committee	Nature of Directorship
1.	NARENDRA KUMAR JAIN	CHAIRMAN	INDEPENDENT DIRECTOR
2.	RAJEEV KUMAR JAIN	MEMBER	INDEPENDENT DIRECTOR
3.	DAULAT RAICHANDANI	MEMBER	INDEPENDENT DIRECTOR

The Remuneration committee has been constituted to recommend/review remuneration of Directors and key Managerial Personnel based on their performance and defined assessment criteria. The remuneration policy of the company is directed towards rewarding performance, based on review of achievements on a periodic basis. The remuneration policy is in consonance with the existing industry practice.

The board has set up a remuneration committee to determine on their behalf and on behalf of the shareholders with agreed terms of reference the company's policy on specific remuneration packages for executive directors including pension rights and any compensation payment. To avoid conflicts of interest, the remuneration committee, which would determine the remuneration packages of the executive directors. It comprises of at three directors, all of whom are non-executive directors the chairman of committee being an independent Director.

iv. Share Transfer and Shareholder's Grievance Committee

The Share Transfer and Shareholder's grievance Committee was reconstituted by a meeting of Board of Directors held on August 19, 2010. The members of the Share Transfer and Investor Grievance Committee are;

Sr. No	Name of the Director	Designation in Committee	Nature of Directorship
1.	NEERAJ JAIN	CHAIRMAN	CHAIRMAN AND MANAGING DIRECTOR
2.	RAJEEV KUMAR JAIN	MEMBER	INDEPENDENT DIRECTOR
3.	NARENDRA KUMAR JAIN	MEMBER	INDEPENDENT DIRECTOR
4.	DAULAT RAICHANDANI	MEMBER	INDEPENDENT DIRECTOR

The role of the above committee shall include the following:

1. The committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the transfer of securities of the Company.

2. The committee also looks, into redressal of shareholders complaints related to transfer of shares.
3. On receipt of balance sheet, non-receipt of declared dividends, etc. The committee oversees performance of the Registrars and Transfer Agents of the Company and Recommends measures for overall improvement in the quality of investor services. The committee also monitors the implementation and compliance of the Company's code of conduct for prohibition of Insider Trading in pursuance of SEBI (Prohibition of Insider Trading) Regulations, 1992.
4. The Board has delegated the power of approving transfer of securities to the Directors and the Company Secretary.

v. IPO Committee

The Board has formed an IPO committee to look into various matters pertaining to the proposed IPO on January 10, 2008. The members of the IPO Committee are:

Sr. No	Name of the Director	Designation in Committee	Nature of Directorship
1.	NEERAJ JAIN	CHAIRMAN	CHAIRMAN AND MANAGING DIRECTOR
2.	PANKAJ JAIN	MEMBER	WHOLE TIME DIRECTOR
3.	RAJEEV KUMAR JAIN	MEMBER	INDEPENDENT DIRECTOR

The role of the above committee shall include the following:

1. Preparation of the offer document: The committee will discuss on the requirements and supply information to the Lead Managers for the preparation of the Prospectus.
2. Co-ordination for the submission of due diligence report.
3. Submitting the report to the Board of Directors on the progress of the IPO
4. Taking necessary action and decisions for the submission of DRHP and filing Red Herring Prospectus with ROC.

vi. Compliance with Listing Agreement

The Company in terms of this Red Herring Prospectus intends to list its equity shares on BSE and intends to comply with the requirements under the respective Listing Agreement of the above-mentioned stock exchanges. Further, we are in compliance with clause 49 of the listing agreement to the extent applicable to a company seeking listing for the first time.

d. Shareholding of the Directors

S. No.	Name	No. of Shares Held
1.	Neeraj Jain	67,70,800
2.	Akshay Kumar Jain	58,500
3.	Pankaj Jain	46,000
4.	Rajeev Kumar Jain	Nil
5.	Narendra Kumar Jain	Nil
6.	Daulat Raichandani	Nil

Qualification Shares required to be held by Directors

Directors are not required to hold any qualification shares.

e. Interests of Directors

All the non executive directors may be deemed to be interested to the extent of the sitting fees Rs. 1000/- for each meeting of the Board and committee thereof and other remuneration for the services rendered and the reimbursement of expenses, if any, payable to them under the articles. The Directors may also be deemed to be interested to the extent of:

- a. The shares & dividend payable thereon, if any, held by them or by the relatives or by firms or companies of which any of them is a partner and a director/member respectively. The shares, if any, out of the present issue that may be subscribed for and allotted to them or their relatives or any company in which they are directors/members of, to firms in which they are partners.
- b. Remuneration of Managing Director/ Executive Directors / Whole time Directors.
- c. Related Party Transactions mentioned on page 104 of this Red Herring Prospectus.

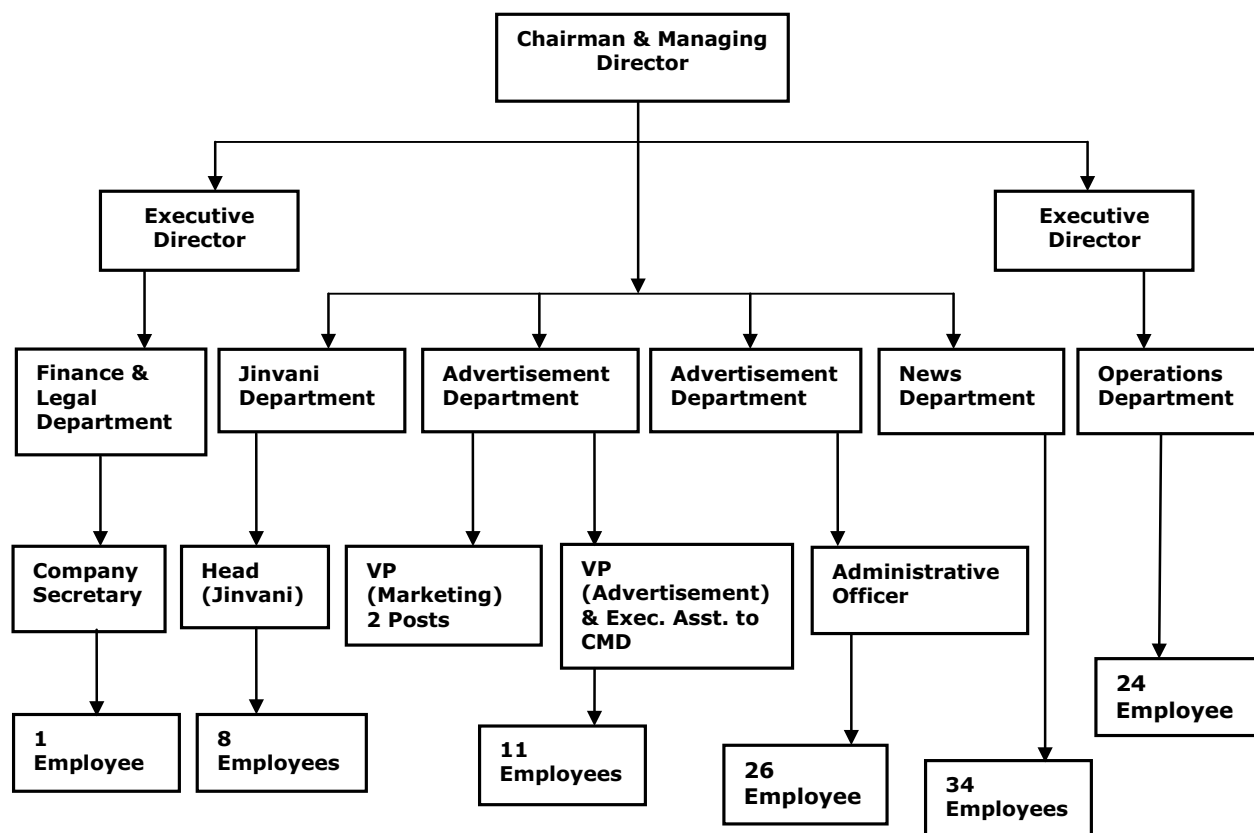
Neeraj Jain and Pankaj Jain, who are joint owners of the property, has entered into an agreement with the Company for allowing the Company to use the premises on rent basis as its registered office. Other than above the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of the Red Herring Prospectus in which the directors are interested directly or indirectly and no payments have been made to them in respect of these contracts, agreements or arrangements or are proposed to be made to them other than contracts in the normal course of business and being permitted as per the current rules and regulations governing the same.

Changes in the Board of Directors in the last 3 years

The following are the changes in the Board of Directors in the last 3 years and no changes thereafter have taken place:

Name	Date of Appointment	Date of Cessation	Reason for change/Remarks
Radha Krishna Pandey	January 07, 2008		Appointed as Additional Director
Mukesh Tandon	January 07, 2008		Appointed as Additional Director
Mahesh Chandra Mehta	January 07, 2008		Appointed as Additional Director
Sonal Jain		January 09, 2008	Resigned
Chhaya Jain		January 09, 2008	Resigned
Mukesh Tandon		January 10, 2008	Resigned
Rajeev Kumar Jain	January 10, 2008		Appointed as Additional Director
Narendra Kumar Jain	May 16, 2008		Appointed as Additional Director
Mahesh Chandra Mehta		May 16, 2008	Resigned
Radha Krishna Pandey		August 19, 2010	Resigned
Daulat Raichandani	August 19, 2010		Appointed as Additional Director

f. Management Organization Chart



g. Key Management Personnel

The key management personnel and their designations are as under:

Sr.No.	Name	Age (in years)	Date of Joining	Designation	Qualifications	Overall Experience (in years)	Previous Employment	Shareholding (No. of equity Shares Held)
1.	Ms. Sonal Jain	33	21.05.2004	Vice President, Marketing	MA (Economics)	08 years	None	98500
2.	Ms. Chhaya Jain	32	21.05.2004	Vice President, Marketing	BA	07 years	None	26000
3.	Mr. Yogesh Kumar Sharma	41	01.04.2007	Vice President- Advertisement & Executive	M.A. (Economics)	17 Years	Indian Air Force	Nil

				Assistant to CMD				
4.	Mr. Chakresh Jain	29	01.10.2006	Jinvani Head	B.Com.	06 years	None	Nil
5.	Mr. John Jain	25	01.10.2006	Administrative officer	B.Com	05 Years	None	Nil
6.	Mr. Ashish Mittal	26	28.04.2010	Company Secretary	CS, M.BA, LL.B	01 Years	Country Club (India) Ltd.	Nil

Nature of family relationship between Key Managerial Personnel

There is no relationship, in terms of the Companies Act, 1956, between the key managerial persons of the company.

In last financial year amount of compensation paid to KMP and any benefits in kind granted on individual basis and including termination/ retirement benefits upon their termination from employment by the issuer

Sr. No.	Name of Key Managerial Personnel	Amount of compensation paid during last financial year(2009-10) (In Rs.)	Benefits in kind granted on individual basis and including termination/ retirement benefits upon their termination from employment by the issuer
1.	Ms. Sonal Jain	Rs. 240000/-	Nil
2.	Ms. Chhaya Jain	Rs. 240000/-	Nil
3.	Mr. Yogesh Kumar Sharma	Rs. 385291/-	Nil
4.	Mr. Chakresh Jain	Rs. 192000/-	Nil
5.	Mr. John Jain	Rs. 144000/-	Nil

Interest of key managerial personnel

The key managerial personnel of our Company do not have any interest in our Company other than to the extent to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business and to the extent of the Equity Shares held by them in the Company, if any.

The persons whose names appear as key management personnel are on the rolls of the Company as permanent employees.

There is no arrangement or understanding with major shareholders, customers, suppliers or others pursuant to which any person was selected as director or member of senior management.

None of the key managerial personnel have any relationship with the promoters or directors of the company except as mentioned in the preceding paragraph.

Bonus or Profit Sharing Plan for the Key Managerial Personnel:

Except the payment of salaries and perquisites, the company provides other benefits to the employees that are uniform to all the employees of the company and performance based ex-gratia payments. The Company does not have any profit sharing or stock option plans for any of its employees.

Loans to key managerial personnel

There are no loans outstanding against key managerial personnel as on August 19, 2010.

Changes in the Key Managerial Personnel during the last three years

The following changes have occurred in the Key Managerial Personnel during the last three years from the date of filling of Red Herring Prospectus.

Sr. No.	Name	Designation	Appointment/ Resignation Date	Reason for change
1.	Archana Pundir	Company Secretary	15.04.2008	Resignation
2.	Mr. Arvind Srivastava	Chief Operating Officer	08.11.2008	Resignation
3.	Mr. Vivek Jain	Chief editor	31.10.2009	Resignation
4.	Mr. Ashish Mittal	Company Secretary	28.04.2010	Appointment

h. Employees

The total manpower directly employed by the Company as on August 20, 2010 is 119 personnel. Distribution of manpower is as follows:

Sr. No.	Name of Department	Number of Employees
1.	Finance & Legal	03
2.	Jinvani	09
3.	Advertisement	15
4.	Administration	30
5.	News	36
6.	Operations	26
	TOTAL	119

i. Disclosures Regarding Employees Stock Option Scheme / Employees Stock Purchase Scheme

The Company has no Employees Stock Option Scheme/ Employee Stock Purchase Scheme.

j. Other Benefits to the Officers of the Issuer Company

Except the payment of salaries and perquisites, the company provides other benefits to the employees that are uniform to all the employees of the company and performance based ex-gratia payments.

PROMOTERS

Name: NEERAJ JAIN

Designation: *Chairman and Managing Director*



Permanent Account Number	AANPJ2864J
Passport Number	A-9347545
Voter ID Number	UP/73/359/0438704
DIN	00576497
Driving License Number	2466/P/07
Bank Account No.	628701022383, ICICI Bank Limited, Sanjay Place, Agra
Address	118, MANAS NAGAR, Shahganj, Agra-282010

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Neeraj Jain other than as mentioned in this Red Herring Prospectus.

Profile: Mr. Neeraj Jain, Aged about 36 years, is the Promoter and CMD of the Company. He has an experience of more than 18 years in the Cable TV Industry. He is responsible for the sustained growth of the Company since its inception.

Declaration: It is confirmed that Permanent Account Number, Bank Account details and Passport Number of Neeraj Jain is being submitted to the Stock Exchange on which Equity Shares are proposed to be listed, at the time of filing of Red Herring Prospectus with it.

Name: AKSHAY KUMAR JAIN

Designation: *Whole Time Director*



Permanent Account Number	ADAPJ0610Q
Passport Number	E1360672
Voter ID Number	UP/73/359/0438706
DIN	00509865
Driving License Number	11880/AG/02
Bank Account No.	0193101019397 at 243, Canara Bank, Jaipur House Colony, Agra
Address	4, Mini M.I.G, Friends Colony, Shahganj Agra 282010

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Akshay Kumar Jain other than as mentioned in this Red Herring Prospectus.

Profile: Mr. Akshay Kumar Jain, aged about 33 years, is the Promoter and Whole Time Director of the Company. He has an experience of more than 12 years in the Cable TV Industry. He is in-charge of the Finance and Accounts Department of the Company.

Declaration: It is confirmed that Permanent Account Number, Bank Account details and Passport Number of Akshay Kumar Jain is being submitted to the Stock Exchange on which Equity Shares are proposed to be listed, at the time of filing of Red Herring Prospectus with it.

Name: Pankaj Jain

Designation: *Whole Time Director*



Permanent Account Number	ADEPJ6265F
Passport Number	E1264644
Voter ID Number	UP/73/359438703
DIN	00509839
Driving License Number	7616/P/90
Bank Account No.	0193101019268 at 243, Canara Bank, Jaipur House Colony, Agra
Address	4, Mini M.I.G, Friends Colony, Shahganj Agra 282010

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Pankaj Jain other than as mentioned in this Red Herring Prospectus.

Profile: Mr. Pankaj Jain, aged about 40 years, is the Promoter and Whole Time Director of the Company. He has an experience of more than 18 years in the Cable TV Industry. He is in-charge of the Networking and Distribution departments of the Company.

Declaration: It is confirmed that Permanent Account Number, Bank Account details and Passport Number of Pankaj Jain is being submitted to the Stock Exchange on which Equity Shares are proposed to be listed, at the time of filing of Red Herring Prospectus with it.

Name: Sonal Jain



Permanent Account Number	ACZPJ8502B
Passport Number	E0597763
Voter ID Number	RWG0169565
DIN	00509807
Driving License Number	N.A.
Bank Account No.	21389 at 243, Canara Bank, Jaipur House Colony, Agra
Address	118, MANAS NAGAR, Shahganj, Agra-282010

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Sonal Jain other than as mentioned in this Red Herring Prospectus.

Profile: Ms. Sonal Jain, aged about 33 years, is the Promoter and Vice President, Marketing of the Company. She is the wife of Mr. Neeraj Jain. She has an experience of more than 8 years in the Cable TV Industry. She looks after the Advertising and Marketing departments of the Company.

Declaration: It is confirmed that Permanent Account Number, Bank Account details and Passport Number of Sonal Jain is being submitted to the Stock Exchange on which Equity Shares are proposed to be listed, at the time of filing of Red Herring Prospectus with it.

Name: Chhaya Jain



Permanent Account Number	ADEPJ6266G
Passport Number	E1360175
Voter ID Number	UP/73/359/0438705
DIN	00509902
Driving License Number	N.A.
Bank Account No.	21390 at 243, Canara Bank, Jaipur House Colony, Agra
Address	4, Mini M.I.G, Friends Colony, Shahganj Agra 282010

There are no defaults in meeting any statutory/bank/institutional dues and no proceedings have been initiated for economic offences. There are no litigations, disputes towards tax liabilities or criminal / civil prosecution / complaint against Chhaya Jain other than as mentioned in this Red Herring Prospectus.

Profile: Ms. Chhaya Jain, aged about 32 years, is the Promoter and Vice President, Marketing of the Company. She is the wife of Mr. Pankaj Jain. She has an experience of more than 7 years in the Cable TV Industry. She looks after the Advertising and Marketing departments of the Company.

Declaration: It is confirmed that Permanent Account Number, Bank Account details and Passport Number of Chhaya Jain is being submitted to the Stock Exchange on which Equity Shares are proposed to be listed, at the time of filing of Red Herring Prospectus with it.

None of the Promoters holds directorship in any other company.

Interest of Promoters & Directors

The Promoters of the Company are interested to the extent of their shareholding in the Company. Further, Promoters who are also the Directors of the Company 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 as well as to the extent of the rent charge for leasing premises of registered office of the Company by Neeraj Jain and Pankaj Jain, Joint Owners of the leased property. Directors may also be deemed to be interested to the extent of Equity Shares, if any, already held by them and their relatives in the Company, or that may be subscribed for and allotted to them, out of the present Issue in terms of this Red Herring Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares.

Except as stated otherwise in this Red Herring Prospectus, the Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of this Red Herring Prospectus in which the Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with them including the properties purchased by the Company other than in the normal course of business.

Payment or Benefit to Promoters of the Company

Except as stated in "Financial Information - Related Party Transactions" on page 104, no amount or benefit has been paid or given to any Promoter within the two preceding years from the date of filing of this Red Hearing Prospectus or is intended to be paid.

Details of the disassociation of our promoters from companies during the last three years are as follow:

Neeraj Jain has disassociated from the following companies during the preceding three years, due to his pre-occupation:

Sr. No.	Name of Company	Designation	Resignation Date
1.	Shri Parswa Finvest Limited	Director	07.01.2008
2.	Sea Real Estates Private Limited	Director	08.01.2008
3.	Prashansa Real Estates Private Limited	Director	08.01.2008

Akshay kumar Jain has not been disassociated from the company during the preceding three years.

Pankaj Jain has disassociated from the following companies during the preceding three years, due to his pre-occupation:

Sr. No.	Name of Company	Designation	Resignation Date
1.	Shri Parswa Finvest Limited	Director	07.01.2008

Sonal Jain has disassociated from the following companies during the preceding three years, due to her pre-occupation:

Sr. No.	Name of Company/Firm	Designation	Resignation Date
1.	Shri Parswa Finvest Limited	Director	07.01.2008
2.	Sea Real Estates Private Limited	Director	08.01.2008
3.	Prashansa Real Estates Private Limited	Director	08.01.2008
4.	Sea TV Network Limited	Director	09.01.2008

Chhaya Jain has disassociated from the following companies during the preceding three years, due to her pre-occupation:

Sr. No.	Name of Company	Designation	Resignation Date
1.	Shri Parswa Finvest Limited	Director	07.01.2008
2.	Sea TV Network Limited	Director	09.01.2008

CURRENCY OF PRESENTATION

In the RHP, all references to "Rupees" and "Rs." and "Indian Rupees" are to the legal currency of the Republic of India. Through out the sections on 'Financial Information' and 'Summary of Financial Information' and 'Management's Discussion and Analysis of Financial Condition and Results of Operation' in the RHP figures have been expressed in lacs. The term 'lacs' means 'One Hundred Thousand'.

Any percentage amounts, as set forth in "Risk Factors", "Our Business", "Management's Discussion and Analysis of Financial Conditions and Results of Operation" and elsewhere in the RHP, unless otherwise indicated, have been calculated on the basis of our financial statements prepared in accordance with Indian GAAP. In the RHP, any discrepancies in any table between total and the sum of the amounts listed are due to rounding-off.

DIVIDEND POLICY

Dividends, other than interim dividends, will be declared at the annual general meeting of the shareholders based on the recommendation of the Board of Directors. The Board may, at its discretion, recommend dividend to be paid to the members of the Company. The factors that may be considered by the Board before making any recommendations for the dividend, include but are not limited to profits earned during the financial year, liquidity of the Company, obligations towards repayment of debt including maintaining debt service reserves, future expansion plans and capital requirements, applicable taxes including tax on dividend, as well as exemptions under tax laws available to various categories of investors from time to time.

The Board may also, from time to time, pay to the members, interim dividend, as appears to the Board to be justified by the profits of the Company.

Our Company has not paid any dividend so far.

SECTION V- FINANCIAL INFORMATION

AUDITORS REPORT

To

**The Board of Directors,
Sea TV Network Limited
148 Manas Nagar, Shahgang
Agra- 282010**

Dear Sirs,

1) We have examined the attached financial information of **Sea TV Network Limited** ("the Company"), as approved by the Board of Directors of the Company, prepared in terms of the requirements of Paragraph B, Part-II of Schedule II of the Companies Act, 1956 ("the Act") and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended to date ("the SEBI ICDR Regulations"), and in terms of our engagement agreed upon with you in accordance with our engagement letter dated July 31, 2010 In connection with the proposed issue of Equity shares of the company.

2) This information have been extracted by the Management from the financial statements for the year ended March 31, 2006, March 31, 2007, March 31, 2008, March 31, 2009 and March 31, 2010. These financial statements as at and for the years ended March 31, 2006, March 31, 2007, March 31, 2008, March 31, 2009 and March 31, 2010 have been adopted by the Board of Directors / Members of the company and audited by us.

3) We have also examined the financial information of the Company for the period March 31,2006 to March 31, 2010 prepared and approved by the Board of Directors for the purpose of disclosure in the offer document of the Company mentioned in Paragraph (1) above (the broken period ending not before six months from the date of Red Herring prospectus).

The financial information for the above period was examined to the extent practicable, for the purpose of audit of financial information in accordance with the Auditing and Assurance Standards issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform our audit to obtain reasonable assurance, whether the financial information under examination is free of material misstatement.

Based on the above, we report that in our opinion and according to the information and explanations given to us, we have found the same to be correct and the same have been accordingly used in the financial information appropriately.

4) Further to our report under paragraphs (1) and (2) above, in accordance with the requirements of paragraph B, Part-II of Schedule-II of the Act, the SEBI ICDR Regulations and in terms of our engagement, we report that:

- a. The Restated Summary Statement of Assets and Liabilities of the Company as at March, 31, 2006, March, 31, 2007, March, 31, 2008, March, 31, 2009 and March, 31, 2010 as set out in Annexure I to this report are after making adjustments and regrouping as in our opinion were appropriate.
- b. The Restated Summary Statement of Profit and Loss of the Company for the years ended March, 31, 2006, March, 31, 2007, March, 31, 2008, March, 31, 2009 and March,31, 2010 as set out in Annexure II to this report are after making adjustments and regrouping as in our opinion were appropriate.
- c. The Restated Summary Statement of Cash Flows of the Company for the years ended March, 31, 2006, March, 31, 2007, March, 31, 2008, March, 31, 2009 and March, 31, 2010 as set out in Annexure III to this report are after making adjustments and regrouping as in our opinion were appropriate.
- d. The "Restated Summary Statements" have to be read in conjunction with the notes given in Annexure IV to this report.

- 5) Based on the above, we are of the opinion that the Restated Financial information have been made in accordance with the provisions of sub-clause (B) of clause (IX) of Part A of Schedule VIII of the SEBI ICDR Regulations, and after incorporating:
- a. Adjustments suggested in paragraph 9 of sub-clause (B) of clause (IX) of Part A of Schedule VIII of the SEBI ICDR Regulations,
 - b. Adjustments for the adoptions of accounting policies retrospectively in respective financial years to reflect the same accounting treatment as per the adopted accounting policies for all the reporting periods; and
 - c. There are no extra-ordinary items that need to be disclosed separately in the accounts and qualification requiring adjustment.
- 6) We have also examined the following other financial information as restated related to the Company set out in Annexures prepared by the Management and approved by the Board of Directors relating to the Company for the years ended March, 31, 2006, March, 31, 2007, March, 31, 2008, March, 31, 2009 and the March, 31, 2010:
- i. Statement of Secured and Unsecured Loans included in Annexure-V.
 - ii. Statement of Loans & Advanced included in Annexure-VI.
 - iii. Statement of Debtors included in Annexure-VII.
 - iv. Statement of investment included in Annexure-VIII.
 - v. Statement of Current Liabilities and Provisions included Annexure-IX.
 - vi. Statement of Other Income included Annexure-X.
 - vii. Statement of Contingent Liabilities included in Annexure-XI.
 - viii. Statement of Dividend paid/ proposed included in Annexure-XII.
 - ix. Statement of Accounting Ratios included in Annexure-XIII.
 - x. Statement of Tax Shelter included in Annexure-XIV.
 - xi. Statement of Capitalization as at 31st March, 2010 included in Annexure-XV.
 - xii. Statement of Related Party Disclosures included Annexure XVI.

In our opinion the financial information contained in Annexure- I to Annexure XVI of this report read along with the Significant Accounting Policies, Changes in Significant Accounting Policies and Notes (as Referred to in Annexure IV) prepared after making adjustments and regrouping as considered appropriate have been prepared in accordance with Part IIB of Schedule II of the Act and the SEBI ICDR Regulations.

- 7) This report is intended solely for your information and for inclusion in the Offer Document of the Company in connection with the proposed issue of Equity shares of the company and is not be used, referred to or circulated for any other purpose without our prior written consent.

For **Surendra G. & Company**
Chartered Accountants

Place: Agra
Date: 14 AUG 2010

(S.K. Garg)
Proprietor
Membership No.070974

Annexure-I
(Rupees in Lacs)

Sea TV Network Limited
Summary Statement of Assets and Liabilities (Restated)

		AS AT				
		31-Mar-2010	31-Mar-2009	31-Mar-2008	31-Mar-2007	31-Mar-2006
A	Fixed Assets					
	Gross Block	1,254.33	968.01	659.22	140.64	9.72
	Less: Depreciation	140.36	81.49	37.81	7.55	1.08
	Net Block	1,113.97	886.52	621.41	133.09	8.64
	Less: Revaluation Reserve	0.00	0.00	0.00	0.00	0.00
	Net Block after adjustment for Revaluation Reserve	1,113.97	886.52	621.41	133.09	8.64
	Capital Work in Progress	21.08	18.50	0.00	0.00	0.00
	Total Fixed Assets	1,135.05	905.02	621.41	133.09	8.64
B	Investments	0.00	0.00	0.00	0.00	0.00
C	Currents Assets , Loans and Advances					
	Inventories	0.00	0.00	0.00	0.00	0.00
	Sundry Debtors	662.56	316.92	198.59	116.65	60.97
	Cash and Bank Balance	112.34	70.36	57.26	40.79	41.74
	Loans and Advances	61.63	72.14	70.02	59.44	70.79
	Total Current Assets	836.53	459.42	325.87	216.88	173.50
D	Total Assets(A+B+C)	1,971.58	1,364.44	947.28	349.97	182.14
E	Liabilities and Provisions					
	Loan Funds					
	Secured loans	675.95	273.71	44.44	0.00	0.00
	Unsecured Loans	19.14	2.07	0.00	0.00	0.00
	Deferred Tax Liabilities	68.25	43.29	25.30	10.06	0.43
	Total Loans	763.34	319.07	69.74	10.06	0.43
	Current Liabilities & Provisions					
	Liabilities	179.92	160.84	102.45	137.14	33.32
	Provisions	45.96	32.91	16.98	1.78	1.04
	Total Current Liabilities	225.88	193.75	119.43	138.92	34.36
	Total Liabilities and Provisions	989.22	512.82	189.17	148.98	34.79
F	Net Worth (D-E)	982.36	851.62	758.11	200.99	147.35
G	Represented by Shareholders					
	Share Capital	700.00	700.00	700.00	160.85	5.10
	Share Application Pending Allotment	0.00	0.00	0.00	13.95	141.35
	Reserve and Surplus	339.76	189.24	87.07	27.10	1.93
	Less: Miscellaneous Expenditure to the extend not written off	57.40	37.62	28.96	0.91	1.03
	Net Worth	982.36	851.62	758.11	200.99	147.35

<p style="text-align: right;">Annexure-II (Rupees in Lacs)</p> <p style="text-align: center;">Sea TV Network Limited Summary Statement of Profit & Losses (Restated)</p>					
	31-Mar-2010	31-Mar-2009	31-Mar-2008	31-Mar-2007	31-Mar-2006
Income					
-Operating Income	936.77	788.04	580.12	435.61	151.49
-Other Income	9.48	8.30	1.13	17.52	23.56
Total Income	946.25	796.34	581.25	453.13	175.05
Expenditure					
-Operating Cost	349.13	358.82	335.18	358.46	149.26
-Employee Cost	157.91	159.61	81.29	16.94	4.56
-Administration Cost	46.81	34.88	30.19	21.85	14.92
-Selling Cost	41.60	21.78	8.93	8.59	1.09
Total Expenditure	595.45	575.09	455.59	405.84	169.83
Profit Before Finance Cost, Taxation & Depreciation	350.80	221.25	125.66	47.29	5.22
-Depreciation for the Year	58.87	43.68	30.26	6.47	1.08
Profit Before Finance Cost & Taxation	291.93	177.57	95.40	40.82	4.14
-Finance Cost	63.83	24.38	2.85	0.30	0.12
Profit Before Tax	228.10	153.19	92.55	40.52	4.02
-Provision For Taxation	52.62	31.81	16.64	5.20	0.92
-FBT For The Year	0.00	1.21	0.70	0.52	0.59
-Deferred Tax Current Year	24.96	18.00	15.24	9.63	0.43
Profit After Tax	150.52	102.17	59.97	25.17	2.08
-Add : Surplus brought forward from previous year	169.24	77.07	17.10	1.93	(0.15)
-Less: Transfer to General Reserve	10.00	10.00	0.00	10.00	0.00
Balance Carried to Balance Sheet	309.76	169.24	77.07	17.10	1.93

<p style="text-align: right;">Annexure-III</p> <p style="text-align: center;">Sea TV Network Limited Statement of Cash Flow (Restated)</p>					
(Rs. In lacs)					
PARTICULARS	YEAR ENDED 31-Mar-2010	YEAR ENDED 31-Mar-2009	YEAR ENDED 31-Mar-2008	YEAR ENDED 31-Mar-2007	YEAR ENDED 31-Mar-2006
CASH FLOW FROM OPERATING ACTIVITIES					
Net Profit before tax and prior Period Adjustments	228.10	153.19	92.55	40.52	4.02
Adjustments for:					
Depreciation	58.87	43.68	30.26	6.47	1.08
Interest Income	(5.40)	(4.56)	(0.50)	0.00	0.00

Interest & Finance Charges	63.83	19.54	2.85	0.30	0.12
Provision for Doubtful Debts & Deposits	0.00	0.00	1.39	0.00	0.00
Transactional Provisions for Staffs	0.00	(8.71)	0.00	0.00	0.00
Differed Revenue & Miscellaneous Exp. Written Off	0.13	0.13	0.13	0.13	0.13
Operating Profit before working capital changes	345.53	203.27	126.68	47.42	5.35
Adjustments for:					
Sundry Debtors	(345.63)	(118.33)	(83.33)	(55.68)	(59.75)
Loans & Advances	10.51	(2.12)	(10.58)	11.35	(21.73)
Gratuity & Leave Encashment Provision	0.53	12.08	7.87	0.57	0.24
Current Liabilities	242.75	106.03	(34.69)	103.82	31.89
Cash Generated from Operations	253.69	200.93	5.95	107.48	(44.00)
Miscellaneous Expenses Incurred	19.90	8.79	(28.18)	0.00	0.00
Direct taxes paid	40.11	20.44	(10.01)	(5.56)	(0.75)
Net Cash used in Operating Activities	193.68	171.70	(32.24)	101.92	(44.75)
CASH FLOW FROM INVESTING ACTIVITIES					
Purchase of Fixed Assets	(288.90)	(327.30)	(518.58)	(130.92)	(9.72)
Sale of fixed assets	0.00	0.00	0.00	0.00	0.00
Interest Income	5.40	4.56	0.50	0.00	0.00
Net cash used in Investing Activities	(283.50)	(322.74)	(518.08)	(130.92)	(9.72)
CASH FLOW FROM FINANCING ACTIVITIES					
Interest Paid	(63.82)	(19.54)	(2.85)	(0.30)	(0.12)
Proceeds of long term borrowings	178.57	181.61	44.44	0.00	0.00
Proceeds of Unsecured Loan	17.06	2.07	0.00	0.00	0.00
Share Capital Issued	0.00	0.00	539.15	155.75	0.00
Share Application Money Received	0.00	0.00	(13.95)	(127.40)	91.85
Net Cash from Financing Activities	131.81	164.14	566.79	28.05	91.73
Net Increase/(Decrease) in Cash and					
Cash Equivalent (A+B+C)	41.99	13.10	16.47	(0.95)	37.26
OPENING CASH BALANCE	70.36	57.26	40.79	41.74	4.48
CLOSING CASH BALANCE	112.35	70.36	57.26	40.79	41.74

Notes: 1) The above cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard-3 on cash flow statements as prepared by companies (AS) Rule 2006 .

2) To be read together with summary of significant accounting policies & notes to summary statement of restated Profit & Loss as restated assets & liabilities.

3) Figures have been regrouped to ensure consistency of presentation.

Annexure-V (Rupees in Lacs)					
Statement of Secured and Unsecured Loans					
Particulars	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31-Mar-2010	31-Mar-2009	31-Mar-2008	31-Mar-2007	31-Mar-2006
From Financial Banks					

HDFC BANK LIMITED (Against Hypothecation of Car)	10.28	17.39	12.62	0.00	0.00
ORIENTAL BANK OF COMMERCE (Secured Against Mortgage of Property)	121.81	139.66	0.00	0.00	0.00
ORIENTAL BANK OF COMMERCE (Secured Against Book Debts)	199.71	0.00	0.00	0.00	0.00
ORIENTAL BANK OF COMMERCE (Secured Against Pledge of FDRs)	40.22	0.00	0.00	0.00	0.00
SYNDICATE BANK (Secured Against Pledge of FDRs)	55.25	71.51	23.85	0.00	0.00
ALLAHABAD BANK (Hypothecation of Movables P&M)	246.18	39.76	0.00	0.00	0.00
From Others					
KOTAK MAHINDRA PRIME LIMITED (Secured against hypothecation of Car)	2.50	5.39	7.97	0.00	0.00
Total Secured Loans	675.95	273.71	44.44	0.00	0.00

Unsecured Loans

From Directors	19.14	2.07	0.00	0.00	0.00
Total Unsecured Loans	19.14	2.07	0.00	0.00	0.00

Rate of Interest for the aforesaid unsecured loans is 12% per annum.

All the above unsecured loans are repayable on demand and can be recalled by the lenders any time.

Secured Loans Outstanding as on 31 March 2010

Rupees in Lacs

Particulars	Total Loan Amount	Outstanding as on 31st March 2010	Rate of Interest (Average)	Repayment Schedule / Installment Amt	Security
TERM LOAN*					
HDFC BANK (12600745)	5.70	2.87	17.36%	EMI for 36 Months	Vehicle Itself (Auto)
HDFC BANK (11421574)	9.00	1.77	26.67%	EMI for 48 Months	Vehicle Itself (Auto)
HDFC BANK (14203395)	9.50	5.64	18.80%	EMI for 36 Months	Vehicle Itself (Auto)
KOTAK MAHINDRA PRIME LIMITED (CF-4491366)	3.19	1.02	17.57%	EMI for 35 Months	Vehicle Itself (Car)
KOTAK MAHINDRA PRIME LIMITED (CF-4403141)	5.13	1.48	17.95%	EMI for 35 Months	Vehicle Itself (Car)
CASH CREDIT LIMIT- ORIENTAL BANK OF COMMERCE	200.00	199.71	11.50%	Cash Credit Account	Hypothecation on stocks of raw materials, stock-in-process, finished goods, stock and spares, receivables and other entire current assets of the firm.

DEMAND LOAN SYNDICATE BANK	53.00	55.25	8.25%	As on Demand	Fixed Deposit
DEMAND LOAN ORIENTAL BANK OF COMMERCE	38.00	40.22	8.50%	As on Demand	Fixed Deposit
TERM LOAN ALLAHABAD BANK	300.00	246.18	12.75%	EMI for 20 Quarter	First charge on entire movable and immovable assets of the company present and future
ORIENTAL BANK OF COMMERCE	146.50	121.81	11.50%	EMI for 84 Months	EM Mortgage of property No. 5, 5A, 4A & 4B, Mauza Gopalpura, Sahganj, Agra costing 175 lacs.
TOTAL SECURED LOANS		675.95			

Unsecured Loans(From Directors)	18.79	19.14	12.00%	On Demand	-
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* Principal terms of Term loans are:

- 1) All Term loans are secured by specific assets which are financed by bank.
- 2) Principal and interest are payable on Equal Monthly Installment basis.

There has been no reschedulement of the above loans.

There has been no prepayment of the above loans.

No penalty has been charged on the above loans.

There has been no default in the payment of above loans.

<p style="text-align: right;">Annexure-VI (Rupees in Lacs)</p> <p style="text-align: center;">Sea TV Network Limited Statement of Loans & Advances</p>					
Particulars	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31-Mar-2010	31-Mar-2009	31-Mar-2008	31-Mar-2007	31-Mar-2006
(i) Advances Recoverable in cash or in kind or for value to be received or pending adjustments.	61.55	72.07	69.95	38.69	61.80
(ii) Security Deposits	0.00	0.00	0.00	0.00	0.00
(iii) Other Advances	0.00	0.00	0.00	20.68	8.92
(iv) Advances to Suppliers	0.00	0.00	0.00	0.00	0.00
(v) TDS / TCS Receivable	0.08	0.07	0.07	0.07	0.07
Total	61.63	72.14	70.02	59.44	70.79

Note: The aforesaid table contains no amounts that are due from/ to the promoters/directors.

<p style="text-align: right;">Annexure-VII (Rupees in Lacs)</p> <p style="text-align: center;">Sea TV Network Limited Statement of Sundry Debtors</p>	
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Particulars	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31-Mar-2010	31-Mar-2009	31-Mar-2008	31-Mar-2007	31-Mar-2006
Due less than six months					
Good	365.59	167.57	108.47	73.53	51.48
Considered doubtful	0.00	0.00	0.00	0.00	0.00
Total	365.59	167.57	108.47	73.53	51.48
Due over six months					
Good	296.97	149.35	90.12	43.12	9.49
Considered doubtful	0.00	0.00	1.39	0.00	0.00
Total	296.97	149.35	91.51	43.12	9.49
Less: Provision For doubtful Debt		0.00	1.39	0.00	0.00
Total Sundry Debtors	662.56	316.92	198.59	116.65	60.97

Note: The aforesaid table contains no amounts that are due from/ to the promoters/directors.

Annexure-VIII (Rupees in Lacs) Sea TV Network Limited Statement of Investment					
Particulars	FINANCIAL YEAR ENDED 31ST MARCH				
	31-Mar-2010	31-Mar-2009	31-Mar-2008	31-Mar-2007	31-Mar-2006
Quoted	0.00	0.00	0.00	0.00	0.00
Un-Quoted	0.00	0.00	0.00	0.00	0.00
Short-Term	0.00	0.00	0.00	0.00	0.00
Long-Term	0.00	0.00	0.00	0.00	0.00
AGGREGATE MARKET VALUE	0.00	0.00	0.00	0.00	0.00

Annexure-IX (Rupees in Lacs) Sea TV Network Limited Statement of Current Liabilities & Provision					
Particulars	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31-Mar-2010	31-Mar-2009	31-Mar-2008	31-Mar-2007	31-Mar-2006
CURRENT LIABILITIES					
Trade Creditors	78.53	38.31	26.13	3.22	1.18
Advance from customers	-	3.34	4.93	7.99	2.00
Other Liabilities					

	13.92	22.41	5.20	0.40	4.86
Advance for Capital Goods	0.00	0.00	0.00	88.39	0.00
Bank Overdraft	87.47	96.78	66.19	37.14	25.28
Total (A)	179.92	160.84	102.45	137.14	33.32
PROVISIONS					
For Taxation	33.35	19.62	6.78	0.41	0.17
For Gratuity	12.01	11.25	7.04	0.75	0.25
For Leave Encashment	0.60	0.83	1.68	0.10	0.03
For Fringe Benefit Tax	0.00	1.21	0.70	0.52	0.59
Total (B)	45.96	32.91	16.20	1.78	1.04
Total (A+B)	225.88	193.75	118.65	138.92	34.36

Annexure-X (Rupees in Lacs) Sea TV Network Limited Statement of Other Income					
Particulars	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31-Mar-2010	31-Mar-2009	31-Mar-2008	31-Mar-2007	31-Mar-2006
Recurring Income					
Interest From Fixed Deposits with Scheduled Banks	5.40	4.56	0.50	0.00	0.00
Commission	0.00	0.00	0.00	11.09	6.81
Installation	0.00	0.00	0.00	6.35	16.60
Splicing	0.00	0.00	0.00	0.00	0.07
Rent	3.47	0.09	0.00	0.00	0.00
Miscellaneous Income :	0.61	0.84	0.63	0.08	0.08
Other Non-operating Income	0.00	2.81	0.00	0.00	0.00
Total	9.48	8.30	1.13	17.52	23.56
Non Recurring Income	0.00	0.00	0.00	0.00	0.00
Net Profit/Loss before tax as restated	228.10	153.19	92.55	40.52	4.02
% of Other Income	4.16%	5.42%	1.22%	43.24%	586.07%

Notes:

- 1) The classification of income as recurring/non recurring and related/not related to business activity is based on the current operations and business activity of the Company as determined by the management, In view of the management all the other income mention above are mainly related to the business of the company.
- 2) The above amounts are as per the Profit & Loss, as restated of the company.

Annexure-XI

(Rupees in Lacs)

Sea TV Network Limited
Details of Contingent Liabilities

Particulars	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31-Mar-2010	31-Mar-2009	31-Mar-2008	31-Mar-2007	31-Mar-2006
Contingent liabilities not provided					
for in respect of :					
1- Duties & tax liabilities disputed by the company					
Income Tax Act	0.00	0.00	0.00	0.00	0.00
Central Excise Act	0.00	0.00	0.00	0.00	0.00
2- Claims against the company not acknowledge as debts	0.00	0.00	0.00	0.00	0.00
Estimated value of contracts remaining to be executed on capital account and not provided for (net of advances)	0.00	0.00	0.00	0.00	0.00
Bills discounted with banks	9.77	15.00	0.00	0.00	0.00
Total	9.77	15.00	0.00	0.00	0.00

Annexure-XII
(Rupees in Lacs)

Sea TV Network Limited
Details of Rate of Dividend

Particulars	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31-Mar-2010	31-Mar-2009	31-Mar-2008	31-Mar-2007	31-Mar-2006
Equity Share	700.00	700.00	700.00	160.85	5.10
Rates of Dividend	0.00	0.00	0.00	0.00	0.00
Dividend amount	0.00	0.00	0.00	0.00	0.00
Dividend Tax	0.00	0.00	0.00	0.00	0.00

Annexure-XIII
(Rupees in Lacs)

Sea TV Network Limited
Statement of Accounting Ratios

Particulars	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED	YEAR ENDED
	31-Mar-2010	31-Mar-2009	31-Mar-2008	31-Mar-2007	31-Mar-2006
Net Worth (Rs in Lakhs)	982.36	851.62	758.11	200.99	147.35
Restated Earning Attributable to Shareholders (Rs in Lakhs)	150.52	102.17	59.97	25.17	2.08
No Of Equity Share Outstanding at the end of the period/year	7,000,000	7,000,000	7,000,000	1,608,500	51,000

Weighted Avg no of Equity Shares outstanding during the period/ year	7,000,000	7,000,000	7,000,000	1,608,500	51,000
Earning Per Shares (EPS) (Basic) (Rs.)	2.15	1.46	0.86	1.57	4.08
Diluted earning Per Share (Rs)	2.15	1.46	0.86	1.57	4.08
Cash Earning Per Share (Rs)	2.99	2.08	1.29	1.97	6.20
Return on Net Worth (%)	15.33%	12.00%	7.92%	12.53%	1.42%
Profit Before Tax/Operating Income	24.35%	19.44%	15.95%	9.30%	2.65%
Net Assets Value Per Share	14.03	12.17	10.83	12.50	288.92
Current Ratio	3.70	2.37	2.73	1.56	5.05

Note : The Company does not have any revaluation reserves or extraordinary items.

FORMULAE

Earning Per Shares (Rs)=Net Profit After Tax/Weighted no of Equity Share

Net Assets Value (Rs)=Net Worth/No of Equity Share

Return on Net Worth(%)=Net Profit After tax/Net Worth Excluding Revaluation Reserve

Cash Earning Per Shares(Rs)=(Net Profit After Tax+ Depreciation)/Weighted no of Equity Shares

Weighted Avg no of Equity shares outstanding for the period= No of equity share x No of month/ 12 months

Current Ratio= Current Assets/ Current Liabilities & Provisions

Annexure-XIV (Rupees in Lacs) Sea TV Network Limited Tax Shelter Statement					
Particulars	YEAR ENDED 31-Mar-2010	YEAR ENDED 31-Mar-2009	YEAR ENDED 31-Mar-2008	YEAR ENDED 31-Mar-2007	YEAR ENDED 31-Mar-2006
Effective Rate of Income Tax	33.99%	30.90%	33.99%	33.66%	33.66%
Profit/(Loss) Before Tax as per Restated A/c (A)	228.10	153.19	92.55	40.51	4.02
Tax at Normal Tax Rate (B)	77.54	47.34	31.46	13.64	1.36
Adjustments					
Permanent Difference	-				
Capital Expenditure	0.00	0.00	0.00	2.50	0.00
U/s 80-IB	0.00	0.00	0.00	0.00	0.00
Total Permanent Difference(C)	0.00	0.00	0.00	2.50	0.00
Timing Difference	-				
Difference Between Comp Act & IT Act Depreciation	(74.36)	(62.99)	(50.58)	(28.62)	(1.29)
Allowance under Sec 35D	0.13	(0.13)	0.00	(0.13)	0.07
Disallowances under Sec 36/37	0.00	4.48	(1.77)	0.00	0.00
Total Timing Difference (D)	(74.23)	(58.64)	(52.35)	(28.75)	(1.22)

Net Adjustments (C+D)	(74.23)	(58.64)	(52.35)	(26.25)	(1.22)
Tax Saving Thereon	(25.24)	(18.12)	(17.80)	(8.84)	(0.42)

Note:

The above adjustments are provided on the basis of Income tax Return filed by the company for the respective Assessment years.

Sea TV Network Limited Capitalization Statement			Annexure-XV (Rupees in Lacs)
PARTICULARS	PRE-ISSUE	POST-ISSUE	
Borrowings			
Secured Loans	675.95		
Unsecured Loans	19.14		
Less: Short Term Debts	135.47		
Total Long term Borrowings	559.62		
Share Holders Fund			
Equity Share Capital	700.00		
Reserve & Surplus	339.76		
Sub total	1,039.76		
Less; Misc. expenses not written off	57.40		
Total Equity	982.36		
DEBT / EQUITY RATIO	0.57		

Notes :-

- 1) The Figures disclosed above are based on the Summary Statement of Assets and Liabilities, as restated of the company as at March 31, 2010
- 2) Short term debts represent debts which are due within twelve months from March 31,2010.
- 3) Long term debt represents debt other than short term debt, as defined above.
- 4) Long term debt/Equity=Long term debt/total shareholders's fund.
- 5) The post issue ratios cannot be calculated at this stage.
- 6) The above statement should be read with the Significant Accounting Policies, Notes to Accounts and Note on Changes in Accounting Policies as appearing in Annexure IV.

SEA TV NETWORK LIMITED, AGRA

Annexure-IV

A. NOTES ON ADJUSTMENTS FOR RESTATED FINANCIAL STATEMENTS.

1. SUMMARY

The reconciliation of Profit After Tax as per audited results and the Profit after Tax as per Restated Accounts is presented below in Table-1. This summarizes the results of restatements made in the audited accounts for the respective years and its impact on the profit and loss.

TABLE-1

(Rs. In Lacs)

	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
PAT as per Audited Account	150.52	105.69	67.65	20.24	1.48
ADJUSTMENTS FOR:					
Prior Period Adjustments	0.00	(1.32)	0.15	(0.03)	(0.05)
Change in Depreciation Method	0.00	0.00	0.00	9.22	1.62
Provision for Leave encashment	0.00	0.00	(1.58)	(0.07)	(0.02)
Provision For Gratuity	0.00	0.00	(6.29)	(0.50)	(0.22)
Adjustment	0.00	0.00	0.00	(0.56)	0.42
Provision for Taxation					
-Current Tax	0.00	(2.07)	(0.7)	0.00	(0.02)
- FBT	0.00	(0.13)	(0.08)	(0.03)	(0.59)
- Deferred Tax	0.00	0.00	0.82	(3.10)	(0.54)
PROFIT AFTER TAX AS RESTATED	150.52	102.17	59.97	25.17	2.08

The Explanatory Notes for the Adjustments are discussed below.

a) PROVISION FOR GRATUITY & LEAVE ENCASHMENT

The company adopted Accounting Standard -15(AS-15) "Employee Benefits" as prescribed by companies (Accounting Standards) Rules 2006 for the first time in preparing the Financial Statements for the year ended March 31st 2009. In accordance with the said Accounting standard the liability for earlier years was adjusted. The liability for the succeeding years was determined and accounted as per the AS-15(Revised), which was earlier accounted on cash basis.

Now Provision for Gratuity and Leave Encashment has been computed on actuarial valuation basis for each preceding year i.e. year ended 31st March 2010 and year ended 31st March 2009, 31st March 2008, 31st March 2007, 31st March 2006 & 31st March 2005. Consequently the adjustments have been made in the respective financial year in the respective account head.

b) PRIOR PERIOD ITEMS

In the financial statement certain item of expenses has been identified as prior period item. For the purpose of this statement, such prior items have been appropriately adjusted in the respective financial years.

c) Change in method of depreciation

For the year ended 31st March 2007 & 2006, the company was being followed WDV method of depreciation. Accordingly, impact on depreciation & on deferred tax on account of said change in the method of accounting has been recomputed for the year ended March 31, 2007 & 2006 adjusted in the restated statements. Depreciation on fixed Assets has been provided as per rates prescribed under the companies Act, 1956 on SLM basis from 31st March 2008.

d) PROVISION FOR TAXATION

On the basis of above adjustment Provision for Taxation has been recomputed & adjusted in the restated statements.

2. MATERIAL REGROUPING

Appropriate adjustments, wherever material, have been made in Restated Summary Statements of Assets & Liabilities, Profit & Loss and Cash flow statement wherever required, by a reclassification of the corresponding items of income, expenses, assets and liabilities in order to bring them in line

with the groupings as per audited financials of the Company for the financial year ended 31st March 2010 and the requirements of the regulations issued by the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) as amended up-to-date.

SEA TV NETWORK LIMITED, AGRA
Schedule - P
NOTES FORMING PART OF ACCOUNTS

1. Significant Accounting Policies

a) AS - 1 Disclosure of Accounting policies

The Financial Statements are prepared to compile with the Accounting Standards (AS) referred to in the Companies (Accounting Standard) Rules 2006 issued by the central government in exercise of the power conferred under sub-section (i)(a) of Section 642 and the relevant provision of the Companies Act 1956 (the 'Act'). The accompanying financial statements are prepared in accordance with generally accepted accounting principles in India ("GAAP"), under the historical Cost convention on the accrual basis as a going concern. The company has consistently applied the accounting policies unless otherwise stated.

b) AS - 2 Valuation of inventories

Inventories are valued at Cost or Net Realizable Value whichever is lower. However Company is a service provider and it has no inventory.

c) AS - 3 Cash Flow Statements

The Cash flow statement is prepared under " Indirect method" and the same is annexed.

d) AS - 4 Contingencies and events occurring after Balance Sheet Date

There are no contingencies and events accrued after Balance Sheet date for reporting.

e) AS - 5 Net Profit or loss for the period, prior period items and changes in accounting policies

Details of prior period debits to Profit and loss account:

	(Rs. in Lacs)				
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Raw material consumed	-	-	-	-	-
Rates & Taxes	2.06	0.78	0.04	(0.61)	0.004
Interest & finance charges	-	-	-	-	-
Other expenses	1.46	8.71	(7.86)	-	-

f) AS - 6 Depreciation accounting

Depreciation is charged on straight-line method (SLM) method as per rates specified in schedule XIV of the Companies Act, 1956.

In respect of additions/deductions during the year, pro-rata depreciation has been provided at the rates proscribed under schedule XIV.

Depreciation in respect of assets acquired during the year, whose cost does not exceed Rs.5000/- has not been charged @100%.

g) AS - 7 Construction Contracts

The accounting standard is not applicable.

h) AS - 8 Research & Development

The accounting standard is withdrawn.

i) AS - 9 Revenue recognition

- i) Income of the company is derived from services. Revenue is recognized on accrual basis on the basis of services provided to the clients.
- ii) Income from Investment is credited to revenue in the year in which it accrues. Income is stated in full with tax thereon.
- iii) Dividend is recognized as income as and when the right to receive such payment is established.
- iv) Other Income is accounted for on accrual basis in accordance with Accounting Standard (AS) 9 - "Revenue Recognition".
- v) The revenue and expenditure are accounted on a going concern basis.

j) AS - 10 Accounting for fixed assets

Fixed assets are stated at cost including directly attributable cost of bringing them to their respective working condition for intended use, less accumulated depreciation thereon.

(Rs. In Lacs)

Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Cost of Lands includes lands acquired under lease	-	-	-	-	-
Building includes buildings constructed on leasehold lands	-	-	-	-	-

k) AS - 11 Accounting for effects of changes in foreign exchange rates

There are no foreign currency transaction, hence it is not applicable.

l) AS - 12 Accounting for Government Grants

The company has not received any grants.

m) AS - 13 Accounting for Investments-

Investments are classified into current investments and long-term investments. The cost of investments includes acquisition charges such as brokerage charges, fees and duties. Current Investments are carried at lower of Cost and Fair Value.

Long-term investments are valued at cost. Provision for diminution is made to recognize the decline, other than temporary, in the carrying value of each investment.

(Rs. in Lacs)

Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Investments made during the year	-	-	-	-	-
Investments realised during the year	-	-	-	-	-
Cost of Investments hold as at Balance sheet date	-	-	-	-	-

n) AS - 14 Accounting for amalgamation

During the year there was no amalgamation.

o) AS - 15 Accounting for employee benefits

- Short Term employee benefits are recognized as an expense at the undiscounted amount in the Profit & Loss account of the year in which the related service is rendered.

- Post employment and other long-term employee benefits are recognized as an expense in the Profit & Loss account for the year in which the employee has rendered services. The expense is recognized at the present value of the amount payable determined using actuarial valuation techniques.

a) Defined Contribution Plan

Contributions to Defined Contribution Plan, recognized as expense are as under:

(Rs. in Lacs)

Particulars	Amount (In Rs.) 31.03.2010	Amount (In Rs.) 31.03.2009	Amount (In Rs.) 31.03.2008	Amount (In Rs.) 31.03.2007	Amount (In Rs.) 31.03.2006
Employee Contribution To Provident Fund	3.58	5.26	3.01	-	-

b) Defined Benefit Plan

The employees' gratuity scheme is a Defined Benefit Plan (DBP). The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. The obligation for leave encashment is recognized in the same manner as gratuity.

1. Reconciliation of opening and closing balances of DBP

(Rs. in Lacs)

TABLE SHOWING CHANGE IN PRESENT VALUE OF OBLIGATION OF GRATUITY					
Particulars	Amount (Rs.)				
	2009-10	2008-09	2007-08	2006-07	2005-06
DBP at the beginning of the year	11.25	7.03	0.75	0.25	0.03
Interest Cost	0.90	0.49	0.06	0.02	0.002
Current Service Cost	3.25	4.14	3.52	0.59	0.23
Benefits Paid	-	-	-	-	-
Actuarial (gain)/loss	(3.38)	(0.42)	2.71	(0.11)	(0.01)
DBP at the End of the year/ period	12.02	11.24	7.04	0.75	0.25

(Rs. in Lacs)

TABLE SHOWING CHANGE IN PRESENT VALUE OF OBLIGATION OF LEAVE ENCASHMENT					
Particulars	Amount (Rs.)				
	2009-10	2008-09	2007-08	2006-07	2005-06
DBP at the beginning of the year	0.83	1.68	0.10	0.03	0.01
Interest Cost	0.07	0.12	0.01	0.002	0
Current Service Cost	0.18	0.32	0.98	0.08	0.03
Benefits Paid	-	-	-	-	-
Actuarial (gain)/loss	(0.48)	(1.29)	0.58	(0.01)	(0.01)
DBP at the End of the year/ period	0.60	0.83	1.67	0.10	0.03

2. Reconciliation of opening and closing balances of Fair Value of Plan Assets

(Rs. in Lacs)

TABLE SHOWING CHANGES IN THE FAIR VALUE OF PLANNED ASSETS OF GRAUTITY					
Particulars	Amount (Rs.)				
	2009-10	2008-09	2007-08	2006-07	2005-06
Fair value of plan assets as at the beginning of the year	-	-	-	-	-
Expected Return on Plan Assets	-	-	-	-	-
Contribution by Employer	-	-	-	-	-
Benefits Paid	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-
Fair Value of Plan Asset at the end of the Year/Period	-	-	-	-	-

(Rs. in Lacs)

TABLE SHOWING CHANGES IN THE FAIR VALUE OF PLANNED ASSETS OF LEAVE ENCASHMENT					
Particulars	Amount (Rs.)				
	2009-10	2008-09	2007-08	2006-07	2005-06
Fair value of plan assets as at the beginning of the year	-	-	-	-	-
Expected Return	-	-	-	-	-
Contribution by Employer	-	-	-	-	-
Benefits Paid	-	-	-	-	-
Actuarial gain/(loss)	-	-	-	-	-
Fair Value of Plan Asset at the end of the Year/Period	-	-	-	-	-

3. Reconciliation of amount recognized in Balance Sheet

(Rs. in Lacs)

The Amount to be Recognized in Balance Sheet of Gratuity					
Particulars	Amount (Rs.)				
	2009-10	2008-09	2007-08	2006-07	2005-06
Present Value of the Obligation at the end of the Period	12.02	11.24	7.04	0.75	0.25
Fair Value of Plan Asset at the end of the Period	-	-	-	-	-
Net Liability/(assets) recognised in Balance Sheet and related Analysis	12.02	11.24	7.04	0.75	0.25
Funded Status	(12.02)	(11.24)	(7.04)	(0.75)	(0.25)

(Rs. in Lacs)

The Amount to be Recognized in Balance Sheet of Leave Encashment					
Particulars	Amount (Rs.)				
	2009-10	2008-09	2007-08	2006-07	2005-06
Present Value of the Obligation at the end of the period	0.60	0.83	1.67	0.10	0.03
Fair Value of Plan Asset at the end of the Period	-	-	-	-	-
Net Liability/(assets) recognised in Balance Sheet and related Analysis	0.60	0.83	1.67	0.14	0.03
Funded Status	(0.60)	(0.83)	(1.67)	(0.10)	(0.03)

4. Expense Recognized during the period in Profit & Loss A/c.

(Rs. in Lacs)

EXPENSES RECOGNISED IN PROFIT & LOSS ACCOUNT OF GRAUTITY					
Particulars	Amount (Rs.)				
	2009-10	2008-09	2007-08	2006-07	2005-06
Interest Cost	0.90	0.49	0.06	0.02	0.002

Current Service Cost	3.25	4.14	3.52	0.59	0.23
Expected Return on Plan Asset	-	-	2.71	(0.11)	-
Net Actuarial (gain)/loss recognised in the period	(3.38)	(0.42)	-	-	(0.01)
Expenses to be recognized in P/L Account	(0.77)	4.21	6.29	0.50	0.22

(Rs. in Lacs)

EXPENSES RECOGNISED IN PROFIT & LOSS ACCOUNT OF LEAVE ENCASHMENT					
Particulars	Amount (Rs.)				
	2009-10	2008-09	2007-08	2006-07	2005-06
Interest Cost	0.07	0.12	0.01	0.002	0.001
Current Service Cost	0.18	0.32	0.98	0.08	0.03
Expected Return on Plan Asset	-	-	-	-	-
Net Actuarial (gain)/loss recognised in the period	(0.48)	(1.29)	0.58	(0.01)	(0.01)
Expenses to be recognized in P/L Account	(0.23)	(0.85)	1.57	0.07	0.02

5. Actual Return on Plan Assets

(Rs. in Lacs)

Actuarial (Gain)/Losses ON GRATUITY					
Particulars	Amount (Rs.)				
	2009-10	2008-09	2007-08	2006-07	2005-06
Actuarial return on plan assets	-	-	-	-	-
Expected return on Plan Assets	-	-	-	-	-
Actuarial (Gain)/ Loss	-	-	-	-	-

(Rs. in Lacs)

Actuarial (Gain)/Losses on LEAVE ENCASHMENT					
Particulars	Amount (Rs.)				
	2009-10	2008-09	2007-08	2006-07	2005-06
Actuarial return on plan assets	-	-	-	-	-
Expected return on Plan Assets	-	-	-	-	-
Actuarial (Gain)/ Loss	-	-	-	-	-

6. Principal Actuarial Assumptions

ASSUMPTIONS EMPLOYED FOR CALCULATION OF GRATUITY & LEAVE ENCASHMENT					
Particulars	Amount (Rs.)				
	2009-10	2008-09	2007-08	2006-07	2005-06
	01.04.09-31.03.10	01.04.08-31.03.09	01.04.07-31.03.08	01.04.06-31.03.07	01.04.05-31.03.06
Discount Rate	8.00% pa	8.00%pa	8.00%pa	8.00%pa	8.00%pa
Salary Growth Rate	5.00% pa	6.00%pa	6.00%pa	6.00%pa	6.00%pa
Mortality	LIC 94-96 Ultimate	LIC 94-96 Ultimate	LIC 94-96 Ultimate	LIC 94-96 Ultimate	LIC 94-96 Ultimate
Expected Rate of Returns	-	-	-	-	-
Withdrawal Rate 18-60 years	2.00% pa	2.00%pa	2.00%pa	2.00%pa	2.00%pa

The estimates of rate of escalation in salary considered in actuarial valuation, takes into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The actuary certifies the above information.

p) AS - 16 Borrowing cost

- a) The borrowing costs have been treated in accordance with accounting standard on borrowing cost issued by the ICAI.
b) Amount of borrowing costs attributable to qualifying costs capitalized during the year.

Amount due within one year in respect of term Loans and vehicle Loans is as under.

	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Secured from banks	132.43	120.80	2.99	-	-
Secured from others	3.04	3.36	0.45	-	-
Unsecured from Banks	-	-	-	-	-
TOTAL	135.47	124.16	3.44	-	-

(Rs.In Lacs)

q) AS - 17 Segment reporting

The company is a single product, single location company and hence the requirements of Accounting Standard 17 on Segment Reporting is not applicable.

r) AS - 18 Related party disclosure

Disclosure is made as per the requirements of the standard and the same is furnished below:

- i) Related Parties disclosures pursuant to Accounting Standard-18 for the year ended 31st March 2010

List of related parties	
Reporting entity	Sea TV Network Limited
Subsidiary companies	NIL
Holding companies	NIL
Fellow subsidiaries	NIL
Associate companies	NIL
Joint Venture	NIL
Key Managerial Personal*	Mr. Neeraj Jain Mr. Pankaj Jain Mr. Akshay Kumar Jain
Relatives of Key Management Personnel	Mrs. Sonal Jain Mrs. Chhaya Jain Mr. Chakresh Kumar Jain

Particulars of transaction with related parties:

Name of the transaction	Holding Company, Subsidiary Company and Associates		Enterprises owned or significantly influenced by Key Personnel Management or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of goods	-	-	-	-	-	-	-	-
Sale of goods	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-
Rendering of services	-	-	-	-	-	-	-	-

(Rs. in Lacs)

Availing of services	-	-	-	-	-	-	-	-
Trade advances received/repaid during the year	-	-	-	-	-	-	-	-
Trade advances made/ received back during the year	-	-	-	-	-	-	-	-
Loans taken	-	-	-	-	45.50	2.07	-	-
Loans Repaid	-	-	-	-	28.90	-	-	-
Outstanding Balance of Loans Taken	-	-	-	-	19.14	2.07	-	-
Maximum Balance during the year	-	-	-	-	31.14	95	-	-
Remuneration to key management personnel	-	-	-	-	53.75	56.89	6.72	9.12
Rent	-	-	-	-	12	12	-	-
Interest	-	-	-	-	0.52	0.002	-	-
Sundry debtors	-	-	-	-	-	-	-	-
Loans & advances receivable	-	-	-	-	-	-	-	-
Sundry creditors	-	-	-	-	-	-	-	-
Obligations arising out of agreements	-	-	-	-	-	-	-	-
Investments made during the year	-	-	-	-	-	-	-	-
Outstanding as on 31.03.2010								
a) Amount Receivable	-	-	-	-	-	-	-	-
b) Amount Payable	-	-	-	-	41.72	2.07	0.98	0.70
c) Guarantee given	-	-	-	-	-	-	-	-
d) Guarantee taken	-	-	-	-	580.48	202.20	-	-

Note : No Amount have been written off/provided for or written back during the period in respect of amount receivable or payable.

(*) includes individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the issuer, and close members of any such individual's family.

ii) Related Parties disclosures pursuant to Accounting Standard-18 for the year ended 31st March 2009

List of related parties	
Reporting entity	Sea TV Network Limited
Subsidiary companies	NIL
Holding companies	NIL
Fellow subsidiaries	NIL
Associate companies	NIL
Joint Venture	NIL
Key Managerial Personal*	Mr. Neeraj Jain Mr. Pankaj Jain Mr. Akshay Kumar Jain
Relatives of Key Management Personnel	Mrs. Sonal Jain Mrs. Chhaya Jain Mr. Chakresh Kumar Jain Mr. John Jain Mr. Vivek Jain

Particulars of transaction with related parties:

(Rs.in Lacs)

Name of the transaction	Holding Company, Subsidiary Company and Associates		Enterprises owned or significantly influenced by Key Personnel Management or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of goods	-	-	-	448.08	-	-	-	-
Sale of goods	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-
Rendering of services	-	-	-	-	-	-	-	-
Availing of services	-	-	-	-	-	-	-	-
Trade advances received/repaid during the year	-	-	-	-	-	-	-	-
Trade advances made/ received back during the year	-	-	-	-	-	-	-	-
Loans taken	-	-	-	-	2.07	-	-	-
Loans Repaid	-	-	-	-	-	-	-	-
Outstanding Balance of Loans Taken	-	-	-	-	2.07	-	-	-
Maximum Balance during the year	-	-	-	-	95	-	-	-
Remuneration to key management personnel	-	-	-	-	56.89	30.25	9.12	6.38
Rent	-	-	-	-	12	12	-	-
Interest	-	-	-	-	0.002	-	-	-
Conveyance	-	-	-	-	-	0.15	-	-
Sundry debtors	-	-	-	-	-	-	-	-
Loans & advances receivable	-	-	-	-	-	-	-	-
Sundry creditors	-	-	-	-	-	-	-	-
Obligations arising out of agreements	-	-	-	-	-	-	-	-
Investments made during the year	-	-	-	-	-	-	-	-
Outstanding as on 31.03.2009								
a) Amount Receivable	-	-	-	-	-	-	-	-
b) Amount Payable	-	-	-	-	2.07	5.34	0.70	0.43
c) Guarantee given	-	-	-	-	-	-	-	-
d) Guarantee taken	-	-	-	-	202.20	20.59	-	-

Note : No Amount have been written off/provided for or written back during the period in respect of amount receivable or payable.

(*) includes individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the issuer, and close members of any such individual's family.

iii) Related Parties disclosures pursuant to Accounting Standard-18 for the year ended 31st March 2008

List of related parties	
Reporting entity	Sea TV Network Limited
Subsidiary companies	NIL
Holding companies	NIL

Fellow subsidiaries	NIL
Associate companies	NIL
Joint Venture	NIL
Key Managerial Personal*	Mr. Neeraj Jain Mr. Pankaj Jain Mr. Akshay Kumar Jain Mrs. Sonal Jain Mrs. Chhaya Jain
Relatives of Key Management Personnel	Mr. Chakresh Kumar Jain Mr. John Jain Mr. Vivek Jain Mr. Ajit Kumar Jain
Enterprises where significant influence exists by Key Personnel Management or their relatives	M/S SPN Trust M/S Shri Parswa Finvest Limited

Particulars of transaction with related parties:

(Rs. in Lacs)

Name of the transaction	Holding Company, Subsidiary Company and Associates		Enterprises owned or significantly influenced by Key Personnel Management or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of goods	-	-	448.08	107.27	-	-	-	-
Sale of goods	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-
Rendering of services	-	-	-	-	-	-	-	-
Availing of services	-	-	-	-	-	-	-	-
Trade advances received/repaid during the year	-	-	-	-	-	-	-	-
Trade advances made/ received back during the year	-	-	-	-	-	-	-	-
Loans taken	-	-	-	-	-	-	-	-
Loans Repaid	-	-	-	-	-	-	-	-
Outstanding Balance of Loans Taken	-	-	-	-	-	-	-	-
Maximum Balance during the year	-	-	-	-	-	-	-	-
Remuneration to key management personnel	-	-	-	-	30.25	5.48	6.38	3.84
Rent	-	-	-	-	12	2.16	-	-
Interest	-	-	-	-	-	-	-	-
Conveyance	-	-	-	-	0.15	1.80	-	-
Sundry debtors	-	-	-	-	-	-	-	-
Loans & advances receivable	-	-	-	-	-	-	-	-
Sundry creditors	-	-	-	-	-	-	-	-
Obligations arising out of agreements	-	-	-	-	-	-	-	-
Investments made during the year	-	-	-	-	-	-	-	-
Outstanding as on 31.03.2008								
a) Amount Receivable	-	-	-	-	-	-	-	-

b) Amount Payable	-	-	-	87.92	5.34	-	0.43	-
c) Guarantee given	-	-	-	-	-	-	-	-
d) Guarantee taken	-	-	-	-	20.59	-	-	-

Note : No Amount have been written off/provided for or written back during the period in respect of amount receivable or payable.

(*) includes individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the issuer, and close members of any such individual's family.

iv) Related Parties disclosures pursuant to Accounting Standard-18 for the year ended 31st March 2007

List of related parties	
Reporting entity	Sea TV Network Limited
Subsidiary companies	NIL
Holding companies	NIL
Fellow subsidiaries	NIL
Associate companies	NIL
Joint Venture	NIL
Key Managerial Personal*	Mr. Neeraj Jain Mr. Pankaj Jain Mr. Akshay Kumar Jain Mrs. Sonal Jain Mrs. Chhaya Jain Mr. Sharad Luthra Mr. Gaurav Luthra
Relatives of Key Management Personnel	Mr. Chakresh Kumar Jain Mr. John Jain Mr. Vivek Jain Mr. Ajit Kumar Jain
Enterprises where significant influence exists by Key Personnel Management or their relatives	M/S SPN Trust M/S Shri Parswa Finvest Limited

Particulars of transaction with related parties:

Name of the transaction	Holding Company, Subsidiary Company and Associates		Enterprises owned or significantly influenced by Key Personnel Management or their relatives		Key Management Personnel		Relatives of Key Management Personnel	
	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of goods	-	-	107.27	-	-	-	-	-
Sale of goods	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-
Rendering of services	-	-	-	-	-	-	-	-
Availing of services	-	-	-	-	-	-	-	-
Trade advances received/repaid during the year	-	-	-	-	-	-	-	-
Trade advances made/ received back during the year	-	-	-	-	-	-	-	-
Loans taken	-	-	-	-	-	-	-	-
Loans Repaid	-	-	-	-	-	-	-	-
Outstanding Balance	-	-	-	-	-	-	-	-

of Loans Taken								
Maximum Balance during the year	-	-	-	-	-	-	-	-
Remuneration to key management personnel	-	-	-	-	5.48	2.88	3.84	-
Rent	-	-	-	-	2.16	1.20	-	-
Interest	-	-	-	-	-	-	-	-
Conveyance	-	-	-	-	1.80	-	-	-
Sundry debtors	-	-	-	-	-	-	-	-
Loans & advances receivable	-	-	-	-	-	-	-	-
Sundry creditors	-	-	-	-	-	-	-	-
Obligations arising out of agreements	-	-	-	-	-	-	-	-
Investments made during the year	-	-	-	-	-	-	-	-
Outstanding as on 31.03.2007								
a) Amount Receivable	-	-	-	-	-	-	-	-
b) Amount Payable	-	-	87.92	-	-	-	-	-
c) Guarantee given	-	-	-	-	-	-	-	-
d) Guarantee taken	-	-	-	-	-	-	-	-

Note : No Amount have been written off/provided for or written back during the period in respect of amount receivable or payable.

(*) includes individuals owning, directly or indirectly, an interest in the voting power of the company that gives them significant influence over the issuer, and close members of any such individual's family.

v) Related Parties disclosures pursuant to Accounting Standard-18 for the year ended 31st March 2006

List of related parties	
Reporting entity	Sea TV Network Limited
Subsidiary companies	NIL
Holding companies	NIL
Fellow subsidiaries	NIL
Associate companies	NIL
Joint Venture	NIL
Key Managerial Personal*	Mr. Neeraj Jain Mr. Pankaj Jain Mr. Akshay Kumar Jain Mrs. Sonal Jain Mrs. Chhaya Jain Mr. Sharad Luthra Mr. Gaurav Luthra
Relatives of Key Management Personnel	N.A.
Enterprises where significant influence exists by Key Personnel Management or their relatives	M/S SPN Trust M/S Shri Parswa Finvest Limited

Particulars of transaction with related parties:

(Rs. in Lacs)				
Name of the transaction	Holding Company, Subsidiary Company and Associates	Enterprises owned or significantly influenced by Key Personnel Management or their relatives	Key Management Personnel	Relatives of Key Management Personnel

	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year	Current Year	Previous Year
Purchase of goods	-	-	-	-	-	-	-	-
Sale of goods	-	-	-	-	-	-	-	-
Sale of fixed assets	-	-	-	-	-	-	-	-
Rendering of services	-	-	-	-	-	-	-	-
Availing of services	-	-	-	-	-	-	-	-
Trade advances received/repaid during the year	-	-	-	-	-	-	-	-
Trade advances made/ received back during the year	-	-	-	-	-	-	-	-
Loans taken	-	-	-	-	-	-	-	-
Loans Repaid	-	-	-	-	-	-	-	-
Outstanding Balance of Loans Taken	-	-	-	-	-	-	-	-
Maximum Balance during the year	-	-	-	-	-	-	-	-
Remuneration to key management personnel	-	-	-	-	2.88	0.72	-	-
Rent	-	-	-	0.20	1.20	-	-	-
Interest	-	-	-	-	-	-	-	-
Sundry debtors	-	-	-	-	-	-	-	-
Loans & advances receivable	-	-	-	-	-	-	-	-
Sundry creditors	-	-	-	-	-	-	-	-
Obligations arising out of agreements	-	-	-	-	-	-	-	-
Investments made during the year	-	-	-	-	-	-	-	-
Outstanding as on 31.03.2006								
a) Amount Receivable	-	-	-	-	-	-	-	-
b) Amount Payable	-	-	-	-	-	-	-	-
c) Guarantee given	-	-	-	-	-	-	-	-
d) Guarantee taken	-	-	-	-	-	-	-	-

s) AS - 19 Accounting for leases

The company has not entered into lease agreements during the year.

(Rs. in Lacs)

Minimum Lease Payment	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
1. Payable not later than 1 Year	-	-	-	-	-
2. Payable later than 1 year and not later than 5 years.	-	-	-	-	-
TOTAL	-	-	-	-	-

t) AS - 20 Earning per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period.

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 are adjusted for the effects of all dilative potential equity shares. The Company does

not have any outstanding diluted Potential equity shares, consequently the basic and diluted earning per share of the Company remain the same.

Disclosure is made in the Profit and Loss A/c as per the requirements of the standard

Profit Attributable to Equity Share Holders	<u>Year ended</u> <u>2009-10</u> Rs.	<u>Year ended</u> <u>2008-09</u> Rs.	<u>Year ended</u> <u>2007-08</u> Rs.	<u>Year ended</u> <u>2006-07</u> Rs.	<u>Year ended</u> <u>2005-06</u> Rs.
Weighted average number of shares at the beginning and end of the year/ period	7000,000	70,00,000	70,00,000	16,08,500	51,000
a) Net profit after tax available for equity shareholders(Rs in Lacs)	150.52	102.17	59.97	25.17	2.08
c) Basic and Diluted Earning Per Share (Rupees)	2.15	1.46	0.86	1.57	4.08

u) AS - 21 Consolidated financial statements

Company has no subsidiary/joint venture, hence it is not applicable.

v) AS - 22 Accounting for taxes on income

The Provisions for tax for the year ended is made in accordance with provisions of Income tax Act, 1961.

Deferred tax Liability and assets are recognised based on timing deference using the tax rates substantively enacted on the Balance Sheet date.

(Rs. in Lacs)

Deferred tax Liability consists of					
	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
Tax on Depreciation	24.96	19.04	18.88	6.42	-
Tax On expenses admissible on payment basis under IT Act 1961	-	-	-	-	-
Sub Total	24.96	19.04	18.88	6.42	-
Deferred tax asset consists of					
Tax on Expenses disallowed last year, which will be allowed under IT 1961 on payment basis this year.	-	1.04	-	(0.11)	0.11
TOTAL	24.96	18	18.88	6.53	(0.11)

w) AS - 23 Accounting for investments in associates in consolidated financial statements

Not applicable

x) AS - 24 Discontinuing operations

During the year the company has not yet discontinued any of its operations.

y) AS - 25 Interim Financial reporting

Company has not selected for any interim financial reporting.

z) AS - 26 Accounting for intangible assets

During the year company acquired the following assets falling under the definition of intangible assets as per account standard and the following discourse is made in respect of these assets.

- i) Trademark

- i. Esteemed useful life 10 Year
 ii. Amortisation rates used 10%each year as deprecation
 Gross carrying amount in the beginning and at the end of year together with addition and deletion during the year.

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Opening	0.96	0.86	0.34	-	-
Addition	-	0.21	0.56	0.36	-
Total	0.96	1.07	0.90	0.36	-
Amortisation as depreciation	0.11	0.11	0.04	0.02	-
Closing Balance	0.85	0.96	0.86	0.34	-

ii) Software

- i. Esteemed useful life 3 Year
 ii. Amortisation rates used 33.33%each year as deprecation
 Gross carrying amount in the beginning and at the end of year together with addition and deletion during the year.

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Opening	-	-	-	-	-
Addition	0.16	-	-	-	-
Total	0.16	-	-	-	-
Amortisation as depreciation	0.002	-	-	-	-
Closing Balance	0.158	-	-	-	-

aa) AS - 27 Capital commitments of reporting entity in joint venture

Not applicable

ab) AS - 28 Impairment of assets

The carrying amounts of assets are reviewed at each Balance Sheet date to determine whether there is any indication of impairment. If any indications exist, the recoverable amount is estimated. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount.

ac) AS - 29 Provisions, contingent liabilities and contingent assets

- i) Provision are recognized for liabilities that can be measured only by using a substantial degree of estimation, if

- The company has a present obligation as a result of past event,
- A probable outflow of resources is expected to settle the obligation and
- The amount of obligation can be reliably estimated.

Reimbursements expected in respect of expenditure required to settle a provision is recognized only when it is virtually certain that the reimbursement will be received.

- ii) Contingent Liability is disclosed in the case of

- A present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.

- A possible obligation, of which the probability of outflow of resources is remote.

Provisions, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

Contingent Assets are neither recognized nor disclosed.

- iii) Contingent Liabilities are detailed in note no.7 to notes on accounts.

NOTES ON ACCOUNTS

1. Amount of loan payable with in one year:

(Rs. in Lacs)

Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Secured - from banks	88.69	81.05	2.08	-	-
Secured - from others	2.50	2.89	0.35	-	-
Unsecured - from banks	-	-	-	-	-

2. Bank balances includes amount in respect of :

(Rs. in Lacs)

Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Unclaimed Dividend	-	-	-	-	-
Balances lying with non scheduled banks	-	-	-	-	-
Maximum amount invested in non scheduled banks at any time during the year.	-	-	-	-	-

3. Loans and advances include :

(Rs. in Lacs)

Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Due from subsidiary companies	-	-	-	-	-
Due from an officer of the company	-	-	-	-	-
Maximum amount due from an officer of the company at any time during the year	-	-	-	-	-
In the opinion of Board, Loans and advances have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.					

4. Sundry Debtors

Service Tax receivable from sundry debtors has been reduced from total sundry debtors in proportion the periodical outstanding.

5. Sundry creditors include :

(Rs. in Lacs)

Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Investors Education and Protection fund	-	-	-	-	-
Amount due to small scale Industrial units	-	-	-	-	-
Amount due to other Industrial units	-	-	-	-	-
In the opinion of Board, Sundry Creditors as stated in the balance sheet, though not individually confirmed by the respective parties are good and payable to the full extent in the ordinary course of business.					

Disclosure on the basis of information available with the company, under Micro, small and Medium Enterprises Development Act, 2006 :

(i) The principal amount and interest due thereon remaining unpaid to any supplier as at the end of each accounting year:

(Rs. in Lacs)

Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Principal	-	-	-	-	-
Interest	-	-	-	-	-

(ii) The amount of interest paid by the buyer in terms of section 16 of the Micro, small and medium Enterprises Development Act, 2006, alongwith the amount of payment made to the supplier beyond the appointed day during each accounting year.

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Principal	-	-	-	-	-
Interest	-	-	-	-	-

(iii) The amount of interest due and payable for the period of delay in making payment but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Principal	-	-	-	-	-
Interest	-	-	-	-	-

(iv) The amount of interest accrued and remaining unpaid at the end of each accounting year.

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Principal	-	-	-	-	-
Interest	-	-	-	-	-

(v) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under section 23 of Micro, Small and Medium Enterprises Development Act, 2006.

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Principal	-	-	-	-	-
Interest	-	-	-	-	-

6. Miscellaneous expenditure

Preliminary expenses are being amortized over a period of 10 years.

Public issue expenses have been accumulated and they shall be amortized after public issue.

7. Contingent liability not provided for:

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
On counter guarantee given to banks	-	-	-	-	-
On letter of credits	-	-	-	-	-
On bills discounted and purchased	9.77	15	-	-	-
On capital commitments towards capital expenditure	-	-	-	-	-

8. Liability contested and not provided for:

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Service Tax	-	-	-	-	-
Income Tax	-	-	-	-	-
Employee settlement claims	-	-	-	-	-

9. Tax deducted at source

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
TDS On Interest Income	0.59	0.12	0.07	-	-

10. Contribution to provident and other fund

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Contribution towards gratuity	-	-	-	-	-
Contribution towards pension fund	-	-	-	-	-

11. Audit fees comprise:

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
As statutory auditors	0.48	0.30	0.24	0.18	0.12
Taxation Matters	0.14	0.12	-	-	-
Certification matters	0.02	0.10	-	-	-
Other services	0.05	0.10	0.17	-	0.06

12. The previous year figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosure for the preceding year included as an integral part of the current period financial statement and are to be read in relations to the amounts and other disclosures relating to the current period.

13. Details of remuneration and other perquisites to managerial personnel :

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Salary	53.75	56.89	30.25	5.48	2.88
Other perquisites	-	-	-	-	-
Total	53.75	56.89	30.25	5.48	2.88

14. Information pursuant to the provisions of part II of schedule VI of the Companies Act, 1956 (vide notification dated 30th October 1973 of the Department of Company Affairs, Government of India) is as under:

A.

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Licensed capacity	-	-	-	-	-
Installed capacity	-	-	-	-	-
Actual production	-	-	-	-	-

B. Break up of expenditure on employees who were entitled to receive remuneration of or in excess of limit prescribed under sec.217(2A) read with Companies (Particulars of employees) Rules, 1975

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Salary & Perquisites	53.75	56.89	26.55	-	-
No. Of employees	3	3	3	-	-

C. Additional information

(Rs. in Lacs)					
Particulars	31.03.2010	31.03.2009	31.03.2008	31.03.2007	31.03.2006
Raw Material Consumed	-	-	-	-	-
Imports (CIF-Value)	-	-	-	-	-
Other Expenditure In Foreign Currency	-	-	-	-	-
Earnings In Foreign Exchange	-	-	-	-	-
Sales	-	-	-	-	-
Opening Stock Of Goods Produced	-	-	-	-	-
Closing Stock Of Goods Produced	-	-	-	-	-

Signature to schedule A to P referred to above which form part of Balance Sheet and Profit and Loss account.

For Surendra G. & Company
Chartered Accountants
(S.K.GARG)
Proprietor
Membership no. 070974
Place: Agra
Dated: 14 AUG 2010

Annexure - XVI

SEA TV NETWORK LIMITED

DETAILS OF RELATED PARTY TRANSACTION

Particulars	Nature of Relationship	Name of The Party	31.03.10	31.03.09	31.03.08	31.03.07	31.03.06
(All Amount are in Lacs)							
Purchase of Fixed Assets	Companies/ Firms in which Promoters has significant interest	S.P.N.Trust	-	-	448.08	107.27	0.00
	Total		-	-	448.08	107.27	0.00
Income & Expenses							
Managerial Remunerations	Promoters	Neeraj Jain	30.00	22.93	10.31	1.76	0.96
		Pankaj Jain	10.86	17.07	8.73	0.96	0.96
		Akshay Kumar Jain	12.89	16.90	7.51	0.96	0.96
		Sonal Jain	2.40	2.40	2.86	0.90	-
		Chhaya Jain	2.40	2.40	1.94	0.90	-
	Total		58.55	61.69	31.35	5.48	2.88
	Relatives of Promoters	Chakresh Kumar Jain	1.92	1.44	1.44	0.96	-
		Vivek Jain	-	1.44	1.44	0.96	-
		John Jain	-	1.44	1.44	0.96	-
		Ajit Kumar Jain	-	-	0.96	0.96	-
	Total		1.92	4.32	5.28	3.84	-
Rent Expenses	Promoters	Neeraj Jain	6.00	6.00	6.00	1.08	0.60
		Pankaj Jain	6.00	6.00	6.00	1.08	0.60
	Total		12.00	12.00	12.00	2.16	1.20
Interest	Promoters	Neeraj Jain	0.52	0.00	-	-	-
	Total		0.52	0.00	-	-	-
Conveyance	Promoters	Chhaya Jain	-	-	0.15	1.80	-
	Total		-	-	0.15	1.80	-
Loan taken	Promoters	Neeraj Jain	31.50	57.07	-	-	-
		Pankaj Jain	9.00	30.00	-	-	-
		Akshay Kumar Jain	5.00	10.00	-	-	-
	Total		45.50	97.07	-	-	-
Loan Repaid	Promoters	Neeraj Jain	14.90	55.00	-	-	-

		Pankaj Jain	9.00	30.00	-	-	-
		Akshay Kumar Jain	5.00	10.00	-	-	-
	Total		28.90	95.00	-	-	-
Outstanding Balance of Loans Taken	Promoters	Neeraj Jain	19.14	2.07	-	-	-
		Pankaj Jain	-	-	-	-	-
		Akshay Kumar Jain	-	-	-	-	-
	Total		19.14	2.07	-	-	-
Maximum balance during the year	Promoters	Neeraj Jain	19.18	55.00	-	-	-
		Pankaj Jain	7.00	30.00	-	-	-
		Akshay Kumar Jain	5.00	10.00	-	-	-
	Total		31.18	95.00	-	-	-

CHANGES IN ACCOUNTING POLICIES IN THE LAST THREE YEARS

The Company has changed the accounting policies during the last three years as under:-

01. Method of charging depreciation of fixed assets has been changed from WDV to SLM during financial year 2007-08.
02. Recording of "employee benefits" as per accounting standard – 15 during financial year 2008-09 as against actual payment basis in earlier years.

FINANCIAL STATEMENT OF GROUP COMPANIES

The Company does not have any subsidiaries or group companies.

MANAGEMENT DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION

You should read the following discussion of our financial condition and results of operations together with our restated financial statements prepared in accordance with paragraph B of part II of schedule II to the companies Act and SEBI Regulations, including the schedules, annexure and notes thereto and the report thereon, which appear in this Red Herring Prospectus.

Overview

Sea TV Network Ltd. (herein after referred to as "Sea TV") is an Agra (U.P) based company engaged in providing services of a Multi System Operator (MSO) to various Local Cable TV operators of Agra city. It was incorporated on 21.05.2004. The promoters of Sea TV are in this line of activity since about 16 years and are well conversant with the Cable TV industry.

Sea TV is one of the three existing MSOs in Agra City. Sea TV also has its own local channels, programmes of which are produced by its own production team. These local channels mainly focus on Agra city/U.P State news/events and information, which is more relevant to the city viewers. These channels are broadcasted free of charge to the TV subscribers of Sea TV.

Significant developments subsequent March 31, 2010 that may affect our future results of operations:

Except as stated in this Red Herring Prospectus, to the Management's knowledge and in their opinion, no circumstances have arisen since the date of last Financial Statements as disclosed in this offer document which may materially and adversely affect or/is likely to affect, the operations or profitability of our Company, our the value of our assets or our ability to pay our material liabilities within the next 12 months.

Except as stated in this offer document, there is no subsequent development after the date of Auditor's report which the Management believe is expected to have a material impact on the reserves, profits, earnings per share and book value of our Company.

Factors Affecting Results of Operations

Government policies and political situation in India: We operate only in India and the economic condition of India has direct impact on our income. Since 1991, the Government of India has pursued policies of economic liberalization, including certain policies that significantly relaxing restrictions on the private sector. Any change in the direction of economic policies as also specific policies relating to the cable TV sectors could affect us.

The first effort in real sense to regulate the cable TV sectors started with Cable Television Networks (Regulation) Act 1995. Telecom Regulatory Authority of India (TRAI) was entrusted with the responsibility to regulate broadcasting and cable services in January 2004. TRAI has since then taken a number of initiatives for regulating the sector. The key measures taken by TRAI are the following:

- ✓ Comprehensive recommendation to GOI on issues relating to broadcasting and distribution of TV channels.
- ✓ Protecting consumer interest and minimizing disputes among the service providers by pegging tariff for cable services to a reference date i.e., 26.12.2003.
- ✓ Promoted competition through the notification on regulation of interconnection issues, which inter-alia provided for making signals available on non-discriminatory basis.
- ✓ Recommendation to GOI to facilitate the participation of private sector in Terrestrial Television.
- ✓ Recommendation to GOI on Digitalisation of Cable services.

Technological development: Keeping pace with the new technological developments in this field is a great challenge for survival and development of our business. Changes in technology or other preferences would adversely affect our revenue.

Taxation: The other primary factor which affects our financial condition is the tax payable by us. However, in case our liability for current taxes as calculated is less than 18% of our book profit (as defined by statute), we are liable to pay the Minimum Alternate Tax, or MAT in accordance with section 115JB of the Income Tax Act, 1961. Deferred taxes arise from timing differences between our book profit and our taxable profits that originate during an accounting period and capable of being reversal in another accounting period. Deferred taxes are measured using the tax rates and laws that have been substantively enacted as of the date of financial statements in which they are recorded. We provide for deferred tax liability/assets on such timing difference subject to prudent consideration. Significant sources of deferred tax liabilities and assets included (a) the timing difference in recording depreciation under Indian GAAP and under the Income Tax Act, 1961 and (b) the expenses inadmissible under the provisions of the Income Tax Act, 1961.

Result of Operations

The following table set forth for the period indicated, certain items derived from our restated financial statements, in each case stated in absolute terms and as a percentage of total income.

	Fiscal 2010		Fiscal 2009		Fiscal 2008	
	Amount (In Rs. Lacs)	Percentage of Total Income	Amount (In Rs. Lacs)	Percentage of Total Income	Amount (In Rs. Lacs)	Percentage of Total Income
Income						
Operating Income	936.77	99.00	788.04	98.96	580.12	99.81
Other Income	9.48	1.00	8.30	1.04	1.13	0.19
Total Income	946.25	100.00	796.34	100.00	581.25	100.00
EXPENDITURE						
Operating cost	349.13	36.90	358.82	45.06	335.18	57.67
Employee cost	157.91	16.69	159.61	20.04	81.29	13.99
Administrative cost	46.81	4.95	34.88	4.38	30.19	5.19
Selling cost	41.60	4.40	21.78	2.74	8.93	1.54
Finance cost	63.83	6.75	24.38	3.06	2.85	0.49
Depreciation	58.87	6.22	43.68	5.49	30.26	5.21
Total Expenditure	718.15	75.89	643.15	80.76	488.70	84.08
Profit before tax	228.10	24.11	153.19	19.24	92.55	15.92
Provision for tax	52.62	5.56	31.81	3.99	16.64	2.86
FBT	-	-	1.21	0.15	0.70	0.12
Deferred Tax	24.96	2.64	18.00	2.26	15.24	2.62
Net Profit	150.52	15.91	102.17	12.83	59.97	10.32

COMPARISON OF FISCAL 2010 AND FISCAL 2009

Income

Our total income comprising of operating income and other income increased by 18.82% to Rs. 946.25 lacs in Fiscal 2010 from Rs. 796.34 lacs in Fiscal 2009. This was primarily due to an increase in the operating income by 18.87% to Rs. 936.77 lacs in fiscal 2009 from Rs. 788.04 lacs in fiscal 2009. This was due to the increase in our income from subscription and advertisement revenues.

Other income increased by 14.22% to Rs. 9.48 lacs in Fiscal 2010 from Rs. 8.30 lacs in Fiscal 2009. This was primarily due to increase in rental income and interest income.

Expenditure

Our total expenditure increased by 11.66% to Rs. 718.15 lacs in Fiscal 2010 from Rs. 643.15 lacs in Fiscal 2009. This was primarily due to an increase in our operating income and business volume resulting in a corresponding increase in cost.

Operating cost

Our operating cost includes pay channels charges, line maintenance expense, news expenses, program running expense and security service charges. Our operating cost decreased by 2.70% to Rs. 349.13 lacs in Fiscal 2010 from Rs. 358.82 lacs in Fiscal 2009. This was primarily due to an increase in our business volume resulting in a corresponding decrease in cost.

Employee cost

Our employee cost includes salaries, wages and staff welfare expenses. Our employee cost decreased by 1.07% to Rs. 157.91 lacs in Fiscal 2010 from Rs. 159.61 lacs in Fiscal 2009, primarily due to decrease in salary of directors and provisioning for employee benefits etc.

Administration cost

Our administration cost includes rent and taxes, repair and maintenance, legal and professional charges, traveling and conveyance, telephone, postage expenses and other miscellaneous expenses. Our administration cost increased by 34.20% to Rs. 46.81 lacs in Fiscal 2010 from Rs. 34.88 lacs in Fiscal 2009 due to increase in business volume.

Selling cost

Our selling cost includes advertisement, discount and publicity cost. Our selling cost increased by 19.27% to Rs. 41.60 lacs in Fiscal 2010 from Rs. 21.78 lacs in Fiscal 2009 due to increased expenses on advertisement etc.

Finance cost

Our finance cost increased by 261.81% to Rs. 63.83 lacs in Fiscal 2010 from Rs. 24.38 lacs in Fiscal 2009 due to increase in level of borrowings.

Depreciation

Depreciation increased by 34.78% to Rs. 58.87 lacs in Fiscal 2010 from Rs. 43.68 lacs in Fiscal 2009. The increase was due to addition in the gross block of fixed assets.

Profit before tax

Our profit before tax increased by 48.90% to Rs. 228.10 lacs in Fiscal 2010 from Rs. 153.19 lacs in Fiscal 2009 due to increase in revenues from our income from subscription and advertisement revenues.

Provision for tax

Our provision for tax liabilities increased by 65.42% to Rs. 52.62 lacs in Fiscal 2010 from Rs. 31.81 lacs in Fiscal 2009 in line with an increase in our profit before tax.

Profit after tax

Our profit after tax increased by 47.32% to Rs. 150.52 lacs in Fiscal 2010 from Rs. 102.17 lacs in Fiscal 2009 due to increase in revenues from carriage fee and better planning and utilization of internal resources.

COMPARISON OF FISCAL 2009 AND FISCAL 2008**Income**

Our total income comprising of operating income and other income increased by 37% to Rs. 796.34 lacs in Fiscal 2009 from Rs. 581.25 lacs in Fiscal 2008. This was primarily due to an increase in the operating income by 35.84% to Rs. 788.04 lacs in fiscal 2009 from Rs. 580.12 lacs in fiscal 2008. This was due to the increase in our income from subscription and advertisement revenues.

Other income increased by 634.51% to Rs. 8.30 lacs in Fiscal 2009 from Rs. 1.13 lacs in Fiscal 2008. This was primarily due to increase in rental income and interest income.

Expenditure

Our total expenditure increased by 31.33% to Rs. 641.83 lacs in Fiscal 2009 from Rs. 488.70 lacs in Fiscal 2008. This was primarily due to an increase in our operating income and business volume resulting in a corresponding increase in cost.

Operating cost

Our operating cost includes pay channels charges, line maintenance expense, news expenses, program running expense and security service charges. Our operating cost increased by 7.05% to Rs. 358.82 lacs in Fiscal 2009 from Rs. 335.18 lacs in Fiscal 2008. This was primarily due to an increase in our business volume resulting in a corresponding increase in cost.

Employee cost

Our employee cost includes salaries, wages and staff welfare expenses. Our employee cost increased by 96.35% to Rs. 159.61 lacs in Fiscal 2009 from Rs. 81.29 lacs in Fiscal 2008, primarily due to increase in salary of directors and provisioning for employee benefits etc.

Administration cost

Our administration cost includes rent and taxes, repair and maintenance, legal and professional charges, travelling and conveyance, telephone, postage expenses and other miscellaneous expenses. Our administration cost increased by 15.53% to Rs. 34.88 lacs in Fiscal 2009 from Rs. 30.19 lacs in Fiscal 2008 due to increase in business volume.

Selling cost

Our selling cost includes advertisement, discount and publicity cost. Our selling cost increased by 143.90% to Rs. 21.78 lacs in Fiscal 2009 from Rs. 8.93 lacs in Fiscal 2008 due to increased expenses on advertisement etc.

Finance cost

Our finance cost increased by 755.44% to Rs. 24.38 lacs in Fiscal 2009 from Rs. 2.85 lacs in Fiscal 2008 due to increase in level of borrowings.

Depreciation

Depreciation increased by 44.35% to Rs. 43.68 lacs in Fiscal 2009 from Rs. 30.26 lacs in Fiscal 2008. The increase was due to addition in the gross block of fixed assets.

Profit before tax

Our profit before tax increased by 65.52% to Rs. 153.19 lacs in Fiscal 2009 from Rs. 92.55 lacs in Fiscal 2008 due to increase in revenues from our income from subscription and advertisement revenues.

Provision for tax

Our provision for tax liabilities increased by 91.17% to Rs. 31.81 lacs in Fiscal 2009 from Rs. 16.64 lacs in Fiscal 2008 in line with an increase in our profit before tax.

Profit after tax

Our profit after tax increased by 70.37% to Rs. 102.17 lacs in Fiscal 2009 from Rs. 59.97 lacs in Fiscal 2008 due to increase in revenues from carriage fee and better planning and utilization of internal resources.

Information required as per Item (2)(IX)(E)(5) of Part A of Schedule VIII to the SEBI Regulations

1. Unusual or infrequent events or transactions

There have been no unusual or infrequent transactions that have taken place.

2. Significant Economic changes that materially affected or are likely to affect income from continuing operation

There are no significant economic changes that materially affect or likely to affect income from continuing operations.

3. Known trends or uncertainties

Apart from risks as disclosed in this RHP, there are no other known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations.

4. Future relationship between cost and revenue

The Company is continuously working to create efficient processes resulting in cost reduction and have a better control over its activities. Other than those covered in the section titled " Risk Factors" , to our knowledge , there are no known factor, which will affect the future relationship between the costs and income , or which will have a material impact on our operations and finances.

5. Reason for increase in sales/ revenue

The increase/ decrease in revenue is on account of carriage fee, time and space selling and from local cable operators.

6. Total turnover of the Industry

Please refer to the section on " Industry Overview" referred on page 37 of the RHP.

7. New products introduced in the year 2010

We have not introduced any new products in the year 2010.

8. Seasonality of business

Company is not engaged in any seasonal business.

9. Over dependence on Single supplier/Customers

The Company is providing Multi System operator service to number of cable operators and TV broadcasting activity is also carried out in the company, there is no over dependence on single supplier or customers.

10. Competitive conditions

The Company is engaged in the business of providing service of a Multi System Operator to various local cable operators of Agra City, with keeping pace with the new technological developments in this field, the Company would be able to manage competitive conditions to its advantage.

SECTION VI- LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATIONS AND MATERIAL DEVELOPMENTS

Except as described below:

- ✍ There are no outstanding litigation suits, criminal or civil, involving economic offences or proceeds or tax liability against our company and our Directors that would have material adverse effect on our Business.
- ✍ There are no overdue, defaults to the Financial Institutions/Banks, Re-Scheduling of loans to Banks/Financial Institutions by the Company. There are no pending offences of non-payment of statutory dues by the promoters of the Company.
- ✍ There are no cases of litigation pending against the Company or against any other Company whose outcome could have a materially adverse effect on the position of the Company. There are no pending litigations against the promoters/directors in their personal capacities and also involving violation of statutory regulations or criminal offences. There are no pending proceedings initiated for economic offences against the Directors, Promoters, Companies and firms promoted by the promoters.
- ✍ There are no past cases in which penalties were imposed by the authorities concerned on the Company or its directors.
- ✍ There are no pending litigations, defaults, non payment of statutory dues, proceedings initiated for economic offences or civil offences (including the past cases, if found guilty), any disciplinary action taken by the Board or stock exchanges against the issuer or its directors.
- ✍ There are no pending litigations in which the promoters are involved, defaults to the financial institutions or banks, non-payment of statutory dues and dues towards instrument holders such as debt instrument holders, fixed deposits and arrears on cumulative preference shares, by the promoters and group companies,
- ✍ There are no outstanding litigation, defaults etc., pertaining to matters likely to affect the operations and finances of the Company including disputed tax liability, prosecution under any enactment in respect of Schedule XIII of the Companies Act, 1956.
- ✍ There is no litigation outstanding against the promoters/Directors in their personal capacity. The Company, its promoters and other companies with which promoters are associated have neither been suspended by SEBI nor any disciplinary action has been taken by SEBI other than those mentioned above.

I. OUTSTANDING LITIGATIONS INVOLVING THE COMPANY

A. FILED AGAINST THE COMPANY

1. LITIGATION INVOLVING CRIMINAL LAWS

There is no litigation pending against the Company involving criminal offences.

2. LITIGATION INVOLVING SECURITIES AND ECONOMIC LAWS

There is no litigation pending against the Company involving Securities and Economic laws.

3. LITIGATION INVOLVING STATUTORY LAWS

There is no litigation pending against the Company involving statutory laws save as herein below mentioned:

(1) The Company had received a notice numbering 266 of 2004 dated June 24, 2004 regarding broadcasting of film, news, interviews, etc. against the provisions of Uttar Pradesh Cinematograph (Regulation) Act, 1955 from the Registration Authority under the Act, seeking a copy of registration under the Cable Television Networks Regulation Act, 1995 and under the Uttar Pradesh Cinematograph (Regulation) Act, 1955, wherein it was stated that non-compliance would result in confiscation of control room/equipment of the Company. Against this notice, the Company has obtained a stay vide order dated July 26, 2007 from the High Court of Judicature at Allahabad, Lucknow Bench, Lucknow, by way of writ petition numbering 3428 (M/B) of 2004 between Sea TV thru Trustee Smt. Sonal Jain vs. State of U.P. thru Prin. Secy. Entertainment Tax and 3 others.

The said petition has been ordered to be connected and listed along with a pending writ petition numbering 2762 (M/B) of 2004, between M/S Neo Network versus State of U.P vide the following

order: "Connect and list along with WP no. 2762(MB)/2004. Till next listing operation of the impugned circular dated 30.04.2004 issued by the Entertainment Tax Commissioner, U.P. Lucknow so far as it relates to the Petitioner and the order dated 24.06.2004 issued by ADM, Agra shall remain stayed."

The matter was listed before the Court on 12.10.2007 when the interim order was extended. Now the matter will come up for hearing in due course.

4. LITIGATION INVOLVING CIVIL LAWS

There is no litigation pending against the Company involving civil laws.

5. LITIGATION INVOLVING LABOUR LAWS

There is no litigation pending against the Company involving labour law offences.

B. FILED BY THE COMPANY

1. LITIGATION INVOLVING CRIMINAL LAWS

- a. A Criminal Complaint No.412/09 has been filed by the Company against Shri Neeraj Singh, as Authorised Signatory of M/s Griffins Airlines Training School filed with Court of Additional Chief Judicial Magistrate (13), Agra on 12.06.2009. The said complaint has been filed under section 138 of Negotiable Instrument Act as the cheque of Rs.20,000 given by party for advertisement charges has bounced. The next date of hearing is 26.08.2010.
- b. A Criminal Complaint No.411/09 has been filed by the Company against Shri Rahul Kulshrestha, Shri Madhur Mittal, Shri Sumit Mittal, as Authorised Signatories/Representatives of M/s Traveni Media Limited filed with Court of Additional Chief Judicial Magistrate (13), Agra on 12.06.2009. The said complaint has been filed under section 138 of Negotiable Instrument Act as the cheque of Rs.2,44,335 given by party on account of carriage fees for channel placement has bounced. The next date of hearing is 26.08.2010.
- c. A Criminal Complaint No.413/09 has been filed by the Company against Shri Vivek Pathak, owner of M/s Institute of Media Study & Production, filed with Court of Additional Chief Judicial Magistrate (13), Agra on 12.06.2009. The said complaint has been filed under section 138 of Negotiable Instrument Act as the cheque of Rs.60,000 given by party for advertisement charges has bounced. The next date of hearing is 26.08.2010.
- d. A Criminal Complaint No.1098/10 has been filed by the Company against Dr Prashant Dubey, Proprietor of M/s Chahat Group of Companies filed with Court of Additional Chief Judicial Magistrate (10), Agra on 20.02.2010. The said complaint has been filed under section 138 of Negotiable Instrument Act as the cheque of Rs.1,41,184 given by party for advertisement charges has bounced. The next date of hearing is 14.09.2010.
- e. A Criminal Complaint No.1101/10 has been filed by the Company against Shri Ashish Agarwal of M/s Abroad Education Academy filed with Court of Additional Chief Judicial Magistrate (10), Agra on 20.02.2010. The said complaint has been filed under section 138 of Negotiable Instrument Act as the cheque of Rs.13,788 given by party for advertisement charges has bounced. The next date of hearing is 14.09.2010.
- f. A Criminal Complaint No.1099/10 has been filed by the Company against Shri Arshad, proprietor of M/s Expert English Classes filed with Court of Additional Chief Judicial Magistrate (10), Agra on 20.02.2010. The said complaint has been filed under section 138 of Negotiable Instrument Act as the cheque of Rs.13,236 given by party for advertisement charges has bounced. The next date of hearing is 14.09.2010.
- g. A Criminal Complaint No.1100/10 has been filed by the Company against Shri Alok Agarwal, proprietor of M/s Jain Aushdhalaya Bhandar filed with Court of Additional Chief Judicial Magistrate (10), Agra on 20.02.2010. The said complaint has been filed under section 138 of Negotiable Instrument Act as the cheque of Rs.19,800 given by party for advertisement charges has bounced. The next date of hearing is 14.09.2010.

2. LITIGATION INVOLVING SECURITIES AND ECONOMIC LAWS

There is no litigation filed by the Company involving securities or economic offences.

3. LITIGATION INVOLVING STATUTORY LAWS

- (1) A Writ Petition no. 9931(MB) of 2009 was filed by the Company against State of UP and others on 01.09.2009 at High Court of Allahabad, Lucknow Bench. In the said petition, the company had challenged the notices received from the state Govt. for recovery of entertainment tax on the ground that the company had directly provided Cable connections to users, in violation of rules 6, 10, 11 & 20 of the U.P. Cable Television Network (Exhibition) Rules 1997. Principal amount involved in approximately Rs.9.68 lacs and interest of Rs.7.59 lacs. The Company had submitted that it has not provided any direct connections and that the services are provided by the company to its Franchisees, who are in turn providing home to home Cable service. The Entertainment Tax Department Agra had filed its counter affidavit on 23.02.2010, seeking dismissal of the petition. Hon'ble Court vide Order dated 17.05.2010 disposed off the said writ petition with observation that the Petitioner has alternative remedy to approach the Appellate authority. The Petitioner was provided one month time to file the appeal which the Petitioner accordingly did. An Appeal No. 83A/2010 was filed by Shri Pankaj Jain before Special Secretary Sansthaaghat Vitt, Tax & Registration, Civil Secretariat U.P., Lucknow and prayed for dismissal of the Recovery Order No. 269 dated 21.05.2007, Order No. 342 dated 13.06.2007, Order No. 341 dated 13.06.2007 and Order No. 340 dated 13.06.2010. Vide Order dated 25.06.2010, Shri Pankaj Jain was given an opportunity to deposit 1/3rd of the recovery amount. Accordingly Shri Pankaj Jain deposited a sum of Rs 3,23,100 on 08.07.2010. Vide Notice dated 16.07.2010, the Hon'ble Special Secretary directed the Additional Commissioner (Entertainment Tax) Agra to verify the fact of the said deposit of 1/3rd of the said amount. The recovery of the balance amount has been stayed till 30.09.2010. The appeal has been posted for 29.09.2010 for further hearing.

4. LITIGATION INVOLVING CIVIL LAWS

There is no litigation filed by the Company involving civil laws.

5. LITIGATION INVOLVING LABOUR LAWS

There is no litigation filed by the Company involving labour law offences.

II. Outstanding litigations involving any of the Promoter/ Director of the Company

1. LITIGATION INVOLVING CRIMINAL LAWS

- a. A case bearing No. 869/2008 has been registered U/s 395 of Indian Penal Code, 1860 against Shri Neeraj Jain, Shri Pankaj Jain (Both Directors of the Company) including 20-25 other persons associated with the Company at Police Station, New Agra on 8.11.2008. The next date of hearing is 06.09.2010.

The police has converted the said case u/s 323, 504,506 of Indian Penal Code, 1860.

Probable Consequences: Section 274 of Companies Act 1956 deals about disqualification of Directors. Sub section (1) (d) of this section provides that when a person has been convicted by a court of any offence involving moral turpitude and sentenced in respect thereof to imprisonment for not less than six months, he cannot be director of a Company for a period of five years from the date of such sentence.

Hence in this case, if final decision comes against the Directors of the Company, they would be subject to disqualification under abovementioned section of the Companies Act.

Directors, if found guilty for the violation of the mentioned sections of IPC, may result in vacation of office under section 283 of the Act.

- b. A case no.1062/2009 has been filed by Mr. Dilip Gupta against some persons associated with the Company including Shri Akshay Kumar Jain who is director of the Company on 16.01.2009 with Dist. Sessions Judge, Agra. The allegations made are under sections 147 (punishment for rioting,), 427 (mischief, causing damage to the amt of Rs.50/- or up wards) and 435 of IPC which relate to the offence of mischief by fire or explosive substance with intent to cause damage to amt of Rs.100/- or upwards. The next date of hearing is 29.08.2010.

Probable Consequences: The Director of the Company who has been named in the case may become subject to disqualification under the Companies Act, if found guilty for the violation of the mentioned sections of IPC and it may result in vacation of office under section 283 of the Act.

2. LITIGATION INVOLVING SECURITIES AND ECONOMIC LAWS

There is no litigation filed against a Promoter/Director Company involving securities or economic offences except the following:

A notice has been served on Mr. Neeraj Jain, Director of the Company, with respect to assessment year 1999-2000 for an amount of Rs.3,43,335 plus interest- under section 221(1) of the Income Tax Act, 1961 from the office of Income Tax Officer, Agra, U.P. Against this order, Mr. Neeraj Jain has made appeal on 03.01.2008 and matter is pending before the authority. The Promoter has however deposited a sum of Rs.3,37,352 only as on September 29, 2009. The next date of hearing has not been notified as yet.

In case the matter is decided against the director, he will not get the refund of the tax amount deposited by him and he will have to pay the balance tax and interest.

3. LITIGATION INVOLVING STATUTORY LAWS

There is no litigation filed against a Promoter/Director of the Company involving statutory law.

4. LITIGATION INVOLVING CIVIL LAWS

There is no litigation filed against a Promoter/Director of the Company involving civil laws.

5. LITIGATION INVOLVING LABOUR LAWS

There is no litigation filed against a Promoter/Director of the Company involving labour law offences.

There is no litigation filed by any of the other Directors/Promoters of the company under any of the following heads:

1. LITIGATION INVOLVING CRIMINAL LAWS: **NIL**
2. LITIGATION INVOLVING SECURITIES AND ECONOMIC LAWS: **NIL**
3. LITIGATION INVOLVING STATUTORY LAWS: **NIL**
4. LITIGATION INVOLVING CIVIL LAWS: **NIL**
5. LITIGATION INVOLVING LABOUR LAWS: **NIL**

Amount Outstanding to SSI Undertaking or other creditors

Except as mentioned below, there are no SSI Undertakings or other creditors to whom the Company owes an amount exceeding Rs.1 Lac which is outstanding for more than 30 days from the due date:

Name of Trade Creditors	Amount (Rupees)
Electricity Exp. Payable [Dakshinanchal Vidyut Vitran Nigam Ltd.]	2,79,802.00
ESPN Software India Pvt. Ltd.	2,08,103.00
Sahara India TV Network	3,62,151.00
Shiva Entertainment	1,00,000.00
Sun Distribution Services	3,55,283.00
Taj Television India Private Limited	1,97,609.00
Zee Turner Limited	4,50,118.00
Total	19,53,066.00

MATERIAL DEVELOPMENTS

Material developments after the date of the last balance sheet

Except as stated in the sections titled, "Management's Discussion and Analysis of Financial Statements and Results of Operations", "Financial Statements", "Capital Structure" on page 121, 85 and 17, respectively, of this RHP, no material developments have taken place after March 31 2010, the date of the latest balance sheet, that would materially adversely affect the performance or prospects of our Company.

GOVERNMENT AND OTHER APPROVALS

The Company has received all the necessary licenses, permissions and approvals from the Central and State Government and other government agencies/certification bodies required for the business and except as mentioned below, no further approvals are required by the Company for carrying on the present as well as proposed business activities of the Company. It must, however, be distinctly understood that in granting the above approvals, the Central Government, State Government, RBI and other authorities do not take any responsibility for the financial soundness of the Company or for the correctness of any of the statements or any commitments made or opinions expressed.

In view of the approvals listed below, the Company can undertake the current as well as proposed business activities and other than as mentioned below, no further major approvals from any statutory authority are required to continue those activities.

The Company has obtained the following Government and/or statutory approvals/ licenses/ permissions:

Incorporation:

- (i) Certificate of Incorporation No. U92132UP2004PLC028650 dated 21st May, 2004 issued by the Registrar of Companies, UP and Uttarakhand, Kanpur.
- (ii) Certificate of Commencement of Business dated 1st June, 2004 issued by the Registrar of Companies, UP and Uttarakhand, Kanpur.

Statutory Approval for carry on operations as Multi-system Operators/Cable Operator:

- (i) Order number 152 dated May 21, 2008 issued by Asstt. Entertainment Tax Commissioner under the Uttar Pradesh Cable Television Network (Exhibition) Rules, 1997, to carry on the business of cable operator. The same is valid till March 31, 2011.
- (ii) Registration certificate number 02/2006 dated August 14, 2010 issued by the Sr. Post Master, Head Post Office Agra, Government of India under the Cable Television Networks Regulation Act, 1995. The same is valid till June 25, 2011.

Service Tax Registration:

Certificate of registration no. AAICS9898PST001 under Section 69 of the Finance Act, 1994 dated 8th August 2005 issued by the Assistant Commissioner, Customs, Central Excise & Service Tax, 113/4, Sanjay Place, Agra for payment of service tax on services of "Advertising Space or Time Selling". This Certificate stands cancelled and a new Certificate dated 20.07.2007 has been issued for the premises code 180300/10/2007 at 148, Manas Nagar, Shahganj, Agra.

Importer-Exporter Code (IEC)

Certificate of Importer-Exporter Code no. 0608006301 dated 11.11.2008 issued by the Foreign Trade Development Officer, Ministry of Commerce, Government of India.

Up-Linking and Down-Linking of TV Channels "Jinvani" and "Sea News":

- ✧ The Ministry of Information and Broadcasting, Government of India has given its permission for up-linking of non-news and current affairs TV channel "**Jinvani**" in Hindi, English and all other Indian languages (in digital mode) through the teleport of M/s Essel Shyam Communication Limited, Noida using INSAT 4A satellite for a period of 10 years vide office memorandum no. 1404/27(ii)/2008-TV(I) dated 11.11.2009.
- ✧ The Ministry of Information and Broadcasting, Government of India has given its permission for down-linking into India a non-news and current affairs TV channel "**Jinvani**" in Hindi, English and all other Indian languages (in digital mode) through the teleport of M/s Essel Shyam Communication Limited, Noida using INSAT 4A satellite for a period of 5 years vide letter no 1404/27(ii)/2008-TV(I) dated 11.11.2009. Registration No. is 278/I/2009-TV(I).
- ✧ The Ministry of Information and Broadcasting, Government of India has given its permission for up-linking news and current affairs TV. channel "**Sea News**" in Hindi, English and all other Indian languages (in digital mode) through the teleport of M/s Noida Software Technology Park Limited, Noida using INSAT 4A satellite for a period of 10 years vide office memorandum no. 1404/27(ii)/2008-TV(I) dated 11.11.2009.
- ✧ The Ministry of Information and Broadcasting, Government of India has given its permission for down-linking into India a news and current affairs TV channel "**Sea News**" in Hindi, English and all other Indian languages (in digital mode) through the teleport of M/s Noida Software Technology Park Limited, Noida using INSAT 4A satellite for a period of 5 years vide letter no 1404/27(ii)/2008-TV(I) dated 11.11.2009. Registration No. is 279/I/2009-TV(I).

Other miscellaneous Permissions/ Consents/ Registrations/ Approvals/ Licenses/ Arrangements

- ✧ Provident Fund Registration certificate bearing code number UP-38807 dated July 13, 2007 issued by the Sub Regional Office Employees' Provident Fund Organization, 55/2, Nidhi Bhawan Sanjay Place, Agra 282 002 for the purposes of deposit of provident fund with the Assistant P.F. Commissioner, Agra with effect from June 1, 2007 onwards.
- ✧ ESI Registration with Regional Office, Employees' State Insurance Corporation, Kanpur, U.P. with Code No. 21-24937-90 dated August 31, 2007 for the purpose of making contributions under the Act with effect from June 1, 2007 onwards. The Company was regular in making contribution under the Act.
- ✧ The Permanent Account Number (PAN) of the Company is AAICS9898P.
- ✧ The TDS Account Number of the Company is AGRS12852A.
- ✧ Registration under the Uttar Pradesh Shop and Commercial Establishment Act, 1962 bearing number Shram(D.V.)/Agra/Kshetra-02/No.-1226 dated 13-09-2007 issued by Inspector, Uttar Pradesh Shop and Commercial Establishment, Agra, U.P. The validity of the registration has been increased till March 31. 2014 vide order dated March 25, 2009.
- ✧ Registered trademark "JINVANI" bearing registration number 1344489 dated March 14, 2005 issued by the Trade Marks Registry, Government of India under the Trade Marks Act, 1999, in respect of class 41 (Entertainment channels, TV Programs, Dramas, comedies, Music, Songs, News, Religious Programs, Movies Serials, Cultural, Programs, Cartoon Programs, Educational Programs, Sports Programs & Albums).
- ✧ Initially, the Company was having the license to use the registered trade mark "Sea TV" from M/s S.P.N. Trust vide an agreement dated January 31, 2006. Thereafter M/s S.P.N. Trust agreed to transfer to us the whole rights and benefits of the said trademark vide an agreement dated March 10, 2008 for a consideration of Rs. 51000/- only. As per this agreement the company is free to use, advertise the said trademark and SPN trust shall not infringe or use the trademark including the artistic work that they have transferred. Thereafter, an application was made to the Registrar of Trade marks on May 09, 2008 to transfer the said trademark to the Company. The said request has been allowed by the Registrar of Trade Marks vide their letter dated July 24, 2008.

- ✧ Permission for digging required in initial phase of the project has already been obtained from Public Works Department, Agra Development Authority and Station Headquarters (Cantonment Area). For remaining part of the job it shall be obtained subsequently as on required basis.
- ✧ FIPB has permitted the foreign equity participation by eligible foreign investors upto 26% of the paid up capital of the Company vide its letter bearing ref. no. 83(2010)/92(2010) dated August 13, 2010.

Licenses/Approvals applied but yet not received:

- ✧ The Company has made an application to the Northern Central Railway on March 14, 2009 for its permission to lay underground cables under certain railway crossings in the city of Agra under the purview of the aforesaid authority. The Company has paid the requisite fees for the aforesaid purpose and is awaiting the approval.
- ✧ The Company has made an application to the District Forest Officer, Agra on August 31, 2009 for its permission to lay underground cables in areas in the city of Agra under the purview of the aforesaid authority. The Company is awaiting the approval.
- ✧ **Up-Linking of TV Channels**
Company has made 3 applications to the Ministry of Information & Broadcasting for uplinking TV Channels with news and current affairs in the name of "REAL NEWS", "OCEAN TV" and "YOUR TV" on August 12, 2010. All applications are pending as on date.

Licenses/Approvals yet to be applied

- ✧ The Company yet to apply to the National Highways Authority of India for permission to lay underground cables in areas in the city of Agra under the purview of the aforesaid authority.
- ✧ The Company yet to apply to the Agra Nagar Nigam for permission to lay underground cables in areas in the city of Agra under the purview of the aforesaid authority.

SECTION VII- OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority For The Present Issue

Pursuant to Section 81(1A) of the Companies Act, 1956, present Issue of Equity Shares has been authorised vide Special Resolution passed at the Extra Ordinary General Meeting of the Company held on December 01, 2008 and a resolution passed by the Board of Directors on November 03, 2008.

Prohibition by SEBI and RBI

Our Company, Promoters, Promoter Group and Directors have not 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 authorities. None of our Promoters, Directors was or also is a promoter, director or person in control of any other company which is debarred from accessing the capital market under any order or directions made by the SEBI.

Our Directors are not in any manner associated with the securities market and there has been no action taken by the SEBI against the Directors or any entity with which our Directors are involved as promoters or directors.

Neither our Company, our Promoters or their relatives (as defined in the Companies Act), nor our Directors have been detained as willful defaulters by the RBI or any other government authorities. There are no violations of securities laws committed by any of them in the past or pending against them.

Eligibility For The Issue:

We are eligible for the Issue in accordance with Regulation 26(2) of the ICDR Regulations as described below:

- (a) (i) the issue is made through the book building process and the issuer undertakes to allot at least fifty percent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make allotment to the qualified institutional buyers ;

or

(ii) at least fifteen per cent. of the cost of the project is contributed by scheduled commercial banks or public financial institutions, of which not less than ten percent shall come from the appraisers and the issuer undertakes to allot at least ten percent of the net offer to public to qualified institutional buyers and to refund full subscription monies if it fails to make the allotment to the qualified institutional buyers;

- (b) (i) the minimum post-issue face value capital of the issuer is ten crore rupees;

or

(ii) the issuer undertakes to provide market-making for at least two years from the date of listing of the specified securities, subject to the following:

- (A) the market makers offer buy and sell quotes for a minimum depth of three hundred specified securities and ensure that the bid-ask spread for their quotes does not, at any time, exceed ten per cent.;
- (B) the inventory of the market makers, as on the date of allotment of the specified securities, shall be at least five per cent. of the proposed issue.

We are an unlisted company not complying with the conditions specified in Regulation 26(1) of the ICDR Regulations and are therefore required to meet both the conditions detailed in Regulation 26(2)(a) and Regulation 26(2)(b) of the ICDR Regulations.

- We are complying with Regulation 26(2)(a)(ii) of the ICDR Regulations and at least 10% of the Net offer to the public is proposed to be allocated to QIBs and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.

- We are complying with the Regulation 43(2)(c) of the ICDR Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated not less than 15% and 35% of the Net offer to the public respectively.
- We are also complying with Regulation 26(2)(b)(i) of the ICDR Regulations and the post-Issue face value capital of the Company will be more than the minimum requirement of Rs.10 crore.

Hence, we are eligible for the Issue under Regulation 26(2) of the ICDR Regulations. Further, in accordance with Regulation 26(4) of the ICDR Regulations, we shall ensure that the number of prospective allottees to whom the Equity Shares will be allotted will be not less than 1,000. If the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after the Company becomes liable to pay the amount, the Company shall pay interest at the rate of 15% per annum for the period of delay.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. THE LEAD MERCHANT BANKER CHARTERED CAPITAL AND INVESTMENT LIMITED HAD FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED DECEMBER 22, 2008 UNDER SEBI (DISCLOSURES AND INVESTOR PROTECTION) GUIDELINES, 2009. HOWEVER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS FURNISHED TO SEBI AN UPDATED DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 6, 2010 UNDER SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009.

"IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF OFFER DOCUMENT TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR CONSTRUED 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 THE OFFER DOCUMENT. LEAD MERCHANT BANKER, CHARTERED CAPITAL AND INVESTMENT LIMITED HAS CERTIFIED THAT THE DISCLOSURES MADE IN THE OFFER DOCUMENT 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 INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE ISSUER COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE OFFER DOCUMENT, THE LEAD MERCHANT BANKER IS EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE LEAD MERCHANT BANKER CHARTERED CAPITAL AND INVESTMENT LIMITED HAS FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 6, 2010 WHICH READS 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 THE DRAFT RED HERRING PROSPECTUS 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 THE BOARD 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 THE BOARD, 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 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 THE BOARD AND THAT TILL DATE SUCH REGISTRATION IS VALID.
- (4) WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.
- (5) WE CERTIFY THAT WRITTEN CONSENT FROM 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 DRAFT RED HERRING PROSPECTUS WITH THE BOARD 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 THE BOARD. 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 ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE.- NOT APPLICABLE
- (8) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER 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 HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 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 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 THE 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 THE 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, PROMOTERS EXPERIENCE ,ETC.
- (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 THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.

THE FILING OF OFFER DOCUMENT DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER SECTION 63 OR 68 OF THE COMPANIES ACT, 1956 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY 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 LEAD MERCHANT BANKER(S) ANY IRREGULARITIES OR LAPSES IN OFFER DOCUMENT."

GENERAL DISCLAIMER STATEMENT FROM THE COMPANY AND THE LEAD MANAGER

CAUTION

Investors may note that the Company and the BRLM accept no responsibility for statements made otherwise than in this RHP or in the advertisements or any other material issued by or at instance of the Company and/or the BRLM and that anyone placing reliance on any other source of information would be doing so at his or her own risk.

The BRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding among the BRLM and the Company dated December 19, 2008 and the Underwriting agreement to be entered among the Underwriters and our Company.

All information shall be made available by the Company, the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever.

DISCLAIMER IN RESPECT OF JURISDICTION

This Issue is being made in India to persons resident in India (including Indian nationals resident in India who are majors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian mutual funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, cooperative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other Trust law and who are authorised under their constitution to hold and invest in shares) permitted insurance companies and pension funds and to NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI as defined under the Indian laws.

This RHP does not, however, constitute an offer to sell or an invitation to subscribe to shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this RHP comes is required to inform himself or herself about and to observe any such restrictions. Any disputes arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in Uttar Pradesh, India 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 RHP has been filed with SEBI. Accordingly, the Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this RHP may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this RHP nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in affairs of the Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

DISCLAIMER CLAUSE OF BOMBAY STOCK EXCHANGE LIMITED (BSE) (Designated Stock Exchange)

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. BSE has given vide its letter dated February 13, 2009, permission to this Company to use the Exchange's name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. The Exchange has scrutinised this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner:

- warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or
- warrant that this Company's securities will be listed or will continue to be listed on the Exchange; or
- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to

or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

DISCLAIMER CLAUSE OF GRADING AGENCY (ICRA LIMITED)

Notwithstanding anything to the contrary: An ICRA IPO grade is a statement of current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied as to the accuracy, authenticity, timeliness, or completeness of such information. An ICRA IPO grade is not (a) a comment on the present or future price of the security concerned (b) a certificate of statutory compliance and/or (c) a credit rating. Further, the ICRA IPO grade is not a recommendation of any kind including but not limited to recommendation to buy, sell, or deal in the securities of such issuer nor can it be considered as an authentication of any of the financial statements of the company, and ICRA shall not be liable for any losses incurred by users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the company including in the fields of investment banking, tax or law while making such investment. All services and information provided by ICRA are provided on an "as is" basis, without representations and warranties of any nature.

UNDERTAKING FROM PROMOTERS AND DIRECTORS

We accept full responsibility for the accuracy for the information given in the RHP and confirm that to the best of their knowledge and belief, there are no other facts, their omissions of which make any statement in the RHP misleading and we further confirm that we have made all reasonable inquiries to ascertain such facts. We further declare that the Stock Exchanges to which an application for official quotation is proposed to be made do not take any responsibility for the financial soundness of this offer or for the price at which the Equity Shares are offered or for the correctness of the statement made or opinions expressed in this offer document. The Promoter/Directors declare and confirm that no information / material likely to have a bearing on the decision of investors in respect of the shares offered in terms of the RHP has been suppressed, withheld and/or incorporated in the manner that would amount to mis-statement, misrepresentation and in the event of its transpiring at any point of time till allotment/refund, as the case may be, that any information/ material has been suppressed/withheld and/or amounts to a mis-statement / mis-representation, the Promoter/Directors undertake to refund the entire application monies to all the subscribers within 7 days thereafter without prejudice to the provisions of Section 63 of the Companies Act.

FILING

A copy of the Red Herring Prospectus, has been filed with the Corporate Finance Department of SEBI, at Corporation Finance Department, Division of Issues and Listing, SEBI Bhavan, Plot No. C-4A, G Block, Bandra Kurla Complex, Bandra (East), Mumbai- 400 051.

A copy of the Red Herring Prospectus, along with documents required to be filed under Section 60B of the Act, will be delivered for registration to the Registrar of Companies, Uttar Pradesh and Uttarakhand at Kanpur and a copy of the Prospectus to be filed under Section 60 of the Act would be delivered for registration with the Registrar of Companies, Uttar Pradesh and Uttarakhand at 37/17, Westcott Building, The Mall, Kanpur-208001.

LISTING

Initial listing application has been made to the Bombay Stock Exchange Limited for permission to list the Equity Shares and for an official quotation of the equity shares of the Company. The BSE will be the Designated Stock Exchange.

In case, the permission for listing of the equity shares is not granted by the above mentioned Stock Exchange, the Company shall forthwith repay, without interest, all moneys received from the applicants in pursuance of the RHP. If such money is not repaid within 8 days after the day from which the Issuer becomes liable to repay it, then the Company and every Director of the Company who is an officer in default shall, on and from expiry of 8 days, be jointly and severally liable to repay that money with interest as prescribed under Section 73 of the Companies Act, 1956.

Our Company with the assistance of the Book Running Lead Manager shall ensure that that all steps will be taken for the 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 within twelve (12) working days of the Bid/Issue Closing Date;

IMPERSONATION

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Act, which is reproduced below:

"Any person who:

(a) make in a fictitious name, an application to a Company for acquiring or subscribing for, any shares therein, or

(b) otherwise induces a Company to allot, or register any transfer of shares, therein to him, or any other person in a fictitious name, shall be punishable with imprisonment for a term which may extend to five years."

CONSENTS

The written consents of Promoters, Directors, Company Secretary, Auditors, Legal Advisors, Book Running Lead Manager to the Issue, Registrars to the Issue, Bankers to the Company and to act in their respective capacities, have been obtained and filed along with a copy of the Red Herring Prospectus with SEBI and will be filed along with the Red Herring Prospectus with the Registrar of Companies, Uttar Pradesh and Uttarakhand at Kanpur as required under Section 60 of the Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus.

EXPERT OPINION

Except the report of ICRA Limited in respect of the IPO Grading of this issue which has been attached with the Red Herring Prospectus and as other stated in this Red Herring Prospectus, we have not obtained any expert opinion.

EXPENSES OF THE ISSUE

The expenses for this Issue include underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, fees to various advisors, statutory advertisement expenses and listing fees payable to the Stock Exchanges, among others. The estimated Issue expenses are as under:

(Rs. in lacs)

Activity	Estimated Amount	% of Total Issue Expenses	% of Total Issue Size*
Lead Management Fees	[•]	[•]	[•]
Underwriting Commission	[•]	[•]	[•]
Selling Commission	[•]	[•]	[•]
Advertisement and Marketing expenses	[•]	[•]	[•]
Printing and Stationery	[•]	[•]	[•]
Registrar to the Issue	[•]	[•]	[•]
Others (legal fee, listing fee, etc)	[•]	[•]	[•]
Total Estimated Issue expenses	473.72	100	9.43%

*will be incorporated after finalisation of Issue Price

FEES PAYABLE TO THE BRLM, BROKERAGE AND SELLING COMMISSION

The total fees payable to the BRLM, including brokerage and selling commission for the Issue will be as per the MoU executed between our Company and the BRLM dated December 19, 2008, copy of which is available for inspection at the Registered Office/Corporate Office of our Company.

FEES PAYABLE TO THE REGISTRAR TO THE ISSUE

The total fees payable to the Registrar to the Issue will be as per the MoU executed between our Company and the Registrar dated August 12, 2010, copy of which is available for inspection at the Registered /Corporate Office of our Company.

Adequate funds will be provided to the Registrar to the Issue to enable them to send refund orders or allotment advice by registered post.

PREVIOUS PUBLIC OR RIGHTS ISSUES

This is the first public issue of the Company. We have not made any public issue previously.

PREVIOUS ISSUE OF SHARES OTHERWISE THAN FOR CASH

We have not made any allotments of Equity Shares for consideration other than cash.

COMMISSION OR BROKERAGE ON PREVIOUS ISSUES

We have not made any public or rights Issue since our inception and have accordingly not paid any commission or brokerage.

PARTICULARS REGARDING PREVIOUS PUBLIC ISSUES MADE BY COMPANIES UNDER THE SAME MANAGEMENT DURING THE LAST THREE YEARS

There are no listed companies under the same management.

PROMISE VIS-A-VIS PERFORMANCE**(A) LAST THREE ISSUES MADE BY SEA TV NETWORK LIMITED.**

Our Company has not made any issue of equity shares to the public prior to the present Public Issue.

(B) LAST ISSUE OF THE LISTED VENTURES OF PROMOTER GROUP

There is no Listed venture of the Promoter Group.

OUTSTANDING DEBENTURES, BONDS, REDEEMABLE PREFERENCE SHARES OR OTHER INSTRUMENTS

There are no outstanding debentures or bonds or redeemable preference shares issued by us as of the date of this RHP.

STOCK MARKET DATA

This being an initial public Issue, no stock market data is available.

MECHANISM FOR REDRESSAL OF INVESTOR GRIEVANCES OF THE COMPANY

Investor grievance will be settled expeditiously and satisfactorily by us. The agreement executed between the Registrar to the Issue, and the Company, provide for retention of records with the Registrar to the Issue for a period as specified under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 from the last date of dispatch of letters of intimation to successful applicants, Demat credit, refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, application number, number of shares applied for, amount paid on application, depository participant and the respective Syndicate Member or collection center where the application was submitted.

DISPOSAL OF INVESTOR GRIEVANCES

Company estimates that the average time required by the Company or the Registrar to the Issue for the redressal of routine investor grievances shall be fifteen days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, Company or Registrar will seek to redress these complaints as expeditiously as possible.

Company has appointed Mr. Ashish Mittal, Company Secretary as the Compliance Officer and he may be contacted in case of any pre-Issue or post Issue related query. He can be contacted at:

Sea TV Network Limited

148, Manas Nagar, Shahganj, Agra- 282010

Tel.: 0562-4036666, 2512122, 2512123, 2512223

Fax: 0562-2511070

Email: cs@seatvnetwork.com

Website: www.seatvnetwork.com

CHANGES IN THE AUDITORS DURING THE LAST THREE YEARS AND REASONS THEREOF

We have not changed our auditors during past three years.

CAPITALIZATION OF RESERVES OR PROFITS DURING THE LAST FIVE YEARS

There have been no capitalisation of reserves or profits since inception of the Company.

REVALUATION OF ASSETS DURING THE LAST FIVE YEARS

We have not revalued our assets since inception of the Company.

SECTION VIII- ISSUE RELATED INFORMATION

ISSUE STRUCTURE

PUBLIC ISSUE OF [●] EQUITY SHARES OF RS.10/- EACH FOR CASH AT A PRICE OF Rs. [●] PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF RS. [●] PER EQUITY SHARE) AGGREGATING Rs. 5020 LACS BY SEA TV NETWORK LIMITED ("THE COMPANY" OR "ISSUER" OR "SEA TV") (HEREINAFTER REFERRED TO AS THE "ISSUE") COMPRISING OF A NET OFFER TO THE PUBLIC OF [●] EQUITY SHARES OF RS.10/- EACH AGGREGATING Rs. 5020 LACS (HEREINAFTER REFERRED TO AS THE "NET OFFER TO THE PUBLIC") OF WHICH [●] EQUITY SHARES AGGREGATING Rs. 502 LACS BEING 10% OF THE NET OFFER TO THE PUBLIC TO BE COMPULSORILY ALLOTTED TO QIBS FAILING WHICH ENTIRE SUBSCRIPTION MONIES SHALL BE REFUNDED. THE NET OFFER TO THE PUBLIC WOULD CONSTITUTE [●]% OF THE FULLY DILUTED POST ISSUE PAID UP CAPITAL OF THE COMPANY.

	QIBs including Mutual Funds	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares *	Upto [●] Equity Shares aggregating Rs. 2510 Lacs or Net Issue to Public less allocation to Non Institutional bidders and Retail bidders.	Minimum of 65 Equity Shares aggregating Rs.753 Lacs or Net Issue to Public less allocation to QIBs and Retail Individual Bidders.	Minimum of 65 Equity Shares aggregating Rs.1757 Lacs or Net Issue to public less allocation to QIBs and Non –Institutional Bidders
Percentage of Issue Size available for allocation	Up to 50% of the Net Issue to the public or Net Issue to Public less allocation to Non-Institutional Bidders and Retail Individual Bidders (Out of the portion available for allocation to qualified institutional buyers, 5% shall be allocated proportionately to mutual funds. Mutual fund applicants shall also be eligible for proportionate allocation under the balance available for Qualified Institutional Buyers). Minimum [●] Equity Shares aggregating Rs. 502 Lacs being 10% of the net offer to the public to be Compulsorily subscribed and allotted to QIBs failing which entire subscription monies shall be refunded.	Minimum 15% of Net Issue to Public or Net Issue to public less allocation to QIBs and Retail Individual Bidders.	Minimum 35% of Net Issue to Public or Net Issue to Public less allocation to QIBs and Non-Institutional Bidders.
Basis of Allocation if respective category is oversubscribed	Proportionate (a) [●] Equity Shares shall be allocated 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.	Proportionate	Proportionate

Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds Rs. 100000 and in multiples of 65 Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100000 and in multiples of 65 Equity Shares.	65 Equity Shares and in multiple of 65 Equity Shares thereafter
Maximum Bid	Such number of Equity Shares in multiples of 65 Equity Shares so that the bid does not exceed the size of the Issue subject to regulations as applicable to the Bidder	Such number of Equity Shares in multiples of 65 Equity Shares so that the bid does not exceed the size of the Issue subject to regulations as applicable to the Bidder	Such number of Equity Shares in multiples of 65 Equity Shares so that the bid amount does not exceed Rs. 100000.
Mode of Allotment	Compulsorily in Dematerialised form	Compulsorily in Dematerialised form	Compulsorily in Dematerialised form
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Size of allocation	Minimum of 65 Equity Shares and in multiples of 1 Equity Share thereafter	Minimum of 65 Equity Shares and in multiples of 1 Equity Share thereafter	Minimum of 65 Equity Shares and in multiples of 1 Equity Share thereafter
Who can Apply * *	(i) a mutual fund, venture capital fund and foreign venture capital investor registered with the Board; (ii) a foreign institutional investor and sub-account (other than a sub-account which is a foreign corporate or foreign individual), registered with the Board; (iii) a public financial institution as defined in section 4A of the Companies Act, 1956; (iv) a scheduled commercial bank; (v) a multilateral and bilateral development financial institution; (vi) a state industrial development corporation; (vii) an insurance company registered with the Insurance Regulatory and Development Authority; (viii) a provident fund with minimum corpus of twenty five crore rupees; (ix) a pension fund with minimum corpus of twenty five crore rupees; (x) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India; (xi) insurance funds set up and managed by army, navy or air force of the Union of India;	Resident Indian individuals, HUF (in the name of Karta), companies, Corporate bodies, Eligible NRIs, Scientific Institutions, Societies and Trusts and any FII sub-account which is a foreign corporate or foreign individual.	Individuals including NRIs and HUFs (in the name of Karta) applying for up to Rs. 100000.

Terms of Payment	Margin Amount applicable to QIB Bidder at the time of submission of Bid cum Application Form to the Member of Syndicate***	Margin Amount applicable to Non-institutional Bidder at the time of submission of Bid cum Application Form to the Member of the Syndicate***	Margin Amount applicable to Retail Individual Bidder at the time of submission of Bid cum Application Form to the Member of Syndicate***
Margin Amount	Full Bid Amount on bidding	Full Bid Amount on bidding	Full Bid Amount on bidding

However, atleast 10% of the Net Offer to the Public i.e. [•] Equity Shares aggregating Rs.502 lacs, shall be compulsorily subscribed by and allotted to Qualified Institutional Buyers (QIBs) failing which entire subscription monies shall be refunded.

* Subject to valid Bids being received at or above the Issue Price, under-subscription, if any, in QIBs, Non-Institutional and Retail Individual categories would be allowed to be met with spillover inter-se from any other categories, at the sole discretion of our Company, BRLM and subject to applicable provisions of SEBI Regulations.

** 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 in the same sequence in which they appear in the Bid Cum Application Form

*** In case of Bidders submitting ASBA Bid cum Application Form, the SCSB shall be authorised to block such funds in the bank account of the Bidder that are specified in the ASBA Bid cum Application Form.

Bidding Period / Issue Period

Bid / Issue Opens on	September 27, 2010
Bid/ Issue Closes on	September 29, 2010

1. Closure time of the Stock Exchange bidding platform for entry of bids is 5.00 P.M.
2. On the day of closing, extension of time will be granted by Stock Exchange only for uploading the bids received from Retail Investors after taking into account the total number of applications received upto the closure of timings for acceptance of application forms as stated in Offer Document and reported by BRLM to the Exchange within half an hour of such closure.
3. Bids not uploaded in the book, would be rejected.
4. In case of discrepancy in the data entered in the electronic book vis a vis the data contained in the physical bid form, for a particular bidder, the details as per physical application form of that bidder may be taken as the final data for the purpose of allotment.
5. Standardization of cut-off time for uploading of bids on the bid / issue closing date.
 - a) A standard cut-off time of 3.00 P.M. for acceptance of bids
 - b) A standard cut-off time of 4.00 P.M. for uploading of bids received from non retail applicants i.e. QIBs and HNIs.
 - c) A standard cut-off time of 5.00 P.M. for uploading of bids received from retail applicants, which may be extended up to such time as deemed fit by Stock Exchanges.

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 Bidding Period as mentioned above at the bidding centers mentioned on the Bid cum Application Form **except that on the Bid/Issue Closing Date, when Bids shall be accepted only between 10.00 a.m and 3.00 p.m (Indian Standard Time).**

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 3.00 p.m (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which 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 the Issue. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with the SEBI Regulations. The cap on the Price Band should not be more than 20% of the floor of the Price Band. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up or

down to the extent of 20% of the floor of the Price Band advertised at least one day prior to the Bid /Issue Opening Date.

In case of revision in the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band, subject to the Bidding Period/Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release, and also by indicating the change on the website of the BRLM and at the terminals of the syndicate.

TERMS OF THE ISSUE

The Equity Shares being offered are subject to the provisions of the Companies Act, 1956 Securities Contracts (Regulation) Act, 1956, Securities Contracts (Regulation) Rules, 1957, the Memorandum and Articles of the Company the terms of the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus, Bid-cum-Application Form, the Revision Form, the Confirmation of Allocation Note ("CAN") and other terms and conditions as may be incorporated in the allocation advices, and other documents/certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to laws as applicable, guidelines, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, Government of India, Stock Exchanges, RBI, RoC and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Ranking of Equity Shares

The Equity Shares being offered are subject to the provisions of the Memorandum and Articles of Association of the Company and shall rank pari-passu in all respects, with the other existing Equity Shares of the Company, including right to receive dividend and other corporate benefits (including dividend), if any, declared by the Company after the date of Allotment. .

Mode of payment of Dividend

We shall pay dividend to the shareholders as per the provisions of the Companies Act, 1956.

Face Value, Issue Price, Floor Price and Price Band

The Equity Shares with a face value of Rs. 10 each are being offered in terms of this RHP at a price band of Rs. 90 to Rs.100 per Equity Share. The Company undertakes that at any given point of time there shall be only one denomination of the Equity Shares of the Company.

Compliance with SEBI Regulations

The Company shall comply with all disclosures and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, the equity shareholders have the following rights:

- ✓ Right to receive dividend, if declared;
- ✓ Right to attend general meetings and exercise voting powers, unless prohibited by law;
- ✓ Right to vote on a poll either in person or by proxy;
- ✓ Right to receive offers for rights shares and be allotted bonus shares, if announced;
- ✓ Right to receive surplus on liquidation;
- ✓ Right of free transferability; and
- ✓ Such other rights, as may be available to a shareholder of a listed public limited company under the Companies Act and Memorandum and Articles of Association of the Company.

For a detailed description of the main provisions of the Company's Articles of Association dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, refer to the section titled "Main Provisions of the Articles of Association" on page 174 of this Red Herring Prospectus.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares of the Company shall be allotted only in dematerialised form. In terms of existing SEBI Regulations, the trading in the Equity Shares of the Company shall only be in dematerialised form for all investors.

Since trading of the Equity Shares will be compulsorily in dematerialised mode, the tradable lot is one Equity Share.

Allocation and allotment of Equity Shares through this Issue will be done only in electronic form in multiple of one Equity Share subject to a minimum of 65 Equity Shares to successful bidders. For details of allocation and allotment, see "Issue Procedure- Basis of Allotment and Allocation" on page 167 of this Red Herring Prospectus.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with competent courts/authorities in Uttar Pradesh, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first bidder, along with other joint bidders, may nominate any one person in whom, in the event of the death of sole bidder or in case of joint bidders, death of all the bidders, as the case may be, the Equity Shares transmitted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall in accordance with Section 109A of the Companies Act, be entitled to the same advantages to which he or she would be entitled if he or she 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 Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/ transfer/alienation 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 the registered office of the Company or at the registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the 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, the 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 ninety days, the 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 of Equity Shares in the Issue will be made only in dematerialized mode, there is no need to make a separate nomination with the Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require changing the nomination, they are requested to inform their respective depository participant.

Minimum Subscription

" If the company does not receive the minimum subscription of 90% of the net offer to public including devolvement of Underwriters within 60 days from the date of closure of the issue, the company shall forthwith refund the entire subscription amount received. If there is a delay beyond 8 days after the company becomes liable to pay the amount, the company shall pay interest prescribed under Section 73 of the Companies Act, 1956."

If the number of allottees in the proposed Issue is less than 1,000 allottees, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond 15 days after the Company becomes liable to pay the amount, the Company shall pay interest at the rate of 15% per annum for the delayed period.

Withdrawal of the Issue

The Company, in consultation with the BRLM, reserves the right not to proceed with the Issue at anytime after the Bid/Issue Opening Date but before Allotment. If our Company withdraws from the Issue, it shall issue a public notice within two days of the closure of the Issue informing the reason. The notice shall be issued in the same newspapers where the pre-Issue advertisements have appeared and our Company shall also promptly inform the Stock Exchanges. If our Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh Draft Red Herring Prospectus with the SEBI.

Arrangements for Disposal of Odd Lots

The Company's shares will be traded in dematerialized form only and therefore the marketable lot is one share. Therefore there is no possibility of odd lots.

Restriction on Transfer and Transmission of Shares

Nothing contained in the Articles of Association of the Company shall prejudice any power of the Company to refuse to register the transfer of any share.

Bidding Period / Issue Period

Bid / Issue Opens on	September 27, 2010
Bid/ Issue Closes on	September 29, 2010

ISSUE PROCEDURE

This section applies to all Bidders. Please note that all Bidders can participate in the Issue through the ASBA process. ASBA Bidders should note that the ASBA process involves application procedures that are different from the procedure applicable to Bidders other than the ASBA Bidders. Bidders applying through the ASBA process should carefully read the provisions applicable to such applications before making their application through the ASBA process. Please note that all the Bidders are required to make payment of the full Bid Amount along with the Bid cum Application Form.

Book Building Procedure

The Issue is being made through the 100% Book Building Process wherein not more than 50% of the Net offer to the public shall be allotted on a proportionate basis to QIB's out of which 5% are reserved for Mutual Funds and the balance will be available for all QIBs including Mutual Funds. However, atleast 10% of the Net Offer to the Public shall be compulsorily subscribed by and allotted to Qualified Institutional Buyers (QIBs) failing which entire subscription monies shall be refunded. Further, not less than 15% of the net offer to the public shall be available for allotment on a proportionate basis to Non-Institutional Bidders and not less than 35% of the net offer to the public shall be available for allotment on a proportionate basis to the Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

All Bidders (other than the ASBA Bidders) are required to submit their Bids through the Syndicate. ASBA Bidders are required to submit their Bids to the SCSBs, Bids by QIBs shall be submitted only to the BRLM, other than Bids by QIBs who Bid through the ASBA process, who shall submit the Bids to the Designated Branch of the SCSBs. Further, QIB Bids can be submitted only through the BRLM and/ or their affiliates. Our Company, in consultation with the BRLM may reject any Bid procured from QIBs, by any or all members of the Syndicate, for reasons to be recorded in writing provided that such rejection shall be made at the time of acceptance of the Bid and the reasons thereof shall be disclosed to the Bidders. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that the Equity Shares would be allotted to all successful Bidders only in the dematerialised form. Bidders will not have the option of getting allotment of the Equity Shares in physical form. The Equity Shares on allotment shall be traded only in the dematerialised segment of the Stock Exchanges.

Bid cum Application Form

Bidders shall use only the specified Bid cum Application Form bearing the stamp of a member of the Syndicate for the purpose of making a Bid in terms of this Red Herring Prospectus. Before being issued to Bidders, the Bid cum Application Form (except in relation to ASBA Bidders) shall be serially numbered and the date and time shall be stamped at the Bidding centres and such form shall be signed by the Bidder and countersigned by the relevant member of the Syndicate. ASBA Bidders shall submit the ASBA Bid cum Application Form either in physical or electronic form (through the internet banking facility available with the SCSBs or such other electronically enabled mechanism for Bidding) to the SCSB authorizing blocking funds that are available in the bank account specified in the ASBA Bid cum Application Form used by ASBA Bidders. ASBA Bid cum Application Forms downloaded and printed from the websites of the Stock Exchanges shall bear a system generated unique application number.

The Bid cum Application Form shall contain information about the Bidder and the price and number of Equity Shares that the Bidder wishes to Bid for. Bidders shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered multiple Bids.

On the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be treated as a valid application form. Upon completion and submission of the Bid cum Application Form to a member of the Syndicate (and in the case of an ASBA Bid cum Application Form, to the SCSB), the Bidder shall be deemed to have authorised our Company and the Selling Shareholders to make the necessary changes in this Red Herring Prospectus and the Bid cum Application Form as would be required under the ICDR Regulations and other applicable laws, for filing the Prospectus with the RoC and as would be

required by SEBI and/or the RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

All Bidders can participate in this Issue by way of the ASBA process.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indians, Eligible NRIs applying on a non-repatriation basis	White
Non-residents, Eligible NRIs, or FIIs registered with SEBI applying on a repatriation basis	Blue

Note:

There will be a separate ASBA Form for ASBA Investor applying through ASBA process.

Who can Bid?

- Persons eligible to invest under all applicable laws, rules, regulations and guidelines.
- Indian nationals resident in India who are not minors, in single or joint names (not more than three).
- Hindu Undivided Families or HUFs in the individual name of the Karta. The Bidder should specify that the Bid is being made in the name of the HUF in the Bid-cum-Application Form as follows: "Name of sole or first Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta". Bids by HUFs would be considered at par with those from individuals.
- Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue.
- Foreign institutional investor and sub-account registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, under the QIB category.
- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, only under the Non Institutional Bidders Category.
- State Industrial Development Corporations.
- Insurance companies registered with the Insurance Regulatory and Development Authority, India.
- Provident Funds with a minimum corpus of Rs.25 crore and who are authorized under their constitution to invest in Equity Shares.
- Pension funds with a minimum corpus of Rs.25 crore and who are authorized under their constitution to invest in Equity Shares.
- Companies, corporate bodies and societies registered under applicable laws in India and authorized to invest in Equity Shares.
- Venture Capital Funds (VCFs) registered with SEBI.
- Foreign Venture Capital Investors (FVCIs) registered with the SEBI.
- Mutual Funds registered with the SEBI.
- Indian financial institutions, scheduled commercial banks (excluding foreign banks), regional rural banks, cooperative banks (subject to the RBI regulations and the SEBI (ICDR) Regulations and regulations, as applicable).
- Multilateral and bilateral development financial institutions.
- Trusts / societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorized under their constitution to hold and invest in Equity Shares.
- Scientific and/or industrial research organizations in India authorized to invest in Equity Shares.
- National Investment Fund set up by resolution No. F.No.2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India.
- Insurance funds set up and managed by army, navy or air force of the Union of India
- Any other QIBs permitted to invest, subject to compliance with all applicable laws, rules, regulations, guidelines and approvals in the Issue.

As per existing regulations, OCBs cannot Bid in the Issue.

The information below is given for the benefit of the Bidders. Our Company and the BRLM do not accept responsibility for the completeness and accuracy of the information stated. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or

regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for does not exceed the limits prescribed under laws or regulations.

Participation by associates and affiliates of the BRLM and the Syndicate Members

The BRLM and Syndicate Member shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the BRLM and Syndicate Member may subscribe for Equity Shares in the Issue, including in the QIB Portion and Non-Institutional Portion where the allocation is on a proportionate basis. Such bidding and subscription may be on their own account or on behalf of their clients.

Bidders are advised to ensure that any single Bid from them does not exceed the investments limits or maximum number of Equity Shares that can be held by them under applicable laws, rules, regulations, guidelines and approvals.

Bids by Mutual Funds

An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than [●] Equity Shares, Allocation shall be made to Mutual Funds on proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

In accordance with the current regulations, the following restrictions are applicable for investments by mutual funds:

No mutual fund scheme shall invest more than 10% of its net asset value in the Equity Shares or equity related instruments of any company provided that the limit of 10% shall not be applicable for investments by 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 capital carrying voting rights.

5% of the QIB Portion shall be available for allocation to Mutual Funds. Mutual Funds participating in the 5% share of the QIB Portion will also be eligible for allocation in the remaining QIB Portion.

Bids by Eligible NRIs

1. Bid cum Application Forms have been made available for Eligible NRIs at the registered office of the Company and Members of the Syndicate.
2. Eligible NRI applicants may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for allotment under the NRI category. The Eligible NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (white in colour).

Bids by FIIs

As per the current regulations, the following restrictions are applicable for investments by FIIs:

The offer of Equity Shares to a single FII should not exceed 10% of our post-issue issued capital (i.e. 10% of [●] Equity Shares). In respect of an FII investing in our Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital or 5% of our total issued capital in case such sub-account is a foreign corporate or an individual. As of now, in accordance with the foreign investment limits applicable to us, the total foreign investment including FII investment cannot exceed 24% of our total issued capital unless approved by the shareholders of the Company. In accordance with the foreign investments applicable to us, the total foreign investment in our Company (FDI and FII) cannot exceed 26% of our total issued capital. The FIPB by its letter dated August 13, 2010 has granted

approval to eligible foreign investors to subscribe to the Equity Shares of our Company to the prescribed limit of 26%.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the SEBI (Foreign Institutional Investors) Regulations 1995, as amended, by the SEBI (Foreign Institutional Investors)(Amendment) Regulations, 2008 ("**SEBI Regulations**"), an FII, as defined in the SEBI Regulations, or its sub account may issue, deal or hold, off shore derivative instruments (defined under the SEBI Regulations, as any instrument, by whatever name called, which is issued overseas by a foreign institutional investor 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 foreign regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. The FII or subaccount is also required to ensure that no further issue or transfer of any Offshore Derivative Instrument issued by it is made to any persons that are not regulated by an appropriate foreign regulatory authority as defined under the SEBI Regulations. Associates and affiliates of the underwriters including the BRLM and the Syndicate Member that are FIIs may issue offshore derivative instruments against Equity Shares allotted to them in the Issue.

Bids by SEBI registered Venture Capital Funds and Foreign Venture Capital Investors

As per the current regulations, the following restrictions are applicable for SEBI registered Venture Capital Funds and Foreign Venture Capital Investors:

The SEBI (Venture Capital Funds) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, each, as amended, prescribe investment restrictions on Venture Capital Funds and FVCIs respectively registered with the SEBI. Accordingly, the holding in any company by any individual venture capital fund or FVCI registered with the SEBI should not exceed 25% of the corpus of the Venture Capital Fund or FVCI. However, venture capital funds or FVCIs may invest not over 33.33% of their respective investible funds in various prescribed instruments, including in initial public offers.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. The Company and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. The Company and the BRLM are not liable to inform the investors of any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

(a) For Retail Individual Bidders:

The Bid must be for a minimum of 65 Equity Shares and in multiples of 65 Equity Shares thereafter, so as to ensure that the total Bid Amount (including revision of Bids, if any) payable by the Bidder does not exceed Rs. 100,000. In case of revision of Bids, the Retail Individual Bidders have to ensure that the Bid Amount does not exceed Rs. 100,000. In case the Bid Amount is over Rs. 100,000 due to revision of the Bid or revision of the Price Band or on exercise of option to bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at Cut-off Price is an option given only to the Retail Individual Bidders indicating their agreement to Bid and subscribe to Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

(b) For Non-Institutional Bidders and QIB Bidders:

The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 65 Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB investor should not exceed the investment limits prescribed for them by the regulatory and statutory authorities governing them. **Under the existing SEBI Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date.**

In case of revision in Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs.100,000 for being considered for allocation in the Non-Institutional Portion. In case

the Bid Amount reduces to Rs.100,000 or less due to a revision in Bids or revision of the Price Band, Bids by Non-Institutional Bidders who are eligible for allocation in the Retail Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders do not have the option of bidding at Cut-off Price.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus.

Information for the Bidder:

1. Our Company in consultation with the BRLM shall declare the Bid/Issue Opening Date and Bid/Issue Closing Date in the Red Herring Prospectus to be registered with the RoC and also publish the same in two (2) national newspaper one (1) each in English and Hindi newspaper and one regional newspaper with wide circulation.
2. Our Company will file the Red Herring Prospectus with the RoC at least three (3) days before the Bid/Issue Opening Date.
3. The members of the Syndicate will circulate copies of the Bid-cum-Application Form to potential investors, and at the request of potential investor's, copies of the Red Herring Prospectus.
4. Any Bidder (who is eligible to invest in the Equity Shares) who would like to obtain the Red Herring Prospectus and /or along with the Bid-cum-Application Form can obtain the same from the Registered Office of our Company or from any member of the Syndicate.
5. Eligible investors who are interested in subscribing for the Equity Shares should approach the BRLM or Syndicate Members or their authorized agent(s) to register their Bids. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids.
6. ASBA Bidders shall correctly mention the bank account number in the ASBA Bid cum Application Form and ensure that funds equal to the Bid Amount are available in the bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch.
7. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Bid cum Application Form should be signed by the account holder as provided in the ASBA Bid cum Application Form.
8. The Bids should be submitted on the prescribed Bid-cum-Application Form only. Bid-cum-Application Forms (other than the ASBA Bid cum Application Forms) should bear the stamp of the member of the Syndicate. Bid-cum-Application Forms which do not bear the stamp of a member of the Syndicate will be rejected. Bids by ASBA Bidders shall be accepted by the Designated Branches of the SCSBs in accordance with the SEBI (ICDR) Regulations and any circulars issued by SEBI in this regard. Bidders applying through the ASBA process also have an option to submit the ASBA Bid cum Application Form in electronic form.

The applicants may note that in case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID and Client ID and PAN available in the Settlement Depository database, the application is liable to be rejected.

Method and Process of Bidding

1. Our Company in consultation with the BRLM shall declare the Bid/Issue Opening Date, the Bid/Issue Closing Date in the Red Herring Prospectus to be filed with the RoC and also publish the same in two (2) widely circulated national newspapers (one (1) each in English and Hindi) newspaper and one regional newspaper with wide circulation. This advertisement, subject to the provisions of Section 66 of the Companies Act, shall be in the format prescribed in Schedule XIII of the SEBI (ICDR) Regulations. The Price Band and the minimum Bid lot size for the Issue will be decided by our Company, in consultation with the BRLM, and published in two (2) national newspapers (one (1) each in English and Hindi) and one regional newspaper with wide circulation, at least two (2) working days prior to the Bid/Issue Opening Date. The Syndicate and the SCSBs shall accept Bids from the Bidders during the Bid/Issue Period. The BRLM and Syndicate Members shall accept Bids from the Bidders during the Bidding/Issue Period in accordance with the terms of the Syndicate Agreement.
2. The Bidding/Issue Period shall be for a minimum of three (3) working days and shall not exceed ten (10) working days. Where the Price Band is revised, the revised Price Band and Bidding/Issue Period will be published in two (2) national newspapers (one (1) each in English and Hindi) and one regional newspaper with wide circulation and also by indicating the change on the website of the BRLM and at the terminals of

the members of the Syndicate. The Bidding/Issue Period may be extended, if required, by an additional three (3) working days, subject to the total Bidding/Issue Period not exceeding ten (10) working days.

3. During the Bidding/Issue Period, Bidders, other than QIBs, who are interested in subscribing for the Equity Shares should approach the members of the Syndicate or their authorized agents to register their Bids. The Syndicate shall accept Bids from all Bidders and have the right to vet the Bids during the Bid/ Issue Period in accordance with the terms of the Red Herring Prospectus. Bidders who wish to use the ASBA process should approach the Designated Branches of the SCSBs to register their Bids. Bids by QIBs shall be submitted only to the BRLM, other than the Bids by QIBs who Bid through the ASBA process, who shall submit the Bids to the Designated Branch of the SCSBs.
4. Each Bid-cum-Application Form will give the Bidder the choice to Bid for up to three (3) optional prices (for details refer to the paragraph "Bids at Different Price Levels") within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid-cum- Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and the rest of the Bid(s), irrespective of the Bid Price, will become automatically invalid.
5. The Bidder cannot Bid on another Bid-cum-Application Form after Bid(s) on one Bid-cum-Application Form have been submitted to any member of the Syndicate or the SCSBs. Submission of a second Bid-cum-Application Form to either the same or to another member of the Syndicate or SCSBs will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point in time before the Allotment of Equity Shares in the Issue. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed under the section titled "Issue Procedure" beginning on page 146 of this Red Herring Prospectus.
6. The members of the Syndicate/SCSBs 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.
7. During the Bidding/Issue Period, Bidders may approach the members of the Syndicate to submit their Bids. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids.
8. Along with the Bid-cum-Application Form, all Bidders (other than ASBA Bidders) will make payment into the Escrow Account in the manner described under the sub-section titled "Terms of Payment and Payment into the Escrow Account" under this section.
9. Upon receipt of the ASBA Bid cum Application Form, submitted whether in physical or electronic mode the Designated Branch of the SCSB shall verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Bid cum Application Form, prior to uploading such Bids with the Stock Exchanges.
10. If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB shall reject such Bids and shall not upload such Bids with the Stock Exchanges.
11. If sufficient funds are available in the ASBA Account, the SCSB shall block an amount equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form and will enter each Bid option into the electronic bidding system as a separate Bid and generate a TRS for each price and demand option. The TRS shall be furnished to the ASBA Bidder on request.
12. The Bid Amount shall 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/failure of the Issue or until withdrawal/rejection of the ASBA Bid cum Application Form, as the case may be. Once the Basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch of the SCSB for unblocking the relevant ASBA Accounts and for transferring the amount allocable to the successful Bidders to the Public Issue Account. In case of withdrawal/failure of the Issue, the blocked amount shall be unblocked on receipt of such information from the Registrar to the Issue.

Bids at Different Price Levels and Revision of Bids

1. The Price Band has been fixed at Rs. 90 to Rs. 100 per Equity Share, Rs. 90 being the floor of the Price Band and Rs. 100 being the cap of the Price Band. The Bidders can Bid at any price within the Price Band in multiples of Re. 1.
2. Our Company, in consultation with the BRLM and without the prior approval of, or intimation, to the Bidders, reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with the SEBI (ICDR) Regulations. The cap on the Price Band should not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the floor of the Price Band can move up

or down to the extent of 20% of the floor of the Price Band disclosed in the Red Herring Prospectus or if the floor price or price band is not mentioned in the Red Herring Prospectus, our Company shall announce the Floor Price or Price Band at least two (2) working days before the opening of the bid in all the newspapers in which the pre-issue advertisement shall be released.

3. In case of a revision of the Price Band, the Bidding/Issue Period shall be extended for three additional working days, subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice at least two working days prior to the Bid/Issue Opening Date in English and Hindi national newspapers (i.e. all English and Hindi editions of Business Standard) and one regional newspaper (i.e. Hindi edition of Haribhoomi), each with wide circulation and also by indicating the change on the websites of the BRLM and at the terminals of the members of the Syndicate.
4. Our Company, in consultation with the BRLM, can finalize the Issue Price within the Price Band without the prior approval of, or intimation to, the Bidders.
5. The Bidder can Bid at any price within the Price Band. The Bidder has to Bid for the desired number of Equity Shares at a specific price. Retail Individual Bidders may Bid at the Cutoff Price. However, bidding at the Cut-off Price is prohibited for QIB Bidders or Non-Institutional Bidders and such Bids from QIBs or Non-Institutional Bidders shall be rejected.
6. Retail Individual Bidders, who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at the Cut-off Price shall deposit the Bid Amount based on the cap of the Price Band in the Escrow Account. In the event that the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at the Cut-off Price, the Retail Individual Bidders shall receive the refund of the excess amounts from the Escrow Account in the manner described under the paragraph "Payment of Refund".
7. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher cap of the revised Price Band (such that the total amount i.e., the original Bid Amount plus additional payment does not exceed Rs.1,00,000 if the Bidder wants to continue to Bid at the Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs.1,00,000, the Bid will be considered for allocation under the Non Institutional Portion in terms of the Red Herring Prospectus. If, however, the Bidder does not either revise the Bid or make additional payment and the Issue Price is higher than the cap of the Price Band before revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.
8. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at the 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.
9. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 65 Equity Shares irrespective of whether the Bid Amount payable on such minimum application is not in the range of Rs. 5,000 to Rs. 7,000.

Electronic Registration of Bids

1. The Syndicate and the SCSBs will register the Bids using the on-line facilities of the BSE and the NSE.
2. The Syndicate and the SCSBs will undertake modification of selected fields in the Bid details already uploaded within one (1) Working Day from the Bid/Issue Closing Date.
3. There will be atleast one (1) on-line connectivity facility in each city, where a stock exchange is located in India and where Bids are being accepted. The BRLM, our Company and the Registrar are not responsible for any acts, mistakes or errors or omission and commissions in relation to, (i) the Bids accepted by the Syndicate Members and the SCSBs, (ii) the Bids uploaded by the Syndicate Members and the SCSBs, (iii) the Bids accepted but not uploaded by the Syndicate Members and the SCSBs or (iv) with respect to ASBA Bids, Bids accepted and uploaded without blocking funds in the ASBA Accounts. However, the Syndicate and/or the SCSBs shall be responsible for any error in the Bid details uploaded by them. It shall be presumed that for Bids uploaded by the SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.
4. The BSE and the NSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorized agents and the SCSBs during the Bidding/Issue Period. The members of the Syndicate 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 will subsequently upload the off-line data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate and the Designated Branches of the SCSBs

shall upload the Bids until such time as may be permitted by the Stock Exchanges. On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders after taking into account the herein and reported by the BRLM to the Stock Exchange within half an hour of such closure.

5. The aggregate demand and price for Bids registered on electronic facilities of the BSE and the NSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres as well as on the BSE's website at www.bseindia.com and on the NSE's website at www.nseindia.com. A graphical representation of consolidated demand and price will be made available at the bidding centres during the Bidding/Issue Period.
6. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
 - Name of the Bidder(s). Bidders should ensure that the name given in the Bid-cum-Application Form is exactly the same as the name in which the Depository Account is held. In case the Bid-cum-Application Form is submitted in joint names, Bidders should ensure that the Depository Account is also held in the same joint names and are in the same sequence in which they appear in the Bid-cum-Application Form;
 - Investor category ☐ Individual, Corporate, QIBs, Eligible NRI, FVCI, FII & sub-account registered with SEBI (*other than a sub-account which is a foreign corporate or foreign individual*) or Mutual Fund, etc.;
 - Numbers of Equity Shares bid for;
 - Bid price;
 - Bid-cum-Application Form number;
 - Cheque Amount;
 - Cheque Number;
 - Bid Amount paid upon submission of Bid-cum-Application Form; and
 - Depository Participant identification number and client identification number of the demat account of the Bidder.
 - PAN
7. With respect to ASBA Bids, at the time of registering each Bid, the Designated Branches of the SCSBs shall enter the following information pertaining to the Bidder into the online system:
 - Name of the Bidder(s);
 - Application Number;
 - PAN (of First Bidder, in case of more than one Bidder);
 - Investor Category - Individual, Corporate, non-institutional, qualified institutional buyer, Eligible NRI, FII, or Mutual Fund, etc.
 - Employee/shareholder (if reservation);
 - DP ID and client identification number;
 - Beneficiary account number of Equity Shares Bid for;
 - Quantity;
 - Bid Account;
 - Bank Account number;
 - Cheque amount; and
 - Cheque number.
8. A system-generated TRS will be given to the Bidder as proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or the Designated Branches of the SCSBs. The registration of the Bid by the member of the Syndicate or the Designated Branches of the SCSBs does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate or our Company.
9. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.
10. In case of QIB Bidders, only the BRLM and their Affiliate Syndicate Members have the right to accept the Bid or reject the Bid. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed in this Red Herring Prospectus. The Members of the Syndicate may also reject Bids if all the information required is not provided and the Bid cum Application Form is incomplete in any respect. The SCSBs shall not have the right to reject Bids, except on technical grounds.

11. The permission given by the BSE and the NSE to use their network and software of the Online IPO system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company or the BRLM are cleared or approved by the BSE and the NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoters, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.
12. It is also to be distinctly understood that the approval given by the BSE and the NSE should not in any way be deemed or construed that the Red Herring Prospectus has been cleared or approved by the BSE or the NSE; 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 BSE and the NSE.
13. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. Members of the Syndicate will be given up to one day after the Bid/Issue Closing Date to verify the information uploaded in the online IPO system during the Bid/Issue Period after which the date will be sent to the Registrar for reconciliation and Allotment of Equity Shares. In case of any discrepancy of data between the BSE or the NSE and the Members of the Syndicate or the Designated Branches of the SCSBs, the decision of our Company, in consultation with the BRLM and the Registrar, based on the physical records of Bid Cum Application Forms shall be final and binding on all concerned. If the Syndicate Member finds any discrepancy in the DP name, DP Id and the Client Id, the Syndicate Member will correct the same and send the data to the Registrar for reconciliation and Allotment of Equity Shares.

PAYMENT INSTRUCTIONS

Escrow Mechanism for Bidders other than ASBA Bidders

Our Company and the Syndicate shall open Escrow Account(s) with one (1) or more Escrow Collection Banks in whose favour the Bidders shall make out the cheque or demand draft in respect of his or her Bid and /or revision of the Bid. Cheques or demand drafts received for the full Bid Amount from Bidders would be deposited in the Escrow Account.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Banks for and on behalf of the Bidders shall maintain the monies in the Escrow Account until the Designated Date. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. 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 Red Herring Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Syndicate, the Escrow Collection Banks and the Registrar to facilitate collections from the Bidders.

Payment mechanism for ASBA Bidders

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSBs shall block an amount equivalent to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form. The SCSBs shall keep the Bid Amount in the relevant bank account blocked until withdrawal/ rejection of the ASBA Bid or receipt of instructions from the Registrar to unblock the Bid Amount. In the event of withdrawal or rejection of the ASBA Bid cum Application Form or for unsuccessful ASBA Bid cum Application Forms, the Registrar shall give instructions to the SCSBs to unblock the application money in the relevant bank account within one day of receipt of such instruction. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount to the Public Issue Account, or until withdrawal/ failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Payment into Escrow Accounts for Bidders other than ASBA Bidders

Each Bidder shall draw a cheque or demand draft or remit the funds electronically through the RTGS mechanism for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. All Bidders would be required to pay the full Bid Amount at the time of the submission of the Bid cum Application Form.
2. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account and submit the same to the Syndicate. If the payment is not made favouring the Escrow Account along with the Bid cum Application Form, the Bid of the Bidder shall be rejected.
3. The payment instruments for payment into the Escrow Account should be drawn in favor of:
 - In case of Resident QIB Bidders: **"Escrow Account – Sea Public Issue-QIB Resident"**
 - In case of Non-Resident QIB Bidders: **"Escrow Account – Sea Public Issue-QIB NR"**
 - In case of Resident Retail and Non-Institutional Bidders: **"Escrow Account – Sea Public Issue"**
 - In case of Non-Resident Retail and Non-Institutional Bidders: **"Escrow Account – Sea Public Issue-NR"**
4. In the case of Bids by Eligible NRIs applying on a repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of Non-Resident Ordinary (NRO) Account of a Non-Resident Bidder bidding on a repatriation basis. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a NRE Account or a FCNR Account.
5. In the case of Bids by Eligible NRIs applying on a non-repatriation basis, the payments must be made by Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application, remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorized to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or a FCNR or an NRO Account.
6. In case of Bids by FIIs & sub-account and FVCIs the payment should be made out of funds held in a special rupee account along with documentary evidence in support of the remittance. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a special rupee account.
7. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.
8. The monies deposited in the Escrow Accounts will be held for the benefit of the Bidders (other than ASBA Bidders) until the Designated Date.
9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts into the Public Issue Account as per the terms of the Escrow Agreement and the surplus amount to be transferred to refund account.
10. On the Designated Date and no later than ten (10) working days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders (other than ASBA Bidders) and also the excess amount paid on Bidding, if any, after adjusting for allocation/allotment to such Bidders.
11. **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 are liable to be rejected. Cash/Stockinvest/money orders/postal orders will not be accepted.**

Payment by Stockinvest

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through Stockinvest will not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid-cum-Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid. With respect to the ASBA Bidders, the ASBA Bid cum Application Form or the ASBA Revision Form shall be submitted to the Designated Branches of the SCSBs.

Separate receipts shall not be issued for the money payable on the submission of Bid-cum-Application Forms or Revision Forms. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid-cum- Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Build Up of the Book and Revision of Bids

1. Bids registered by various Bidders through the members of the Syndicate and the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis. Pursuant to Item 12(g) of Part A of Schedule XI to the SEBI Regulations, the bidding terminals shall contain an online graphical display of demand and Bid prices updated at periodic intervals not exceeding 30 minutes.
2. The book gets built up at various price levels. This information will be available from the BRLM on a regular basis.
3. During the Bidding/Issue Period, any Bidder 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 printed Revision Form, which is a part of the Bid-cum-Application Form.
4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. Apart, from mentioning the revised options in the revision form, the Bidder must also mention the details of all the options in the Bid-cum-Application Form or earlier Revision Form. For example, if a Bidder has Bid for three (3) options in the Bid-cum-Application Form and such Bidder is changing only one of the options in the Revision Form, he must still complete all the details of the other two options that are not being changed in the Revision Form. The Syndicate and the Designated Branches of the SCSBs will not accept incomplete or inaccurate Revision Forms.
5. The Bidder can make this revision any number of times during the Bidding/Issue Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate or the SCSBs through whom the original Bid was placed.

Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only on such Revision Form or copies thereof.

6. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees 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 Rs.100,000 if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of this Red Herring Prospectus. If, however, the 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 Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.
7. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees, 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.
8. Our Company, in consultation with the BRLM, shall decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of Rs. 5,000 to Rs. 7,000.
9. 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 relevant SCSB shall block the additional Bid Amount. In case of Bids, other than ASBA Bids, the Syndicate 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 by the QIB Bidders. In such cases, the Syndicate will revise the earlier Bids details with the revised Bid and provide the cheque or demand draft number of the new payment instrument in the electronic book. The Registrar will reconcile the Bid data and consider the revised Bid data for preparing the Basis of Allotment.

10. When a Bidder revises a Bid, the Bidder shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate or the SCSB, as applicable. **It is the responsibility of the Bidder to request and obtain the revised TRS, which will act as proof of revision of the original Bid.**
11. Only Bids that are uploaded on the online IPO system of the BSE and the NSE shall be considered for allocation. In the event of a discrepancy of data between the Bids registered on the online IPO system and the physical Bid-cum- Application Form, the decision of our Company, in consultation with the BRLM and the Designated Stock Exchange, based on the physical records of Bid-cum-Application Forms, shall be final and binding on all concerned.
12. Under the SEBI (ICDR) Regulations, QIBs are not allowed to withdraw their Bid after the Bid/Issue Closing Date.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the BRLM shall analyze the demand generated at various price levels and discuss pricing strategy with our Company.
2. Our Company, in consultation with the BRLM, shall finalize the Issue Price and the number of Equity Shares to be allocated in each investor category.
3. The allocation for QIBs would be not more than 50%, of Net offer of which 5 % shall be reserved for Mutual Funds on a proportionate basis. However, atleast 10% of the Net Offer to the Public shall be compulsorily subscribed by and allotted to Qualified Institutional Buyers (QIBs) failing which entire subscription monies shall be refunded. The allocation to Non-Institutional Bidders would be not less than 15% of the Issue Size and allocation for Retail Individual Bidders will be not less than 35% of the Issue Size on proportionate basis, subject to valid Bids being received at or above the Issue Price.
4. In case of over-subscription in all categories, upto 50% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be reserved for Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids. The allocation under the Employee Reservation portion would be on a proportionate basis, in the manner specified in the SEBI (ICDR) Regulations and the Red Herring Prospectus, in consultation with the Designated Stock Exchange subject to valid Bids being received at or above the Issue Price.

Under subscription, if any, in QIB, Retail and Non-Institutional Category would be met with spill-over from other categories or a combination of categories.

5. Allotment to Eligible NRIs, FIIs & sub-account registered with SEBI (*other than a sub-account which is a foreign corporate or foreign individual*) or Mutual Funds or FVCIs will be subject to applicable laws, rules, regulations, guidelines and approvals.
6. Our Company reserves the right to cancel the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment without assigning any reasons whatsoever.
7. Under the SEBI (ICDR) Regulations, QIBs are not allowed to withdraw their Bids after the Bid/Issue Closing Date.
8. Our Company, in consultation with the BRLM, reserves the right to reject any Bid procured from QIB Bidders. Rejection of Bids by QIBs, if any, will be made at the time of submission of Bids provided that the reasons for rejecting such Bid shall be provided to such Bidder in writing.
9. The allotment details shall be hosted on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

- (a) We, the BRLM and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price.
- (b) After signing the Underwriting Agreement, we would update and file the updated Red Herring Prospectus with RoC, which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

Announcement of Pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall, after receiving final observations, if any, on the Draft Red Herring Prospectus, publish an advertisement in the form prescribed by the SEBI Regulations, in two widely circulated national newspapers (one each in English and Hindi) and a regional newspaper with wide circulation.

Advertisement regarding Price Band and Red Herring Prospectus

A statutory advertisement will be issued by the Company after the filing of the Red Herring Prospectus with the RoC. This advertisement in addition to the information that has to be set out in the statutory advertisement shall indicate the Price Band along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of Red Herring Prospectus and the Prospectus shall be included in the advertisement.

Issuance of Confirmation of Allocation Note ("CAN")

- a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or prior to the approval of the basis of allocation for the Retail Individual Bidders, Non- Institutional Bidders and Eligible Employee. However, the investor should note that our Company shall ensure that the instructions for credit of the Equity Shares to all investors in this Issue shall be given on the same date of Allotment.
- b) The Registrar will then send a CAN to the Bidders who have been allocated Equity Shares in the Issue. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder.
- c) The issue of a CAN shall be deemed a valid, binding and irrevocable contract for the Allotment of Equity Shares to such Bidder.
- d) The issuance of CANs is subject to "**Notice to QIBs - Allotment Reconciliation and Revised CANs**" on page 158.

Notice to QIBs- Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the electronic book, QIBs may be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject to the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar. Subject to SEBI Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, etc., and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. As a result, a revised CAN may be sent to QIBs, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN, for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. The revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

- (a) Our Company will ensure that (i) the Allotment of Equity Shares; and (ii) credit to the successful Bidder's depository account will be completed within twelve (12) Working Days of the Bid/Issue Closing Date.
- (b) As per SEBI Regulations, **Equity Shares will be issued and Allotment shall be made only in the dematerialised form to the allottees.**
- (c) After the funds are transferred from the Escrow Accounts to the Public Issue Account on the Designated Date, the Company will allot the Equity Shares to the Allottees.
- (d) Successful Bidders will have the option to rematerialize the Equity Shares so allotted/transferred if they so desire as per the provisions of the Companies Act and the Depositories Act, rules, regulations and bye laws of the Depositories.

Investors are advised to instruct their depository participant to accept the Equity Shares that may be allocated to them pursuant to this Issue.

GENERAL INSTRUCTIONS

Do's:

- (a) Check if you are eligible to apply having regard to applicable law, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus;
- (b) Ensure that your Bid is within the Price Band;
- (c) Read all the instructions carefully and complete the Bid-cum-Application Form;
- (d) Ensure that the details of your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be Allotted in dematerialized form only;
- (e) Ensure that the Bids are submitted at the bidding centers only on forms bearing the stamp of a member of the Syndicate or with respect to ASBA Bidders, ensure that your Bid is submitted at a Designated Branch of the SCSB where the ASBA Bidder or the person whose bank account will be utilised by the Bidder for bidding has a bank account;
- (f) With respect to ASBA Bids ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder. Ensure that you have mentioned the correct bank account number in the ASBA Bid cum Application Form;
- (g) Ensure that you have collected a TRS for all your Bid options;
- (h) Ensure that you have funds equal to the Bid Amount in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB;
- (i) Ensure that the full Bid Amount is paid for the Bids submitted to the Syndicate and funds equivalent to the Bid Amount are blocked in case of any Bids submitted through the SCSBs.
- (j) Instruct your respective banks to not release the funds blocked in the bank account under the ASBA process;
- (k) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;
- (l) Each of the Bidders should mention their Permanent Account Number (PAN) allotted under the IT Act in the Bid Cum Application Form. (Please refer to the sub-section titled "Permanent Account Number" under this section);
- (m) Ensure that the name(s) given in the Bid-cum-Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. Where the Bid-cum-Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid-cum-Application Form; and
- (n) Ensure that the Demographic Details are updated, true and correct in all respects.

Don'ts:

- (a) Do not Bid for lower than the minimum Bid size;
- (b) Do not Bid or revise the Bid to a price that is less than the Floor Price or higher than the Cap Price;
- (c) Do not Bid on another Bid-cum-Application Form after you have submitted a Bid to the members of the Syndicate or the SCSBs, as applicable;
- (d) Do not pay the Bid amount in cash, by money order or by postal order, or by Stockinvest;
- (e) Do not send Bid-cum-Application Forms by post; instead submit the same to a member of the Syndicate or the Designated Branch of SCSBs only;
- (f) Do not Bid at the Cut-off Price in the case of a Bid by a QIB Bidder or a Non-Institutional Bidder;
- (g) Do not complete the Bid-cum-Application Form such that the number of Equity Shares Bid for exceeds the Issue size and/or investment limit or maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of this Red Herring Prospectus;
- (h) Do not bid at Bid Amount exceeding Rs.1,00,000, in the case of a Bid by a Retail Individual Bidder or Bid by Eligible Employees;
- (i) Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.
- (j) Do not submit the Bids without the Bid Amount.

INSTRUCTIONS FOR COMPLETING THE BID CUM APPLICATION FORM

Bidders can obtain Bid cum Application Forms and/or Revision Forms from the members of the Syndicate.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

1. Made only on the prescribed Bid-cum-Application Form or Revision Form, as applicable.
2. Made in a single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, on the Bid-cum-Application Form or in the Revision Form. Incomplete Bid-cum-Application Forms or Revision Forms are liable to be rejected. Bidders should note that the Syndicate and /or the SCSBs, as appropriate, will not be liable for errors in data entry due to incomplete or illegible Bid cum Application Forms or Revision Forms.
4. Information provided by the Bidders will be uploaded in the online IPO system by the Syndicate and the SCSBs, as the case may be, and the electronic data will be used to make allocation/Allotment. The Bidders should ensure that the details are correct and legible.
5. The Bids from the Retail Individual Bidders must be for a minimum of 65 Equity Shares and in multiples of 65 Equity Shares thereafter subject to a maximum Bid Amount of Rs. 100,000.
6. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs. 100,000 and in multiples of 65 Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them should not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws and regulations.
7. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Depository Account and Bank Details

Bidders should note that on the basis of PAN of the Bidders, the name of the Bidders, Depository Participant's name, Depository Participant-identification number and beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the Bidders such as their address, bank account details for printing on refund orders or giving credit through ECS or Direct Credit, and occupation (hereinafter referred to as "Demographic Details"). These bank account details would be used for giving refunds (including through physical refund warrants, direct credit, NECS, NEFT and RTGS) or unblocking of

ASBA Account. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in despatch/credit of refunds to Bidders or unblocking of ASBA Account at the Bidder's sole risk and neither the BRLM nor our Company shall have any responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details on the Bid-cum- Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN DEMATERIALIZED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID-CUMAPPLICATION FORM. INVESTORS MUST ENSURE THAT THE NAME GIVEN ON THE BID-CUMAPPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IF THE BID-CUM-APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR ON THE BID-CUMAPPLICATION FORM.

These Demographic Details will be used for all correspondence with the Bidders including mailing of the refund orders/NECS credit for refunds/direct credit of refund/CANs/allocation advice/NEFT or RTGS for refunds and printing of Company particulars on the refund order. The Demographic Details given by Bidders in the Bid-cum-Application Form will not be used for any other purposes by the Registrar to the Issue.

By signing the Bid-cum-Application Form, the Bidder will be deemed to have authorized the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CAN would be mailed to the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get delayed if such refund orders or documents, once sent to the address obtained from the Depositories are returned undelivered. In such an event, the address and other details given by the Bidder (other than ASBA Bidder) in the Bid-cum-Application Form would be used only to ensure dispatch of refund orders. Please note that any such delay shall be at the Bidder's sole risks and neither the Escrow Collection Bank(s) nor the

BRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or pay any interest for such delay. **In case of refunds through electronic modes as detailed in this Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.**

Where no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidder's (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary's identity, then such Bids are liable to be rejected.

Equity Shares in Dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised 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 tripartite agreements have been signed among us, the respective Depositories and the Registrar to the Issue:

- (a) an agreement dated August 3, 2010 between NSDL, us and Registrar to the Issue;
- (b) an agreement dated July 21, 2010 between CDSL, us and Registrar to the Issue.

All Bidders will be allotted Equity Shares only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.
2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing in the Bid cum Application Form or Revision Form.
3. Equity Shares Allotted to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.
4. Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.
5. If incomplete or incorrect details are given under the heading 'Bidders Depository Account Details' in the Bid cum Application Form or Revision Form, it is liable to be rejected.
6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form vis-à-vis those with his or her Depository Participant.
7. It may be noted that Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.
8. The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

Bids by Non-Residents, Eligible NRIs, FIIs and FVCIs on a repatriation basis

Bids and revisions to Bids must be made:

1. On the Bid-cum-Application Form or the Revision Form, as applicable (Blue color form), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.
2. In the names of individuals, or in the names of FIIs & sub-account registered with SEBI (*other than a sub-account which is a foreign corporate or foreign individual*) or FVCIs and multilateral and bilateral development financial institutions but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.
3. In a single name or joint names (not more than three and in the same order as their Depository Participant details).

Bids by Eligible NRIs for a Bid Amount of up to Rs.1,00,000 would be considered under the Retail Portion for the purposes of allocation and Bids by Eligible NRIs for a Bid Amount of more than Rs.1,00,000 would be considered under the Non- Institutional Portion for the purposes of allocation.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only at the prevailing exchange rate and net of bank charges and/or commission. In case of Bidders who remit money through

Indian Rupee drafts purchased abroad, such payments in Indian Rupees will 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 will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE Accounts, details of which should be furnished in the space provided for this purpose on the Bid-cum-Application Form. Our Company will not be responsible for any loss incurred by the Bidder on account of conversion of foreign currency.

It is to be clearly understood that there is no reservation for Non-Residents, Eligible NRIs and FIIs and other non-resident bidders, and all such Bidders will be treated on the same basis as with other categories for the purpose of allocation.

As per the existing policy of the Government of India, OCBs cannot participate in this Issue.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, FIIs, Mutual Funds, insurance companies and provident funds with minimum corpus of Rs. 2,500 lacs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 lacs a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged with the Bid cum Application Form. Failing this, our Company reserves the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason therefor.

In addition to the above, certain additional documents are required to be submitted by the following entities:

- (a) With respect to Bids by FVCIs, FIIs and Mutual Funds, a certified copy of their SEBI registration certificate must be lodged along with the Bid cum Application Form.
- (b) With respect to Bids by insurance companies registered with the Insurance Regulatory and Development Authority, in addition to the above, a certified copy of the certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged with the Bid cum Application Form.
- (c) With respect to Bids made by provident funds with minimum corpus of Rs. 2,500 lacs (subject to applicable law) and pension funds with a minimum corpus of Rs. 2,500 lacs, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along with the Bid cum Application Form.

Our Company, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application form, subject to such terms and conditions that our Company and the BRLM may deem fit.

The above information is given for the benefit of the Bidders. Our Company, and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations. Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in this Red Herring Prospectus. Our Company, and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated above.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In case of joint Bids, all payments will be made out in favour of the Bidder whose name appears first in the Bid cum Application Form or Revision Form. All communication will be addressed to the First Bidder and will be dispatched to his or her address as per the Demographic Details received from the depository.

Multiple Bids

A Bidder should submit only one Bid (and not more than one) for the total number of Equity Shares required. Two or more Bids will be deemed to be multiple Bids if the sole or First Bidder is one and the same.

In this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications with the same name and age will be accumulated and taken to a separate process file which will serve as a multiple master document.
2. In this master, a check will be carried out for the same PAN numbers. In cases where the PAN numbers are different, the same will be deleted from this master.
3. The addresses of all these applications from the multiple master will be strung from the address master. This involves including the addresses in a single line after deleting non-alpha and non-numeric characters, i.e., commas, full stops, hashes etc. Sometimes, the name, the first line of the address and pin code will be converted into a string for each application received and a photo match will be carried out among all the applications processed. A print-out of the addresses will be made to check for common names. Applications with the same name and same address will be treated as multiple applications.
4. The applications will be scanned for similar Depository Participant's identity (DP ID) and client identity numbers. If applications bear the same numbers, these will be treated as multiple applications.
5. After the aforesaid procedures, a print-out of the multiple master will be taken and the applications physically verified to tally signatures and also father's/husband's names. Upon completion of this exercise, the applications will be identified as multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

After Bidding on an ASBA Bid cum Application Form either in physical or electronic mode, where such ASBA Bid has been submitted to the Designated Branches of SCSBs and uploaded with the Stock Exchanges, an ASBA Bidder cannot Bid, either in physical or electronic mode, on another ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form. Submission of a second Bid cum Application Form, whether an ASBA Bid cum Application Form, to either the same or to another Designated Branch of the SCSB, or a Non- ASBA Bid cum Application Form, will be treated as multiple Bids and will be liable to be rejected either before entering the Bid into the electronic bidding system, or at any point of time prior to the allocation or Allotment of Equity Shares in this Issue. However, the ASBA Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in **"-Build up of the Book and Revision of Bids"**.

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than five ASBA Bid cum Application Forms from such ASBA Bidders with respect to any single ASBA Account.

Photocopies or duplicate copies of ASBA Bid cum Application Forms downloaded and printed from the website of the Stock Exchanges bearing the same application number shall be treated as multiple Bids and are liable to be rejected.

We, in consultation with the BRLM, reserve the right to reject, in our absolute discretion, all or any multiple Bids in any or all categories.

'PAN' Number

SEBI had issued a circular directing that with effect from July 2, 2007, PAN would be the sole identifiable number for participants transacting in the securities market, irrespective of the amount of transaction. Pursuant to Item XII(B)(17)(c) of Part A of Schedule VIII to the SEBI (ICDR) Regulations, all applicants are required to disclose their PAN allotted under the I.T. Act in the Bid-cum-Application Form, irrespective of the amount of the Bid. Applications in which PAN so allotted is not mentioned would be rejected.

Therefore, irrespective of the amount of the Bid, the Bidder or in the case of a Bid in joint names, each of the Bidders should mention his/her PAN allotted under the I.T. Act. Applications without this information will be considered incomplete and are liable to be rejected. **It is to be specifically noted that Bidders should not submit the GIR Number instead of the PAN as the Bid is liable to be rejected on this ground.**

Unique Identification Number ("UIN") - MAPIN

Pursuant to circulars dated April 27, 2007 (No. MRD/DoP/Cir-05/2007) and June 25, 2007 (No. MRD/DoP/Cir-08/2007) issued by SEBI, the requirement of UIN under the SEBI (Central database

of Market Participants) Regulations, 2003 has been discontinued and irrespective of the amount of transaction, PAN has been made the sole identification number for all participants in the securities market.

Rejection of Bids

In case of QIB Bidders, our Company, in consultation with the BRLM, may reject Bids provided that the reason for rejecting the Bid shall be provided to such Bidders in writing. In case of Non-Institutional Bidders, Retail Individual Bidders and Eligible Employee, our Company will have a right to reject Bids based on technical grounds only. Consequent refunds shall be made as described in this Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk. With respect to ASBA Bids, the Designated Branches of the SCSBs shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the Bidder's bank account, the respective designated branch of the SCSB ascertains that sufficient funds are not available in the Bidder's bank account maintained with the SCSB. Subsequent to the acceptance of the ASBA Bid by the SCSB, our Company would have a right to reject the ASBA Bids only on technical grounds.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected on, inter alia, the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for. With respect to ASBA Bids, the amounts mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of the Equity Shares Bid for;;
2. Bank account details (for refund) not given;
3. Age of first Bidder not given;
4. In case of partnership firms, Equity Shares may be registered in the names of the individual partners and no firm as such shall be entitled to apply;
5. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and insane persons;
6. Bidder's PAN number is not mentioned in the Bid. It is to be specifically noted that the Bidders should not submit the GIR number instead of the PAN;
7. Bids for lower number of Equity Shares than specified for that category of investors;
8. Bids at a price less than the lower end of the Price Band;
9. Bids at a price more than the higher end of the Price Band;
10. Submission of more than five (5) ASBA Bid cum Application Forms per bank account;
11. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
12. Bids for a number of Equity Shares, which are not in multiples of 65 ;
13. Category not ticked;
14. Multiple Bids as defined in the Red Herring Prospectus;
15. In the case of a Bid under power of attorney or by limited companies, corporates, trusts etc., relevant documents are not submitted;
16. Bids accompanied by Stockinvest/money order/postal order/cash;
17. Signature of sole and/or joint Bidders missing;
18. Bid-cum-Application Form does not have the stamp of the BRLM or the Syndicate Members of the SCSB, except for ASBA Bid cum Application Forms downloaded from the websites of the Stock Exchanges, in which case the ASBA Bid cum Application Forms shall bear a unique application number;
19. Bid-cum-Application Form does not have the Bidder's depository account details or the details given are incomplete;
20. Bid-cum-Application Form is not delivered by the Bidder within the time prescribed as per the Bid-cum-Application Form and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid-cum-Application Form;
21. In case no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidders (including the order of names of joint holders), the Depository Participant's identity (DP ID) and the beneficiary account number;
22. With respect to ASBA Bids, inadequate funds in the bank account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the bank account;
23. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;
24. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
25. Bids by QIBs not submitted through the BRLM or in case of ASBA Bids for QIBs not intimated to the BRLM;
26. Bids by OCBs;

27. Bids by U.S. residents or U.S. persons other than in reliance on Regulation S or Rule 144A under the Securities Act;
28. Bids by persons who are not eligible to acquire Equity Shares of our Company under any applicable law, rule, regulation, guideline or approval, in India or outside India;
29. Bids not uploaded on the terminals of the Stock Exchanges;
30. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
31. In case the DP ID and Client ID and PAN mentioned in the Bid cum Application Form and entered into the electronic bidding system of the Stock Exchanges by the Syndicate do not match with the DP ID and Client ID and PAN available in the Settlement Depository database.
32. ASBA Applications made by using duplicate copy of ASBA Bid cum Application Form downloaded from the website of the Stock Exchanges (i.e. two ASBA Bid cum Application Forms bearing the same unique application number).

COMMUNICATIONS

All future communications in connection with Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or first Bidder, the Bid-cum-Application Form number, details of the Depository Participant, number of Equity Shares applied for, the date of Bid-cum-Application Form, the name and address of the member of the Syndicate or the Designated Branch of the SCSBs where the Bid was submitted and the cheque or draft number and issuing bank thereof or with respect to ASBA Bids, bank account number in which the amount equivalent to the Bid Amount was blocked.

Investors can contact the Compliance Officer or the Registrar to the Issue in the case of any pre-Issue or post-Issue related problems such as non-receipt of letters of allotment, credit of allotted shares in the respective beneficiary accounts, refund orders etc. In case of ASBA Bids submitted to the Designated Branches of the SCSBs, the Bidders can contact the Designated Branches of the SCSBs.

PAYMENT OF REFUND

Bidders other than ASBA Bidders should note that on the basis of the name of the Bidders, Depository Participant's name, Depository Participant identification number and beneficiary account number provided by them in the Bid-cum-Application Form, the Registrar to the Issue will obtain from the Depository the Bidder's bank account details including a nine digit Magnetic Ink Character Recognition ("MICR") code. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidder's sole risk and neither our company, the BRLM and the Syndicate members nor the Escrow Collection Banks shall have any responsibility and undertake any liability for the same.

Mode of making refunds

The payment of refund, if any, for Bidders other than ASBA Bidders would be done through various modes in the following order of preference:

1. NECS - Payment of refund would be done through NECS for applicants having an account at any of the 68 centres notified by SEBI, where clearing houses for ECS are managed by the RBI. This mode of payment of refunds would be subject to availability of complete bank account details including the nine-digit MICR code as appearing on a cheque leaf from the Depository. The payment of refund through NECS is mandatory for applicants having a bank account at any of the sixty eight (68) centres notified by SEBI, except where the applicant is otherwise disclosed as eligible to receive refunds through direct credit or RTGS.
2. NEFT – Payment of refund may be undertaken through NEFT wherever the applicant's bank has been assigned the Indian Financial System Code ("IFSC"), which can be linked to a Magnetic Ink Character Recognition ("MICR"), if any, available to that particular bank branch. The IFSC Code will be obtained from the website of the RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the applicants have registered their nine digit MICR number and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC Code of that particular bank branch and the payment of refund will be made to the applicants through this method.

3. Direct Credit - Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company.
4. RTGS - Applicants having a bank account at any of the 68 centres notified by SEBI, and whose Bid Amount exceeds Rs.10,00,000, shall have the option to receive refunds, if any, through RTGS. Such eligible applicants who indicate their preference to receive refunds through RTGS are required to provide the IFSC Code in the Bid-cum-Application Form. In the event of failure to provide the IFSC Code in the Bid-cum-Application Form, the refund shall be made through the NECS or direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit will be borne by the applicant.
5. Please note that only applicants having a bank account at any of the 68 centres notified by SEBI where clearing houses for NECS are managed by the RBI are eligible to receive refunds through the modes detailed hereinabove. For all the other applicants, including applicants who have not updated their bank particulars along with the nine-digit MICR Code, the refund orders will be dispatched "Under Certificate of Posting" for refund orders of value up to Rs.1,500 and through Speed Post/Registered Post for refund orders of Rs.1,500 and above. Some refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Mode of making refunds for ASBA Bidders

In case of ASBA Bidders, the Registrar shall instruct the relevant SCSB to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within twelve (12) working days from the Bid/Issue Closing Date.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% per annum on the excess Bid Amount received if refund orders are not dispatched within fifteen (15) days from the Bid/Issue Closing Date.

Disposal of applications and application moneys and interest in case of delay

With respect to Bidders other than ASBA Bidders, our Company shall ensure dispatch of Allotment advice, refund orders (except for Bidders who receive refunds through electronic transfer of funds) and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within two (2) working days of date of Basis of Allotment of Equity Shares.

In case of applicants who receive refunds through NECS, direct credit or RTGS, the refund instructions will be given to the clearing system within twelve (12) working days from the Bid/Issue Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within twelve (12) working days of Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund.

Our Company shall use best efforts to ensure 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 twelve (12) working days of the Bid/Issue Closing Date.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI Regulations, our Company further undertake that:

- Allotment of Equity Shares shall be made only in dematerialized form within twelve (12) working days of the Bid/Issue Closing Date; and
- With respect to Bidders other than ASBA Bidders, dispatch of refund orders or in a case where the refund or portion thereof is made in electronic manner, the refund instructions are given to the clearing system within twelve (12) working days of the Bid/Issue Closing Date would be ensured. With respect to the ASBA Bidders, instructions for unlocking of the ASBA Bidder's Bank Account shall be made within twelve (12) working days from the Bid/Issue Closing Date;

Our Company shall pay interest at 15% per annum for any delay beyond the fifteen (15) days time period as mentioned above, if Allotment is not made and 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 investors within the twelve (12) working days time prescribed above as per the SEBI (ICDR) Regulations.

Our Company will provide adequate funds required for dispatch of refund orders or allotment advice to the Registrar to the Issue.

No separate receipts shall be issued for the money payable on the submission of Bid-cum-Application Forms or Revision Forms. However, the collection centre of the Syndicate Members will acknowledge the receipt of the Bid-cum-Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid-cum-Application Form for the records of the Bidder.

Save and except refunds effected through the electronic mode, i.e., NECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as an Escrow Collection Bank and payable at par at places where Bids are received, except for Bidders who have opted to receive refunds through the ECS facility. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from the Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional Bidders and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid bids in this portion is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their demand.
- If the valid bids in this category is greater than [●] Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of 65 Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- If the valid bids in this category is less than or equal to [●] Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their demand.
- In case the valid bids in this category is greater than [●] Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis up to a minimum of 65 Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation refer below.

C. For QIB Bidders

- Upto 50% of the Net offer to the Public i.e. [●] Equity shares aggregating Rs.2510 Lacs shall be allotted to QIBs of which 5% is reserved for Mutual Funds i.e [●] Equity Shares aggregating Rs.125.50 Lacs and balance shares will be available for allocation to all QIBs including Mutual Funds on proportionate basis. However, atleast 10% of the Net Offer to the Public i.e. [●] Equity Shares aggregating Rs.502 lacs, shall be compulsorily subscribed by and allotted to Qualified Institutional Buyers (QIBs) failing which entire subscription monies shall be refunded.
- Bids received from the QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this category. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The Issue size less allocation to Non-Institutional Portion and Retail Portion shall be available for proportionate allocation to QIB Bidders who have bid in the Issue at a price that is equal to or greater than the Issue Price.
- However, eligible Bids by Mutual Funds only shall first be considered for allocation proportionately in the Mutual Funds Portion. After completing proportionate allocation to Mutual Funds for up to 5% of the Equity Shares (the Mutual Funds Portion), the remaining demand by Mutual Funds, if any, shall then be considered for allocation proportionately, together with Bids by other QIBs, in the remainder of the QIB Portion (i.e. after excluding the Mutual Funds Portion). For the method of allocation in the QIB Portion, see the paragraph titled "Illustration of Allotment to QIBs" appearing below. If the valid Bids by Mutual Funds are for less than [•] Equity Shares, the balance Equity Shares available for allocation in the Mutual Funds Portion will first be added to the QIB Portion and allocated proportionately to the QIB Bidders.
- Allotment shall be undertaken in the following manner:
 - a. In the first instance allocation to Mutual Funds for 5% of the QIB Portion shall be determined as follows:
 - i. In the event that Mutual Fund Bids exceeds 5% of the QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for up to 5% of the QIB Portion.
 - ii. In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Portion then all Mutual Funds shall get full allotment to the extent of valid bids received above the Issue Price.
 - iii. Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to all QIB Bidders as set out in (b) below;
 - b. In the second instance allocation to all QIBs shall be determined as follows:
 - i. In the event that the oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids at or above the Issue Price shall be allotted Equity Shares on a proportionate basis for up to 95% of the QIB Portion.
 - 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 QIB Bidders.
 - iii. Under-subscription below 5% of the QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

For the method of proportionate basis of allocation refer below.

Illustration of Allotment to QIBs and Mutual Funds ("MF")

A. Issue Details

Sr. No	Particulars	Issue details
1	Issue size	200 million Equity Shares
2	Allocation to QIB (not more than 50% of the Issue)	100 million Equity Shares
	Of which:	
	a. Reservation For Mutual Funds, (5%)	5 million Equity Shares
	b. Balance for all QIBs including Mutual Funds	95 million Equity Shares
3	Number of QIB applicants	10
4	Number of Equity Shares applied for	500 million Equity Shares

B. Details of QIB Bids

Sr. No	Type of QIB bidders#	No. of shares bid for (in million)
1	A1	50
2	A2	20
3	A3	130
4	A4	50
5	A5	50
6	MF1	40
7	MF2	40
8	MF3	80
9	MF4	20

10	MF5	20
	TOTAL	500

A1-A5: (QIB bidders other than MFs), MF1-MF5 (QIB bidders which are Mutual Funds)

C. Details of Allotment to QIB Bidders/ Applicants

(Number of equity shares in million)

Type of QIB bidders	Shares bid for	Allocation of 5 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 95 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	(II)	(III)	(IV)	(V)
A1	50	0	9.60	0
A2	20	0	3.84	0
A3	130	0	24.95	0
A4	50	0	9.60	0
A5	50	0	9.60	0
MF1	40	1	7.48	8.48
MF2	40	1	7.48	8.48
MF3	80	2	14.97	16.97
MF4	20	0.5	3.74	4.24
MF5	20	0.5	3.74	4.24
	500	5	95	42.42

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in the section titled "Issue Structure" beginning on page 140.
2. Out of 100 million Equity Shares allocated to QIBs, 5 million (i.e. 5%) will be allocated on proportionate basis among five Mutual Fund applicants who applied for 200 shares in the QIB Portion.
3. The balance 95 million Equity Shares [i.e. 100 - 5 (available for Mutual Funds only)] will be allocated on proportionate basis among 10 QIB Bidders who applied for 500 Equity Shares (including 5 Mutual Fund applicants who applied for 200 Equity Shares).
4. The figures in the fourth column titled "Allocation of balance 95 million Equity Shares to QIBs proportionately" in the above illustration are arrived as under:
 - (a) For QIBs other than Mutual Funds (A1 to A5)= Number of Equity Shares Bid for X 95 /495
 - (b) For Mutual Funds (MF1 to MF5)= [(No. of shares bid for (i.e., in column II of the table above) less Equity Shares allotted (i.e., column III of the table above)] X 95/495
 - (c) The numerator and denominator for arriving at allocation of 95 million Equity Shares to the 10 QIBs are reduced by 5 million shares, which have already been allotted to Mutual Funds in the manner specified in column III of the table above.

Procedure and Time of Schedule for Allotment and Demat Credit of Equity

The Issue will be conducted through a "100% book building process" pursuant to which the members of the Syndicate will accept bids for the Equity Shares during the Bidding/Issue Period. The Bidding/Issue Period will commence on September 27, 2010 and expire on September 29, 2010. Following the expiration of the Bidding/Issue Period, the Company, in consultation with the BRLM, will determine the Issue Price, and, in consultation with the BRLM, the basis of allocation and entitlement to Allotment based on the bids received and subject to confirmation by the BSE/NSE. Successful Bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The Equity Shares will then be credited and Allotted to the investors' demat accounts maintained with the relevant depository participant. The SEBI Regulations require the Company to complete the Allotment to successful Bidders including credit of shares to demand accounts, within 12 working days of the expiration of the Bidding/Issue Period. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Method of Proportionate Basis of Allotment in the Issue

In the event of the Issue being over-subscribed, the Company shall finalize the basis of Allotment in consultation with the Designated Stock Exchange. The Executive Director (or any other senior official nominated by them) of the Designated Stock Exchange along with the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner.

The Allotment shall be made in marketable lots, on a proportionate basis as explained below:

- a) Bidders will 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 shall 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) Number of Equity Shares to be allotted to the successful Bidders will 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 65 Equity Shares per Bidder, the Allotment shall be made as follows:
 - The successful Bidders out of the total Bidders for a category shall be determined by 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 shall be allotted a minimum of 65 Equity Shares.
- e) If the proportionate Allotment to a Bidder is a number that is more than 65 but is not a multiple of 1 (which is the marketable lot), the decimal would 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 would be rounded off to the lower whole number. Allotment to all in such categories would be arrived at after such rounding off.
- 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 shall be first adjusted against any other category, where the allotted shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for minimum number of Equity Shares.

Letters of Allotment or Refund Orders or instructions to Self Certified Syndicate Banks in ASBA Process

Our Company shall credit each beneficiary account with its depository participant within twelve (12) working days of the Bid/Issue Closing Date. Applicants that are residents of 68 cities where clearing houses are managed by the RBI will receive refunds through ECS only (subject to availability of all information for crediting the refund through ECS) except where the applicant is eligible to receive refunds through direct credit, NEFT or RTGS. In the case of other applicants our Company shall ensure the dispatch of refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or First Bidder's sole risk within twelve (12) working days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter (refund advice) through ordinary post informing them about the mode of credit of refund, within twelve (12) working days of the Bid/Issue Closing Date. In case of ASBA Bidders, the Registrar shall instruct the relevant SCSBs to unblock the funds in the relevant ASBA Account to the extent of the Bid Amount specified in the ASBA Bid cum Application Forms for withdrawn, rejected or unsuccessful or partially successful ASBA Bids within twelve (12) working days of the Bid/Issue Closing Date.

Our Company shall use best efforts to ensure 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 twelve (12) working days from the Issue Closure.

Interest in Case of Delay in Dispatch of Allotment Letters/Refund Orders

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI (ICDR) Regulations, our Company undertakes that:

- Allotment of Equity Shares and credit to the successful Bidder's depository accounts will be completed within twelve (12) Working Days of the Bid/Issue Closing Date;
- Our Company further agrees that it shall pay interest at 15% per annum, if Allotment is not made, refund orders are not dispatched to the applicant or if, in a case where the refund or portion thereof is made in electronic mode/manner, the refund instructions have not been given to clearing members and/or demat credits are not made to investors within the 15 day time period prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar.

Save and except refunds effected through the electronic mode, i.e., NECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on the Escrow Collection Banks and payable at par at places where Bids are received, except where the refund or portion thereof is made in electronic mode/manner. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Undertakings by the Company

We undertake as follows:

- that the complaints received in respect of this Issue shall be attended to by us expeditiously and satisfactorily;
- that all steps will be taken for the 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 within twelve (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 us;
- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within fifteen (15) days of closure of the issue, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund
- that the refund orders or allotment advice to the Non Resident indian shall be dispatched within specified time; and
- that no further issue of Equity Shares shall be made till the Equity Shares offered through this Red Herring Prospectus are listed or until the Bid monies are refunded on account of non-listing, under subscription etc.
- that adequate arrangements shall be made to collect all Applications Supported by Blocked Amount (ASBA) and to consider them similar to non-ASBA applications while finalizing the basis of allotment.

Utilisation of Issue proceeds

Our Board of Directors certifies that:

- all monies received out of issue of equity shares to public shall be transferred to separate bank account other than the bank account referred to in sub-section (3) of section 73 of the Companies Act, 1956;
- details of all monies utilised out of the issue referred to in sub-item (i) shall be disclosed and continue to be disclosed till the time any part of the issue proceeds remains unutilised under an appropriate separate head in the balance-sheet of the issuer indicating the purpose for which such monies had been utilised; and
- details of all unutilised monies out of the issue of equity shares referred to in sub-item (i) shall be disclosed under an appropriate separate head in the balance sheet of the issuer indicating the form in which such unutilised monies have been invested.

We shall not have recourse to the Issue proceeds until the approval for trading of the Equity Shares from all the Stock Exchanges where listing is sought has been received.

Restrictions on Foreign Ownership of Indian Securities

Foreign investment in Indian securities is regulated through the Industrial Policy and FEMA. While the Industrial Policy prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be

made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investments. **As per current foreign investment policies, foreign direct investment in the Cable Network Services is as under.**

Sea TV is covered under multiple sector as mentioned below under the broad head 'Broadcasting' as per the FDI policy:

Sector activity	FDI cap/Equity	Entry route	Other Conditions
Cable Network Presently engaged in Cable Networking Operations in Uttar Pradesh as Multi System Operators (MSO) and the proposed public issue of Rs. 5020.00 Lacs to be raised is to be used by Sea TV for its Cable Networking Operation in Uttar Pradesh.	Upto 49% (FDI+FII)	FIPB permission	Subject to Cable Television Network Rules (1994) notified by Ministry of Information & Broadcasting (MIB)
Up-linking a News & Current Affairs TV Channel Sea TV has got the permission from MIB for up-linking and down-linking into India, news and current affairs TV channel " Sea News " in Hindi, English and all other Indian languages (in digital mode) through the teleport of M/s Noida Software Technology Park Limited, Noida using INSAT 4A satellite for a period of 10 years and 5 years respectively. Not presently engaged.	Upto 26% (FDI+FII)	FIPB permission	Subject to guidelines issued by Ministry of Information & Broadcasting
Up-linking a Non-news & Current Affairs TV Channel Sea TV has got the permission from MIB for up-linking and down-linking into India of non-news and current affairs TV channel " Jinvani " in Hindi, English and all other Indian languages (in digital mode) through the teleport of M/s Essel Shyam Communication Limited, Noida using INSAT 4A satellite for a period of 10 years 5 years respectively. Not presently engaged.	Upto 100% (FDI+FII)	FIPB permission	Subject to guidelines issued by Ministry of information & Broadcasting

FIPB has permitted the foreign equity participation upto 26% of the paid up capital of the Company vide its letter bearing ref. no. 83(2010) /92(2010) dated August 13, 2010.

By way of Circular No. 53 dated December 17, 2003, the RBI has permitted FIIs to subscribe to shares of an Indian company in a public offer without prior RBI approval, so long as the price of equity shares to be issued is not less than the price at which equity shares are issued to residents. In our Company, as of date the aggregate FII holding cannot exceed 24% of the total issued share capital.

Subscription by Non-Residents

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States or to, or for the account or benefit of, "U.S. persons" (as defined in Regulation S under the Securities Act), except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Equity Shares are only being offered and sold outside the United States to certain persons in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

There is no reservation for any FIIs or Eligible NRIs and such FIIs or Eligible NRIs will be treated on the same basis with other categories for the purpose of allocation.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of our post-issue issued capital.

In respect of an FII investing in the Equity Shares on behalf of its sub-accounts, the investment on behalf of each sub-account shall not exceed 10% of our total issued capital. As of now, the aggregate FIIs holding in our Company cannot exceed 24% of the total issued capital of our Company.

As per the current regulations, the following restrictions are applicable for investments by SEBI registered VCFs and FVCIs:

The SEBI (Venture Capital Funds) Regulations, 1996, and the SEBI (Foreign Venture Capital Investor) Regulations, 2000, prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. Accordingly, the VCF or FVCI can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

As per the current regulations, OCBs cannot participate in this Issue.

The above information is given for the benefit of the Bidders. Our Company and the BRLM are not liable for any amendments or modification or changes in applicable laws or regulations, which may happen after the date of this Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares bid for do not exceed the applicable limits under laws or regulations. However, we shall update this Red Herring Prospectus and keep the public informed of any material changes in matters concerning our business and operations till the listing and commencement of trading of the Equity Shares.

SECTION IX- MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

1. (1) In these articles unless there by something in the subject of context :

"The Company" means **SEA TV NETWORK LIMITED.**

"The Act" means the Companies Act 1956 or any statutory modification or *re-enactment* thereof for the time being in force.

"Annual General Meeting" means a General Meeting of the Members held in' accordance with the provisions of Section 166 of the Act.

"Auditors" means and includes those persons appointed as such for the *time* being of the Company.

"Board" or Board of Directors" means a meeting of the Directors duly called and '*Board or Board* constituted or as the case may be, the Directors assembled at a Board of the *Directors* collectively.

"Capital" means the share capital for the time being raised or authorised to be raised, for the purpose of the Company.

"Debenture" includes debenture-stock.

"Directors" means the Directors for the time being of the Company, or as the case may be, the Directors assembled at a Board.

"Dividend" means bonus.

"Extraordinary General Meeting" meant an extraordinary General Meeting *of the* Members duly called and constituted and any adjourned holding thereof.

"Member" means the duly registered holder from time to time of shares of the Company and includes the subscribers to the Memorandum' of the Company.

"Meeting" or "General Meeting" means a meeting of members.

"Month" means calendar month.

"Office" means the registered office for the time being of the Company.

A resolution shall be an ordinary resolution then at a General Meeting of which the notice required under the act has been duly given, the votes cast (whether on a show of hands, or on a poll, as the case may be) in favour of the resolution (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 resolution by members so entitled and voting.

"Paid-up" includes credited as paid-up.

"Persons" includes corporation and firms as well as individuals.

"Register of Members" means the Register of Members to be kept pursuant to the Act.

"Register" means the Registrar of Companies of the State in which the office of the Company is for the time being situate.

"Secretary" means any individual possessing qualifications prescribed for the time being by any Rules made under the Act and appointed to perform the duties which may be performed by a Secretary under the Act and any other ministerial or administrative duties.

"Seal" means the common seal for the time being of the Company.

"Share" means the share in the share capital of the Company and includes stock except where a distinction between stock and share is expressed or implied.

A Resolution shall be special resolution when:

(a) the intention to propose the resolution as a special resolution has duly specified in the notice calling the General Meeting or other intimation given to the members of the resolution.

(b) the notice required under the Act has been duly given of the General Meeting; and

(c) the votes cast in favour of the resolution (whether on a show of hands or on a poll, as the case may be) by members who, being entitled to do so, vote in person, or when proxies are allowed, by proxy, are not less than three times the number of votes, if any, case against the resolution by members so entitled and voting.

"In writing" and "written" shall include printing, lithography or part printing and part lithography and any other mode or modes of representing or reproducing words in visible form.

"Year" means the calendar year and "Financial Year" shall have the meaning assigned thereto by Section 2(17) of the Act.

The words importing singular number include, where the context admits or requires, shall include the plural number and vice versa.

Words importing the masculine gender shall include the feminine gender.
The marginal notes used in these Articles shall not effect the constitution hereof.
Save as aforesaid, any words or expressions defined by the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

2. Save as reproduced herein, the regulations contained in Table 'A' in the First Schedule to the Act shall not apply to the Company.

CAPITAL AND INCREASE AND REDUCTION OF CAPITAL

3. The Authorised Share Capital of the Company is Rs 17,00,00,000/- (Rupees Seventeen Crores Only) divided into 1,70,00,000 (One Crore Seventy Lacs Only) Equity Shares of Rs 10/- (Rupees Ten Only) each.
4. The Company in General Meeting may, 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 _hares of such respective amounts as the resolution shall prescribe.
5. Except so far as is otherwise provided by the conditions of issue or by these presents, any capital raised by the creation of 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.
6. Subject to the provisions of Section 80 of the Act, the Company shall have the power to issue preference shares which are or at the option of the Company are liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption..
7. On the issue of Redeemable Preference Shares under the provisions of Article 6 hereof the following provisions shall take effect:
 - (a) no such shares shall be redeemed except out of the profits of the Company which would otherwise be available for dividend or out of the proceeds of a fresh issue of shares made for the purpose of the redemption;
 - (b) no such shares shall be redeemed unless they are fully paid;
 - (c) the premium, if any, payable on redemption must have been provided for out of the profits of the Company or the Company's Share Premium Account before the shares are redeemed;
 - (d) where any such shares are redeemed otherwise than out of the proceeds of a fresh issue, there shall, out of profits which would otherwise have been available for dividend, be transferred to a reserve fund, to be called the 'Capital Redemption Reserve Account', a sum equal to the nominal amount of the shares redeemed and the provisions of the Act relating to the reduction of the share capital of the Company shall, except as provided in Section 80 of the Act, apply as if the Capital Redemption Reserve Account were paid up share capital of the Company.
8. The Company may (subject to the provisions of Section 78, 80, 100 to 105 inclusive, of the Act) from time by Special Resolution, reduce its capital and any Capital Redemption Reserve Account or Premium Account in any manner for the time being authorised by law and in particular, capital may be paid off on the footing that it may be called upon again or otherwise. This Article is not to derogate from any power the Company would have if it were omitted.
9. Subject to the provisions of Section 94 of the Act, the Company in General Meeting may, from time to time, sub-divide or consolidate its shares, or any of them, and the resolution whereby any share is sub-divided, may determine that, as between the holders of the shares resulting from such sub-division one or more of such shares shall have some preference or special advantage as regards dividend, capital or otherwise over or as compared with the other or others. Subject as aforesaid, the Company in General Meeting may also cancel shares which 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.
10. Whenever the capital, by reason of the issue of Preference Shares or otherwise, is divided into different classes of shares, a!1 or any of the rights and privileges attached to each class may, subject to the provisions of Section 106 and 107 of the Act, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any person purporting to contract on behalf of that class, provided such agreement is ratified in writing by holders of at least three-fourth in nominal value of the issued shares of the class or is confirmed by a special resolution passed at a separate

General Meeting of the holders of shares of that class.

SHARES AND CERTIFICATE

11. The Company shall cause to be kept a register and index of members in accordance with Sections 150 and 151 of the Act. The Company shall be entitled to keep in any State or Country outside India a Branch Register of Members resident in that State or Country.
12. The shares in the capital shall be numbered progressively according to their several denominations and except in the manner herein before mentioned no share shall be sub-divided. Every forfeited or surrendered share shall continue to bear the number by which the same was originally distinguished.
13. (a) Where at any time after the expiry of two years from the 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) the Board decides to increase the capital of the Company by the issue of new shares then, subject to any direction to the contrary which may be given by the Company in General Meeting and subject to those directions, 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 those shares at that date and such offer shall be made by a notice specifying the number of shares offered and limiting a time not being less than fifteen days from the date of the offer after which the offer, if not accepted, will be deemed to have been declined. 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, if he declines to accept the shares offered, the Board may dispose them off in such manner as it thinks most beneficial to the Company. Provided that option or right to call of any shares shall not be given to any person except with the sanction of the Company in General Meeting.
(b) Notwithstanding anything contained in the preceding sub-clause, the Company may:
(i) by a special resolution;. or
(ii) where no such Special 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 proxies, exceed the votes, if any, cast against the proposal by members so entitled and voting and the Central Government if satisfied, on an application made by the Board in this behalf that the proposal is most beneficial to the Company; offer further shares to any person or persons, and such person or persons may or may not include the persons who at the date of the offer are the holders of the equity shares of the Company.
(c) Notwithstanding anything contained in sub-clause (a) above, but subject, however, to Section 81 (3) of the Act, the Company may increase its subscribed capital on exercise of an option attached to debentures issued or loans raised by the Company to convert such debentures or to subscribe for shares in the Company.
14. Subject to the provisions of these Articles and of the Act, the shares (including and shares forming part of any increased capital of the Company) shall be under the control of the Board of Directors; who may allot or otherwise dispose off the same to such persons in such proportion on such terms and conditions and at such times as the Board of Directors think fit and subject to the sanction of the Company in General Meeting with full power, to give any person the option to call for or be allotted shares of any class of the Company either (subject to the provisions of Sections 78 and 79 of the Act) at a premium or at par or at a discount and such option being exercisable for such time and for such consideration as the Directors think fit. The Board shall cause to be filed in returns of allotment as provided for in Section 75 of the Act.
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 determine that any shares, whether forming part of the original capital or of any increased capital of the Company, shall be offered to such persons (whether members or not) in such proportions and on such terms and conditions and either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at a par or at a discount as General Meeting shall determine and with full power to give any person (whether a member or not) the option to call or be allotted shares of any class of the Company either (subject to compliance with the provisions of Section 78 and 79 of the Act) at a premium or at par or at a discount, such option being exercisable at such times 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, removal of difficulty in apportionment of shares or disposal of any shares.
16. Any application signed by or on behalf of any applicant for shares in the Company, followed by an allotment of any share herein shall be an acceptance of shares within the meaning of these Articles;

and every person who thus or otherwise accepts any shares and whose name is on the Register shall for the purpose of these Articles be a member.

17. The money (if any) which the Board shall on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any shares allotted by them, shall immediately on the inscription of the name of the allottee in the Register of Members as the name of the holders of such shares become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by him accordingly.
18. Every member, or his heirs, executors or administrators, shall pay to the Company the portion of the capital represented by the share or shares which may, for the time being, remain unpaid thereon, in such amounts at such time or times, and in such manner as the Board shall from time to time in accordance with the Company's Regulations, require or fix for the payment thereof..
19. (a) Every Member or Allottee of Shares shall be entitled without payment, to receive one Certificate specifying the name of the person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificate shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupons of requisite value, save in cases of issues against letters of acceptance or of renunciation or in cases of bonus share. Every such certificate shall be issued under the seal of the Company, which shall be affixed in the presence of two Directors or persons acting on behalf of the Directors under a duly registered power of Attorneys and the Secretary or some other person appointed by the Board for the purpose, and two Directors or their attorney and the Secretary or other person shall sign the Share Certificate. Particulars of every Share Certificate issued shall be entered in the Register of Members against the name of the person to whom it has been issued, indicating the date of issue.
 - (b) Any two or more joint allottees of a share shall for the purpose of this Article, be treated as a single member, and the certificate of any share, which may be the subject of joint ownership, may be delivered to anyone of such joint owners on behalf of all of them. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding Rupee One. The Company shall comply with the provisions of Section 113 of the Act.
 - (c) Subject to the provisions of Companies (Issue of Share Certificate) Rules; 1960 a Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the director shall be, responsible *for* the safe custody of such machine, equipment or other material used *for* the purpose.
 - (d) No *fee* shall be charged *for* sub-division and consolidation of Shares and Debenture Certificates and *for* sub-division of Letters of Allotment and split, consolidation, renewal and pucca transfer receipts into denomination corresponding to the market units of trading; *for* sub-division of renounceable letters of right *for* issue of new certificates in replacement of those which are old, decrepit or worn out, or where the cages on the reverse *for* recording transfers have been fully utilised. Provided that the Company may charge such *fees* as may be agreed by it with the Stock Exchange with which its shares may be enlisted for the time being.
20. (a) No Certificate of any share or shares shall be issued either in exchange *for* those which are sub-divided or consolidated or in replacement of those which are defaced, torn or old, worn out or where the cages on the reverse *for* recording transfers have been duly utilised, unless the certificate in lieu of which it is issued is surrendered to the Company.
 - (b) When a new share certificate has been issued in pursuance of clause (a) of this Article, it shall state on the *face* of it and against the stub or counterfoil to the effect that it is "issued in lieu of Share Certificate No.....sub divided/replaced on consolidation of shares".
 - (c) If a Share Certificate is lost or destroyed, a new Certificate in lieu thereof shall be issued only with the prior consent of the Board and on such terms, if any, . as to evidence and indemnity as to the payment of out of pocket expenses :incurred by the Company in investigating evidence, as the Board thinks fit.
 - (d) When a new Share Certificate has been issued in pursuance of clause (c) of this Article, it shall state on the *face* of it and against the stub or counterfoil to the effect that it is "duplicate issued in lieu of Share Certificate No..... ". The word "duplicate" shall be stamped or punched in bold letters across the *face* of the Share Certificate.
 - (e) Where a new share certificate has been issued in pursuance of clause (a) or clause (c) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate

Certificate indicating against the names of the persons to whom the certificate is issued, the number and date of issue of the share certificate in lieu of which new certificate is issued, and the necessary changes indicated in the Register of Members by suitable cross reference in the "Remarks" column.

- (f) All Blank Forms to be issued for Share Certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The Blank Forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may appoint for the purpose; and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
 - (g) The Managing Director of the Company for the time being or, if the Company has no Managing Director, every Director of the Company shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates except the blank forms of share certificates referred to in sub-Article (t),
 - (h) All books referred to in sub-Article (g) shall be preserved in good order permanently,
- 21. If any Share stands in the names of two or more persons, the persons first names in the Register shall, as regards receipt of dividends or bonus or service or notices and all or any other matter connected with the Company, except voting at meetings, and the transfer of the shares, be deemed to be the sole holder thereof but the joint holders of a share shall be severally as well as jointly liable for the payment of all instalments and calls due in respect of such shares and for all incidents thereof according to the Company's Regulations,
 - 22. Except as ordered by a Court of Competent Jurisdiction or as by law required, the Company shall not be bound to recognize 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 a share other than an absolute right thereto, in accordance with these Articles, in the person from time to time registered as the 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 or the survivor of them.
 - 23. None of the funds of the Company shall be applied in the purchase of any Shares of the Company, and it shall not give any financial assistance for or in connection with the purchase or subscription of any Shares in the Company or in its Holding Company, save as provided by Section 77 of the Act.

UNDERWRITING AND BROKERAGE

- 24. Subject to the provisions of Section 76 of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe (whether absolutely or conditionally) for any Shares or Debentures in the Company, or procuring, or agreeing to procure Subscriptions (whether absolute or conditional) for any Shares or Debentures in the Company but so that the commission shall not exceed in the case of shares five percent of the price at which the shares are issued and in the case of Debentures two and a half percent of the price at which the shares are issued. Such commission may be satisfied by payment of cash or by allotment of Fully or Partly Paid Shares or Partly in one way and partly in the other.
- 25. The Company may pay a reasonable sum for brokerage.

INTEREST OUT OF CAPITAL

- 26. Where any Shares are issued for the purpose of raising money to/defray the expenses for the construction of any work or building, or the provision of any plant, which cannot be made profitable for a lengthy period, the Company may pay interest, on so much of that Share Capital as is for the time being paid up, for the period, at the rate and subject to the conditions and restrictions provided by Section 208 of the Act and may charge the same to Capital as apart of the cost of construction of the work or building or the provisions of plant.

CALLS

- 27. The Board may, from time to time, subject to the terms on which any Shares may have been issued and subject to the conditions of allotment, by a Resolution passed at a Meeting of the Board (and not by circular resolution) make such calls as it thinks fit upon the members in respect of all moneys unpaid on the shares held by them respectively and each member shall pay the amount of every call so made on him to the person or persons and at the times and places appointed by the Board. A call may be made payable by instalments.
- 28. Thirty days' notices in writing of any call shall be given by the Company specifying the time and place of payment and the person or persons to whom such call shall be paid.

29. A call shall be deemed to have been made at the time when the Resolution authorising such call was passed at a Meeting of the Board.
30. A call may be revoked or postponed at the discretion of the Board.
31. The Joint-Holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
32. The Board may, from time to time at its discretion, extend *the* time fixed for the payment of any call, and may extend such time as to all or any of the members who from residence at a distance or other cause, the Board may deem fairly entitled to such extension but no member shall be entitled to such extension save as a matter of grace and favour.
33. If any Member fails to pay any call due from him, on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board, not exceeding nine percent per annum, but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such member.
34. Any sum, which by the terms of issue of a share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the share or by way of premium shall, for the purposes of these Article, be deemed to be a call duly made and payable on the date on which by the terms of issue the same become payable, in case of non-payment all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
35. On trial or hearing of any action or suit brought by the Company against any member or his representatives for the recovery of any money 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, appears entered on the Register of Members as the holder, at or subsequent to the date at which the money is sought to be recovered or is alleged to have become due on the shares in respect of which such money is sought to be recovered, and that the resolution making the call is duly recorded in the Minutes Book; and that notice of such call was duly given to the member or his representative in pursuance of these Articles; and that it shall not be necessary to prove the appointment of the Directors who made such call, nor that a quorum of Directors was present at the Board at which any call was made, 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.
36. Neither the receipt by the Company of a portion of any money which shall from time to time be due from any member to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
37. (a) The Board may, if it thinks fit, agree to and receive from any member willing to advance the same, all or any part of the amounts of the respective shares beyond the sums actually called up and upon the moneys so paid in advance, or upon 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 the shares on account of which such advances are made, the Board may pay or allow interest, at such rate as the member paying the sum in advance and the Board agree upon. The Board may agree to repay at any time an amount so advanced or may at any time repay the same. Provided that moneys paid in advance of calls on any shares may carry interest but shall not confer a right to dividend or to participate in profits.
(b) 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.

LIEN

38. The Company shall have a first and paramount lien upon all the shares (other than fully paid up shares) registered in the name of each member (whether solely or jointly with others) and upon the proceeds of sale thereof, for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such shares, and no equitable interest in any shares shall be created except upon the footing and upon the condition that Article 22 hereof is to have full effect. Any such lien shall extend to all dividends from time to time declared in respect of such shares. Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares.
39. For the purpose of enforcing such lien, the Board may sell the shares, subject thereto, in such manner as they think fit, and for that purpose, may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their number to execute a transfer thereof on behalf of and in the

name of such member. No sale shall be made until such period .as aforesaid shall have arrived, and until notice in writing of the intention to sell shall have been served on such member or his representatives and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen days after such notice.

40. The net proceeds of any such sale shall be received by the Company and applied in or towards payment of such part of the amount in respect of which the lien exists as is presently payable and the residue, if any, shall (subject to a like lien for sums not presently payable, as existed upon the shares before the same) be paid to the persons entitled to the shares at the date of the sale.

FORFEITURE OF SHARES

41. If any Member fails to pay any call or instalment on or before the day appointed for the payment of the same, the Board may at any time thereafter during such time as the call or instalment remains unpaid, serve a notice on such member 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.
42. The Notice shall name a day (not being less than fourteen days from the date of service of the notice) and a place at which such calls or instalments and such interest and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment of or before the time and at the place appointed, the shares in respect of which such call was made or instalment is payable will be liable to be forfeited.
43. If the requisition of ahy such notice as aforesaid be not complied with any shares in respect of which such notice has been given may at any time thereafter before payment of all calls or instalments, interest and expenses due in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture.
44. When any Share shall have been so forfeited, notice of the resolution 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 but not forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make such entry as aforesaid.
45. Any share so forfeited shall be deemed to be the property of the 'Company and may be sold, re-allotted, or otherwise disposed off either to the original holder)hereof or to any other person, upon such terms and in such manner as the Board think fit.
46. (a) Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to
- pay and shall forthwith pay to the Company all calls, instalments, interest and expenses, owing upon or in respect of such shares at the time of the forfeiture together with interest at 12 (Twelve) percent per annum, and the Board may enforce the payment thereof if it thinks fit.
- (b) The forfeiture of a share shall involve the extinction of all interest in and also of all claims and demands against the Company in respect of the share and all other rights incidental to the share, except only such of those rights as by these Articles are expressly saved.
47. A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that certain shares in the Company have been duly forfeited on a date stated as against all persons claiming to be entitled to the shares.
48. Upon any sale in the case of forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Board may appoint some person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the register in respect of the shares sold and purchaser shall not be bound to see to the regularity of the proceedings nor to the application of the purchase money and after his name has been entered in the register in respect of such share the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
49. Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate 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 distinguishing it or them in such manner as they may think fit from the old certificate or certificates.
50. The Board may at any time before any share is so forfeited, shall have been sold, re-allotted or

otherwise disposed off, Annual the forfeiture thereof upon such conditions as it thinks fit.

TRANSFER AND TRANSMISSION OF SHARES

51. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particulars of every transfer or transmission of any share.
52. The a common Instrument of Transfer shall be used which shall be in writing and all the provisions of Section 108 of the Act shall be duly complied with in respect of all transfers and the registration thereof.
53. (i) The Instrument of Transfer duly stamped and executed by the Transfer and the Transferee shall be delivered to the Company in accordance with the provisions of the Act. The Instrument of Transfer shall be accompanied by such evidence as the Board may require to prove the title of Transferor and his right to transfer the shares and every registered Instrument of Transfer shall remain in the Board. The transferor shall be deemed to be the holder of such shares until the name of the Transferee shall have been entered in the Register of Members in respect thereof. Before the registration of a transfer the certificate or certificates of the shares must be delivered to the Company.

(ii) An application for the registration of a transfer of shares may be made either by the transferor or by the transferee, but when the application is made by the transferor and relates to partly paid shares the transfer shall not be registered, unless the Company gives notice of the application to the transferee by pre-paid registered post at the address given in the instrument and the transferee makes no objection to the transfer within two weeks from the receipt of the notice, provided that such notice shall be deemed to have been duly delivered at the time at which it would have been delivered in the ordinary course of post.
54. The Board shall have power of giving not less than. seven days' previous notice by advertisement in a newspaper circulating in the district in which the registered office of the Company is situated to close the transfer books, the register of members or register of debenture holders at such time or times and for such period or period, not exceeding in the aggregate forty-five days in each year, as it may deem expedient.
55. Subject to the provisions of Section 111 of the Act, the Board may, within two months from the date on which the instrument 'of transfer was delivered to the Company, refuse to register any transfer of a share upon which the Company has a lien and in the case of shares not fully paid up may refuse to register a transfer to a transferee of whom they do not approve provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any person or persons indebted to the Company on any account whatsoever unless the Company has a lien on the shares.
56. (i) Where, in the case of Partly Paid Shares, an application for registration is made by the transferor, the Company shall be given notice of the application to the transferee in accordance with the provisions of Section 110 of the Act.
(ii) If the Board refused, whether in pursuance of Articles 55 or otherwise, to register the transfer of, or the transmission by the operation of law, or the right to any share, the Company shall, within two months from the date of which the instrument of transfer or the intimation of such transmission, as the case may be, was lodged with the Company, send to the transferee and the transferor or the person giving intimation of such transmission, as the case may be, notice of the refusal.
57. In the case of the death of anyone or more of the persons named in the Register of Members as the joint-holders of any shares, the survivor or survivors shall be the only persons recognised 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 jointly with any other person.
58. The Executors or Administrators or Holders of a Succession Certificate or the Legal Representatives of a Deceased Shareholder (not being one or 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 member and the Company shall not be bound to recognise such executors or administrators or holders of succession Certificate or the legal representatives unless they shall have first obtained probate or Letters of Administration or Succession Certificate or other legal representation as the case may be, from a duly constituted court in the Union of India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of Probate or Letters of Administration or the Board, in its absolute discretion, may think necessary and under the next Article

register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased member as a member.

59. No share shall be transferred to an insolvent or person of unsound mind.
60. Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any member or by any lawful means other than by transfer in accordance with these Articles may, with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he purports to act under these Articles or of his title as the Board think sufficient: either be registered himself as the holder of the shares or elect to have some person nominated by him and approved by the Board registered as such holder; provided, nevertheless, that if such person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.
61. A person entitled to a share by transmission shall, subject to the right of the Directors to retain such dividends, or money as hereinafter provided, be entitled to receive and may give a discharge for any dividends or other money payable in respect of the share.
62. No fee shall be payable to the Company, in respect of the transfer or transmission of any shares in the Company.
63. The Company shall incur no liability or responsibility whatsoever 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 right, title or interest to or in the said shares, 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, 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 at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.

COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

64. Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 39 of the Act shall be sent by the Company to every member at his request within seven days of the request on payment of the sum of Rupee one for each copy.

BORROWING POWERS

65. Subject to the provisions of Section 58A, 292 and 293 of the Act, the Board may, from time to time at its discretion by a resolution passed at a meeting of the Board, accept deposits from members either in advance of calls or otherwise and generally meant of any sum of (sums of money for the purposes of the Company. 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 purposes) the Board shall not borrow such moneys without the consent of the Company in General Meeting. .
66. The payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit and in particular by the resolution passed at a meeting of the Board (and not by circular resolution) by the issue of debentures or debenture stock of the Company charged upon all or any part of the property of the Company (both present and future) including its capital for the time being and debentures, debenture stock and other securities may be made assignable free from any equalities between the Company and the person to whom the same may be issued.
67. Any Debentures, Debenture Stock or other Securities may be issued at a discount, premium or otherwise and subject to the provisions of the Act may be issued on condition that they shall be convertible into shares of any denomination and with any privileges or conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, 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 accorded by a Special Resolution.
68. The Board shall cause a proper Register to be kept in accordance with the provisions of Section 143 of the Act of all mortgages, debentures and charges specifically affecting the property of the Company;

and shall cause the requirements of Sections 118, 125 and 127 to 144 (both inclusive) of the Act in that behalf to be duly complied with, so far as they fail to be complied with by the Board.

69. The Company shall, if at any time it issued Debentures, keep a register and Index of Debenture holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or Country outside India a Branch Register of Debenture-holders resident in that State or Country.

CONVERSION OF SHARES INTO STOCK AND RE-CONVERSION

70. The Company in General Meeting may convert the paid up shares into Stock, and when any shares shall have been converted into Stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interest in the same manner and subject to which the same regulations, as and subject to which shares from which the stock arise, might have been transferred, if no such conversion had taken place, or as near thereto as circumstances will admit. The Company may at any time reconvert any stock into paid up shares of any denomination.
71. 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 g-up) shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

MEETING OF MEMBERS

72. The Company shall in every year hold a General Meeting as its Annual General Meeting in addition to any other meetings in that year. All General Meetings other than Annual General Meetings shall be held within eighteen months from the date of incorporation of the Company and the next Annual General Meeting shall be held within six months after the expiry of the financial year in which the first Annual General Meeting was held and thereafter an Annual General Meeting of the Company shall be held within six months after the expiry of each financial year, provided that not more than fifteen months shall lapse between the date of one Annual General Meeting and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar, under the provisions of Section 166 (1) of the Act, to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called for a time during business hours on a day that is not a public holiday and shall be held at the office of the Company or at some other place within the city in which the office of the Company is situated as the Board may determine and the notice calling the meeting shall specify it as the Annual General Meeting. The Company may in any Annual General Meeting fix the time for its subsequent Annual General Meetings. 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. At every Annual General Meeting of the Company there shall be laid on the table the Director's Report and Audited Statements of accounts, auditor's report (if not already incorporated in the Audited Statement of Accounts) the Proxy register with proxies and the register of Director's Shareholdings which later register shall remain open and accessible during the continuance of the meeting. The Board shall cause to be prepared the Annual List of Members, summary of the Share Capital, Balance Sheet and Profit and Loss account and forward the same to the register in accordance with Section 159, 161 and 220 of the Act.
73. The Board may, however it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition in writing by any member or members holding in the aggregate not less than one-tenth of such of the paid up capital as at that date carried the right of voting in regard to the matter in respect of which the requisition has been made.
74. Any valid requisition so made by members must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the office provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
75. Upon the receipt of any such requisition, the Board shall forthwith call an Extraordinary General Meeting, and if they do not proceed within twenty-one days from the date of the requisition being deposited at the office to cause a meeting to be called later than forty-five days from the date of deposit of the requisition, The requisitionists or such of their number 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 such of the paid-up shares capital of the Company as is referred to in Section 169 (4) of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three

months from the date of the delivery of the requisition as aforesaid.

76. Any meeting called under the foregoing Articles, by the requisitionists shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board.
77. Twenty-one days' notice at least of every General Meeting, Annual or Extraordinary, and by whomsoever called, specifying the day, place and hour of meeting, and the general nature of the business to be transacted thereat, shall be given in the manner hereinafter provided, to such persons as are under these Articles entitled to receive notice from the Company. Provided that in the case of an Annual General Meeting with the consent in writing of all the members entitled to vote thereat holding not less than ninety five percent [95%] or such part of the paid up share capital of the Company as gives a right to vote at the meeting, a meeting may be convened by a shorter notice. In the case of an Annual General Meeting if any business other than : (i) the consideration of the Accounts, Balance Sheets and Reports of the Board of Directors and Auditors, (ii) the declaration of Dividend, (iii) the appointment of Directors in place of those retiring, (iv) the appointment of and fixing the remuneration of the Auditor, is to be transacted and in the case of any other meeting there shall be annexed to the notice of the meeting a statement setting out all the material facts concerning each such item of business including in particular the nature of the concern or interest, if any, therein of every Director and the Manager, if any. Where any such item of special business relates to or affects to or affects any other Company the extent of shareholding interest in that other Company of every Director and the Manager, if any, of the Company shall also be set out In the statement, if the extent of such share holding interest is not less than twenty percent of the paid-up share capital of the other Company. Where any item of business consists of the according of approval to any document by the meeting, the time and place where the documents can be inspected shall be specified in the statement aforesaid.
78. The accidental omission to give any such notice as aforesaid to any of the members, or the non-receipt thereof shall not invalidate any resolution passed at any such meeting.
79. 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 upon which it was convened.
80. Five members present in person shall be a quorum for a General Meeting.
81. A Body Corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 187 of the Act
82. If at the expiration of half an hour from the time appointed for holding a meeting of the Company, a quorum shall not be present, the meeting, if convened by or upon the requisition of members, shall stand dissolved but in any other case the meeting shall stand adjourned to the same day in the next succeeding week which is not a public holiday at the same time and place or to such other day and at such other time and place as the Board may determine and if at such adjourned meeting a quorum is not present at the expiration of half an hour from the time appointed for holding the meeting, members present shall be a quorum and may transact the business for which the meeting was called.
83. The Chairman of the Board shall be entitled to take the Chair at every General Meeting, Annual or Extraordinary. If there be no such Chairman of the Directors or if at any meeting he shall not be present within ten minutes of the time appointed for holding such meeting or shall decline to take the Chair, then any other Director present thereat shall be entitled to take the Chair and the members present shall elect another Director as Chairman and if no Director be present or if all the Directors present decline to take the Chair, then the members present shall elect one of their member to be the Chairman.
84. No business shall be discussed at any General Meeting except election of a Chairman; whilst the chair is vacant.
85. The Chairman with the consent of the meeting may and shall if so directed by the meeting, adjourn any meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
86. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the show of hands) ordered by the Chairman or demanded by at least five members having the right to vote on the resolution and present in person or by proxy or 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 not less than one tenth of the total voting power in respect of the resolution or on which an aggregate sum of not less than fifty thousand rupees has been paid.

87. In the case of an equality of votes the Chairman shall, both on a show of hands and at a poll (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a member.
88. If poll is demanded as aforesaid the same shall, subject to Article 73, be taken at such time (not later than forty-eight hours from the time when demand was made) and place and either by open voting or by ballot as the Chairman shall direct and either at once or after an interval or adjournment or otherwise and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.
89. Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes 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 scrutineer arising from such removal or from any other cause.
90. Any poll duly demanded on the election of a Chairman of a meeting or on any question of adjournment shall be taken at the meeting forthwith.
91. The demand for a poll, except on the questions of the election of Chairman and of an adjournment, shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.

VOTES OF MEMBERS

92. No Member shall be entitled to vote either personally or by proxy for another member at any General Meeting or meeting of a class of shareholders either upon a show of hands or upon poll 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 any right of lien and has exercised the same.
93. Subject to the provisions of these Articles and without prejudice to any special *Members entitled* privileges or restriction as to voting *for* the time being attached to any class of shares *for* the time being forming part of the capital of the Company, every member not disqualified by the last preceding Article shall be entitled to be present, and to speak and vote at such meeting and on a show of hands every member present in person shall have one vote and upon a poll the voting right of every member present in person or by proxy shall be in proportion to his share of the paid up equity share capital of the Company, provided however, if any preference shareholder be present at any meeting of the Company, save as provided in clause (b) of sub-section (2) of Section 87, he shall have a right to vote only on resolutions placed before the meeting which directly affect the rights attached to his preference shares.
94. 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.
95. A member of unsound mind, or in respect of whom an 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 who may on a poll, vote by proxy; if any member be a minor the vote in respect of his share shall be by guardian or any of his guardians, to be selected in case of dispute by the Chairman of the meeting.
96. If there be joint registered holders of any shares, anyone of such persons may vote at any meeting or may appoint another person (whether a member or not) as his proxy in respect of such shares, as if he were solely entitled thereto but the proxy so appointed shall not have any right to speak at the meeting and, if more than one of such joint-holders be present at any meeting, that one of the said persons so present whose name stands higher on the Register shall alone be entitled to speak and to vote in respect of such shares, but the other or others of the joint-holders shall be entitled to be present at the meeting. Several executors or administrators of a deceased member in whose name shares stand shall *for* the purpose of these Articles be deemed joint-holders thereof.
97. 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 187 of the Act and such representative shall be entitled to exercise the same rights and powers (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.
98. Any person, entitled under Article 61 to transfer any share, may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least 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 right to transfer such share

and give such indemnity (if any) as the Directors may require or the Directors shall have previously admitted his right to vote at such meeting in respect thereof.

99. Every proxy (whether a member or not) shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation, under the common seal of such corporation to be signed by an officer or any attorney duly authorised by it, and any committee or guardian may appoint such proxy. The proxy so appointed shall not have a right to speak at the meeting.
100. Any instrument of proxy may appoint a proxy either *for* the purpose of a particular meeting specified in the instrument and adjournment thereof or it may appoint *for* the purpose of every meeting of the Company or of every meeting to be held before a date specified in the instrument and every adjournment of any such meeting.
101. A member present by proxy shall be entitled to vote only on a poll.
102. The instrument appointing a proxy and the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of that power or authority shall be deposited at the office not later than forty eight hours before the time *for* holding the meeting at which the person named in the instrument proposes to vote, and in default the instrument or proxy instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution.
103. Every instrument of proxy whether for a specified meeting or otherwise shall, as nearly as circumstance will admit, be in any of the forms set out in Schedule IX of the Act.
104. A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death or insanity of the principal, or revocation of the proxy or of any power of attorney under which such proxy as signed, or the transfer of the shares in respect of which the vote is given, provided that no intimation in writing of the death or insanity, revocation or transfer shall have been received at the office before the meeting.
105. No objection shall be made to the validity of any vote, except at any meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
106. 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 the poll shall be the sole judge of the validity of every vote tendered at such poll.
107. (1) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within thirty days of the conclusion of every such meeting concerned, entries thereof in books kept for the purpose with their pages consecutively numbered.
- (2) Each page of every such book shall be initialed or signed and the last page of the record of proceeding of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for the purpose.
- (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (5) All appointments of Officers made at any meeting aforesaid shall be included in the minutes of the meeting.
- (6) Nothing herein contained shall require or be deemed to require the inclusion in any such minutes of any matter whatsoever and in particular a matter which in the opinion of the Chairman of the meeting (a) is or could reasonably be regarded as defamatory of any person, or (b) is irrelevant or immaterial to the proceedings, or (c) is detrimental to the meeting; and the Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the aforesaid grounds or otherwise.
- (7) Any such minutes shall be evidence of the proceedings recorded therein.
- (8) The book containing the minutes of proceedings of General Meeting shall be kept at the office of the Company and shall be open during business hours, for such periods not being less in the aggregate than two hours in each day as the Directors determine, for the inspection of any member without charge.

DIRECTORS

108. Until otherwise determined by a General Meeting of the Company and subject to the provisions of Section 252 of the Act, the number of Directors (including Debenture and Alternate and Nominee Directors, if any) shall not be less than three and more than twelve.
109. The first Directors of the Company will be :
- | | |
|--------------------------|--------------------|
| 1. Mr. NEERAJ JAIN | 2. Mr. PANKAJ JAIN |
| 3. Mr. AKSHAY KUMAR JAIN | 4. Mrs. SONAL JAIN |

5. Mrs. CHHAYA JAIN

110. Notwithstanding anything to the contrary contained in the articles the Board of Directors shall have power to enter into an agreement that so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Life Insurance Corporation of India (LIC), The Industrial Credit and Investment Corporation of India Limited (ICICI), Industrial Finance Corporation of India (IFCI), UNIT trust of India (UTI), The General Insurance Corporation (GIC) and its subsidiaries or to any other Central or State Financial Corporation or body out of any loans granted by them to the Company or so long as IDBI, LIC, ICICI, IFCI, UTI and GIC or any other Central or State Finance Corporation or Credit Corporation or any other financing Company or body (which ICICI, LIC, IDBI, IFCI, UTI and GIC or any other Central or State Finance Corporation or Credit Corporation or any other financing Company or body is hereinafter in this Article referred to as "the Corporation") continue to hold shares/debentures in the Company by direct subscription/private placement or as a result of any underwriting obligation or as a result of conversion of loans/ debentures, or so long as any guarantee given by the Corporation in respect of any financial obligation or commitment of the Company remains outstanding the corporation shall have a right to appoint, from time to time, any person or persons as a Director (which Director or Directors is/are hereinafter referred to as "Nominee Directors") on the Board of the Company and to remove from such office any person/ persons so appointed and to appoint any person/persons in his or their places. The Board of Directors of the Company shall have no power to remove from office the Nominee Directors.

AT the option of the Corporation, such Nominee Directors shall not be required to hold any qualification share in the Company. Also at the option of the Corporations, such Nominee Directors shall not be liable to retirement by rotation. Subject as aforesaid the Nominee Directors shall be entitled to the same rights and privileges and be subject to the same obligations as any other Director of the Company.

The Nominee Directors so appointed shall hold the said office only so long as any moneys remain owing by the Company to the Corporation or so long as the Corporation hold shares/debenture's in the Company as a result of direct subscription or private placement or as a result of conversion of the loans/debentures or as a result of any underwriting obligation or so long as any guarantee given by the Corporation in respect of any financial obligation or commitment by the Company remains outstanding. The Nominee Director so appointed in exercise of the said

power shall ipso-facto vacate his office immediately the money owing by the Company. to the Corporation is paid off or on the corporation ceasing to hold debentures/ shares in the guarantee.

The Company shall pay to the Nominee Director(s) sitting fees and expenses to which the other Directors of the Company are entitled, but if any other fees, commission, monies or remuneration in any form is payable to the Directors of the Company, the fees, commissions, monies and remuneration in relation to such Nominee Director(s) shall accrue to the Corporation and same shall accordingly be paid by the Company directly to the Corporation. Any expenses that may be incurred by the Corporation or such Nominee Director(s) in connection with their appointment or directorship shall also be paid or reimbursed by the Company to the Corporation or, as the case may be, to such Nominee Director(s).

Provided that if any such Nominee Director(s) is an officer of the Corporation the sitting fees, in relation to such Nominee Director(s) shall also accrue to the Corporation and the same shall accordingly be paid by the Company directly to the Corporation.

Provided also that in the event of Nominee Director(s) being appointed as Wholetime Director(s), such Nominee Director(s) shall exercise such powers and duties as may be approved by the Corporation and have such rights as are usually exercised or available to a Wholetime Director, in the management of the affairs of the Company. Such Nominee Director(s) shall be entitled to receive such remuneration, fees, commissions and monies as may be approved by the Lenders.

111. (a) It is provided by the Trust Deed, securing or otherwise in connection with any issue of debentures of the Company, that any person or persons shall have power to nominate a Director or the Company, then in the case of any and every such issue of debentures, the person or persons having such power' may exercise such power from time to time and appoint a Director according to the Deed. Any Director so appointed is herein referred to as Debenture Director. A Debenture Director may be removed from office at any time by the person or persons in whom

for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares.

- (b) The Board may appoint an Alternate Director to Act for a Director (hereinafter) called "the Original Director" during his absence for a period of not less than three months from the State in which he meetings of the Board are ordinarily held. An alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to that State. If the term of office of the Original Director is determined before he so return to that State, any provisions in the Act or in these Articles for the Automatic re-appointment of any retiring Director in default of another appointment shall apply to the Original Director and not to the Alternate Director.
- 112. Subject to the provisions of Sections 260 and 264, the Board shall have power at any time and from time to time to appoint any other qualified person to be an additional Director, but so that the total number of Directors shall not at any time exceed the maximum fixed under Article 109. Any such additional Director shall hold office only upto the date of the next Annual General Meeting.
- 113. Subject to the provisions of Sections 264 and 284 the Board shall have power at any time and from time to time to appoint any other qualified person to be a Director to fill a casual vacancy. Any person so appointed shall hold office only upto the date upto which the Director in whose place he is appointed would have held office if it had not been vacated by him.
- 114. A Director shall not be required to hold any share qualification.
- 115. (1) Subject to the provisions of the Act, a Managing Director or Director who is in the whole time employment of the Company may be paid remuneration either by way of a monthly payment or at a
 - a specified percentage of the net profit of the Company or partly by one way and partly by the other.
 - (2) Subject to the provisions of the Act, a Director who is neither in the whole time employment nor a Managing Director may be paid such remuneration as may be approved by the Board.
 - (3) A Director shall be paid a sitting fee not exceeding a sum prescribed under Section 310 of the Act for each meeting of the Board of Directors or any committee thereof attended by him.
- 116. The Board may allow and pay to any Director, who is not a bonafide resident of the place where the meetings of the Board are ordinarily held and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation or for traveling, boarding, lodging and other expenses, in addition to his fee for attending such meeting as above specified, and if any Director be called upon to go or reside out of the ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed any traveling or other expenses incurred in connection with business of the Company.
- 117. The continuing Directors may act notwithstanding any vacancy in their body but if, and so long as their number is reduced below the minimum number fixed by Article 108 hereof, the continuing Directors, not being less than three, may act for the purpose of increasing the number of Directors to that number or for summoning a General Meeting but of no other purpose.
- 118. Subject to Sections 283 (2) and 314 of the Act, the office of a Director shall become vacant if:
 - (a) he is found to be of unsound mind by a court of the Competent jurisdiction; or
 - (b) he applied to be adjudicate an insolvent; or
 - (c) he is adjudged an insolvent; or
 - (c) he fails to pay any call made on him in respect of shares of the Company held by him, whether alone or
 - (d) jointly with others, within six months from the date fixed for the payment of such call unless the Central Government has by notification in the official Gazette removed the disqualification incurred by such failure; or
 - (e) he absents himself from three consecutive meetings of the Directors or from all meeting of the Directors for a continuous period of three months, whichever is longer, without leave of absence from the Board; or
 - (f) he becomes disqualified by an order of the court under Section 203 of the Act; or
 - (g) he is removed in pursuance of Section 284; or (h) he (whether by himself or by any person for his benefit on his account) or any firm in which he is a partner or any private Company of which is a Director, accepts a loan, or any guarantee or security for a loan, from the Company ij] contravention of Section 299 of the Act; or
 - (i) he acts in contravention of section 299 of the Act; or
 - 0) he is convicted by court of an offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than six months; or

- (k) 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; or
 - (I) he resigns his office by a notice in writing addressed to the Company.
119. (1) A Director or his relative, a firm in which such Director or relative is a partner or any other partner in such firm; or a private Company of which the Director is a member or Director may enter into any contract with the Company for the purchase or supply of any goods, materials with the Company or for the same, purchase or supply of any goods, materials or services or for underwriting the subscription of any shares in, or debentures of the Company, provided that if the paid-up share capital of the Company is not less than Rs one crore, no such contract shall be entered into except with the prior approval of the Government of India and the sanction of the Board shall be obtained before or within three months of the date on which the contract is entered into in accordance with the provisions of Section 297 of the Act and provided that in case the paid-up capital of the Company is Rs one crore or more no such contract shall be entered into except with the prior approval of the Central Government.
- (2) No sanction shall; however; . be necessary for:
- (a) Any purchase of goods and materials from the Company, or the sale of goods or materials to the Company, by any such Director, relative, firm, partner or private Company as aforesaid for cash at prevailing market prices;
 - or
 - (b) any contract or contracts between the Company on one side, any such director, relative, firm, partner or private company on the other, for sale, purchase or supply of any goods, materials and services in which either the Company or the Director, relative, firm, partner or private Company, as the case may be, regularly trades or does business, where the value of the goods and materials or the cost of such services does not exceed Rs 5,000/- in the aggregate in any year comprised in the period of the contract or contracts.

Provided that in circumstances of urgent necessity a Director, relative, firm, partner or private Company as aforesaid may without obtaining the consent of the Board enter into any such contract with the Company for sale, purchase or supply .of any goods, materials or services even if the value of such goods, or the cost of such services exceed Rs 5,000/- in the aggregate in any year comprised in the period of the contract if the consent of the Board shall be obtained to such contract or contracts at a meeting within three months of the date on which the contract was entered into.

120. A Director of the Company who is in anyway, 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 shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 299 (2) of the Act;
121. A General Notice given to the Board by a Director, to the effect that he is Director or member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice be entered into with that body corporate or firm, shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for a further period of one financial year at a time by a fresh notice given in the last month of financial year in which it is given would have expired. No such general notice, and no renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.
122. No Director shall, as a Director, take any part in the discussion of or vote on any contract or arrangements entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote and if he does vote, his vote shall be void; provided, however, that nothing herein contained shall apply to :
- (a) any contract of indemnity against any loss which the Directors, or anyone or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
 - (b) any contract or arrangement entered into or to be entered into with a public Company or a private Company which is a subsidiary of a public Company in which the interest of the Director consists solely;
 - (i) In his being:

(a) a director of such Company, and

(b) the holder of not more than shares of such number of value therein as a requisite to qualify him for

appointment as a Director thereof, he having been nominated as such Director by the Company, or

(ii) In his being a member holding not more than two percent of its paid up share capital.

123. The Company shall keep a Register in accordance with Section 301 (1) and shall within the time specified in sections 301 (1) and 301(2) therein such of the particulars as may be relevant having regard to the application thereto of Section 297 or Section 299 of the Act as the case may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notices have been given by him under Article 123. The Register shall be kept at the office of the Company and shall be open to inspection at such office, and extracts may be taken there from and copies thereof may be required by any member of the Company to the same extent, in the same manner and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 163 of the Act shall apply accordingly.
124. A Director may be or become a Director of any Company promoted by the Company or in which it may be interested as a vendor, shareholder or otherwise and no such Director shall be accountable or any benefits received as Director or shareholder of ' such Company except in so far as Section 309 (6) or Section 314 of the Act may be applicable.
125. At every Annual General Meeting of the Company, one third of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three the number nearest to one-third shall retire from office.
126. Subject to Section 256 (2) of the Act, the Directors to retire by rotation under Article 128 at every Annual General Meeting shall be those who have been longest in office since their last appointment but as between persons who became Directors on the same day those who are to retire shall, in default of and subject to an agreement among themselves, be determined by lot.
127. A retiring Director shall be eligible for re-appointment.
128. Subject to Section 258 of the Act, the Company at a General Meeting at which a Director retires in manner aforesaid may fill up the vacated office by electing a person thereto.
129. (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and or if that day is a public holiday, till the next succeeding day which is not, a public holiday, at the same time and place.
- (b) If at the adjourned meeting also, the place of the retiring Directors not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been re-appointed at the adjourned meeting unless:
- 0) at the meeting or at the previous meeting resolution for the re-appointment of such Director has been put to the meeting and lost;
- (ii) the retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so re-appointed;
- (iii) he is not qualified or is disqualified for appointment;
- (iv) a resolution, whether special or ordinary, is required for the appointment or re-appointment by virtue of any provisions of the Act, of
- (v) the provision to sub-section (2) of Section 263 of the Act is applicable to the case.
130. Subject to Section 259 of the Act the Company may, by ordinary resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may (subject to the provisions of Section 284 of the Act) remove any Director before the expiry of his period of office and appoint another qualified person in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.
131. (1) Subject to the provisions of the Act and these Articles, any person who is not a retiring Director shall be eligible for appointment to the office of Director at any General Meeting unless he or some member intending to propose him has not less than fourteen days before

the meeting, left at the office of the Company a notice in writing under his hand signifying his candidature for the office of Director or the intention of such member to propose him as a candidate for that office, as the case may be, along with a deposit of five hundred rupees which shall be refunded to such person or as the case may be, to such member, if he succeeds in getting elected as a Director.

- (2) Every person (other than a Director retiring by rotation or otherwise or a person who has left at the office of the Company a notice under Section 257 of the Act signifying. his candidature for the office of a Director) proposed as a candidate for the office of a Director shall sign and file with the Company, the consent in writing to act as a Director, if appointed.
 - (3) A person other than a Director re-appointed after retirement by rotation or immediately on the expiry of his term of office, or an additional or alternate Director, or a person filling a casual vacancy in the office of a Director under Section 262 of the Act, appointed as a Director of re-appointed as an additional or alternate Director, immediately on the expiry of his term of office, shall not act as a Director of the Company, unless he has within thirty days of his appointment signed and filed with the Registrar his consent in writing to act as such Director.
132. (a) The Company shall keep at its Office a Register containing the particulars of its Directors, Managing Agent, Managers, Secretaries and other persons mentioned in Section 303 of the Act, and shall otherwise comply with the provisions of the said Section in all respects.
- (b) The Company shall maintain in respect of each of its office Register, as required by Section 307 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.
133. (a) Every Director (including a person deemed to be a Director by virtue of the explanation to sub-section (1) of Section 303 of the Act); Managing Director, Manager or Secretary of the Company shall within twenty days of the appointment to any or the above offices in any other body corporate, disclose in the Company the particulars relating to his office in the other body corporate which are required to be specified under sub-section (1) of Section 303 of the Act.
- (b) Every Director and every person deemed to be a Director of the Company by virtue of sub-section (10) of Section 307 of the Act, shall give notice to the Company of such matters relating to himself as may be necessary for the purpose of enabling the Company to comply with the provisions of that Section.

MANAGING DIRECTOR

134. The Board of Directors may from time to time, appoint any body as Managing Director of the Company on such terms and remuneration or otherwise as the Company in general meeting may deem fit.
135. All the powers of the Board of Directors as laid down in the Articles and the Companies Act, except those which the Board of Directors can not delegate, shall vest in and shall be exercised by the Managing Director only.
136. The Managing Director may delegate any of his powers to any other Directors/ Director in case of necessary/urgency subject to the approval of the Board of Directors.
137. The Managing Director is fully empower to appoint and dismiss any member of the staff, employees, workers. He is also authorised to appoint agents, dealers, commission agents. He is authorised to make payments, sign cheques, endorse hundies, cheques, to execute documents on behalf of the Company, to make agreement, to take loans, to issue receipt, to sign vouchers, to sanction papers, to manage the affairs of the Company, to file suits in the courts of law. To negotiate, withdraw suits where necessary, to report affairs of the Company to the Board of Directors, to call meeting, to issue notices and agenda for meeting, to purchase assets, office equipments etc..
138. The Managing Director so appointed may be paid such remuneration as may be fixed by the Board of Directors from time to time, subject to Sections 314,309,310, 199, 269, read with Schedule XIII_of the Companies Act, 1956.

PROCEEDINGS OF THE BOARD OF DIRECTORS

139. The Directors may meet together at a Board for the dispatch of business from time to time, and shall so meet at least once in every three months and at least four such meetings shall be held in every

year. The Director may adjourn and otherwise regulate their meeting as they think fit.

140. Notice of every meeting of the Board shall be given in writing to every Director for the time being in India and at his usual address in India to every other Director.
141. Subject to Section 287 of the Act, the quorum for a meeting of the Board shall be one-third of its total strength excluding Directors, if any, whose places may be vacated 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 exceeds or is equal to two-third of the total strength of 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.
142. If a meeting of the Board could not be held for want of a quorum then the meeting shall automatically stand adjourned to such other date and time (if any) as may be fixed by the Chairman not being later than seven days from the date originally fixed for the meeting.
143. The Secretary shall, as and when directed by the Directors to do so convene a meeting of the Board by giving a notice in writing to every other Director.
144. Questions arising at Meetings of the Board of Directors or a Committee thereof shall be decided by a majority of votes and in the case of an equality of votes, the Chairman shall have a second or casting vote.
145. A meeting of a Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, power and discretions which by or under the Articles of the Company are for the time being vested in or exercisable by the Board generally.
146. Subject to the restriction contained in Section 292 of the Act, the Board may delegate any of their powers to Committee of the Board consisting of such Member or Members of its body as it thinks fit and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes but every committee of the Board so formed shall in the exercise of the powers so delegated conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such committee of the Board in conformity with such regulations and in fulfillment of the purpose of their appointment but not otherwise, shall have the like force and effect as if done by the Board.
147. The Meeting 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 meeting and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulations made by the Directors under the last preceding Article.
148. No resolution shall be deemed to have been duly passed by the Board or by a committee thereof by circulation, unless the resolution has been circulated in draft, together with the necessary papers, if any, to all the Directors, or to all the members 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, as their usual address in India and has been approved by such of the 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.
149. All acts done by any meeting of the Board or by a Committee of the Board or by any person acting as Director shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been 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 and had not vacated his office or his appointment had not been terminated; provided that 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.
150.
 - (1) The Company shall cause minutes of all proceedings of every meeting of the Board and Committee thereof to be kept by making within thirty days of the conclusion of every such meeting entries thereof in a book kept for that purpose with their pages consecutively numbered.
 - (2) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
 - (3) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.

- (4) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
 - (5) All appointments of officers made at any of the meetings aforesaid shall be included in the minutes of the meeting.
 - (6) The minutes shall also contain:
 - (a) the names of the Directors present at the meeting; and
 - (b) in the case of each resolution passed at the meeting, the names of the Directors, if any, dissenting from, or not concurring in the resolution. .
 - [7] Nothing contained in sub-clauses (1) to (6) shall be deemed to require in the inclusion of any such minutes of any matter which in the opinion of the Chairman of the meeting:
 - (a) is or could reasonably be regarded by defamatory or any person;
 - (b) is irrelevant or immaterial to the proceedings; or
 - (c) is detrimental to the interest of the Company.

The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in this , sub-clause.
 - (8) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
151. The board may exercise all such powers of the Company and do all such acts and things as are not, by the Act or any other Act or by the Memorandum or by the Articles of the Company required to be exercised by the Company in General Meeting, subject nevertheless to these Articles, to the provisions of the Act, or any other Act and to such regulations being not inconsistent with the aforesaid regulations or provisions, as may be prescribed by the Company in General Meeting nor shall invalidate any prior act of the Board which would have been valid if that regulation had not been made, provided that the Board shall not, except with the Company in General Meeting:
- (a) sell, lease or otherwise, dispose off the whole, or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking;
 - (b) remit or give time for the repayment 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 considerable time;
 - (d) borrow moneys 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 free reserves, that is to say, reserves not set apart for any specific purpose. Provided further that the powers specified in Section 292 of the Act shall, subject to these Articles, be exercised only at a meeting of the Board, unless the same be delegated to the extent therein stated; 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 twenty-five thousand rupees or five percent of its average net profit as determined in accordance with the provisions of Section 349 and 350 of the Act during the three financial years immediately preceding whichever is greater.
152. 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 Article, it is hereby declared that the Directors shall have the following powers, that is to say, powers :-
- (1) To pay the costs, charges and expenses preliminary and incidental to the promotion, formation, establishment and registration of the Company.
 - (2) To pay and charge to the capital account of the Company any commission or interest lawfully payable thereon under the provisions of Sections 76 and 208 of the Act.
 - (3) Subject to Sections 292, 297 and 360 of the Act to purchase or otherwise acquire for the Company and 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 to 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 apply for any property, rights or privileges acquired 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 or with such shares issued either as fully paid or with such amount credited as paid up thereon as may be agreed upon, and any such bonds, debentures, mortgages or other securities may be either specially 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, as far as may be permissible by law, a surrender of his shares or any part thereof, on such terms and conditions as shall be agreed.
- (7) To appoint any person to accept and hold in trust for the Company any property belonging to the Company in which it is interested, or for any other purposes; and to execute and do all such deeds and things as may be required in relation to any 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 or 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 and perform any awards made thereon.
- (9) To act on behalf of the Company in all matters relating to bankrupts and insolvents.'
- (10) To make and give receipts, releases and other discharges for moneys payable to the Company and for the claims and demands of the Company.
- (11) Subject to the provisions of the Sections 292,295,369,370, and 372 of Act, to invest and deal with any money of the Company not immediately required for the purposes thereof upon such security (not being shares of this Company) or without security and in such manner they may think fit, and from time to time to vary or realise such investment. Save as provided in Section 49 of the Act, all investment shall be made and held in the Company's own name.
- (12) To execute in the name and on behalf of the Company in favour of any Director or other person who may incur any personal liability whether as principal or surety, for the benefit of the Company, such mortgages of the Company's property (present and future) as they think fit, and any such mortgage may contain a power of sale and agreements as shall be agreed upon.
- (13) To determine from time to time who shall be entitled to sign, on the Company's behalf, notes, receipts, acceptances, endorsement, cheques, dividend warrants, releases, 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 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 part of the 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 their wives, widow and families or the dependents or connection of such persons, by building or contributing to the building of house, dwelling or chawls, or by grants of money, pensions, gratuities, allowances, bonus or payments or by creating and from time to time subscribing or contributing to provident and other associations, institutions, funds or trusts and by providing or subscribing or contributing towards places of instructions and recreations, hospitals and dispensaries, medical and other attendance and assistance as the Board shall think fit, and to subscribe or contribute or otherwise to assist or to guarantee to any charitable, benevolent, religious, scientific, national or other claim to support or aid by the Company either by reason of locality of operation, or of 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 to Depreciation Fund, or to an insurance Fund or as a Reserve Fund or Sinking Fund or any Special Fund to meet contingencies or to repay debentures or debenture stock, or for special dividends or for equalizing dividends or for repairing, extending, and maintaining any of the property of the Company and for such other purpose (including the purposes referred to in the preceding as the Board may, in their absolute discretion, think, conducive to the Interest of the Company, and subject to Section 292 of the Act, to invest the several sums to set aside of so much thereof as is required to be invested upon such investment (other than shares of the Company) as they may think fit, and from time to time to deal with and very much investments and disposal an 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 interest 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 money of the Company might rightly be applied or expended; and to divide the 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 and with full power to employ the assets constituting all or any of the assets constituting any of the above funds, including the depreciation fund, in the business of the Company or in the purchase or repayment of debentures or debenture-stock and without being bound to keep the same separate from the other assets from other assets and without being bound to pay interest on 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 rate as the Board may think proper.

- (17) To appoint, and their discretion remove or suspend such general manager, managers, secretaries, assistants, supervisors, clerks, agents and servants for permanent, temporary or special services as they may from time to time think fit, and to determine their powers and duties, and fix their salaries or emoluments or remuneration, and to require security in such instances and for such amount as they may think fit, and also from time to time provide for the management and transaction of the affairs of the Company in any specified locality in India or elsewhere in such manner as they think fit, and the provisions contained in the four following sub-clauses shall be without prejudice to the general powers conferred by this sub-clause.
- (18) To comply with the requirements of any local law which in the opinion it shall, in the interests of the Company, be necessary or expedient to comply with.
- (19) From time to 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 persons to be members of such local boards, and to fix their remuneration.
- (20) Subject to the section 292 of the Act, from time to time and at any time delegate to any person so appointed any of the powers, authorities and discretions for the time being vested in the Board, other than their power to make calls or to make loans or borrow moneys, and to authorize the members for time being of any such local Board, or any of them, to fill up any vacancies therein. Any such appointment or delegation may be made on such terms and subject to such condition as the Board may think fit, and the Board may at any time remove any person so appointed, and may Annual or very any such delegation.
- (21) At any 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 authorized 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 any appointment may (if the Board thinks fit) to make in favour of the members or any of the members of any local boards, established as aforesaid or in favour of any Company or the shareholders, Directors, nominees or managers of any Company or firm 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 of Attorney may contain such powers for the protection or convenience of persons dealing with such Attorney as the Board may think fit, and may contain powers enabling any such delegates or attorney as aforesaid to sub-delegate all or any of the powers, authorities and discretions for the time being vested in them.
- (22) Subject to Sections 294 and 297 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.
- (23) From time to time to make, vary and repeal by-laws for the regulation of the business of the Company, its officers and servants.

MANAGEMENT

153. The Company shall not appoint or employ at the same time more than one of the following categories of managerial personnel, namely,
 - (a) Managing Director and
 - (b) Manager.

THE SECRETARY

154. The board may from time to time appoint or remove the secretary. Where the Board comprises of only three Directors, neither of them shall be the Secretary. The Board may also at any time appoint any person or persons (who need not be the secretary) to keep the registers required to be kept by the Company.

THE SEAL

155. (a) The board shall provide a Common Seal for the purpose of the Company, and shall have power from time to time to destroy the same and substitute a new seal in lieu thereof, and the Board shall provide for the safe custody of the seal for the time being, and the seal shall never be used except by the authority of the Board or a Committee of the Board previously given.
- (b) The Company shall also be at liberty to have an official Seal in accordance with section 50 of the Act, for use in any territory, district or place outside India.
- (c) Every deed or other instrument to which the Seal of the Company is required to be affixed shall, unless the same is executed by a duly constituted attorney, be signed by two Directors or one director and Secretary or some other person appointed by the Board for the purpose; provided in respect of the Share Certificates, the seal shall be affixed in accordance with Article 19 (a).

DIVIDENDS

156. The profits of the Company, subject to the provisions of Sections 205 to 208 of the act and subject to any special rights relating thereto created or authorized to be created by these Articles, shall be divisible among the members in proportion to the amount of capital paid up or credited as paid up on the shares held by them respectively.
157. The Company in General Meeting may declare dividends to be paid to members according to their respective rights, but no dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may declare a smaller dividend.
158. (1) No Dividend shall be declared or paid otherwise than out of profits of the financial year arrived at after providing for depreciation in accordance with the provisions of Section 205 of the Act or out of the profits of the Company for any previous financial year or years arrived at after providing for depreciation in accordance with these provisions and remaining undistributed or out of both; provided that:
- (a) If the Company has not provided for depreciation for any previous financial year or years it shall, before declaring or paying a dividend for any financial year, provide for such depreciation out of the profits of the financial year or out of the profits of any other previous financial year or years.
- (b) If the Company has incurred any loss in any previous financial year or years the Amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which dividend is proposed to be declared or paid or against the profits of the Company for any previous financial year or years arrived at in both cases after providing for depreciation in accordance with the provisions of sub: section (2) of Section 205 of the Act, or against both.
- (c) That there shall be no forfeiture of unclaimed dividends before the claim is barred by law.
- (2) Notwithstanding anything contained in sub-article (1) hereof, no dividend shall be declared or paid by the Company for any financial year out of the profits of the Company for the year arrived at after providing for depreciation in accordance with the provisions of section 205 except after the transfer to the reserves of the Company of such percentage of its profits for that year, not exceeding ten percent, as may be prescribed for the time being by any Rules made under the Act.
- (3) Nothing in sub-article (1) hereof shall be deemed to prohibit the voluntary transfer by the Company of a higher percentage of its profits to the reserves in accordance with the Rules, if any, made by the Central Government in this behalf under the Act.
159. The declaration of the Board as to the amount of net profits of the Company shall be conclusive,

subject to the provisions of the Act.

160. (a) The Board may, from time to time, pay to the members such interim dividend as in their judgment the position of the Company justifies.
- (b) Where capital is paid in advance of calls, such capital may carry interest but shall not in respect thereof confer a right to dividend or participation in profits.
161. (a) 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 period in respect of which the dividend is paid; but if any Share, is issued on terms providing that it shall rank for dividend as from a particular date, such share shall rank for dividend accordingly.
- (b) The board may retain the dividends payable upon shares in respect of which any person is under Article 61 entitled to become a member or which any person under that Article is entitled to transfer, until such person shall become a member, in respect of such shares or shall duly transfer the same.
162. Anyone of several persons who are registered as the joint holders of any share may give effectual receipts for all dividends or bonus and payment on account of dividends or bonus or other moneys payable in respect of such shares.
163. No members shall be entitled to receive payment of any interest or dividends in respect of his share Of shares or otherwise howsoever, either along or jointly with any other person or persons; and the Board may deduct from the interest or dividends payable to any member all sum of money so due from him to the Company.
164. A transfer of shares shall not pass the right to any dividend declared thereon before the registration of the transfer.
165. Unless otherwise directed, any dividend may be paid by the cheque or warrant by a pay slip or receipt having the force of a cheque or warrant sent through the post to the registered address of the member or person entitled or in case of joint- holders to that one of them first named in the register in respect of the joint- holdings. Every such cheque or warrant shall be made payable to the order of the person to whom it is sent. That 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 by the forged endorsement of any cheque or warrant or the forged signature on any pay slip or receipt or the fraudulent recovery of the dividend by any other mean.
166. The unclaimed/unpaid dividend shall bear interest as against the Company. All unclaimed dividends shall be dealt in accordance with the provisions of Sections 205-A and 205-B of the Act.
167. Any General Meeting declaring a dividend may on the recommendation of the Directors make a call on the members of such amount as the meeting fixes, but so that a call on each member shall not exceed the dividend payable to him and so that the call is made payable at the same time as the dividend; and the dividend may, if so arranged between the Company and the member, be set off against the calls.

CAPITALIZATION

168. (a) The Company in General Meeting may resolve that any moneys, investments or other assets forming part of the undivided profits of the Company standing to the credit of the Reserve Fund or any Capital Redemption Reserve Account, or in the hands of the Company and available for dividend (or representing premium received on the issue of shares and standing to the credit of the Share Premium Account) be capitalized and distributed amongst such of the shareholders as would be entitled to receive the same if distributed by way of dividend and in the same proportions on the footing that they become entitled thereto as capital and that all or any part of such capitalized fund be applied on behalf of such shareholders in paying up in full either at par or at such premium as the resolution may provide, any unissued shares or debentures of the Company which shall be distributed accordingly or in or towards payment of the call liability or any issued shares or debentures and that such distribution or payment shall be accepted by such shareholders in full satisfaction of their interest in the said capitalised sum, provided that a Share Premium Account and a Capital Redemption Reserve Account may, for the purposes of this Article, only be applied in the paying of any unissued shares to be issued to members of the Company as fully paid bonus shares.
- (b) A General Meeting may resolve that any surplus moneys arising from the realization of any capital assets of the Company, or any investments representing the same or any other undistributed profits of the Company, not subject to charge for income tax, be distributed among the members on the footing that they receive the same as capital.
- c) For the purpose of giving effect to any resolution under the preceding paragraph of this

Article, the Board may settle any difficulty which may arise in regard to the distribution as it thinks expedient and in particular may issue fractional certificates, and may fix the value for distribution of any specific assets, and may determine that such cash payment shall be made in to any member upon the footing of the value so fixed or that fraction of less value that Rs. 10/- may be disregarded in order to adjust the rights of all parties, and may vest any such cash or specific assets, in trustees upon such trusts for the person entitled to the dividend or capitalized fund as may seem expedient to the Board. Where requisite, a contract shall be delivered to the Registrar for registration in accordance with Section 75 of the Companies Act, 1956, and the Board may appoint any person to sign such contract on the behalf of the persons entitled to the dividend or capitalized fund, and such appointment shall be effective.

ACCOUNTS

169. (1) The Company shall keep at the office or at such other place in India as the Board thinks fit, proper books of Accounts in accordance with Section 209 of the Act with respect to :
- (a) all sums of money received and expended by the Company and the matters in respect of which the receipts and expenditure take place.
 - (b) all sales and purchases of the goods by the Company.
 - (c) the assets and liabilities of the Company.
- (2) Where the Board decides to keep all or any of the Books of Account at any place other than the office of the Company, the Company shall within seven days of the decision file with the Registrar a notice in writing giving the full address of that other place.
- (3) The Company shall preserve in good order the Books of Accounts relating to a period of not less than eight years preceding the current year together with the Vouchers relevant to any entry in such books of account.
- (4) Where the Company has a branch office, whether in or outside India, the Company shall be deemed to
- have complied with this Article if proper Books of Account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns, made up to date at intervals of not more than three months, are sent by the branch office to the Company at its office or other place in India, at which the Company's Book of Account are kept as aforesaid.
- (5) The Books of Account shall give a true and fair view of the state of the affairs of the Company or a branch office, as the case may be, and explain its transactions. The Books of Account and other books and papers shall be open to inspection by any Director during business hours.
170. The Board shall from time to time determine whether and to what extent and at what time and places and under what condition or regulations the accounts and books of the Company or any of them shall be open to the inspection of the members not being Directors and no member (not being a Director) shall have any light of inspecting any accounts of book or document of the Company except as conferred by law or authorized by the Board.
171. The Directors shall from time to time, in accordance with Section 210, 212, 215, 216, 217, and 221 of the Act, cause to be prepared and to be laid before the Company in Annual General Meeting such Profits and Loss Accounts, Balance Sheet and report as are referred to in those Sections. '
172. (1) A copy of every such Profit and Loss Account and Balance Sheet (including the Auditors' Report and
- every other document required by law to be annexed to the Balance Sheet) shall, at least twenty-one days before the meeting at which the same are to be laid before the members, be sent to the members of the Company, to trustee for the holders of the debentures issued by the Company, whether such member or trustee is or not entitled to, have notice of General Meeting of the Company sent to him, and to all persons other than such members or trustees, being persons so entitled.
- (2) In case the shares of the Company are listed on a Recognised Stock Exchange, the provisions of clause (1) above shall not be applicable, if the provisions of clause (b) (iv) to the provision to section 219(1) of the Act are complied with.
- (3) Notwithstanding anything to the contrary contained in these Articles, the Profit and Loss Account and Balance Sheet and Directors Report maybe amended at any time with the

consent of the Company accorded by a Special Resolution.

AUDIT

173. Auditors shall be appointed and their rights and duties regulated in accordance with Section 224 to 233 of the Act.
174. The first Auditor or Auditors of the Company shall be appointed by the Board within one month of the date of registration of the Company and the Auditor or Auditors so appointed shall hold office until the conclusion of the first Annual General Meeting, provided that the Company may, at a General Meeting, remove any such Auditor or all of such Auditors and appoint in his or their place any other person or persons who have been nominated for the appointment by any member of the Company and of whose nomination notice has been given to the members of the Company not less than fourteen days before the date of the Meeting, provided further that if the board fails to exercise its powers under this Article, the Company in General Meeting may appoint the first Auditor or Auditors.

DOCUMENTS AND NOTICE

175. (1) A document or notice may be sent or given by the Company on any member or an officer thereof either personally or by sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, within India supplied by him to the company for serving of documents or notice on him.
- (2) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a member has intimated to the Company in advance that document or notice should be sent to him under certificate of posting or by registered post with or without acknowledgement due and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall not be deemed to be effected unless it is sent in the manner intimated by the member and such service shall be deemed to have been effected in the case of a notice of a meeting at the expiration of notice of a meeting at the expiration of notice is posted and in any other case, at the time at which the letter would be delivered in the ordinary course of post.
176. A document or notice advertised in a newspaper circulating in the neighbourhood of the office shall be deemed to be duly served or sent On the day on which the advertisement appears on or to every member who has no registered address in India and has not supplied to the Company any address within India for the service of documents on him or the sending of notices to him.
177. A document or notice may be served or given by the Company on or to the joint holders of a share by serving or giving the document or notice on or to the joint holder named first in the Register of members in respect of the share.
178. A document or notice may be served or given by the Company on the persons entitled to a share in consequence of the death or insolvency of a member by sending it through the post in a prepaid letter addressed to him by name or by the title of representative of the deceased, assignee of the insolvent or by any like description at the address (if any) in India supplied for the purpose by the person claiming to be so entitled or (until such an address had been so supplied) by serving the document or notice in any manner in which the same might have been given if the death or insolvency had not occurred.
179. Documents or notice of every General Meeting shall be served or given in the same manner hereinbefore authorized on or to (a) every member (b) every person entitled to a share in consequence of the death or insolvency of a member and (c) the auditor or auditors for the time being of the Company.
180. Every person who, by operation of law or other means whatsoever, shall name and address being entered on the person from *served on previous holders* whom he derives his title to such share.
181. Any document or notice to be served or given by the Company may be signed by a Director or some other person duly authorized by the Board for such purpose and the signature may be written, printed or lithographed.
182. All Documents or notices to be served or given by member to the Company or any officer thereof shall be served or given by sending them to the Company or officer at the office by the post under a certificate of posting or by registered post or by leaving it at the office.

WINDING UP

183. The liquidator on any winding up (whether voluntary, under supervision or compulsory) may, with the sanction of a special resolution but subject to the rights attached to any preference share capital,

divide among the contributories in specie any part of the assets of the Company and may, with the like sanction, vest any part of the Company in trustees upon such trusts for the benefit of the contributories as the -"liquidator, with the like sanction, shall think fit.

INDEMNITY AND RESPONSIBILITY

184. Subject to the provisions of Section 210 of the Act, every officer or Agent for the time being of the Company shall be indemnified out of the funds of the Company against all liability incurred by him in defending any proceedings, whether civil or criminal, in which judgement is given in his favour or in which, he is acquitted or discharged or in connection with any application under Section 633 of the Act in which relief is granted to him by the court.

SECRECY

185. (a) Every Director, Manager, Auditor, Treasurer, Trustee, Member of a Committee, Officer, Servant, Agent, Accountant or other person employed in the business of the Company shall, if so required by the Directors, before entering upon his duties, sign a declaration pledging himself to observe strict secrecy respecting all transactions and affairs of the Company with the customers and the state of the accounts with individuals and in matters relating thereto, and shall be such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by law or by the persons to whom such matters relate and except so far as may be necessary in order to comply with any of the provisions in these presents contained.
- (b) No member shall be entitled to visit or inspect any works of the Company without the permission of the Directors or to require discovery of or any information respecting any details of the Company's trading, or any matter which may relate to the conduct of the business of the Company and which in the opinion of the Directors, it would be Inexpedient in the interest of the Company to disclose.

SECTION X- OTHER INFORMATION

MATERIAL CONTRACTS & DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by the Company or contracts entered into more than two years before the date of the RHP) which are or may be deemed material have been entered or to be entered into by the Company. These contracts, copies of which have been attached to the copy of the Red Herring Prospectus will also be delivered to the Registrar of Companies, Uttar Pradesh and Uttarakhand, Kanpur for registration and also the documents for inspection referred to hereunder, may be inspected at the Registered Office of our Company, from 10.00 a.m. to 4.00 p.m. on working days from the date of the Red Herring Prospectus until the date of closure of the Issue.

MATERIAL CONTRACTS

1. Memorandum of Understanding between our Company and the BRLM.
2. Memorandum of Understanding between our Company and Registrar to the Issue i.e. M/s Link Intime India Private Limited.
3. Escrow Agreement dated [●] between our Company, BRLM, Escrow Collection Bank, Syndicate Members and the Registrar to the Issue.
4. Underwriting Agreement dated [●] between our Company, BRLM, the members of the Syndicate and the Registrar to the Issue.
5. Syndicate Agreement dated [●] between the Company, BRLM, and the members of the Syndicate.

DOCUMENTS FOR INSPECTION

1. The Memorandum and Articles of Association of our Company, as amended from time to time.
2. Certificate of Incorporation of the Company dated May 21, 2004.
3. Copy of the resolution passed at the meeting of the Board of Directors held on November 03, 2008 and copy of Resolution passed by the shareholders of our company at the Extra Ordinary General Meeting passed under Section 81(1A) dated December 01, 2008.
4. The report of, the Statutory Auditors, M/s Surendra G & Co, dated August 14, 2010 prepared as per Indian GAAP and Statement of Possible Tax Benefits Certificate dated August 16, 2010 as mentioned in this RHP.
5. Certificate from Statutory Auditors dated August 14, 2010 regarding the sources and deployment of funds.
6. Consent of Directors, Legal Advisors to the Issue, Registrar to the Issue, Bankers to the Company, Statutory Auditors, Syndicate Members, Compliance Officer and Company Secretary to include their names in this RHP, and to act in their respective capacities
7. Annual Reports since incorporation.
8. Sanction and renewal letters for the debt portion of the Project Cost from Allahabad Bank.
9. Tripartite agreement between NSDL, the company and the Registrar to the issue dated August 3, 2010.
10. Tripartite agreement between CDSL, the company and the Registrar to the issue dated July 21, 2010.
11. Due Diligence Certificate dated December 22, 2008 and September 6, 2010 addressed to SEBI from Chartered Capital And Investment Ltd., SEBI observation Letter No. CFD/DIL/ISSUES/PB/PN/181849/2009 dated November 4, 2009, in-seriatim reply dated September 6, 2010 and fresh Due Diligence Certificates dated [●], [●], [●] and [●] respectively.
12. In-principle listing approval dated February 13, 2009 issued by BSE.
13. Copy of the board resolutions authorising the Draft Red Herring Prospectus, Red Herring Prospectus and Prospectus respectively.
14. Resolutions dated January 11, 2008 and January 19, 2009 regarding appointment & remuneration of all three Executive Directors.
15. Reports of the ICRA Limited, furnishing the rationale for the grading and its consent for inclusion its report in Red Herring Prospectus & Prospectus.

Any of the contracts or documents mentioned in the RHP may be amended or modified at any time if so required in the interest of the 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.

DECLARATION

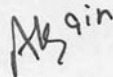
All the relevant provisions of the Companies Act, 1956, and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by Securities and Exchange Board of India established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in the RHP is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or the rules and regulations made thereunder or guidelines/regulations issued thereunder, as the case may be. We further certify that all the statements in the RHP are true and correct.

SIGNED BY THE DIRECTORS & COMPANY SECRETARY OF THE COMPANY

Mr. Neeraj Jain
(Chairman and Managing Director)



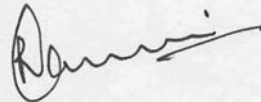
Mr. Akshay Kumar Jain
(Director Finance)



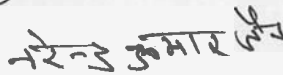
Mr. Pankaj Jain
(Director Marketing)



Mr. Rajeev Kumar Jain
(Independent Director)



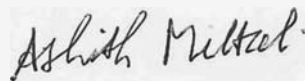
Mr. Narendra Kumar Jain
(Independent Director)



Mr. Daulat Chandiram Raichandani
(Independent Director)



Mr. Ashish Mittal
(Company Secretary and Compliance Officer)



Place: Agra

Date: September 6, 2010



Ref: D/RAT/2009-10/S-82/2

Date: February 17, 2010

Mr. Neeraj Jain
Chairman & Managing Director
Sea TV Network Limited
148, Mansa Nagar,
Shahganj, Agra -282010

Dear Sir,

Re: ICRA Grading of Initial Public Offer of Rs. 50.20 crore to be issued by Sea TV Network Limited to the Public ("IPO")

Please refer to your mandate for grading the IPO of Rs. 50.20 crore of Sea TV Network Limited. The Rating Committee of ICRA, after due consideration, has assigned the "ICRA IPO Grade 1" (pronounced ICRA IPO Grade one) grading to the captioned IPO programme. This grading indicates poor fundamentals.

In any of your publicity material or other document wherever you are using the above grading, it should be stated as "ICRA IPO Grade 1". We would appreciate if you can sign on the duplicate copy of this letter and send it to us as a token of your confirmation about the use of this letter. The rationale for assigning the above grading will be sent to you in due course.

Notwithstanding anything to the contrary: An ICRA IPO Grade is a statement of current opinion of ICRA and is not a statement of appropriateness of the graded security for any of the investors. Such grade is assigned with due care and caution on the basis of analysis of information and clarifications obtained from the issuer concerned and also other sources considered reliable by ICRA. However, ICRA makes no representation or warranty, express or implied as to the accuracy, authenticity, timeliness, or completeness of such information. An ICRA IPO Grade is not (a) a comment on the present or future price of the security concerned (b) a certificate of statutory compliance and / or (c) a credit rating. Further the ICRA IPO Grade is not a recommendation of any kind including but not limited to recommendation to buy, sell, or deal in the securities of such Issuer nor can it be considered as an authentication of any of the financial statements of the company and ICRA shall not be liable for any losses incurred by the users from any use of the grade in any manner. It is advisable that the professional assistance be taken by any prospective investor in the securities of the company including in the fields of investment banking, tax or law while making such investment. All services and information provided by ICRA is provided on an "as is" basis, without representations and warranties of any nature.

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email : info@icraindia.com

Regd. Office: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110001

RATING • RESEARCH • INFORMATION



This grading is specific to the terms and conditions of the proposed IPO issue as was indicated to us by you and any change in the terms or size of the IPO would require the grading to be reviewed by us. If there is any change in the terms and conditions or size of the rated IPO, as above, the same must be brought to our notice before the issue of the IPO. If there is any such change after the grading is assigned by us, it would be subject to our review and may result in change in the grading assigned.

ICRA reserves the right to suspend, withdraw or revise the above grading at any time on the basis of new information or unavailability of information or such other circumstances, which ICRA believes, may have an impact on the aforesaid grading assigned to you.

The grading, as aforesaid, however, should not be treated as a recommendation to buy, sell or hold the Equity Shares to be issued by you. If the instrument rated, as above, is not issued by you within a period of 6 months from date of this letter communicating the grading, the same would stand withdrawn unless revalidated before the expiry of 6 months.

You are required to keep us forthwith informed of any developments (including any default or delay in repayment of interest or principal amount of any debt instruments/ borrowing or proposal for re-schedulement or postponement of the repayment programmes of the dues/ debts) which may have a direct or indirect impact on the grading assigned to the aforesaid IPO programme.

In determining the grading, ICRA has relied on the information available/made available to it by your company and ICRA does not guarantee the completeness or accuracy of such information on which the rating is based.

We thank you for your kind cooperation extended during the course of the grading exercise. Should you require any clarification, please do not hesitate to get in touch with us.

With kind regards,

Yours sincerely,
for ICRA Limited

Vikas Agarwal
(Senior Vice President)

Sachin Sachdeva
(Analyst)



Sea TV Network Limited

ICRA has assigned an IPO Grade 1 to the proposed initial public offering of Sea TV Network Limited (STNL), indicating poor fundamentals. ICRA assigns IPO grading on a five point scale IPO Grade 5 to IPO Grade 1, with Grade 5 indicating strong fundamentals and Grade 1 indicating poor fundamentals.

The IPO Grade 1 assigned by ICRA reflects risks arising out of STNL's small scale of operations, significant expansion plans in relation to its existing operations, geographic concentration risk arising out of presence in only city namely Agra (Uttar Pradesh) and competition from other players in Agra city as well as from companies like Bharti Airtel, Reliance Big TV, Dish TV etc. providing (Direct to Home) DTH cable transmission services. However, ICRA takes into consideration promoter's long track record of operations in the industry and the company's large existing subscriber base in the city.

Sea TV Network Ltd. (STNL) is an Agra (U.P) based company engaged in providing services of a Multi System Operator (MSO). The operations of STNL include distribution of channel signals to Local cable Operators (LCO) who further transmit signals to subscribers' TVs. The promoters of STNL are in this line of activity for more than last 16 years.

So far, STNL had been operating on analog system of cable TV signal distribution; however, looking at the benefits of digital system over analog system such as better quality of signals and higher bandwidth etc., STNL has decided to set up a complete digital cable TV distribution network in Agra city and adjoining areas. Under the whole project the company will set up digital headend system, underground optical fibre cables, branch offices and network for Internet Protocol Television (IPTV). The total cost of the project (including issue expenses) is estimated to be Rs. 596.5 million which is proposed to be funded by Debt of Rs. 89.5 million, internal accruals of Rs. 5 million and IPO proceeds of Rs. 502.0 million. However, the execution and successful implementation remains a key concern area for the company given the relatively large size of project as against its existing scale of operations.

The operating income of the company has witnessed an increasing trend over last four years backed by increase in carriage fee from broadcasters and increased advertisement revenue. The operating income has increased to Rs. 95.3 million in FY2009 from Rs. 17.5 million in FY2006. With increasing market share and higher subscribers base, the profitability has also improved as reflected by increase in operating margin (operating profit before depreciation, interest and tax/operating income) to 30.8% in FY2009 from 3.0% in FY2006. This has also resulted in better return indicators. However the extended collection period from customers has resulted in increased working capital intensity of the company. Nevertheless, equity infusion by promoters and healthy internal accruals has resulted in low gearing (debt / equity) of 0.5 times as on March 31, 2009. Going forward, ICRA expects the revenue of the company to grow backed by favourable outlook for the cable industry and the expected benefits from company's shifting to digital system from current analog system.

About Company

Sea TV Network Ltd. (STNL) is an Agra (U.P) based company engaged in providing services of a Multi System Operator (MSO) to various Local Cable TV operators of Agra city. It was incorporated in May 2004. The promoters of STNL are in this line of activity for last 16 years. The operations of STNL include distribution of channel signals to LCOs who further transmits signals to subscribers' TVs. STNL also broadcast its own local channels, programmes of which are produced by its own production team.

STNL reported revenues of Rs. 58.1 million and a Profit after Tax of Rs. 10.1 million in 2008-09.

Issue Details

STNL is proposing to come out with an Initial Public Offer of equity shares of face value of Rs. 10/- each aggregating to Rs. 502.0 million referred to as net offer to public. Of the total net offer to public, not more



than 50% shall be allocated on proportionate basis to Qualified Institutional Buyers (including 5% for Mutual Funds). Further, atleast 15% of the net offer to public shall be available for allocation on a proportionate basis to Non Institutional Bidders and atleast 35% of the net offer to public shall be available for allocation on a proportionate basis to Retail Bidders. Post the issue the shares will be listed on the Bombay Stock Exchange (BSE). The IPO proceeds are proposed to be used for part funding the expansion plans of the company.

February 2010

For further details please contact

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Mr. Vivek Mathur, (Tel. No. +91-124-4545310)
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ICRA Limited

An Associate of Moody's Investors Service

Ref: D/RAT/2010-11/S-82/1

Date: August 13, 2010

Mr. Neeraj Jain
Chairman & Managing Director
Sea TV Network Limited
148, Mansa Nagar,
Shahganj, Agra -282010

Dear Sir,

Re: ICRA Grading of Initial Public Offer of Rs. 50.20 crore to be issued by Sea TV Network Limited to the Public ("IPO")

This is with reference to our earlier letter (Ref: D/RAT/2009-10/S-82/2) dated February 17, 2010 communicating the IPO grade 1 assigned to Rs. 50.20 crore proposed IPO of your company and your subsequent letter dated August 6, 2010 requesting ICRA for revalidation of the IPO grading. The Rating Committee of ICRA, after due consideration, has retained the "ICRA IPO Grade 1" (pronounced ICRA IPO Grade one) grading to the captioned IPO programme. This grading indicates poor fundamentals.

In any of your publicity material or other document wherever you are using the above grading, it should be stated as "ICRA IPO Grade 1".

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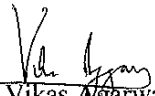
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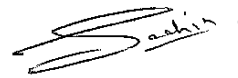
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With kind regards,

Yours sincerely,
for ICRA Limited


Vikas Agarwal
(Senior Vice President)



Sachin Sachdeva
(Analyst)

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