RED HERRING PROSPECTUS
Dated October 16, 2009
Please read section 60B of the Companies Act, 1956
100% Book Built Issue

DEN NETWORKS LIMITED

Our Company was incorporated on July 10, 2007 in New Delhi with the Registrar of Companies, NCT of Delhi and Haryana.

Registered Office and Corporate Office: 236, Okhla Industrial Estate Phase III, New Delhi 110 020, India. **Tel:** + (91 11) 4052 2225; **Fax:** + (91 11) 4052 2203; **Website:** www.digitelly.in; **Company Secretary and Compliance Officer:** Mr. Jatin Mahajan; **Email:** ipo@denonline.in. For details regarding changes of our name and our registered office, see "***History and Certain Corporate Matters***" on page 85.

PROMOTERS OF THE COMPANY: MR. SAMEER MANCHANDA AND LUCID SYSTEMS PRIVATE LIMITED

PUBLIC ISSUE OF UP TO 20,000,000 EQUITY SHARES OF RS. 10 EACH ("EQUITY SHARE") FOR CASH AT A PRICE OF RS. [•] PER EQUITY SHARE OF DEN NETWORKS LIMITED (THE "COMPANY") (INCLUDING A SHARE PREMIUM OF RS. [•] PER EQUITY SHARE) AGGREGATING RS. [•] MILLION (HEREINAFTER REFERRED TO AS THE "ISSUE"). THE ISSUE COMPRISES A NET ISSUE TO THE PUBLIC OF UP TO 19,750,000 EQUITY SHARES ("THE NET ISSUE") AND A RESERVATION OF UP TO 250,000 EQUITY SHARES FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREIN) ("THE EMPLOYEE RESERVATION PORTION"). THE ISSUE WOULD CONSTITUTE UP TO 15.16% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY. THE NET ISSUE WOULD CONSTITUTE 14.97% OF THE POST ISSUE PAID-UP EQUITY CAPITAL OF OUR COMPANY.

THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY THE COMPANY IN CONULTATION WITH THE GLOBAL CO-ORDINATOR AND BOOK RUNNING LEAD MANAGER AND THE CO-BOOK RUNNING LEAD MANAGER AND ADVERTISED AT LEAST TWO (2) WORKING DAYS PRIOR TO THE BID OPENING DATE

THE FLOOR PRICE IS [•] TIMES OF THE FACE VALUE AND THE CAP PRICE IS [•] TIMES OF THE FACE VALUE

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

In terms of Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957, as amended, this being an Issue for less than 25% of the post Issue paid-up equity capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue will be allocated on a proportionate basis to Qualified Institutional Buyers ("**QIBs**"), ("**QIB Portion"**). Provided that our Company may allocate up to 30% of the QIB Portion, to Anchor Investors on a discretionary basis. ("**Anchor Investor Portion**"). For details, see ***"Issue Procedure"*** on page 305. Further 5% of the QIB Portion less Anchor Investor Portion shall be available for allocation on a proportionate basis to Mutual Funds only. The remainder shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Net Issue will be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received at or above the Issue Price.

RISKS IN RELATION TO THE FIRST ISSUE

This being the first public issue of Equity Shares of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is Rs. 10 per Equity Share and the Issue Price is [•] times the face value. The Issue Price (as determined by our Company, in consultation with the Global Co-ordinator and Book Running Lead Manager, the Co-Book Running Lead Manager on the basis of assessment of market demand for the Equity Shares offered by way of book building) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares of our Company or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of our Company and the Issue including the risks 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 Red Herring Prospectus. Specific attention of the investors is invited to the "***Risk Factors***" on page x.

IPO GRADING

This Issue has been graded by ICRA as "IPO Grade 3", indicating average fundamentals. The IPO grading is assigned on a five -point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. For details, see "***General Information"*** and "***Appendix A***"on pages 17 and 385, respectively.

ISSUER'S ABSOLUTE RESPONSIBILITY

Our Company having made all reasonable inquiries, accepts responsibility for and confirms that this Red Herring Prospectus contains all information with regard to our Company and the Issue, which is material in the context of the Issue, that the information contained in this Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which make this Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

LISTING

The Equity Shares offered pursuant to this Red Herring Prospectus are proposed to be listed on the BSE and the NSE. We have received the in-principle approvals of the BSE and the NSE for the listing of our Equity Shares pursuant to letters, both dated October 5, 2009. For the purposes of this Issue, the Designated Stock Exchange is the BSE.

GLOBAL CO-ORDINATOR AND BOOK RUNNING LEAD MANAGER	CO-BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
Deutsche Bank Group **Deutsche Equities India Private Limited** DB House, Hazarimal Somani Marg Fort, Mumbai, 400 001, India Tel: + (91 22) 6658 4600 Fax: +(91 22) 2200 6765 Email : den.ipo@db.com Investor Grievance Email: db.redressal@db.com Website: www.db.com/India Contact Person: Mr. Muffazal Arsiwalla SEBI Registration Number: INM000010833	ANTIQUE CAPITAL ANTIQUE **Antique Capital Markets Private Limited** 6th Floor, Nirmal Building Nariman Point Mumbai 400 021, India Tel: + (91 22) 4031 3300 Fax: + (91 22) 2204 0303 Email: den.ipo@ antiquelimited.com Investor Grievance Email: investors@antiquelimited.com Website: www.antiquelimited.com Contact Person: Mr. Kashyap Choksi SEBI Registration Number: INM000011385	KARVY Karvy Computershare Private Limited **Karvy Computershare Private Limited** Plot No. 17 – 24, Vithalrao Nagar Madhapur Hyderabad 500 081, India Tel : + (91 40) 2342 0815 Fax : + (91 40) 2342 0814 E-mail: einward.ris@karvy.com Website: www.karvy.com Contact Person: Mr. M. Murali Krishna SEBI Registration No: INR000000221

BID PROGRAM*

BID OPENS ON	OCTOBER 28, 2009	BID CLOSES ON	OCTOBER 30, 2009

**Anchor Investors shall submit their Bid one day before Bid Opening Date.*

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SECTION I - GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise indicates or implies, the terms below have the following meanings in this Red Herring Prospectus, and references to any statute or regulations or policies shall include amendments thereto, from time to time:

Term	Description
"We", "us", "our", "the Company" or "our Company"	Unless the context otherwise indicates or implies, refers to DEN Networks Limited, its Subsidiaries and STAR-DEN on a consolidated basis
"Issuer" and "DEN"	Refers to DEN Networks Limited, a public limited company incorporated under the Companies Act

Company Related Terms

Term	Description
AoA/Articles of Association	Articles of Association of our Company, as amended to date
Audit Committee	The Committee of Directors constituted as the Company's Audit Committee in accordance with Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges
Auditors	The statutory auditors of our Company being Deloitte, Haskins & Sells, Chartered Accountants
Board/ Board of Directors	Board of Directors of our Company
CCPS	0.001% Compulsorily Convertible Preference Shares of Rs. 10 each of the Company
Distribution Channels	Channels other than STAR Channels to which STAR has acquired distribution rights
Directors	Directors on the Board, unless otherwise specified
Firm	Creative Cable Network
Group Entities	Includes those companies, firms and ventures as disclosed in the section "***Our Promoters and Group Entities***" on page 166, promoted by our Promoters, irrespective of whether such entities are covered under section 370(1B) of the Companies Act
IL&FS Investors	SCB Asian Infrastructure Fund, Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Private Limited, TARA India Holdings A Limited, PAN Asia Project Development Fund, PAN Asia Infrastructure Asset Management Company Private Limited, TARA India Fund III Trust and TARA India Fund III Domestic Trust, as the context may require
MoA/Memorandum of Association	Memorandum of Association of our Company, as amended to date
PAN Asia	PAN Asia Development Fund, India
PAN Asia Infrastructure	PAN Asia Infrastructure Asset Management Company PTE Limited
Promoter (s)	Our Promoters, Mr. Sameer Manchanda and Lucid Systems Private Limited
Promoter Group	In addition to our Promoters, includes such persons and entities constituting our promoter group pursuant to Regulation 2(zb) of the ICDR Regulations, namely, (i) Ms. Kavita Manchanda; (ii) Mr. Sanjeev Manchanda; (iii) Mr. Rajeev Manchanda; (iv) Ms. Kamla Manchanda; (v) Mr. Vaibhav Manchanda; (vi) Mr. Aarush Manchanda; (vii) Mr. R.D. Makkar; (viii) Ms. Asha Makkar; (ix) Mr. Raman Makkar; and (x) Ms. Sujata Kumra. The companies which are a part of the Promoter Group are, (i) Setpro18 Distribution Limited; (ii) Access Financial Services Private Limited; (iii) Access Equity Private Limited; and (iv) Verve Engineering Private Limited. The partnership firm which is a part of the Promoter Group is Manchanda and Manchanda.
Registered Office	The Registered Office of our Company located at 236, Okhla Industrial Estate, Phase III, New Delhi 110 020, India
SCB	SCB Asian Infrastructure Fund
Setpro	Setpro18 Distribution Limited
Shareholders Agreement	Amended and restated shareholders agreement dated January 29, 2009 amongst our Company, SCB, PAN Asia Infrastructure, TARA India, PAN Asia, TARA, TARA Domestic, Mr. Sameer Manchanda, Lucid Systems Private Limited and Verve

	Engineering Private Limited, as amended
STAR	STAR India Private Limited
STAR Channels	Channels wholly owned and operated by STAR
STAR-DEN	STAR DEN Media Services Private Limited, a 50% joint venture of our Company
Subsidiaries	Subsidiaries of our Company as referred to in "***Our Subsidiaries***" on page 92
TARA	TARA India Fund III Trust
TARA Domestic	TARA India Fund III Domestic Trust
TARA India	TARA India Holdings A Limited

Issue Related Terms

Term	Description
Allotment/Allot	The allotment of Equity Shares pursuant to this Issue to the successful Bidders
Allottee	A successful Bidder to whom Equity Shares will be Allotted
Anchor Investor	A Qualified Institutional Buyer, who makes a minimum Bid of Rs. 100 million under the Anchor Investor Portion
Anchor Investor Bidding Date	The date one day prior to the Bid Opening Date, prior to or after which the Syndicate will not accept any Bids from Anchor Investors
Anchor Investor Issue Price	The final price at which Equity Shares will be issued and Allotted in terms of the Red Herring Prospectus and the Prospectus to the Anchor Investors, which will be a price equal to or higher than the Issue Price but not higher than the Cap Price.
Anchor Investor Margin Amount	An amount representing 25% of the Bid Amount payable by Anchor Investors at the time of submission of their Bid
Anchor Investor Portion	Upto 30% of the QIB Portion, equal to a maximum 3,555,000 of Equity Shares of the Company to be allocated to Anchor Investors on a discretionary basis, out of which 1,185,000 Equity Shares shall be reserved for Mutual Funds
Antique	Antique Capital Markets Private Limited
ASBA Bid cum Application Form	The form, whether physical or electronic, used by an ASBA Bidder to make a Bid, which will be considered as the application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus
ASBA Bidder	Any Resident Retail Individual Bidder who intends to apply through ASBA and (i) is bidding at Cut-off Price, with a single option as to the number of Equity Shares; (ii) is applying through blocking of funds in a bank account with the SCSB; (iii) has agreed not to revise his/her Bid; and (iv) is not bidding under any of the reserved categories
Application Supported by Blocked Amount/ ASBA	The application (whether physical or electronic) used by a Resident Retail Individual Bidder to make a Bid authorizing the SCSB to block the Bid Amount in his/her specified bank account maintained with the SCSB
Banker(s) to the Issue/ Escrow Collection Bank(s)	ICICI Bank Limited, Deutsche Bank AG, HDFC Bank Limited, Syndicate Bank and Hongkong and Shanghai Banking Corporation Limited
Bid	An indication to make an offer during the Bidding Period by a Bidder, or on the Anchor Investor Bidding Date by an Anchor Investor, pursuant to submission of a Bid cum Application Form to subscribe to our Equity Shares at a price within the Price Band, including all revisions and modifications thereto For the purposes of ASBA Bidders, it means an indication to make an offer during the Bidding Period by a Retail Resident Individual Bidder pursuant to the submission of an ASBA Bid cum Application Form to subscribe to the Equity Shares at Cut-off Price
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by a Bidder on submission of a Bid in the Issue
Bid Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate and SCSBs will not accept any Bids, which shall be notified in an English national newspaper and a Hindi national newspaper (which is also the regional newspaper), each with wide circulation
Bid cum Application Form	The form in terms of which the Bidder shall make an offer to purchase Equity Shares and which shall be considered as the application for issue the of Equity Shares pursuant to the terms of the Red Herring Prospectus and the Prospectus including the ASBA Bid cum Application as may be applicable
Bid Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and SCSBs shall start accepting Bids, which shall be notified in an English national newspaper and a Hindi national newspaper (which is also the regional newspaper), each with wide circulation
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring

Term	Description
	Prospectus and the Bid cum Application Form, including an ASBA Bidder and Anchor Investor
Bidding Period	The period between the Bid Opening Date and the Bid Closing Date, inclusive of both days during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof
Book Building Process	Book building process as provided in Schedule XI of the ICDR Regulations, in terms of which this Issue is being made
Business Day	Any day other than Saturday and Sunday on which commercial banks in Mumbai, India are open for business
CAN/ Confirmation of Allocation Note	The note or advice or intimation of allocation of Equity Shares sent to the successful Bidders who have been allocated Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revisions thereof In relation to Anchor Investors, the note or advice or intimation of allocation of Equity Shares sent to the successful Anchor Investors who have been allocated Equity Shares after discovery of the Anchor Investor Issue Price, including any revisions thereof
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalized and above which no Bids will be accepted, including any revisions thereof
Co-Book Running Lead Manager/CBRLM	Antique Capital Markets Private Limited
Controlling Branches of the SCSBs	Such branches of the SCSBs which coordinate with the GCBRLM, the CBRLM, the Registrar to the Issue and the Stock Exchanges, a list of which is provided on http://www.sebi.gov.in/pmd/scsb.pdf
Cut-off Price	The Issue Price finalized by our Company in consultation with the GCBRLM and the CBRLM which shall be any price within the Price Band. Only Retail Individual Bidders and Eligible Employees, whose Bid Amount does not exceed Rs. 100,000 are entitled to Bid at the Cut-off Price. QIBs (including Anchor Investors) and Non-Institutional Bidders are not entitled to Bid at the Cut-off Price
Designated Branches	Such branches of the SCSBs which shall collect the ASBA Bid cum Application Form used by ASBA Bidders and a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Designated Date	The date on which funds are transferred from the Escrow Account(s) to the Public Issue Account and the amount blocked by the SCSBs are transferred from the bank account of the ASBA Bidders to the Public Issue Account, as the case may be, after the Prospectus is filed with the RoC, following which the Board of Directors shall Allot Equity Shares to the Allottees
Deutsche	Deutsche Equities India Private Limited
Designated Stock Exchange	The Bombay Stock Exchange Limited
Draft Red Herring Prospectus	The Draft Red Herring Prospectus dated August 6, 2009 filed with SEBI and issued in accordance with Section 60B of the Companies Act, which does not contain complete particulars on the price at which the Equity Shares are offered and the size (in terms of value) of the Issue
Eligible NRI	An Non Resident Indian in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Issue and in relation to whom the Red Herring Prospectus will constitute an invitation to subscribe for the Equity Shares
Eligible Employees	All or any of the following: (a) a permanent employee of our Company as of the date of filing of the Red Herring Prospectus with the RoC and based, working and present in India as on the date of submission of the Bid cum Application Form (b) a Director of our Company whether a whole time Director, part time Director or otherwise, except any Promoters or members of the Group Entities, as of the date of filing the Red Herring Prospectus with the RoC and based and present in India as on the date of submission of the Bid cum Application Form
Employee Reservation Portion	The portion of the Issue, being up to 250,000 Equity Shares, available for allocation to Eligible Employees
Equity Shares	Equity Shares of our Company of Rs. 10 each
Escrow Account (s)	Account(s) opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidder (excluding ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount
Escrow Agreement	Agreement to be entered into among our Company, the Registrar, the GCBRLM, the CBRLM, the Syndicate Member and the Escrow Collection Bank(s) for collection of the Bid Amounts and remitting refunds, if any of the amounts to the Bidders (excluding ASBA Bidders) on the terms and conditions thereof

Term	Description
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or the Revision Form or the ASBA Bid cum Application Form
Floor Price	The lower end of the Price Band, at or above which the Issue Price will be finalized and below which no Bids will be accepted including any revisions thereof
GCBRLM/ Global Co-ordinator and Book Running Lead Manager	The Global Co-ordinator and Book Running Lead Manager, in this case being Deutsche Equities India Private Limited
Issue	This public issue of up to 20,000,000 Equity Shares of Rs. 10 each at the Issue Price by our Company. The Issue comprises a Net Issue to the public of 19,750,000 Equity Shares and an Employee Reservation Portion of up to 250,000 Equity Shares for subscription by Eligible Employees.
Issue Price	The final price at which Equity Shares will be issued and Allotted to the Bidder which may be equal to or lower than the Anchor Investor Issue Price in terms of the Red Herring Prospectus and the Prospectus. The Issue Price will be decided by our Company in consultation with the GCBRLM and the CBRLM on the Pricing Date
Margin Amount	Except in relation to Anchor Investor Margin Amount, the amount paid by the Bidder at the time of submission of Bid, being 10% to 100% of the Bid Amount
Mutual Fund(s)	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the Net QIB Portion equal to a minimum of 414,750 Equity Shares available for allocation to Mutual Funds only on a proportionate basis
Net Issue	Issue less the Employee Reservation Portion, consisting of 19,750,000 Equity Shares to be Allotted in the Issue at the Issue Price
Net Proceeds	Proceeds of the Issue that are available to our Company, excluding the Issue related expenses
Net QIB Portion	The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors, being a minimum of 8,295,000 Equity Shares to be allotted to QIB's on a proportionate basis
Non Institutional Bidders	All Bidders, including sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, that are not QIBs (including Anchor Investors) or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than Rs. 100,000
Non Institutional Portion	The portion of the Net Issue being not less than 1,975,000 Equity Shares available for allocation to Non Institutional Bidders
Pay-in Date	Except with respect to ASBA Bidders, the Bid Closing Date or the last date specified in the CAN sent to Bidders, as applicable and which shall with respect to the Anchor Investors, be a date not later than two days after the Bid Closing Date
Pay-in-Period	Except with respect to ASBA Bidders, those Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the Bid Closing Date; and With respect to Bidders, except Anchor Investors, whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid Opening Date and extending until the last date specified in the CAN. With respect to Anchor Investors, the Anchor Investor Bidding Date and the last specified in the CAN which shall not be later than two days after the Bid Closing Date
Price Band	Price band of a minimum Floor Price of Rs. [●] and a maximum Cap Price of Rs. [●] respectively including revisions thereof. The Price Band and the minimum Bid lot will be decided by the Company in consultation with the GCBRLM and CBRLM and advertised at least two (2) working days prior to the Bid Opening Date
Pricing Date	The date on which our Company in consultation with the GCBRLM and the CBRLM will finalize the Issue Price
Prospectus	The Prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, 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	Account opened with the Bankers to the Issue to receive monies from the Escrow Account and from the bank accounts of the ASBA Bidders on the Designated Date
QIB Margin Amount	An amount representing at least 10% of the Bid Amount payable by QIBs (other than Anchor Investors) at the time of submission of their Bid
Qualified Institutional Buyers or QIBs	Public financial institutions as defined in Section 4A of the Companies Act, FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with

Term	Description
	Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million and the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India
QIB Portion	The portion of the Net Issue being a minimum 11,850,000 Equity Shares to be Allotted to QIBs, including the Anchor Investor Portion
Red Herring Prospectus/ RHP	This Red Herring Prospectus dated October 16, 2009 filed with RoC in terms of Section 60B of the Companies Act, at least three days before the Bid Opening Date and will become a Prospectus after filing with the RoC after the Pricing Date
Refund Account	Account opened with Escrow Collection Bank from which refunds of the whole or part of the Bid Amount (excluding to the ASBA Bidders), if any, shall be made
Refund Banker	The bank which is a clearing member and registered with the SEBI as Bankers to the Issue, at which the Refund Account will be opened, in this case being ICICI Bank Limited
Registrar/ Registrar to the Issue	Registrar to the Issue in this case being Karvy Computershare Private Limited
Resident Retail Individual Bidder	Retail Individual Bidder who is a person resident in India as defined in the Foreign Exchange Management Act, 1999 and who has Bid for Equity Shares for an amount not more than Rs. 100,000 in any of the bidding options in the Issue, and excluding Bidders under the Employee Reservation Portion
Retail Individual Bidder(s)	Individual Bidders (including HUFs and NRIs) who have Bid for Equity Shares for an amount less than or equal to Rs. 100,000 in any of the bidding options in the Issue
Retail Portion	The portion of the Net Issue being up to 5,925,000 Equity Shares available for allocation to Retail Bidder(s)
Revision Form	The form used by the Bidders (excluding ASBA Bidders) to modify the quantity of Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	Registrar of Companies, National Capital Territory of Delhi and Haryana
Self Certified Syndicate Bank/ SCSB	The banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offer services of ASBA, including blocking of bank account, a list of which is available on http://www.sebi.gov.in/pmd/scsb.pdf
Stock Exchanges	The BSE and the NSE
Syndicate	The GCBRLM, the CBRLM and the Syndicate Member
Syndicate Agreement	Agreement among the Syndicate, our Company in relation to the collection of Bids (excluding Bids from the ASBA Bidders) in this Issue
Syndicate Member	Antique Stock Broking Limited
Takeover Code	SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997
TRS/ Transaction Registration Slip	The slip or document issued only on demand by the Syndicate or the SCSB to the Bidder as proof of registration of the Bid
Underwriters	The GCBRLM, CBRLM and the Syndicate Member
Underwriting Agreement	The Agreement between the Underwriters and our Company to be entered into on or after the Pricing Date

Industry Related Terms

Term	Description
ADSL	Asymmetric Digital Subscriber Line
ARPU	Average Rate Per User
BIS	Bureau of Indian Standards
C&S	Cable and Satellite
CAS	Conditional Access System
CAGR	Compounded Annual Growth Rate
DTH	Direct to Home
DVD	Digital Video Disc
DoT	Department of Telecommunications
EPG	Electronic Programme Guide
FICCI KPMG Report 2009	*"The Indian Entertainment and Media Industry"*, FICCI KPMG Report 2009
HFC	Hybrid Fibre Co-Axial
HITS	Head end in the Sky
ISP	Internet Service Provider
IPTV	Internet Protocol Television
IRD	Integrated Receiver Descrambler
LCO	Local Cable Operator

Term	Description
MIB	Ministry of Information and Broadcasting
MPA Report 2009	Media Partners Asia Limited's report titled *"Asia Pacific Pay-TV & Broadband Markets 2009"*
MSO	Multi Systems Operator
Non-C&S	Non-Cable and Satellite
NRS Report 2006	*"National Readership Survey Report 2006"*
ONU	Optical Network Unit
OLT	Optical Line Terminal
PVR	Personal Video Recorder
TRAI	Telecom Regulatory Authority of India
VoIP	Voice over Internet Protocol
WWL	Wire and Wireless (India)
QAM	Quadrature Amplitude Moderation

Conventional / General Terms and Abbreviations

Term	Description
AGM	Annual General Meeting
AS	Accounting Standards issued by the ICAI
AY	Assessment Year
BSE	Bombay Stock Exchange Limited
CAGR	Compounded Annual Growth Rate
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
Companies Act	The Companies Act, 1956
Depositories	NSDL and CDSL
Depositories Act	The Depositories Act, 1996
DP/ Depository Participant	A depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
ECS	Electronic Clearing System
EPS	Earnings Per Share, i.e., profit after tax for a fiscal year divided by the outstanding number of equity shares at the end of that fiscal year
FCNR	Foreign Currency Non Resident
FDI	Foreign Direct Investment
FLC	Foreign Letter of Credit
FEMA	The Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FII(s)	Foreign Institutional Investors (as defined under FEMA (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000), registered with SEBI under applicable laws in India
Financial Year/ fiscal	Period of 12 months ended March 31 of that particular year
FIPB	Foreign Investment Promotion Board
GDP	Gross Domestic Product
GIR	General Index Registry Number
GoI/ Government	Government of India
HUF	Hindu Undivided Family
IASB	International Accounting Standard Board
IFSC	Indian Financial System Code
ILC	Inland Letter of Credit
ICAI	The Institute of Chartered Accountants of India
ICDR Regulations	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009
IFRS	International Financial Reporting Standards
I.T. Act	The Income Tax Act, 1961
Indian GAAP	Generally Accepted Accounting Principles in India
IPO	Initial Public Offering
MAT	Minimum Alternative Tax under the I.T Act

Term	Description
MoU	Memorandum of Understanding
MICR	Magnetic Ink Character Recognition
NA	Not Applicable
NAV	Net Asset Value being paid up equity share capital plus free reserves (excluding reserves created out of revaluation) less deferred expenditure not written off (including miscellaneous expenses not written off) and debit balance of profit and loss account, divided by number of issued equity shares
NEFT	National Electronic Fund Transfer
NOC	No Objection Certificate
NR	Non-resident
NRE Account	Non Resident External Account
NRI	Non Resident Indian, is a person resident outside India, as defined under FEMA and the Foreign Exchange Management Act (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	National Stock Exchange of India Limited
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 Foreign Exchange Management (Transfer or Issue of Foreign Security by a Person resident outside India) Regulations, 2000
P/E Ratio	Price Earnings Ratio
PAN	Permanent Account Number allotted under the I.T. Act
PIO	Persons of Indian Origin
RBI	Reserve Bank of India
RONW	Return on Net Worth
Rs.	Indian Rupees
RTGS	Real Time Gross Settlement
SCRA	Securities Contracts (Regulation) Act, 1956
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	The Securities and Exchange Board of India Act 1992
Stock Exchange(s)	The BSE and/ or the NSE as the context otherwise requires
STT	Securities Transaction Tax
UIN	Unique Identification Number
US / USA	United States of America
USD	United States Dollar
US GAAP	United States Generally Accepted Accounting Principles
w.e.f.	With effect from

For additional definitions on currencies see "***Presentation of Financial, Industry and Market Data***" on page viii.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Unless stated otherwise, the financial data in this Red Herring Prospectus is derived from our audited consolidated financial statements prepared in accordance with Indian GAAP and restated in accordance with the ICDR Regulations, which are included in this Red Herring Prospectus.

Our fiscal year commences on April 1 and ends on March 31 of the next year, so all references to a particular fiscal year are to the 12 months period ended March 31 of that year. Our Company was incorporated on July 10, 2007 and therefore our first accounting year was from July 10, 2007 to March 31, 2008. In this Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All decimals have been rounded off to two decimal points.

There are significant differences between Indian GAAP, US GAAP and IFRS. We urge you to consult your own advisors regarding such differences and their impact on our financial data. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

All references to "India" contained in this Red Herring Prospectus are to the Republic of India, all references to the "US", "USA", or the "United States" are to the United States of America.

Except where specified, in this Red Herring Prospectus, all figures have been expressed in "millions".

Industry and Market Data

Market and industry data used throughout this Red Herring Prospectus have been obtained from *"The Indian Entertainment and Media Industry"*, FICCI KPMG Report 2009 ("**FICCI KPMG Report 2009**"), Media Partners Asia Limited's report titled *"Asia Pacific Pay-TV & Broadband Markets 2009"* (the "**MPA Report 2009**"), and *"National Readership Survey Report 2006"* ("**NRS Report 2006**") as well as other industry sources. These publications generally state that the information contained therein has been obtained from sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decision should be made on the basis of such information. Although we believe industry data used in the "***Industry Overview***" on page 57 is reliable, it has not been independently verified. The extent to which industry and market data used in this Red Herring Prospectus is meaningful depends on the readers' familiarity with and understanding of the methodologies used in compiling such data.

In this Red Herring Prospectus, industry data regarding the Company's number of subscribers and market position has been sourced from the MPA Report 2009. Based on discussions with officials of Media Partners Asia Limited ("**MPA**") which published the MPA Report 2009, the Company, GCBRLM and CBRLM understand that data obtained from the NRS Report is utilized as the base to determine the cable and satellite television households in India. A market survey is then conducted by MPA personnel to determine the market share of individual cable operators, primarily the national/large MSOs, in each region. Thereafter, the market share is determined through on-the-ground detailed discussions with the cable operators and national / large MSO's. This market share data in turn is used to determine the subscribers for individual operators, including the Company.

Currency and Units of Presentation

All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. In this Red Herring Prospectus, we have presented certain numerical information in 'million' and 'billion' units. One million represents 10,00,000 and one billion represents 1,000,000,000.

Exchange Rates

This Red Herring Prospectus contains translations of certain US Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the ICDR Regulations. These convenience translations should not be construed as a representation that those US Dollar or other currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

FORWARD-LOOKING STATEMENTS

This Red Herring Prospectus contains certain "forward-looking statements". These forward looking statements generally can be identified by words or phrases such as "aim", "anticipate", "believe", "expect", "estimate", "intend", "objective", "plan", "project", "shall", "will", "will continue", "will pursue" or other words or phrases of similar import. Similarly, statements that describe our objectives, plans or goals are also forward-looking statements. All forward looking statements are subject to risks, uncertainties and assumptions about us 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 our expectations include, but are not limited to, the following:

- If we fail to increase the number of analog digital subscribers we have;
- If we fail to attract and retain additional digital cable television subscribers;
- If we are unsuccessful in implementing new value added services for our digital cable television subscribers;
- If we are unable to compete effectively;
- If we are unable to successfully integrate acquired businesses;
- If minority shareholders in our majority owned subsidiaries do not cooperate with us;
- Adverse changes in government regulations;
- The switching of local cable operators to competitors;
- If we do not retain our 50% joint venture interest in STAR-DEN Media Services Private Limited;
- If we are unable to roll-out our cable broadband internet service and attract and retain broadband cable internet subscribers;
- If we are unable to obtain financing to expand our business; and
- General economic and political conditions in India and globally, which have an impact on our business.

For further discussion of factors that could cause our actual results to differ, see "***Risk Factors***" and "***Management Discussion and Analysis of Financial Condition and Results of Operations on a Consolidated Basis***" on pages x and 249, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated. Neither our Company, the GCBRLM, the CBRLM nor the Syndicate Member nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company, the GCBRLM and the CBRLM 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 Exchanges.

SECTION II - RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this Red Herring Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares of our Company. If any of the following risks, or other risks that are not currently known or are now deemed immaterial, actually occur, our business, results of operations and financial condition could suffer materially, the trading price of our Equity Shares could decline, and all or part of your investment may be lost. Unless otherwise stated, the financial information used in this section is derived from our consolidated audited financial statements under Indian GAAP, as restated. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein.

Risks Related to Our Business

1. We have a very limited operating history, which may make it difficult for investors to evaluate our historical performance and prospects.

Our Company was incorporated in July 2007. Thus, we have a limited operating history and limited experience in operating and managing our business and the businesses that we acquire. Further, we have acquired a majority interest in 65 multi-system operators ("**MSOs**") since our incorporation, which has significantly increased the scope and complexity of our operations. As a result, our past performance should not be relied upon to predict our future performance and growth prospects, particularly as our acquired businesses have historically been operated independently by third parties.

2. We have reported losses after tax and minority interests on a consolidated basis since our incorporation and may incur additional losses in the future.

We reported losses after tax and minority interest of Rs. 216.34 million and Rs. 151.13 million and a profit after tax and minority interest of Rs. 32.42 million for the period ended March 31, 2008, fiscal 2009 and the three month period ended June 30, 2009, respectively. We may incur losses after tax and minority interests in the future. Our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business.

3. Any failure to attract and retain digital subscribers will materially and adversely affect our business, results of operations and financial condition.

We expect that our future revenue growth to be driven from the conversion of our analog cable subscribers to become digital cable subscribers and the provision of paid-for value-added services to those subscribers. The conversion of analog cable subscribers will help to prevent the current industry-wide problem of local cable operators ("**LCOs**") under reporting the number of subscribers we have and will enable us to further increase our revenue by offering paid for value-added services such as pay-per-view and personal video recorders. It is not possible to offer value-added services to analog cable subscribers.

While the shift from analog cable services to digital is mandatory in the limited areas where conditional access system ("**CAS**") has been implemented, we cannot predict whether a further rollout of CAS will be on a mandatory or voluntary basis. For information on CAS, see "***Regulations and Policies***" on page 78. Therefore, there can be no assurance that we will be able to successfully convert subscribers who currently utilise analog to our digital cable television services in non-CAS areas. Additionally, television viewers in India are accustomed to receiving terrestrial broadcast television channels for free and analog cable transmission at a relatively low monthly price and may not be willing to pay higher costs for digital television services, or additional fees for value-added services.

Further, the MSOs that we have acquired a majority interest in have collectively contributed losses after tax to our consolidated financial statements. Therefore, our ability to become profitable depends in part on our digitising an acquired MSO's cable network and converting their analog cable subscribers to become digital cable subscribers.

4. *We may be unsuccessful in implementing new value-added services for our digital cable service subscribers.*

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

5. *Our past rate of growth may not reflect our future rate of growth.*

The focus of our growth strategy has been to acquire majority interests in established MSOs. We acquire, aggregate and expand the businesses of existing MSOs to achieve economies of scale, deliver a standardised service and provide broadcasters a single-point connect with millions of subscribers. Since our Company's incorporation, we have acquired a majority interest in the businesses of 65 MSOs while simultaneously expanding our own proprietary infrastructure organically. This has enabled us to expand our subscriber base from zero at incorporation to approximately 10 million (source: *Media Partners Asia Limited, "Asia Pacific Pay-TV & Broadband Markets 2009"* (the "**MPA Report 2009**"); however, due to the industry-wide problem of under reporting of analog subscriber numbers by LCOs, we make no representation as to whether the estimate in the *MPA Report 2009* is correct). This growth rate may not be reflective of our future growth, as we may not be able to acquire suitable MSOs. As of the date of this Red Herring Prospectus, we have entered into 26 Memorandum of Understandings ("**MoUs**") to acquire majority interest in existing MSOs, which are subject to the completion of a satisfactory due diligence by our Company. If we are satisfied, then we enter into a definitive acquisition agreement. We do not know if we will complete due diligence to our satisfaction and we cannot assure you that we will complete the acquisitions of these MSOs. In addition, any acquisition may not further our business strategy as we expected, or we may pay more than the worth of the business of the acquired company.

6. *We face risks in relation to our acquisitions of MSOs.*

We face risks in connection with an acquisition of an established MSO, including:

- integrating the acquired business - in connection with the integration of an acquired MSO, a large number of systems must be assimilated into our established business, including management information, purchasing, accounting and finance, billing, payroll and benefits and regulatory compliance, which we may not be able to integrate as desired;

- our ongoing business may be disrupted and our management's attention may be diverted by acquisition, transition or integration activities;

- we may have higher than anticipated costs in continuing support and development of acquired cable networks;

- we may have problems coordinating the sales and marketing functions of an acquired business with our existing businesses;

- we may face cultural challenges associated with integrating employees from acquired businesses; and

- our due diligence process may have failed to identify all of the problems, liabilities or other shortcomings or challenges of an acquired business. While we typically acquire only the businesses (excluding past liabilities) of an MSO, we may face litigation or other claims in connection with the businesses that we acquire, including claims from customers and other third parties. These difficulties could disrupt our ongoing business, distract our management and employees and adversely affect our results of operations. Moreover, even though the share subscription, share purchase and shareholder agreements that we enter into when acquiring MSO businesses typically contain provisions indemnifying the Company in respect of various types of claims, there can be no guarantee that we will be successful in making a claim against the then owners of the MSO in the event that we incur costs or expenses in relation to a claim for which we are indemnified.

7. ***We rely on the cooperation of the minority shareholders of the MSOs in which we have acquired a majority interest to conduct our operations. If our relationships with these minority shareholders deteriorate, it could have a material adverse effect on our business and results of operations.***

Our expansion strategy is based to a large extent on the acquisition of majority interests in MSOs with a view to maintaining and leveraging their existing senior management's relationships. Generally, we acquire a majority interest in a MSO from the senior management of the MSO, who then hold a significant minority interest in the MSO. We expect such minority shareholders to continue to support the operations and grow the business. However, if these minority shareholders do not assist us in successfully operating and growing these MSOs, we could lose subscribers, revenues and market share.

Further, under the terms of the share subscription, share purchase and shareholder agreements pursuant to which we acquire our majority interests in MSOs, the existing shareholders agree not to sell their minority shareholdings for a specified period of time and agree not to compete directly or indirectly with the activities of the relevant subsidiary. For more information, see "***Our Subsidiaries***" on page 92. In the event any of these minority shareholders breach their obligations under such agreements or enter into any dispute with our Company or our subsidiary, it may have an adverse effect on our business, financial condition and results of operations.

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

Our business is subject to extensive regulation by the Telecom Regulatory Authority of India ("**TRAI**"), the Ministry of Information and Broadcasting ("**MIB**"), Department of Telecommunication ("**DoT**") and other government bodies. Increased regulation or changes in existing regulation may require us to change our business policies and practices and may increase the costs of providing services to customers, which could have a material adverse effect on our financial condition and results of operations. For instance, in July 2008, TRAI submitted recommendations to the MIB for the introduction of a separate licensing framework for MSOs and LCOs, including district, state and national level licenses for MSOs and LCOs, minimum quality of service and performance standards, digitisation and software standardisation. For more information, see "***Regulations and Policies***" on page 78.

Some of the key regulatory risks currently facing us with respect to our cable network business include:

- The Government has capped the maximum amount that an MSO or LCO may demand from a subscriber for receiving the channels on an analog platform transmitted and provided by such MSO or LCO. In addition, the Government has capped the monthly cable fees that an MSO or LCO may charge a subscriber for receiving the channels transmitted and provided by such MSO or LCO in areas in which digital technology has been deployed. MSOs and LCOs are required to transmit a minimum number of channels to subscribers;

- MSOs are required to re-transmit signals of television channels received from a broadcaster, on a non-discriminatory basis to LCOs. MSOs are not allowed to engage in any practice or activity or enter into any understanding or arrangement, including exclusive contracts with any broadcaster or distributor of TV channels, that prevents any LCO from obtaining such TV channels. Therefore, MSOs and LCOs are unable to provide exclusive broadcasts of channels to differentiate their service offerings;

- In areas in which digital technology has been deployed or mandated as part of the Government's drive for CAS implementation, all broadcasters, MSOs and LCOs are required to mutually negotiate and finalise their interconnection agreements and in the event of their not being able to arrive at a mutually acceptable interconnection agreement within 60 days, they are required to enter into standardised interconnection agreements; and

- Foreign investment in activities pertaining to a cable television network is restricted to 49% of the paid up equity capital of a company engaged in such activities and is subject to prior FIPB approval (which we have received in respect of the Issue on January 15, 2009) and to the Cable Television Network

Rules, 1994. This restricts the amount of capital we may raise by means of foreign investments in the Company.

Some of the key regulatory risks currently facing us with respect to our broadband cable internet business include:

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

- FDI in ISP activities is restricted to 74% of the paid up equity capital of any company engaged in such activities with prior approval of the FIPB. Although FDI up to 49% is permitted under the automatic route, this again restricts the amount of foreign capital we may raise.

Although we believe that we are in material compliance with such laws and regulations, government authorities may allege non compliance, and we cannot assure you that we will not be subjected to any adverse regulatory action in the future. Additionally, we rely on LCOs to provide the last mile connection to our subscribers. In the event the LCOs we transact with are subjected to any adverse regulatory action, it may have a material and adverse effect on our business and results of operations. Further, the laws and regulations under which we operate, and our obligation to comply with them, may result in delays in the development and production of our products and services, cause us to incur increased costs by reason of the need to comply with such regulations and prohibit or severely restrict our businesses. Moreover, the laws and regulations under which we operate are subject to change and any change to these laws and regulations could adversely impact our business and results of operation.

9. The television distribution industry is highly competitive, which affects our ability to attract and retain subscribers.

The television distribution is highly competitive and is often subject to rapid and significant changes in the marketplace, technology and regulatory and legislative environments. In some instances, we compete against companies with longer operating histories, easier access to financing, greater resources and operating capabilities, greater brand name recognition and long-standing relationships with regulatory authorities. We primarily compete with other cable television service providers in the markets in which we operate, as well as with Direct to Home ("**DTH**") service providers, internet protocol television ("**IPTV**") service providers and their respective local affiliates. We believe our strongest cable competitors include Hathway Datacom, Digicable, Wire and Wireless (India) Limited ("**WWIL**") and InCable. All four of these competitors have a presence in several cities across India. DTH companies that compete with us include TataSky, DishTV, Sun Direct TV, BIG TV and Bharti Airtel. Competition from these players is not limited solely to traditional forms of television services such as competition based on program offerings, customer satisfaction, network quality and price, but may also include competition in respect of value-added services offered. Further, other factors such as the development of new technologies and services within the industry may force us to compete with new types of services offered by other providers. The success of these ongoing and future developments could have a negative impact on our business operations. Additionally, there is a risk that existing and new competitors, and in particular competitors with substantially more resources than us, could begin to operate in our geographic market or surpass us in identifying and acquiring desirable acquisition targets. We cannot assure you that we will be able to compete successfully, which could adversely affect our business and results of operations.

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

In addition to the various competitive factors discussed above, our business is subject to risks relating to increasing competition for the leisure and entertainment time of consumers. Our business competes with all other sources of entertainment and information delivery, including broadcast television, films, live events, radio broadcasts, home video products, console games, print media and the internet. Technological advancements, such as new video formats and internet streaming and downloading, have increased the number of entertainment and information delivery choices available to consumers and intensified the challenges posed by audience fragmentation. The increasing number of choices available to audiences could negatively impact demand for our products and services. If we do not respond appropriately to further increases in the leisure and entertainment choices available to consumers, our competitive position could deteriorate and our financial results could suffer.

11. We have limited experience in providing cable broadband internet services and may not be able to compete effectively.

We have obtained an all-India ISP license and have recently commenced a limited roll out of broadband internet services in select areas. Over time, we intend to expand our broadband internet services to all of our digital cable subscribers as well as provide broadband internet services on a standalone basis. Our broadband cable internet services will compete with fixed telephony carriers and other broadband internet access providers, as well as providers of dial-up internet access and with emerging technologies for the provision of broadband internet services. We believe that our main competitors in this market are MTNL, BSNL, Tata Indicom, Bharti Airtel, Sify and Reliance Communications. There can be no assurance that we will be able to successfully compete against the established players in the market.

12. Problems with the service quality or performance of our digital platform, value-added services and broadband services could result in a decrease in the number of our subscribers and revenues.

If we are unable to provide high quality digital cable, value-added services and broadband services, our credibility and market acceptance of our service offerings could be negatively affected. Further, actual or perceived problems with the quality of our services may lead to a lack of consumer confidence and harm our ability to successfully market our service offerings. Any such problems with our service quality or performance could result in a decrease in our revenue. In addition, we may need to obtain additional financing in order to address any such quality issues that may arise, which may not be available on favourable terms or at all.

As we rely on LCOs to provide the “last mile” link to our subscribers, we provide training and support to LCOs to ensure that they deliver quality customer service to our subscribers. However, the quality of a LCO’s operations may be lowered by a number of factors beyond our control. LCOs, which typically have direct contact with subscribers in respect of sales, billing, technical support and general customer services, may not successfully deliver our digital and analog services in a manner consistent with our standards and requirements or may not hire and train qualified personnel in accordance with our standards. Any negative publicity regarding our brand or services resulting from such circumstances could adversely affect our business and results of operations.

13. LCOs may switch to other cable television distribution service providers and as such, there is a risk that LCOs may choose to terminate their relationship with us.

We deliver programming on our cable network through LCOs as a “last mile” link that connects our cable lines to the homes of our subscribers. We typically enter into affiliation agreements with LCOs, pursuant to which the LCOs receive our signal feed and agree to offer our cable services rather than the services of a competitor. We initially agree a set fee payable per month in advance by the LCO but the agreed fee is subject to renegotiation during the term of the agreement. The affiliation agreements are typically valid for a period of one year. However, an LCO may terminate the agreement on 30 days’ notice provided that all the accounts are fully settled between us and the LCO. Therefore, no LCO is under any long-term obligation to remain affiliated with us. We compete with other MSOs for the LCOs to offer our cable services. Although we believe that we have established, close relationships with our principal LCOs, our success will depend upon our ability to retain our relationships with LCOs. Failure to retain our relationships with LCOs could result in a loss of our subscribers, which would negatively affect our results of operations.

14. We currently rely significantly on STAR DEN Media Services Private Limited (“STAR-DEN”) for our revenues and in the event our relationship with STAR-DEN deteriorates or in the event our joint venture partner acquires 1% in STAR-DEN from us, it will have a material adverse effect on our business.

In January 2008, we entered into a 50:50 joint venture agreement with Star India Private Limited (“**STAR**”) with respect to STAR-DEN. STAR-DEN acts as a content aggregator and currently has the exclusive right to distribute 23 television channels to providers of various television distribution platforms, such as cable television, DTH satellite television and IPTV, in India, Bhutan and Nepal. STAR-DEN contributed 51.23% and 51.34% of our total income on a consolidated basis for fiscal 2009 and the three month period ended June 30, 2009, respectively. It also helped us reduce our loss after tax by 11.86% on a consolidated basis in fiscal 2009 and contributed 44.63% towards our profit on a consolidated basis for the the three month period ended June 30, 2009.

The joint venture agreement contains certain non-competition provisions. In addition, the agreement sets out certain funding and contractual obligations, including performance targets for STAR-DEN that we are required to meet. The agreement also gives STAR the option to acquire an additional 1% interest in STAR-DEN from us if we are in default under the agreement and from January 2010, STAR also has an option to purchase an additional 1% interest in STAR-DEN from us, which is exercisable within a 30-day window once a year. The exercise of STAR's option to purchase an additional 1% interest in STAR-DEN gives us the right to sell our entire interest in STAR-DEN to STAR. In addition, if STAR exercises its option because we are in default under the agreement, if we decide to sell our then remaining 49% interest, the purchase price shall be at a 20% discount to the fair market value of such interest, which would have a material adverse affect on our financial condition. For more information on the joint venture agreement, see "***History and Certain Corporate Matters — Our Joint Venture***" on page 87.

The success of our STAR-DEN joint venture will depend upon continuing cooperation with STAR. Any disagreement with STAR could involve expenses and management efforts to resolve such disagreement.

15. ***The growth of our business may require us to obtain additional financing, which we may not be able to obtain on reasonable terms or at all.***

The growth of our business may require us to obtain additional financing, which we may not be able to obtain. We are expected to incur substantial future expenditures on account of upgrading and expanding our network systems, purchasing equipment and acquiring majority interests in additional MSOs. We are party to MoUs to acquire the majority interests in 26 MSOs. The fact that we have entered into a MoU does not mean we will acquire a majority interest in a MSO, as the acquisition of that interest is subject to conditions, including our undertaking detailed due diligence to our satisfaction. Therefore, the actual amount of funds required cannot be determined with precision at this time. There can be no assurance that we will have sufficient capital to accomplish the planned system upgrades, equipment and MSO business acquisitions and expansion. Further, to the extent that we are able to obtain financing when needed, the agreements governing debt financing may contain certain restrictive covenants that will limit our ability to enter into certain business transactions and restrict our management's ability to conduct our business. Any financing obtained by the issuance of additional securities would also dilute the ownership interest of investors in our Equity Shares and could contain provisions that would give the holders of such additional securities preferences over the holders of our Equity Shares, such as preferences in dividend and distribution payments.

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

We have begun the process of building a collection of content in order to cater to the tastes and preferences of a diverse and varied group of subscribers and to differentiate ourselves from our competitors. We obtain distribution rights from broadcasters and content aggregators for such content. Our ability to successfully build and profit from our niche content library will depend on our ability to continue to obtain desirable customised content and deliver it to our subscribers at competitive prices. There can be no assurance that the rights to such third party content will be available to us on acceptable terms, or at all, and if so available, that such content will be attractive to our subscribers. Any failure on our part to anticipate, identify and respond effectively to subscriber demands could adversely affect subscriber acceptance of our services. Moreover, competitive constraints may also render us unable to pass on cost increases relating to the acquisition of distribution rights for third party content in their entirety to our subscribers, which could also adversely affect our results of operations.

17. ***We depend on a limited number of third party suppliers and licensors and if we are unable to procure the necessary equipment, software or licenses on reasonable terms and on a timely basis, our ability to offer services could be impaired.***

We depend significantly on a limited number of third party suppliers, producers and licensors to supply the hardware, software and operational support necessary to deliver our services, including digital set top boxes, routers and fibre-optic cables. In respect of broadband internet services, we rely significantly on third party suppliers for the cable modems used by subscribers and for routers, servers and other equipment used at our broadband regional operating centres. If demand exceeds the capacity of the vendors that we use or if these vendors experience operating or financial difficulties, the need to procure or develop alternative sources of the affected materials could affect our ability to deliver services in a timely fashion.

Further, except for equipment relating to our encryption technology, we have not entered into any long-term agreements with our vendors for the supply of equipment, software licenses or services and there can be no assurance that we will be able to economically and in a timely manner source the delivery of these components from third parties, if at all. Additionally, we source our encryption technology from a single third party and any inability in the renewal of contract may have a material adverse effect on our business and results of operations. These events could materially and adversely affect our ability to retain and attract subscribers, and have a material negative impact on our operations, business and financial condition.

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

We import a significant portion of the equipment such as digital set top boxes and equipment for our broadband services used in our business and as a result we are subject to foreign currency fluctuations in respect of purchases made in various foreign currencies. Further, any political or economic disturbances in these areas could interrupt the timely supply of these equipments. The exchange rate between the Rupee and other currencies, including the US Dollar, the British Pound Sterling, the Euro, the Chinese Yuan and the Japanese Yen, has changed substantially in recent years and may fluctuate substantially in the future. We do not have any outstanding forward contracts to hedge the risk of fluctuations in foreign exchange rates. Therefore, the depreciation of the Rupee may have an adverse effect on our results of operations.

19. ***We may not be able to successfully maintain the brand image of our existing offerings or effectively build the brand image of our new offerings, bundled offerings and brand extensions, which may affect our performance.***

Our success, especially in relation to our proposed expansion of broadband internet services as well as value-added television broadcast services, depends significantly on our ability to maintain the “DEN” and “Digitelly” brands and effectively build the brand image of our new offerings, bundled offerings and brand extensions. To increase our brand recognition, we believe we must continue to devote significant time and resources to advertising and promotions. These expenses may not result in an increase in favourable recognition of our brands or a sufficient increase in revenues to cover such advertising and promotional expenses.

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

It is illegal to create, sell or otherwise distribute software or devices to circumvent conditional access technology. However, theft of cable content is widespread in India. Specifically, delivery of analog subscription content is more susceptible to theft than digital subscription content because signals transmitted via an analog platform are not protected by encryption technology. Our ability to protect analog signals from theft or monitor possible theft is very limited.

The delivery of digital subscription content requires the use of conditional access technology, which may be used even where CAS is not mandated, to limit access to content to only those who subscribe to it and are authorised to view it. CAS uses, among other things, encryption technology to protect the transmitted signal from unauthorised access.

We have undertaken various initiatives with respect to our CAS to further enhance the security of our signals. To help combat signal theft, we provide our customers with advanced access cards that we believe significantly enhance the security of our signal. However, we cannot guarantee that our access cards are or will be effective enough to prevent the theft of our programming signals. Further, there can be no assurance that we will succeed in developing or implementing the technology we need to effectively restrict or eliminate signal theft. If we cannot promptly correct a compromise of our conditional access technology, our revenue and our ability to contract for video and audio services provided by programmers could be materially adversely affected. Where subscription content is stolen, we would not receive revenues from those stealing our signals and this would adversely affect our revenue. In addition, our operating costs could increase if we attempt to implement additional measures to combat signal theft.

21. STAR-DEN may not be able to licence the distribution rights for television channels on commercially acceptable terms or at all. Additionally, non-renewal of existing exclusive distribution agreements with television broadcasters may have a material and adverse effect on our business, financial condition and results of operation.

STAR-DEN has entered into various channel distribution agreements with certain television broadcasters. Further, STAR-DEN currently has the exclusive right to distribute 23 channels for a period ranging from two to seven years. During the term of such channel distribution agreements, STAR-DEN has obtained the exclusive right to distribute the television channels through cable, DTH and other mediums. STAR-DEN enters into agreements with television channel distribution companies for the allotment and placement of the broadcasters channels on the network of such television channel distribution companies for a commercially negotiated consideration. However, there can be no assurance that STAR-DEN will be able to enter into such agreements with television channel distribution companies on commercially acceptable terms or at all.

There can be no assurance that STAR-DEN will be able to renew its agreements either with the television channel broadcasters or with television channel distribution companies. This may have a material adverse effect on the business, financial condition and result of operations of STAR-DEN and may therefore have a material and adverse effect on our business, financial condition and results of operation.

22. We may be unable to keep pace with technological change and existing and future technological developments may allow new competitors to emerge.

The entertainment and media industry and ISP industry are characterised by rapid technological changes and the introduction of new products and services. Such change could adversely affect our ability to maintain, expand or upgrade our systems and respond to competitive pressures. We cannot assure you that we will be able to fund the capital expenditures necessary to keep pace with future technological developments. We also cannot assure you that we will successfully anticipate the demand for products and services requiring new technology. If we are unable to keep pace with technological change and provide advanced services in a timely manner, or to anticipate the demands of the market place, it could adversely affect our business, financial condition and results of operations.

While we are aware of the current state of existing and still evolving types of technology that we are competing against, such as DTH satellite services and IPTV services in the entertainment and media industry and DSL, other dial up services, and other cable and wireless broadband services, WiMAX and wireless telephony in the ISP industry, we may not be able to foresee how these technologies will evolve. In addition, we may not be able to foresee the emergence of new technologies that would also compete with our cable television distribution services or broadband services in the future.

Future technological advances may require us to expend financial resources in the development or implementation of new competitive technologies. We may not have sufficient financial resources to fund new technology or access new resources. Our failure to introduce new technology and services as rapidly as those of our competitors could adversely affect our financial condition and results of operations.

23. We depend on computer technologies and network infrastructure, including leased fibre optic connectivity, and disruptions in such systems could harm our reputation and results of operation.

Due to the importance of computer networks and data transfer technologies to our business, any event affecting our systems could have a material adverse effect on our business. Our network infrastructure may be damaged or disrupted by fire, lightning, flooding and other calamities, technology failures, human error, terrorist attacks, hacker attacks and malicious actions and other similar events. We attempt to mitigate these risks by employing a variety of measures, including backup and protective systems, insurance and building security. We cannot, however, be certain that these measures will be sufficient and effective under all circumstances and that disruptions or damage will not occur. Damage or disruption to our infrastructure could result in reduced revenues, increased costs, service disruptions, loss of customers and damage to our reputation.

In addition, we lease much of our inter-city fibre optic network through third party service providers. We do not have direct control over leased cables, including control over maintenance of these cables. Moreover, the parties leasing the cables to us retain responsibility for repairing any breakages or other damage to the cables that we lease from them. If a third party service provider fails to repair a breakage or other damage in a timely manner, both cable and broadband services transmitted via the damaged cable may remain disrupted for an extended period of time. Failure to properly maintain or promptly repair the relevant cables on the part of a third party service provider from whom we lease cable access could result in reduced revenues, increased costs, service disruptions, loss of customers and damage to our reputation.

24. We have applied for, but have not yet received, trademark registrations for our brand names.

We have applied for trademark registrations under class 38 for our brands "DEN", "Digitelly", "EXCITE" and "CINETIME". For more information on our applications for trademarks, see "***Government and Other Approvals***" on page 280.

The registration of any trademark is a time-consuming process, and there can be no assurance that any such registration will be granted. Our applications may not be allowed or our competitors may challenge the validity or scope of our intellectual property. Unless our trademarks are registered, we may only get passing off relief for our marks if used by others, which could materially and adversely affect our brand image, goodwill and business. It is only upon registration that we can prohibit other persons from using our trademarks. However, we cannot provide any assurance that third parties will not infringe upon our trademark, trade names, logos or brand names, and thereby cause damage to our business prospects, reputation or goodwill.

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

Many entities, including some of our competitors, have or may in the future obtain patents and other intellectual property rights that cover or affect products or services related to those that we currently offer or may offer in the future, including value added services for our digital cable services. In general, if it is determined that one or more of our services or the products used to transmit or receive our services infringes intellectual property owned by others, we and the applicable manufacturers or vendors may be required to cease developing or marketing those services and products, to obtain licenses from the owners of the intellectual property or to redesign those services and products in such a way as to avoid infringing the intellectual property rights. If a third party holds an intellectual property right, it may not allow us or the applicable manufacturers to use its intellectual property at any price, which could materially adversely affect on our competitive position.

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

26. We require certain approvals or licenses in the ordinary course of business, and the failure to obtain them in a timely manner, or at all, could adversely affect our operations.

We require certain approvals, licenses, registrations and permissions for operating our business, some of which may expire in the near future and for which we may be required to obtain approvals for renewal. These include applications for approval under the Contract Labour Regulation Act required to be obtained by our Company and renewal of cable television registration for some of our Subsidiaries. For more information, see "***Government and Other Approvals***" on page 280. If we fail to obtain any of these approvals, licenses or renewals in a timely manner, or at all, our business could be adversely affected.

27. ***Our Company and certain of our Subsidiaries are involved in certain legal proceedings.***

These legal proceedings are pending at different levels of adjudication before various courts and tribunals. Should any new developments arise, such as a change in law or rulings against our Company by appellate courts or tribunals, our Company may need to make provisions in its financial statements, which could adversely impact its reported financial condition and results of operations. The details of litigations involving our Company and our Subsidiaries are set forth below:

Litigation against our Company:

Nature of the litigation	No. of outstanding litigations	Aggregate amount involved* (In Rs. million)
Civil case pending before TDSAT	1	-**

**These amounts do not include any interest claimed*
*** Amount is not ascertainable*

Litigation against our Subsidiaries:

Name of the Subsidiary	Nature of the litigation	No. of outstanding litigations	Aggregate amount involved* (In Rs. million)
DEN Maa Sharda Vision Cable Networks Private Limited	Notice	1	0.12
DEN Enjoy Navaratan Network Private Limited	Notice	1	-**
DEN Fateh Marketing Private Limited	Notice	1	-**
DEN Ambey Cable Networks Private Limited	Notices	3	-**
Meerut Cable Network Private Limited	Notice	1	-**

**The amount does not include any interest claimed.*
*** Amount is not ascertainable*

For details of the outstanding litigations, see "***Outstanding Litigation and Material Developments***" on page 269.

28. Our Director, our Promoter, one of our Group Entities and STAR-DEN are involved in certain legal proceedings. Any adverse order in these proceedings could have a material adverse effect on business and operation.

Mr. Raghav Bahl, one of our Directors, is involved in certain outstanding litigation, summary details of which are given in the table below, which if determined against him could require him to pay damages and which could adversely impact his reputation and, by implication, our reputation.

Nature of the litigation	No. of outstanding litigation	Aggregate amount involved* (In Rs. million)
Criminal	1	-**
Income tax	3	2.13
Civil	1	-**
Legal notices	2	2.00

** These amounts do not include any interest claimed.*
*** Amount is not ascertainable*

Mr. Sameer Manchanda, our Promoter is involved in certain litigation proceedings. The summary details of which are provided in the table below:

Nature of the litigation	No. of outstanding litigation	Aggregate amount involved* (In Rs. million)
Criminal	1	-**
Taxation	1	0.40

**The amount does not include any interest claimed.*
*** Amount is not ascertainable*

Setpro18 Distribution Limited, one of our Group Entities, is involved in one litigation. The summary details of which are provided in the table below:

Nature of the litigation	No. of outstanding litigation	Aggregate amount involved* (In Rs. million)
Legal notice	1	1.24

**The amount does not include any interest claimed.*

STAR-DEN is involved in certain outstanding litigation. Summary details of the proceedings filed against STAR-DEN are given in the table below, which if determined against it could affect its business and have an adverse impact on its financial condition and results of operations.

Nature of the litigation	No. of outstanding litigation	Aggregate amount involved* (In Rs. million)
TDSAT	27	-**

*These amounts do not include any interest claimed.
** Amount is not ascertainable

For further information on the cases against Mr. Raghav Bahl, Mr. Sameer Manchanda, Setpro18 Distribution Limited and STAR-DEN, see "***Outstanding Litigation and Material Developments***" on page 269.

29. We are dependent on a number of key personnel and the loss of such persons, or our inability to attract and retain key personnel in the future, could adversely affect us.

Our success depends on the continued services and performance of the members of our management team, other key employees and our Promoters. Competition for senior management personnel in the cable industry in which we engage or expect to engage is intense, and we may not be able to retain our existing senior management personnel, attract senior management personnel of similar capabilities or retain new senior management personnel in the future.

Further, the loss of the services of our senior management team or other key personnel could adversely affect our business and our results of operations and financial condition. Additionally, Mr. Sameer Manchanda, the non-Executive Chairman and Promoter of our Company, is also the Joint Managing Director of ibn18 Broadcast Limited, a news broadcaster, and may not be able to dedicate sufficient time towards the business and operations of the Company or in addressing business opportunities and strategies for the Company. We do not maintain 'key man' insurance for our Promoters, senior members of our management team or other key personnel.

Further, if we fail to hire and retain sufficient numbers of additional qualified personnel, particularly engineers and other technical professionals, our results of operations and financial condition could be adversely affected. The success of our business will depend on our ability to identify, attract, hire, train, retain and motivate skilled professionals to build and maintain our network. Demand for qualified professional personnel is high and such personnel are in limited supply. Our professionals are highly sought after by our competitors as well as other Indian companies, particularly as India's economy continues to grow and mature.

30. Our revenues are adversely affected by an under-reporting of analog cable subscribers by LCOs.

We deliver the television channels on our cable distribution network through LCOs, who provide the "last mile" cable link to the homes of our subscribers. Subscribers pay a fee for the provision of cable television to the LCOs, who in turn pay an agreed price to us. Our revenues from cable television subscriptions are based on the number of subscribers connected to a LCO. In respect of our analog subscribers, who constitute the overwhelming majority of our subscribers, we do not have the ability to independently determine the number of subscribers that any given LCO has and must instead rely on the information provided by the LCOs. As is typical in the industry, there are instances where the LCOs under-report the number of their subscribers to us. Where this occurs, we do not receive subscription revenues with respect to the unreported subscribers, which adversely affect our revenue and results of operations.

31. We may face labour disruptions that would interfere with our operations.

We are exposed to the risk of strikes and other industrial actions. As at September 30, 2009, we had 1,095 employees (not including STAR-DEN employees). In addition, as at September 30, 2009, STAR-DEN had 135 full-time employees. As at June 30, 2009, none of our employees nor STAR-DEN's employees belonged to any trade union. While we believe our relationship with our employees is generally good, we cannot guarantee that we will not experience any strike, work stoppage or other such industrial action in the future. Also, we cannot guarantee you that significant suppliers that we use will not also experience any strikes, work stoppages or other such industrial action in the future. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other costs and otherwise have a material adverse effect on our business, results of operations or financial condition. For more information, see "***Our Business – Human Resources***" on page 76.

32. Wage increases in India may reduce our profit margins.

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

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

We believe that we have insured ourselves against a majority of the risks associated with our business. Our significant insurance policies provide cover for risks relating to physical loss, theft or damage to our assets, as well as business interruption losses. In addition, we have obtained separate insurance coverage for personnel-related risks for some of our personnel. While we believe that the policies that we maintain would reasonably be adequate to cover all normal risks associated with the operation of our business, there can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have obtained sufficient insurance (either in amount or in terms of risks covered) to cover all material losses. To the extent that we suffer loss or damage for events for which we are not insured or for which our insurance is inadequate, the loss would have to be borne by us, and, as a result, our results of operations and financial condition could be adversely affected.

The price, terms and availability of insurance fluctuate significantly and all insurance policies on equipment may not continue to be available on commercially reasonable terms or at all. In addition to higher premiums, insurance policies may provide for higher deductibles, shorter coverage periods and health-related policy exclusions.

34. We do not own our registered office and other premises from which we operate.

We do not own the premises on which our Registered and Corporate Office and other offices are located. All our offices are located on leased premises. If any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavourable to us, we may suffer a disruption in our operations or increased costs, or both, which may adversely affect our business and results of operations. For more information, see "***Our Business – Properties and Facilities***" on page 76.

35. Some of the lease agreements entered into by our Company with respect to our immovable properties may not be duly registered or may be inadequately stamped, which may adversely affect our operations.

Some of our lease agreements with respect to our immovable properties may not be duly registered or inadequately stamped. Unless such documents are adequately stamped or duly registered, such documents may be rendered as inadmissible as evidence in a court in India or attract penalty as prescribed under applicable law. In such event, we may be required to relocate one or more of our offices to new locations which could lead to temporary disruption in our operations in such regions. Also, if we are unable to find alternative locations at reasonable commercial terms, our profitability may be negatively impacted.

36. We have entered into, and will continue to enter into, related party transactions.

We have in the course of our business entered into transactions with related parties such as our Promoters and entities affiliated with our Promoters, including other members of the Group Entities. While we believe that all such transactions have been conducted on an arm's length basis, there can be no assurance that we could not have achieved more favourable terms had such transactions not been entered into with related parties. Furthermore, it is likely that we may 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 our financial condition and results of operations. For more information, see "***Related Party Transactions***" on page 171.

37. IL&FS Investors (with Standard Chartered replacing SCB) would have a right to direct the Company to withdraw from the Issue if the Issue Price determined is not above the reference price based on which the conversion price of the CCPS was determined.

We entered into an amended and restated shareholders agreement dated January 29, 2009 ("**Shareholders Agreement**") with SCB, PAN Asia Infrastructure, TARA India, PAN Asia, TARA, TARA Domestic (collectively referred to as "**IL&FS Investors**" for the purpose of this Shareholders Agreement), Mr. Sameer Manchanda, Lucid Systems Private Limited and Verve Engineering Private Limited (collectively referred to as "**Promoters**" for the purpose of this Shareholders Agreement) pursuant to which 799,800 CCPS and 200 Equity Shares issued by the Company were subscribed by the IL&FS Investors. Subsequently, on July 24, 2009, our Company, IL&FS Investors (with Standard Chartered replacing SCB) and the Promoters executed an amendment agreement to the Shareholders Agreement ("**Amendment Agreement**"), amending the terms for the conversion of the CCPS and further providing that we may proceed with the proposed Issue only if the Issue Price is higher than the reference price (i.e. the estimated IPO price) based on which the conversion price of the CCPS was determined. Pursuant to the Amendment Agreement such IL&FS Investors have converted their respective CCPS into Equity Shares. For details, see "***History and Certain Corporate Matters- Summary of Key Agreements***" on page 89.

38. Our statutory auditors had qualified their report on our financial statements.

Our statutory auditors had qualified their report on our financial statements. Brief details of the area of audit qualifications are set forth below:

Area of Audit Qualification	Period
Standalone	
The Company has not prepared a comparable balance sheet as at June 30, 2008, the profit and loss account and the statement of cash flows for the three month period ended 30 June, 2008 as required in consonance with Accounting Standard 25 – Interim Financial Reporting as notified by the Companies (Accounting Standards) Rules 2006 due to the limited use of the financial statements for the proposed initial public offering of the Equity Shares.	Three month period ended June 30, 2009
Consolidated	
The Company has not prepared a comparable balance sheet as at June 30, 2008, the profit and loss account and the statement of cash flows for the three month period ended 30 June, 2008 as required in consonance with Accounting Standard 25 – Interim Financial Reporting as notified by the Companies (Accounting Standards) Rules 2006 due to the limited use of the financial statements for the proposed initial public offering of Equity Shares.	Three month period ended June 30, 2009

For details, see "***Financial Statements***" on page F1.

39. We intend to use a portion of the funds being raised through this Issue to procure equipment for planned activities. Any delay in procuring the necessary equipment may delay the implementation of our business plan.

A portion of the net proceeds of the Issue are proposed to be deployed for the purchase of equipment. We have yet to place orders for all of the equipment required for planned activities. As on the date of this Red Herring Prospectus, we have not entered into any definitive agreements towards the same. We intend to place the orders as and when they are required in accordance with our implementation schedule. However, any delay in placing orders or in procuring the necessary equipment may delay our planned activities. Such delays may lead to increases in prices of the equipment, which may affect our cost estimates. For more information, see "***Objects of the Issue***" on page 36.

40. We have not entered into any definitive arrangements towards the net proceeds of the Issue.

The net proceeds from this Issue are expected to be used as set forth in ***"Objects of the Issue"*** on page 36. We have only entered into certain purchase orders with respect to investment in the expansion of our cable television and broadband infrastructure services and are relying on vendor quotations for the same. In addition, our capital expenditure plans are subject to a number of variables, including possible cost overruns, changes in management's views of the desirability of current plans, risk associated with the import of equipment including import duties and exchange rates, changes in applicable law amongst others. There can be no assurance that we will be able to conclude definitive agreements for the investments as set forth in the ***"Objects of the Issue"*** on page 36 or otherwise on commercially acceptable terms.

41. ***We anticipate that more than 25% of the Net Proceeds of the Issue will be deployed towards general corporate purposes, including acquiring new subscribers and MSOs, and we may not be able to make adequate disclosures with regard to such utilization.***

We intend to utilize a portion of the Net Proceeds of the Issue for general corporate purposes, including acquiring new subscribers and MSOs, both organically and inorganically, and investment in joint ventures and/or Subsidiaries. We anticipate that such Net Proceeds which will be used for general corporate purposes will exceed 25% of the Net Proceeds of the Issue. In this regard, we will not be able to make adequate disclosures to inform investors of the utilization of funds for general corporate purposes, as we have not yet entered into any definitive agreements, including for any such acquisition, investment or joint venture, and the Board has not yet authorised any specific commitments, with respect to utilization of the portion of the Net Proceeds of the Issue which will be used for general corporate purposes.

42. ***We have had negative cash flow from investing activities.***

We had negative cash flow from investing activities of Rs. 195.75 million, Rs. 1,185.83 million and Rs. 2,085.78 million for the period ended June 30, 2009, in fiscal 2009 and for the period ended March 31, 2008, respectively.

43. ***Our contingent liabilities that have not been provided for could adversely affect our financial condition.***

As of June 30, 2009, we had contingent liabilities of Rs. 119.16 million (excluding capital commitments as at June 30, 2009) on a consolidated basis. In the event that we are called upon to pay some or all of such liabilities, our financial condition and results of operations could be adversely affected, which could in turn impact our business. Set forth below is a table that summarises our contingent liabilities as at June 30, 2009:

Particulars	Amount (In Rs. million)
Bank Guarantees	21.36
Letter of Credit	97.80

For more information on our contingent liabilities as of June 30, 2009, see "***Financial Statements –Auditor's Report on Restated Consolidated Financial Statements-Annexure IV***" on F51.

44. ***One of our Promoters and certain of the entities forming part of our Group Entities have incurred losses in the past.***

Lucid Systems Private Limited, one of our Promoters, has incurred losses in the past. The details of the same are set forth below:

(Amount in Rs.)

Name	Fiscal		
	2009	2008	2007
Lucid Systems Private Limited	(8,540)	29,938	(28)

In addition, Verve Engineering Private Limited, one of the Group Entities, has incurred losses in the last fiscal year. The profit/(loss) figures for these companies are set out below:

(Amount in Rs.)

S. No.	Group Entity	Fiscal		
		2009	2008	2007
1.	Verve Engineering Private Limited	(8,114,272)	-*	N.A.

** For period ended March 31, 2008*

45. ***We have in the last 12 months issued Equity Shares at a price which may be lower than the Issue Price.***

We have in the last 12 months made certain issuances of Equity Shares to the Promoters and others at a price that may be lower than the Issue Price.

Date of allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash etc.)	Reasons for allotment
February 17, 2009	200	10	500	Cash	Preferential allotment
June 26, 2009	72,475,520	10	N.A.	Other than cash	Bonus issue (4:1)
July 22, 2009	522,664	10	151.49^	Other than cash	Conversion of CCPS
	689,299	10	151.49^		
	2,747,823	10	151.49^		
	8,164,185	10	146.94^		
	549,964	10	161.47^		
	687,426	10	161.47^		
	13,361,361				
July 29, 2009	4,019,606	10	190.	Other than cash	Preferential allotment
	3,947,368	10	190	Cash	Preferential allotment

^ *The effective conversion price of CCPS in accordance with the Shareholders Agreement*

For more information, see "***Capital Structure***" on page 27.

46. Our Promoters and Group Entities will continue to hold in excess of a majority of our equity share capital after this Issue and can therefore influence the outcome of any shareholder vote.

After the completion of this Issue, our Promoters and Group Entities will own approximately 53.14% our outstanding Equity Shares. So long as our Promoters and Group Entities own a majority of our Equity Shares, they will be able to elect our entire Board of Directors and control most matters affecting us, including the appointment and removal of our officers, our business strategies and policies, any decisions with respect to mergers, business combinations and acquisitions or dispositions of assets, our dividend policies and our capital structure and financings. Further, to the extent that they hold the majority of our Equity Shares, they could delay or prevent a change of management or control of our Company, even if such a transaction may be beneficial to our other shareholders. The interests of our Promoters and Group Entities, as our controlling shareholder, could also conflict with our interests or the interests of our other shareholders. As a result, our Promoters may take actions with respect to our business that may conflict with our interests or the interests of our other shareholders.

47. Our Company's indebtedness could adversely affect our financial condition and results of operations.

As at June 30, 2009, our Company's indebtedness to banks and financial institutions and others totalled Rs. 1,563.88 million. We have entered into agreements with certain banks and financial institutions for short-term loans and long-term borrowings and to increase our credit limits. Some of these agreements contain requirements to maintain certain security margins and financial ratios and also contain restrictive covenants, such as requiring lender consent for, among others things, issuance of new shares, making any material changes to constitutional documents, incurring further indebtedness, creating further encumbrances on or disposing of assets, undertaking guarantee obligations, declaring dividends or incurring capital expenditures beyond certain limits. In addition, some of these agreements have required us to obtain personal undertakings from our Promoters. There can be no assurance that we will be able to comply with these financial or other covenants or that we will be able to obtain the consents necessary to take the actions we believe are necessary to operate and grow our business. Our level of existing debt and any new debt that we incur in the future has important consequences. For example, such debt could:

- increase our vulnerability to general adverse economic and industry conditions;
- limit our ability to fund future working capital, capital expenditures and other general corporate requirements;
- require us to dedicate a substantial portion of our cash flow from operations to service our debt;

- limit our flexibility to react to changes in our business and in the industry in which we operate;
- place us at a competitive disadvantage with respect to any of our competitors who have less debt;
- require us to meet additional financial covenants;
- limit, along with other restrictive covenants, among other things, our ability to borrow additional funds; and
- lead to circumstances that result in an event of default, if not waived or cured. A default under one debt instrument may also trigger cross-defaults under other debt instruments.

Any of these developments could adversely affect our business, financial condition and results of operations.

We cannot provide any assurance that our business will generate cash in an amount sufficient to enable us to service our debt or to fund our other liquidity needs as they come due. In addition, we may need to refinance all or a portion of our debt on or before maturity. We cannot provide any assurance that we will be able to refinance any of our debt on commercially reasonable terms, or at all. If we are unable to repay or refinance our outstanding indebtedness, or if we are unable to obtain additional financings on terms acceptable to us, our business, financial condition and results of operations may be adversely affected.

48. We have issued shares for consideration other than cash without valuation by an independent auditor.

On July 29, 2009, we issued 4,019,606 Equity Shares for consideration other than cash pursuant to acquisition agreements entered into with MSOs. In connection with such issuance of Equity Shares, we did not conduct a valuation of the fair value of our Equity Shares by an independent auditor. We can, therefore, provide no assurance that such shares were issued at or above the fair value of our Equity Shares on such date. Furthermore, the price at which such Equity Shares have been issued is not indicative of the price at which Equity Shares may be offered in the Issue or at the price at which they will trade upon listing.

49. We may not declare dividends in the foreseeable future.

In the past, we have not made dividends payments to our equity shareholders in any form. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board of Directors and will depend on factors that our Board of Directors deems relevant, including among others, our results of operations, financial condition, cash requirements, business prospects and any other financing arrangements. Accordingly, realisation of a gain on shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

External Risks related to our Industry and India

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

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

2. Any downgrading of India's debt rating by an international rating agency could have a negative impact on our business.

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

3. Instability in the Indian financial markets could materially and adversely affect our results of operations and financial condition.

The Indian financial market and the Indian economy are influenced by economic and market conditions in other countries, particularly in Asian emerging market countries. Financial turmoil in Asia, Russia and elsewhere in the world in recent years and more recently in the United States has affected the Indian economy. Although economic conditions are different in each country, investors' reactions to developments in one country can have adverse effects on the securities of companies in other countries, including India. A loss in investor confidence in the financial systems of other emerging markets may cause increased volatility in Indian financial markets and, indirectly, in the Indian economy in general. Any worldwide financial instability could also have a negative impact on the Indian economy. Financial disruptions may occur again and could harm our results of operations and financial condition.

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

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

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

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

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

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

6. Political instability or changes in the Government could adversely affect economic conditions in India and consequently our business.

Our performance and the market price and liquidity of the Equity Shares may be affected by changes in exchange rates and controls, interest rates, government policies, taxation, social and ethnic instability and other political and economic developments affecting India. The Government has traditionally exercised and continues to exercise a significant influence over many aspects of the economy. The business of our Company, and the market price and liquidity of the Equity Shares may be affected by changes in Government policy, taxation, social and civil unrest and other political, economic or other developments in or affecting India. Since 1991, successive Indian governments have pursued policies of economic liberalisation, including significantly relaxing restrictions on the private sector. The governments have usually been multi-party coalitions with differing agendas. Any political instability could affect the rate of economic liberalisation and the specific laws and policies affecting foreign investment, the entertainment and media industry and ISP industry. Other matters affecting investment in the Equity Shares could change as well. A significant change in India's economic liberalisation and deregulation policies could adversely affect business and economic conditions in India generally, and our business in particular, if new restrictions on the private sector are introduced or if existing restrictions are increased.

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

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. Foreign investment in activities pertaining to cable television network is restricted to 49% of the paid up equity capital of a company engaged in such activities subject to prior FIPB approval and the Cable Television Network Rules, 1994. Similarly, foreign shareholding in ISP activities is restricted to 74% of our paid up equity capital. Foreign shareholding up to 49% is permitted under the automatic route. Such regulatory restrictions limit our financing sources and could constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, we cannot assure you that the required approvals will be granted to us without onerous conditions, or at all. Limitations on foreign capital may have a material adverse impact on our business growth, financial condition and results of operations.

8. Significant differences exist between Indian GAAP and other accounting principles, such as US GAAP and IFRS, which may be material to investors' assessments of our Company's financial condition. Our failure to successfully adopt IFRS, which is effective from April 1, 2011, could have a material adverse effect on our stock price.

Our financial statements, including the financial statements provided in this Red Herring Prospectus, are prepared in accordance with Indian GAAP. We have not attempted to quantify the impact of IFRS or US GAAP on the financial data included in this Red Herring Prospectus, nor do we provide a reconciliation of our financial statements to those of US GAAP or IFRS. US GAAP and IFRS differ in significant respects from Indian GAAP. Accordingly, the degree to which the Indian GAAP financial statements included in this Red Herring Prospectus will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian GAAP. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Red Herring Prospectus should accordingly be limited.

The Institute of Chartered Accountants of India, the accounting body that regulates the accounting firms in India, has announced a road map for the adoption of, and convergence with, the International Financial Reporting Standards, or IFRS, pursuant to which it is proposed that Indian GAAP would be IFRS compliant by April 1, 2011. Accordingly, our Company may be required to adopt IFRS by 2011.Because there is significant lack of clarity on the adoption of and convergence with IFRS and there is not yet a significant body of established practice on which to draw in forming judgments regarding its implementation and application, we have not determined with any degree of certainty the impact that such adoption will have on our financial reporting. There can be no assurance that our financial condition, results of operations, cash flows or changes in shareholders' equity will not appear materially worse under IFRS than under Indian GAAP. As we transition to IFRS reporting, we may encounter difficulties in the ongoing process of implementing and enhancing our management information systems. Moreover, there is increasing competition for the small number of IFRS-experienced accounting personnel available as more Indian companies begin to prepare IFRS financial statements. There can be no assurance that our adoption of IFRS will not adversely affect our reported results of operations or financial condition and any failure to successfully adopt IFRS by April 1, 2011 could have a material adverse effect on our stock price.

Risks Related to an Investment in our Equity Shares

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

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

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

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

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

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

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

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

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

Prominent Notes:

- Our Company's net worth (excluding preference share capital) as at March 31, 2008, March 31, 2009 and three month period ended June 30, 2009 was Rs. 1,898.78 million, Rs. 2,145.20 million and Rs. 1,738.00 million, respectively, as per our restated standalone financial statements and Rs. 1,902.86 million, Rs. 2,135.74 million and Rs. 1,767.11 million, respectively, as per our restated consolidated financial statements prepared in accordance with Indian GAAP, and restated in accordance with ICDR Regulations.

- Average costs of acquisition of Equity Shares of the Company by Lucid Systems Private Limited and Mr. Sameer Manchanda, our Promoters, are Rs. 0.40 and Rs. 8.80 respectively per Equity Share.

- For details of transactions by our Company with our Group Entities or Subsidiaries for the period ended March 31, 2008, fiscal 2009 and three month period ended June 30, 2009, including the nature and cumulative value of the transactions, see "***Financial Statements***" on page F1.

- For more information on transactions in Equity Shares undertaken by our Promoters and Group Entities, see "***Capital Structure***" on page 27.

- Except as disclosed in "***Capital Structure***" on page 27, neither our Promoters, Promoter Group, directors of our corporate promoter nor our Directors or their relatives have purchased or sold any Equity Shares or financed the sale or purchase by any other person during a period of six months preceding the date on which the Draft Red Herring Prospectus was filed with SEBI.

- Investors may contact the GCBRLM, CBRLM, the Syndicate Member or the Compliance Officer for any complaints, information or clarifications pertaining to the Issue. The GCBRLM, CBRLM, the Syndicate Member and Compliance Officer are obliged to provide the same to investors. For contact details of the GCBRLM, CBRLM, the Syndicate Member and Compliance Officer, please see "***General Information***" on page 17.

- Our Company was incorporated as "DEN Digital Entertainment Networks Private Limited" on July 10, 2007 under the Companies Act with the RoC. Pursuant to the shareholders' resolution dated March 4, 2008, the status of our Company was changed from a private company to a public company to cater to the growing size of the business and increasing number of stakeholders and consequently, the name of our Company was changed to "DEN Digital Entertainment Networks Limited"**.** Consequent to the change of name a fresh certificate of incorporation dated April 15, 2008 was issued by the RoC. The name of our Company was further changed to "DEN Networks Limited" to reflect the broader span of business, both current and future, and consequent to the change of name a fresh certificate of incorporation dated June 27, 2008 was issued by the RoC.

- Except to the extent of their shareholding, as detailed in the section "***Capital Structure***" on page 27, none of our Group Companies has any interest in the Company.

SECTION III - INTRODUCTION

SUMMARY OF OUR INDUSTRY AND BUSINESS

Summary of our Industry

Entertainment and Media Industry

The Indian entertainment and media industry, which, according to the *FICCI KPMG Report 2009*, comprises television, film, radio, print, music, the internet, animation, gaming and outdoor media, has been one of the fastest growing industries in India over the last few years, with a growth rate of 15% between 2006 and 2008. In 2008, the Indian entertainment and media industry recorded growth of 12.3% over the previous year, from an estimated Rs. 520 billion in 2007 to Rs. 584 billion in 2008. The *FICCI KPMG Report 2009* states that the key factors driving the growth of the industry have been deregulation, regionalisation of content, availability of organised funding, digitisation, convergence of platforms, creation of niche content, growing global demand for Indian content and a favourable socio-economic environment. The total market size for India's entertainment and media industry is projected to grow at 12.5% per year from Rs. 584 billion in 2008 to a total of Rs. 1.05 trillion in 2013. The following table sets forth the historic and projected revenue of India's entertainment and media industry as a whole and for the various segments of this industry for the period 2005 through 2013 in Rs. Billion:

(Rs. In billion, except percentages)

Industry Sector	**2005**	**2006**	**2007**	**2008**	**CAGR %** (2006 – 08)	**2009 P**	**2010 P**	**2011 P**	**2012 P**	**2013 P**	**CAGR %** (2009 – 13)
Television	163.3	182.5	211.3	240.5	13.8%	262.7	295.6	341.7	399.1	472.6	14.5%
Print	117.1	138.6	160.4	172.6	13.8%	183.9	197.9	216.0	239.3	266.0	9.0%
Film	66.9	81.7	96.4	109.3	17.7%	109.2	117.5	130.9	151.3	168.6	9.1%
Radio	4.9	6.0	7.4	8.4	19.7%	9.2	10.3	11.9	13.9	16.3	14.2%
Music	8.3	7.8	7.4	7.3	-4.4%	7.5	8.0	8.7	9.5	10.7	8.0%
Animation	10.0	12.0	14.5	17.4	20.1%	20.0	23.3	27.8	33.1	39.4	17.8%
Gaming	2.2	3.0	4.4	6.5	44.6%	9.4	13.3	17.9	22.5	27.4	33.3%
Internet Advertising	2.0	2.0	3.9	6.2	45.2%	8.4	11.0	13.7	17.1	21.4	27.9%
Outdoor	10.0	11.7	14.0	16.1	17.3%	17.7	19.8	22.4	25.5	29.3	12.8%
Total Industry Size	**385**	**445**	**520**	**584**	**15.0%**	**628**	**697**	**791**	**911**	**1,052**	**12.5%**

Source: Group M, KPMG Interviews, KPMG Analysis (FICCI KPMG Report 2009)

India's Television Industry

As at the end of 2008, 123 million households in India had televisions, with 86 million of those households being cable and satellite ("**C&S**") households and 37 million of those households being non-cable and satellite ("**Non-C&S**") households with access to terrestrial television (Doordarshan). The number of households in India with televisions increased by 15 million households between 2005 and 2008, translating into growth of 13.9% for that period. Rapid urbanisation and an increase in disposable income are accelerating the addition of new viewers thus driving up the viewership numbers.

The number of households owning televisions and the number of C&S households varies considerably between states as illustrated in the table below, which shows as of 2006, the total number of households, the total number of television households, the total number of C&S households and the percentage of each as a percentage of the number of households (penetration) in each state and in India overall.

States	Households (in millions)	TV Owning Households (in millions)	TV Penetration	C&S Households (in millions)	C&S Penetration
Andhra Pradesh	19.1	12.6	65.7%	11.5	59.9%
Assam	5.7	1.9	33.8%	0.5	9.4%
Bihar	16.4	3.6	22.2%	0.8	4.8%
Chhattisgarh	4.6	1.8	38.5%	0.8	16.9%
Delhi	3.3	3.0	90.5%	2.6	78.1%
Gujarat	11.4	6.3	55.5%	3.9	34.3%
Jharkhand	5.4	1.6	28.9%	0.7	13.0%
Punjab/HP/Chandigarh	6.6	5.3	80.1%	2.6	38.7%
Haryana	4.5	3.3	73.7%	2.0	44.1%
Karnataka	12.0	7.9	66.5%	6.6	55.4%
Kerala	7.5	5.2	68.6%	3.6	47.8%
Madhya Pradesh	12.6	5.0	39.8%	2.4	18.7%
Maharashtra/Goa	22.9	14.5	63.1%	8.3	36.3%
Meghalaya	0.5	0.3	60.4%	0.2	39.2%
Orissa	9.1	3.4	37.9%	1.6	17.7%
Rajasthan	10.7	4.9	46.3%	1.8	16.7%
Tamil Nadu/Pondicherry	16.5	11.1	67.3%	10.3	62.1%
Tripura	0.7	0.3	44.9%	0.2	26.3%
Uttar Pradesh	29.5	10.5	35.7%	2.9	9.8%
Uttaranchal	1.8	1.0	57.2%	0.4	19.8%
West Bengal	18.2	7.9	43.1%	4.9	26.6%
Total	**219.2**	**111.6**	**50.9%**	**68.4**	**31.2%**

Source: NRS Report 2006

The Indian television industry comprises two main categories:

- broadcasters of television channels; and
- distributors of television channels.

In addition, there are television content aggregators who bundle and create packages of television channels and sell these packages to distributors of television channels.

Summary of our Business

Overview

We are one of the largest national cable television companies in India engaged in the distribution of analog and digital cable television services (*Source: MPA Report 2009*). Since our incorporation in July 2007, we have expanded our analog cable services to 77 cities across India. The *MPA Report 2009* estimates that our cable television services reach approximately 10 million homes and that we have 300,000 digital cable television subscribers as of December 2008. We launched our digital cable television services in February 2008 under the brand “Digitelly”. We have since expanded our digital services to 37 cities in India and we plan to roll out digital cable television in all of the other cities in which we operate. We currently provide cable television services in the National Capital Region of Delhi and the states of Uttar Pradesh, Rajasthan, Maharashtra, Gujarat, Karnataka, Haryana, Madhya Pradesh and Kerala.

The focus of our growth strategy has been to acquire majority interests in MSOs. We acquire, aggregate and expand the businesses of existing MSOs to achieve economies of scale, deliver a standardised service and provide broadcasters a single-point connect with millions of subscribers. Since our Company's incorporation, we have acquired a majority interest in the businesses of 65 MSOs while simultaneously expanding our own proprietary infrastructure organically. We utilise LCOs to provide the "last mile" cable link to reach our subscribers.

The digitisation of our analog subscriber base is one of our key business strategies. Our digital platform enables us to enhance the television viewing experience of our subscribers. We currently offer up to 180 channels through our digital cable television service compared with up to 100 channels through our analog cable television service. Besides providing DVD quality picture and sound for the broadcast channels, our digital cable television service includes value-added services to our subscribers, such as an interactive electronic programme guide, programme reservations, "red button" initiatives, audio music channels, on-screen reminders, interactive games, interactive blogging and parental controls. We plan to commence offering our digital cable subscribers additional value-added services such as pay-per-view services, interactive educational programmes, personal video recording and mosaic viewing. Value-added services cannot be offered through an analog platform.

We operate between one and three own brand television channels from each of our head-ends, which are telecast exclusively on our cable distribution network. These channels primarily telecast films, music, devotional programmes or local events and news. We have the rights to telecast more than 4,000 films on our network.

We have obtained an all-India ISP license and have recently commenced a limited roll out of broadband internet services in select areas, which we intend to expand in all of the other cities in which we operate across India.

In January 2008, we entered into a 50:50 joint venture agreement with STAR with respect to STAR-DEN. STAR-DEN acts as a content aggregator and currently has the exclusive right to distribute 23 television channels, including the entire STAR group of channels, the entire Disney group of channels, select Network18 channels, the entire Times Group of channels and MGM, to providers of various television distribution platforms, such as cable television, DTH satellite television and IPTV, in India, Bhutan and Nepal. STAR-DEN has also entered into agreements with five channels in the STAR group to place those channels on those channels' preferred bandwith and signal with the various television distributors in India, Bhutan and Nepal.

For the period from July 10, 2007 to March 31, 2008, fiscal 2009 and the three month period ended June 30, 2009 our consolidated revenues were Rs. 868.90 million, Rs. 7,193.46 million and Rs. 2,140.50 million, respectively, and we made a consolidated loss after tax and minority interest of Rs. 216.34 million and Rs. 151.13 million and a profit after tax and minority interest of Rs. 32.42 million, respectively.

Our Strengths

Our business is characterised by the following key strengths:

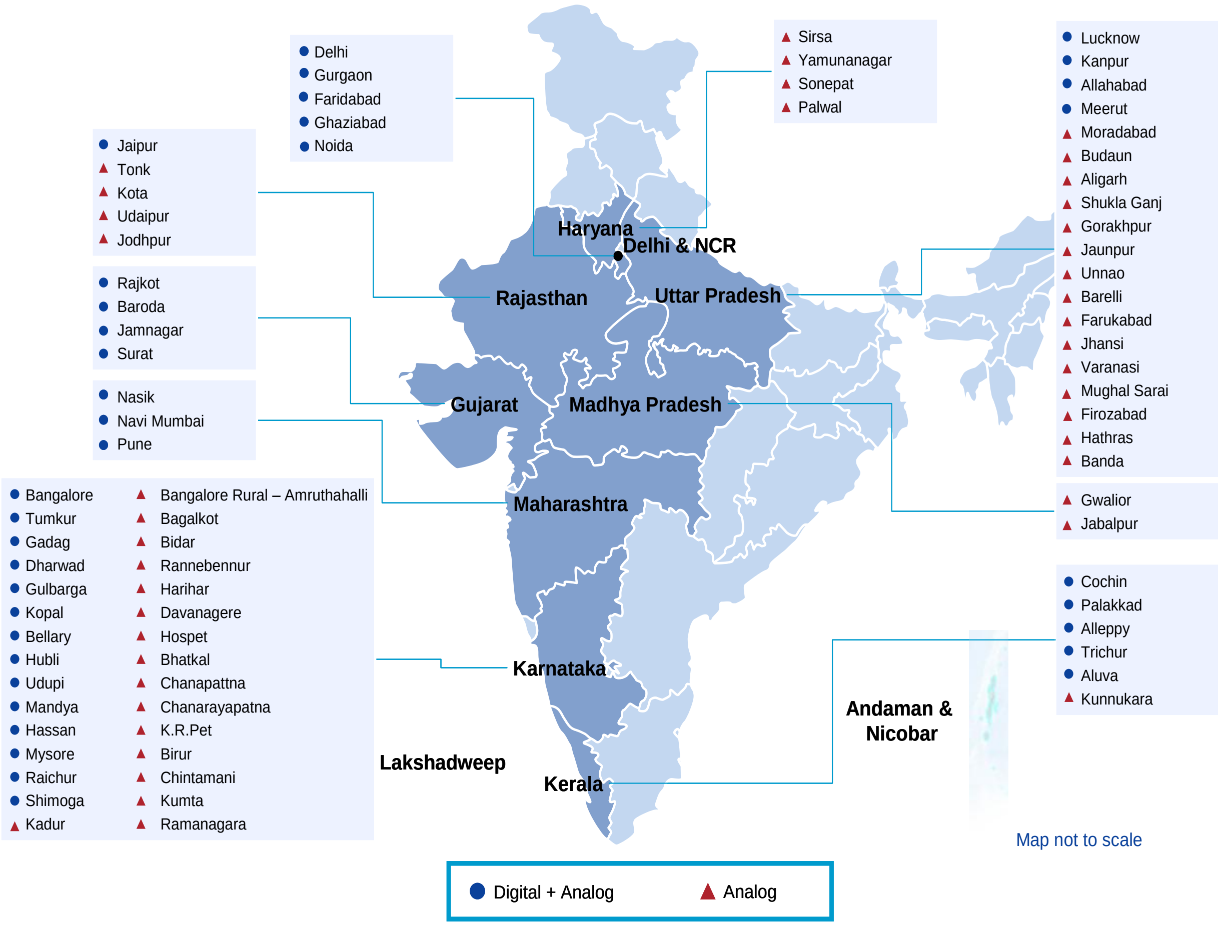
Rapid growth in key geographical regions

We have grown rapidly since our incorporation in July 2007 to become one of the largest national cable television companies in India (*Source: MPA Report 2009*), principally through the acquisition of majority interests in established MSOs and also through the expansion of our own cable network. In the first nine months after our Company's incorporation, we acquired a majority interest in the businesses of 22 MSOs across India. Since March 31, 2008, we have acquired a majority interest in the businesses of 43 additional MSOs. The *MPA Report 2009* estimates that our cable television services reach approximately 10 million homes and that we have 300,000 digital cable television subscribers as of December 2008. However, due to the industry-wide problem of LCOs under reporting subscriber numbers, we cannot ascertain the exact numbers of subscribers we have.

As a result of our acquisitions and organic expansion, we have 112 analog head-ends, 15 digital head-ends and a hybrid fibre co-axial ("**HFC**") cable network, part of which we own and part of which we lease from third party vendors. We provide our analog cable television services to subscribers in 77 cities in the states of Uttar Pradesh, Rajasthan, Maharashtra, Gujarat, Karnataka, Haryana, Madhya Pradesh and Kerala and the National Capital Region of Delhi. We believe that operating in these states provides us with the opportunity to expand our business significantly, particularly in Uttar Pradesh, Rajasthan and Madhya Pradesh, which are among the

Indian states with the lowest degree of cable television penetration. For more information, see "***Industry – India's Television Industry***" on page 58.

We have acquired majority interests in MSOs that are located in states which we believe have significant television viewership, potential for increased digital cable penetration and significant revenue potential. Below is a map of India showing the cities in which we provide analog and/or digital cable distribution services.



Proven acquisition track record

We have successfully identified, acquired and integrated 65 established MSOs since our incorporation. We believe our understanding of the cable television distribution industry has enabled us to identify and acquire appropriate acquisition targets, which has enabled us to become one of the largest national cable television companies in India.

Typically, we retain the existing management of an MSO at the time we acquire our majority interest, which allows us to leverage their existing relationships and goodwill with LCOs. In addition, the senior management of an acquired MSO generally retains a significant minority interest in the MSO, which we believe aligns their long-term interests with those of the Company. For more information, see "***Our Subsidiaries - Asset Transfer Agreements***", "***Our Subsidiaries - Business Transfer Agreements***" and "***Our Subsidiaries - Share Subscription/Share Purchase and Shareholder Agreements***" on pages 95, 95 and 96, respectively.

When we acquire a majority interest in an MSO, we upgrade its analog infrastructure, to the extent necessary, and implement our standardised policies relating to operational systems, content sourcing, customer service, branding and marketing. This approach has enabled us to provide quality, standardised service to all of our subscribers. Additionally, we have begun to achieve economies of scale in various operational areas such as equipment purchasing, customer service and general and administrative services. These economies of scale reduce costs per subscriber and improve our operations.

Industry-experienced management team

Our management team includes professionals with extensive experience in cable television distribution, entertainment and media operations, finance and engineering.

Our Promoter and Chairman, Mr. Sameer Manchanda, has extensive experience in the television industry. He has played an instrumental role in the launch and success of "CNN-IBN", a leading 24-hour English language news and current affairs channel, and has been integral to the success of the Network18 group, an Indian media conglomerate that has interests in television, print, internet, film, mobile content and allied businesses. Mr. Manchanda was also formerly a director of New Delhi Television Limited, a private producer of news, current affairs and entertainment television in India. Mr. Raghav Bahl, one of our Directors, has extensive experience in the entertainment and media industry and is the promoter of the Network18 group and has been instrumental in establishing partnerships with media conglomerates such as NBC Universal, Viacom, Time Warner and Forbes.

Our senior management team has significant experience in various areas of the television and media industry. This includes significant experience in dealing and negotiating with MSOs, broadcasters and content aggregators in India. Our senior management team includes former senior employees from Discovery Networks India, Indusind Media & Communications Limited, MSM Discovery Private Limited (formerly SET Discovery), Hathway Cable & Datacom, Tata Sky and STAR TV. For more information, see "***Our Management***" on page 154.

Offer local and regional specific content across India on our own brand channels

We provide cable television services to a culturally and geographically diverse group of subscribers and we expect that our subscribers will become increasingly more diverse as we continue to expand. While most of the content that we offer has a general appeal, we also seek to cater to the local and regional interests of our subscribers by offering regional language films, local events and news programming on our own brand channels. We have the rights to telecast more than 4,000 films, including regional language films, on our network. Local events and news programming are gathered through a network of freelance journalists. From a technological perspective, having head-ends located in various parts of India enables us to distribute particular local and regional content on our own brand television channels. We see this ability and our commitment to distributing local and regional content as a key strength, especially compared with DTH satellite television. We believe that this helps subscriber retention.

Quality technological expertise, assets and infrastructure

We believe that our expertise in designing and constructing our cable networks enables us to rapidly develop and expand our cable television distribution network. This expertise also allows us to efficiently integrate the networks and technology of the MSOs in which we have acquired a majority interest. Moreover, when we acquire a majority interest in an MSO, we upgrade its infrastructure wherever necessary, thus further ensuring that we provide a good quality of service across our network.

In order to provide quality digital cable services, we procure equipment and software, including digital head-ends and set top boxes, from reputed vendors such as Cisco Systems International B.V., Harmonics Inc., NDS Limited, Homecast Company Limited and Kaon Media Company Limited.

Quality customer service

We believe that providing superior customer service helps to build subscriber loyalty and promotes subscriber retention. As the employees of the LCOs often have established relationships with subscribers, we structure our relationships with the LCOs in such a way that leaves the LCOs in place as the principal contacts with our subscribers. We have implemented a range of training initiatives for their employees (including training intended to improve their familiarity with our services and procedures and training to improve phone courtesy and sales skills) to ensure that the LCOs provide our subscribers with quality customer service.

We also have an outsourced call centre located in New Delhi that operates 16 hours a day, where service representatives provide our digital subscribers with information regarding our services and deal with queries and complaints from our subscribers.

Our Strategy

Our aim is to become India's leading integrated provider of cable television distribution and cable broadband internet services. In order to achieve our aim, we intend to follow the key business strategies described below:

Further expand our presence through strategic acquisitions

We intend to undertake additional acquisitions of majority interests in established MSOs in order to consolidate our position in the states in which we already have a presence and to expand into other states of India that have significant television viewership potential for increased digital cable penetration and revenue potential. We typically enter into MoUs with respect to us acquiring the majority interest in existing MSOs. After entering into a MoU, we undertake detailed due diligence on the MSO and, upon satisfaction, we enter into a definitive acquisition agreement. We plan to continue to use the integration approach that has enabled us to successfully integrate our acquisitions and to provide high quality services to all our subscribers.

Roll out digital services to all subscribers and introduce value-added services

We currently offer up to 180 channels through our digital platform compared with up to 100 channels on our analog platform. This allows us to offer a wider range of channels and as a result we can cater to a wider variety of genres and demographics. Additionally, a digital platform enables us to offer content with DVD quality picture and sound and revenue enhancing value-added services, such as pay-per-view, HD-PVR (high definition, personal video recorders) and interactive educational programmes, which cannot be offered through an analog platform. We have the rights to telecast more than 4,000 films and are committed to expanding our film library. We intend to offer dedicated movie channels on our digital cable service and charge an additional subscription fee for those film channels.

Digitisation of our services also provides commercial advantages for us. We believe that our digital service offerings reduce the likelihood of our subscribers switching to another digital platform such as DTH satellite television, thereby strengthening our relationships with LCOs.

The use of digital set top boxes enables us to obtain accurate data about the number of subscribers using our services and eliminates the underreporting of subscribers by LCOs. Further, digitisation enables our signal to be encrypted, thereby reducing revenues lost due to unauthorized access.

We believe our digital service offerings enable us to compete effectively with other digital technologies. We believe that our ability to offer different local and regional content on our own brand channels gives us a competitive advantage over DTH satellite television, which broadcasts the same channels all over India.

Rollout our broadband internet services

We have obtained an all-India internet service provider license and have recently commenced a limited roll out of our broadband internet services to our cable television subscribers in Bangalore, National Capital Region of Delhi and Kanpur. Over time, we intend to expand our broadband internet services to all of our cable television subscribers. We intend to use the GePON technology integrated with EOC. This will enable us to carry a broadband signals on FITC from where it is integrated with coaxial wire using the EOC technique which will enable symmetric data to be carried over the existing last mile coaxial cable into the subscriber's home.

Our cable broadband internet services can provide subscribers symmetric download and upload speeds of up to 10 megabytes per second. Offering bi-directional communication through our cable broadband internet services is a key commercial enhancement and a competitive advantage over DTH satellite television, which requires an additional communication link to be used by a subscriber in order to upload content.

Build our Brands

We have begun to build and plan to continue to enhance the visibility of our brands, including "DEN" and "Digitelly". In order to develop our brands' recognition, we distribute promotional materials and advertise across various media. We also run advertisements for our digital cable services on our own brand television channels. We believe that offering a recognised, branded service will help us compete against existing digital cable service companies and give us an advantage over our competitors that have not yet rolled out digital cable services in areas where we operate.

As part of our brand building initiative, we intend to acquire cable partner rights for select Bollywood films. This would allow us to telecast a film on our own brand television channels for a limited period of time when it first becomes available for cable television distribution, which we believe would foster increased demand for our cable television services.

Improve the quality of our own brand television channels in order to increase our subscription and advertising revenues

We operate between one and three own brand television channels from each of our head-ends, which are telecast exclusively on our cable distribution network. These channels primarily telecast films, music, devotional programmes or local events and news. Our advertising and sponsorship revenue is currently obtained primarily from local advertisers. Over time, we intend to standardise the look and feel of our own brand television channels and improve the quality of the programming on these channels in order to increase viewership and the channels' attractiveness to regional and national advertisers.

For further details relating to the industry and our business, see "***Industry Overview***" and "***Our Business***" on pages 57 and 67, respectively.

THE ISSUE

Issue	Up to 20,000,000 Equity Shares
Employee Reservation Portion	Up to 250,000 Equity Shares
Therefore	
Net Issue to the Public	**19,750,000 Equity Shares**
Of which	
A) QIB Portion (1)	At least 11,850,000 Equity Shares(2)
B) Net QIB Portion	8,295,000
Of which	
Available for allocation to Mutual Funds only	414,750 Equity Shares (2)
Balance for all QIBs including Mutual Funds	7,880,250 Equity Shares(2)
C) Non-Institutional Portion	Not less than 1,975,000 Equity Shares(2)
D) Retail Portion	Not less than 5,925,000 Equity Shares
Equity Shares outstanding prior to the Issue	111,922,735 Equity Shares
Equity Shares outstanding after the Issue	131,922,735 Equity Shares
Use of Issue Proceeds	See "***Objects of the Issue***" on page 36

(1) Provided that, our Company may, allocate up to 30% of the QIB Portion, i.e. 3,555,000 Equity Shares, to Anchor Investors on a discretionary basis in accordance with the ICDR Regulations. For details see "Issue Procedure" on page 305.

(2) Allocation to all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of the Company, in consultation with the GCBRLM, the CBRLM and the Designated Stock Exchange. Any unsubscribed portion in the Employee Reservation Portion shall be added to the Net Issue to the public. If at least 60% of the Net Issue cannot be allotted to QIBs, then the entire application money will be refunded.

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SELECTED FINANCIAL INFORMATION

The following tables set forth summary financial information derived from our restated standalone financial statements and restated consolidated financial statements for the period ended March 31, 2008, fiscal 2009 and the three month period ended June 30, 2009. These financial statements have been prepared in accordance with Indian GAAP, the Companies Act and the ICDR Regulations and are presented in the section titled "***Financial Statements***" on page F1. The consolidated summary financial information presented below should be read in conjunction with our restated consolidated financial statements, the notes thereto and the section titled "***Management's Discussion and Analysis of Financial Condition and Results of Operations on a Consolidated Basis***" on page 249.

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED OF DEN NETWORKS LIMITED

(Rs. in million)

PARTICULARS	**As on 30.06.2009**	**As on 31.03.2009**	**As on 31.03.2008**
1. FIXED ASSETS			
Gross Block	1,458.95	1,317.88	114.71
Less: Accumulated depreciation /amortization	161.94	114.98	9.67
Net block	1,297.01	1,202.90	105.04
Capital work in progress	183.84	253.95	361.32
	1,480.85	**1,456.85**	**466.37**
2. INVESTMENTS	**1,563.52**	**1,368.99**	**1,499.95**
3. DEFERRED TAX ASSET (NET)	-	-	**0.05**
4. CURRENT ASSETS, LOANS & ADVANCES			
Cash and bank balances	237.18	319.62	142.58
Unbilled revenue	147.37	65.05	9.60
Sundry debtors	701.82	597.17	152.18
Loans and advances	937.70	914.92	429.53
Total	**2,024.07**	**1,896.76**	**733.89**
5. LIABILITIES AND PROVISIONS			
Secured loans	1,555.82	1,154.00	106.42
Unsecured loans	27.00	55.00	95.60
Current liabilities	1,275.84	1,298.25	564.34
Provisions	14.85	13.17	3.12
	2,873.51	**2,520.42**	**769.48**
6. DEFERRED TAX LIABILITY (NET)	**17.01**	**16.99**	**-**
7. NET WORTH (1+2+3+4-5-6)	**2,177.92**	**2,185.19**	**1,930.78**
8. REPRESENTED BY			
Share Capital			
- Equity Share Capital	905.95	181.19	181.19
- Preference Share Capital	439.92	39.99	32.00
Securities Premium Account	1,196.22	2,322.02	1,938.02
Surplus/(Deficit) as per Summary Statement of Profit and Loss	(364.17)	(358.01)	(220.42)
NET WORTH	**2,177.92**	**2,185.19**	**1,930.78**

SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED OF DEN NETWORKS LIMITED

(Rs. in million)

PARTICULARS	Period ended 30.06.2009	Year ended 31.03.2009	Period ended 31.03.2008
1. INCOME			
Income from operations	733.24	2,627.02	248.59
Sale of equipments	0.96	19.58	31.78
Other income	27.34	64.58	17.54
Gain on foreign exchange fluctuation	9.20	-	2.21
	770.74	**2,711.18**	**300.11**
2. EXPENDITURE			
Operational, administrative and other costs	602.35	2,270.48	387.34
Personnel cost	78.33	283.71	84.44
Cost of traded items	0.96	19.58	31.78
Loss on foreign exchange fluctuation	-	47.80	-
	681.64	**2,621.57**	**503.56**
3. PROFIT/ (LOSS) BEFORE FINANCE COSTS, DEPRECIATION, AMORTISATION AND TAX	89.10	89.61	(203.45)
Finance costs	46.80	99.19	5.97
Depreciation and amortization	47.31	105.52	9.67
4. PROFIT/(LOSS) BEFORE TAX	**(5.01)**	**(115.10)**	**(219.09)**
5. PROVISION FOR TAXES			
Fringe benefit tax	1.11	5.38	1.33
Income tax (including wealth tax)	0.02	0.07	0.06
Deferred tax	0.02	17.04	(0.05)
6. PROFIT/ (LOSS) AFTER TAX	**(6.16)**	**(137.59)**	**(220.42)**
7. PROFIT/ (LOSS) BROUGHT FORWARD	**(358.01)**	**(220.42)**	**-**
8. APPROPRIATIONS			
Dividend on cumulative preference shares (See note 9 of Annexure IV)	-	-	-
9. PROFIT/(LOSS) CARRIED TO BALANCE SHEET	**(364.17)**	**(358.01)**	**(220.42)**

SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED OF DEN NETWORKS LIMITED

(Rs. in million)

PARTICULARS	Period ended 30.06.2009	Year ended 31.03.2009	Period ended 31.03.2008
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/ (loss) before tax	(5.01)	(115.10)	(219.08)
Adjustments for:			
Depreciation and amortization	47.31	105.52	9.67
Interest and other financial expenses	46.81	99.19	5.97
Provision for employee benefits	1.92	10.18	1.73
Loss/ (gain) on exchange rate fluctuation – unrealized	(6.67)	6.47	(2.21)
Doubtful debts and advances written off/provided	0.09	7.88	46.99
Fixed assets/ capital work in progress written off	-	5.91	-
Interest income	(2.31)	(12.36)	(3.10)
Dividend received on current investment	-	(2.76)	(2.58)
Profit from sale of current investment	(0.95)	(9.84)	(11.86)
Excess provisions written back	(22.40)	(30.94)	-
Operating Profit/(Loss) before Working Capital Changes	58.79	64.14	(174.47)
Adjustments for:			
Decrease/(Increase) in current assets	(196.86)	(641.12)	(397.83)
Increase/(Decrease) in current liabilities	(6.10)	598.93	249.38
Cash Generated From/ (Used in) Operations	(144.17)	21.95	(322.92)
Tax on operational income (including fringe benefit tax)	(16.06)	(113.86)	(10.72)
Net Cash Generated From/(Used in)Operating Activities	**(160.23)**	**(91.91)**	**(333.64)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Investments purchased:			
- in subsidiaries (including share application money)	(91.44)	(787.08)	(256.10)
- in joint venture		-	(25.00)
- in partnership firm		-	(4.00)
- in mutual funds and others (net)	(470.04)	(403.45)	(2,271.96)
Loan repaid by/(to) body corporate (net)	(3.40)	102.00	(105.00)
Loan repaid by/(to) subsidiaries (net)	(9.52)	(29.98)	(10.82)
Advance given for investment	(34.05)	(300.78)	(90.82)
Interest income	1.00	9.92	0.59
Dividend received on current investment	-	2.76	2.58
Sale of mutual fund investment	450.98	1,395.15	1,301.96
Payment for business purchase acquisition	-	-	(39.23)
Purchase of fixed assets (including capital advances)	(91.65)	(1,016.63)	(370.25)
Net Cash Generated From/(Used in) Investing Activities	**(248.12)**	**(1,028.08)**	**(1,868.04)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares	-	0.00	551.45
Proceeds from issue of preference share capital	-	400.00	1,599.75
Share Issue Expenses	(1.11)	(8.00)	-
Proceeds from short term borrowings from a subsidiary company	(28.00)	9.40	45.60
Proceeds/ (repayment) of short term borrowings from a director	-	(50.00)	50.00

PARTICULARS	Period ended 30.06.2009	Year ended 31.03.2009	Period ended 31.03.2008
			(Rs. in million)
Proceeds from working capital loan from bank	(45.40)	330.53	22.62
Proceeds from term loan from bank	447.73	719.13	78.82
Repayment of finance lease obligation	(0.51)	(2.09)	(0.75)
Interest Paid	(46.80)	(101.94)	(3.22)
Net cash from/ (used in) financing activities	**325.91**	**1,297.03**	**2,344.26**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(82.44)	177.04	142.58
Cash & Cash Equivalents at the beginning of year	319.62	142.58	-
Cash and cash equivalents as at the end of the year	237.18	319.62	142.58

Notes:
1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
2. Figures in brackets indicate cash outflow.
3. Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED OF DEN NETWORKS LIMITED

(Rs. in million)

Particulars		As on 30.06.2009	As on 31.03.2009	As on 31.03.2008
1.	**FIXED ASSETS**			
	Gross Block	1,871.21	1,709.52	174.39
	Less: Accumulated depreciation /amortization	236.70	171.57	11.85
	Net Block	1,634.51	1,537.95	162.54
	Capital work in progress	210.70	276.78	368.18
		1,845.21	**1,814.73**	**530.71**
2.	**GOODWILL ON CONSOLIDATION**	**1,284.02**	**1,153.70**	**477.17**
3.	**INVESTMENTS**	**20.01**	**0.01**	**981.86**
4.	**DEFERRED TAX ASSET**	**110.51**	**91.93**	**16.62**
5.	**CURRENT ASSETS, LOANS AND**			
	Cash and bank balances	1,038.79	510.56	337.67
	Unbilled revenue	120.32	33.10	4.80
	Sundry debtors	1,372.21	1,876.09	481.31
	Loans and advances	1,195.62	1,158.33	483.68
		3,726.94	**3,578.08**	**1,307.46**
6.	**LIABILITIES AND PROVISIONS**			
	Secured loans	1,556.38	1,154.93	106.77
	Unsecured loans	7.50	35.85	95.82
	Current liabilities	3,000.31	3,023.78	1,122,01
	Provisions	27.72	64.27	10.85
		4,591.91	**4,278.83**	**1,336.44**
7.	**MINORITY INTEREST**	**144.51**	**143.80**	**18.51**
8.	**DEFERRED TAX LIABILITIES**	**18.24**	**15.09**	**-**
9.	**NET WORTH (1+2+3+4+5-6-7-8)**	**2,232.03**	**2,200.73**	**1,959.86**
10.	**REPRESENTED BY**			
	Share Capital			
	- Equity Share Capital	905.94	181.19	181.19
	- Preference Share Capital	439.92	39.99	32.00
	Preference Share Capital issued by subsidiary	25.00	25.00	25.00
	Securities Premium Account	1,196.22	2,322.02	1,938.01
	Debit balance of Profit and Loss	(335.05)	(367.47)	(216.34)
	NET WORTH	**2,232.03**	**2,200.73**	**1,959.86**

CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED OF DEN NETWORKS LIMITED

(Rs. in million)

	Particulars	Period ended 30.06.2009	Year ended 31.03.2009	Period ended 31.03.2008
1.	**INCOME**			
	Income from operations	2,095.59	7,119.36	826.03
	Sale of equipments	0.96	2.54	23.09
	Other income	34.75	71.56	17.57
	Gain on foreign exchange fluctuation	9.20	-	2.21
		2,140.50	**7,193.46**	**868.90**
2.	**EXPENDITURE**			
	Operational, administrative and other costs	1,805.65	6,557.66	923.55
	Personnel cost	127.29	477.30	114.05
	Cost of traded items	0.96	2.54	23.09
	Loss on foreign exchange fluctuation	-	47.81	-
		1,933.90	**7,085.31**	**1060.69**
3.	**PROFIT/ (LOSS) BEFORE FINANCE COSTS, DEPRECIATION, AMORTISATION AND TAX**	206.60	108.16	(191.79)
	Finance costs	46.92	99.88	6.04
	Depreciation and amortization	65.52	160.28	11.85
4.	**PROFIT/ LOSS BEFORE TAX**	**94.16**	**(152.00)**	**(209.68)**
5.	**PROVISION FOR TAXES**			
	Fringe benefit tax	1.11	9.48	2.02
	Income tax (including wealth tax)	49.12	70.67	20.02
	Deferred tax	(15.50)	(60.09)	(16.27)
6.	**PROFIT/ LOSS AFTER TAX AND BEFORE MINORITY INTEREST**	**59.43**	**(172.06)**	**(215.45)**
7.	**MINORITY INTEREST**	27.01	(20.93)	0.89
8.	**PROFIT/ LOSS AFTER TAX AND MINORITY INTEREST**	**32.42**	**(151.13)**	**(216.34)**
9.	**PROFIT/ LOSS BROUGHT FORWARD**	(367.47)	(216.34)	-
10.	**APPROPRIATIONS**			
	Dividend on cumulative preference shares (See note 7 of Annexure IV))	0.00	0.00	-
11.	**PROFIT/LOSS CARRIED TO**	**(335.05)**	**(367.47)**	**(216.34)**

CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED OF DEN NETWORKS LIMITED

(Rs. in million)

Particulars	**Period ended 30.06.2009**	**Year ended 31.03.2009**	**Period ended 31.03.2008**
A. Cash Flow from Operating Activities :			
Net Profit/ (loss) before tax	**94.17**	**(152.00)**	**(209.68)**
Adjustments for:			
Depreciation / Amortisation	65.51	160.28	11.85
Fixed assets/ capital work in progress written off	0.39	6.76	-
Interest and finance charges	46.92	99.88	6.04
Loss/ (gain) on exchange rate fluctuation –	(6.67)	6.47	(2.67)
Provision for employee benefits	3.51	17.38	2.74
Doubtful debts and advances written off/provided	28.48	132.50	61.50
Interest income	(1.87)	(17.37)	(2.87)
Dividend on current investment	-	(2.76)	(2.58)
Profit from Sale of investment	(0.95)	(9.84)	(11.99)
Excess provisions written back	(27.62)	(30.94)	-
Operating Profit/(Loss) before Working Capital Changes	201.87	210.35	(147.65)
Adjustments for:			
Decrease/(Increase) in current assets	356.75	(1,982.48)	(752.76)
Increase/(Decrease) in current liabilities	(47.32)	2,025.16	1,012.25
Cash Generated From/ (Used in) Operations	511.30	253.04	111.84
Tax on operational income (including fringe benefit	(109.07)	(175.20)	(44.24)
Net Cash Generated From/(Used in) Operating Activities	**402.23**	**77.84**	**67.60**
B. Cash flow from Investing Activities			
Increase in goodwill on consolidation	(119.62)	(676.54)	(477.17)
Investment in mutual funds and others (net)	(470.04)	(403.45)	(2,301.96)
Loan repaid by/(to) body corporate (net)	(3.17)	101.77	(105.00)
Advance given for investment	41.33	(303.11)	(92.02)
Interest income	1.16	17.37	0.18
Dividend on current investment	-	2.76	2.58
Sale of mutual fund Investment	450.98	1,395.14	1,332.09
Purchase of fixed assets (including capital advances)	(96.39)	(1,319.79)	(444.48)
Net Cash Generated From/(Used in) Investing Activities	**(195.75)**	**(1,185.83)**	**(2,085.78)**
C. Cash Flow from Financing Activities			
Proceeds from issue of equity shares (net)	-	-	551.45
Proceeds from issue of preference share capital (net)	-	400.00	1,599.75
Share Issue expenses	(1.11)	(8.00)	-
(Repayment)/Proceeds from short term borrowings from a director	(28.00)	(57.50)	89.10
(Repayment)/Proceeds from short term borrowings from others	(0.34)	(2.47)	6.72
Proceeds from working capital loan from bank	(45.77)	331.00	22.97
Proceeds from term loan from bank	447.72	719.26	78.82
Repayment of finance lease obligation	(0.50)	(2.09)	(0.75)
Interest Paid	(50.25)	(99.30)	(5.96)
Net cash from/ (used in) financing activities	**321.75**	**1,280.90**	**2,342.08**

(Rs. in million)

Particulars	**Period ended 30.06.2009**	**Year ended 31.03.2009**	**Period ended 31.03.2008**
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)	528.23	172.90	323.91
E. Cash & Cash Equivalents at the beginning of year	510.56	337.67	-
F. Cash and Cash Equivalents acquired on acquisition		-	13.76
G. Cash and cash equivalents as at the end of the year (D+E+F)	**1,038.79**	**510.56**	**337.67**

Notes:

4. The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
5. Figures in brackets indicate cash outflow.
6. Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

GENERAL INFORMATION

Our Company was incorporated on July 10, 2007 in New Delhi under the Companies Act with the Registrar of Companies, NCT of Delhi and Haryana ("**RoC**"). For details in changes of our registered office, see "***History and Certain Corporate Matters***" on page 85.

Registered and Corporate Office of our Company

DEN Networks Limited
236, Okhla Industrial Estate
Phase III
New Delhi 110 020, India
Tel: + (91 11) 4052 2225
Fax: + (91 11) 4052 2203
Email: ipo@denonline.in
Website: www.digitelly.in
Company Identification Number: U92490DL2007PLC16573

Our Company is registered with the RoC described below:

Registrar of Companies, National Capital Territory of Delhi and Haryana
Paryavaran Bhawan,
CGO Complex, Lodhi Road
New Delhi 110 003, India

Board of Directors

Our Board of Directors comprises the following:

Name, Designation, Occupation and DIN	Age (years)	Address
Mr. Sameer Manchanda Non- executive Chairman Chartered Accountant DIN 0001549	48	A-89, Nizammuddin East New Delhi 110 013, India
Mr. Raghav Bahl Non- executive Director Media Professional DIN 00015280	48	E-36, Sector 30 Noida Uttar Pradesh 201 301, India
Mr. Ajaya Chand Independent Director Chartered Accountant DIN 02334456	54	P-10, Green Park Extension New Delhi 110 016, India
Mr. Shahzaad Siraj Dalal Nominee Director Service DIN 00011375	50	902, Crescents Heights V.N. Naik Road Mumbai 400 036, India
Mr. Krishna Kumar P.T. Gangadharan Alternative director to Mr. Shahzaad Siraj	38	6, Shobana, Goshala Road Mulund (West) Mumbai 400 080, India

Name, Designation, Occupation and DIN	Age (years)	Address
Dalal Service DIN: 00000715		
Mr. Atul Sharma Independent Director Professional DIN 00308698	53	D-118, Sector -36, Noida, Uttar Pradesh, India
Mr. Robindra Sharma Independent Director Chartered Accountant DIN 00375141	48	EG-3/17, Garden Estate, Gurgaon Haryana 122 002, India

Additionally, Mr. Hemant Narang has also been appointed as a Manager of our Company pursuant to Section 269 of the Companies Act.

For further details of our Directors, see "***Our Management***" on page 154.

Company Secretary and Compliance Officer

Mr. Jatin Mahajan
DEN Networks Limited
236, Okhla Industrial Estate
Phase III
New Delhi 110 020, India
Tel: + (91 11) 40522200
Fax: + (91 11) 40522203
Email: ipo@denonline.in

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

Global Co-ordinator and Book Running Lead Manager

Deutsche Equities India Private Limited
DB House, Hazarimal Somani Marg
Fort, Mumbai, 400 001, India
Tel: + (91 22) 6658 4600
Fax: +(91 22) 2200 6765
Email : den.ipo@db.com
Investor Grievance Email:
db.redressal@db.com
Website: www.db.com/India
Contact Person: Mr. Muffazal Arsiwalla

Co-Book Running Lead Manager

Antique Capital Markets Private Limited
6th Floor, Nirmal Building
Nariman Point
Mumbai 400 021, India
Tel: +(91 22) 4031 3300
Fax: +(91 22) 2204 0303
Email: den.ipo@antiquelimited.com

Investor Grievance Email:
investors@antiquelimited.com
Website: www.antiquelimited.com
Contact Person: Mr. Kashyap Choksi
SEBI Registration Number: INM000011385

Syndicate Member

Antique Stock Broking Limited
2nd Floor, Nirmal Building
Nariman Point
Mumbai 400 021, India
Tel: + (91 22) 4031 3300
Fax: + (91 22) 4031 3400
Email : vrajesh@antiquelimited.com
Website: www.antiquelimited.com
Contact Person: Mr. Vrajesh Shah

Domestic Legal Counsel to the Company

Amarchand & Mangaldas & Suresh A. Shroff & Co.
216, Amarchand Towers
Okhla Industrial Estate Phase - III
New Delhi 110 020, India
Tel: +(91 11) 2692 0500
Fax: +(91 11) 2692 4900

International Legal Counsel to the GCBRLM and CBRLM

Dorsey & Whitney (Europe) LLP
21 Wilson Street
London, EC2M 2TD, United Kingdom
Tel: + (44 20) 7588 0800
Fax: + (44 20) 7588 0555

Domestic Legal Counsel to the GCBRLM and CBRLM

Link Legal
Thapar House
Central Wing, First Floor
124, Janpath
New Delhi 110 001
Tel: +(91 11) 4651 1000
Fax: +(91 11) 4651 1099

Registrar to the Issue

Karvy Computershare Private Limited
Plot No. 17 – 24, Vithalrao Nagar
Madhapur
Hyderabad 500 081, India
Tel : + (91 40) 2342 0815
Fax : + (91 40) 2342 0814
E-mail: einward.ris@karvy.com
Website: www.karvy.com
Contact Person: Mr. M. Murali Krishna
SEBI Registration No: INR000000221

The certificate of registration granted to the Registrar to the Issue to act as Category I – Registrars to an Issue and Share Transfer Agent under the SEBI (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 has expired on July 31, 2009. The Registrar to the Issue has filed for renewal of its registration by a letter dated April 30, 2009.

Bankers to Issue and Escrow Collection Bank

ICICI Bank Limited
Capital Markets Division
30, Mumbai Samachar Marg
Mumbai 400 001, India
Tel : + (91 22) 2262 7600
Fax : + (91 22) 2261 1138
E-mail: venkataraghavan.t@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Venkataraghavan T.A.
SEBI Registration No: INBI 00000004

HDFC Bank Limited
FIG – OPS Department
HDFC Bank Limited
Lodha – I Think Techno Campus
O-3 Level
Next to Kanjurmarg Railway Station
Kanjurmarg (East)
Mumbai – 400 042, India
Tel : + (91 22) 3075 1901
Fax : + (91 22) 2579 9801
E-mail: deepak.rane@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: Mr. Deepak Rane
SEBI Registration No: INBI 00000063

Hongkong and Shanghai Banking Corporation Limited
JMD Regent Square, DLF Phase II
Gurgaon Mehrauli Road
Gurgaon 122 002
Tel: +91 (124) 4182 209
Fax: +91 (22) 40357 657
Website: www.hsbc.co.in
E-mail: manupratapverma@hsbc.co.in
Contact Person: Mr. Manu Pratap Verma
SEBI Registration: INBI 00000027

Deutsche Bank AG
ECE House, Ground Floor
28, Kasturba Gandhi Marg
New Delhi 110 001, India
Tel : + (91 11) 6600 9400
Fax : + (91 11) 6600 9530
E-mail: shyamal.malhotra@db.com
Website: www.db.com
Contact Person: Mr. Shyamal Malhotra
SEBI Registration No: INBI 00000003

Syndicate Bank
2 Kaushalya Park
Hauz Khas
New Delhi 110 016, India
Tel : + (91 11) 2696 3855
Fax : + (91 11) 2696 5765
E-mail: dl.9105delro@syndicatebank.co.in
Website: www.syndicatebank.co.in
Contact Person: Mr. S.K. Sachar
SEBI Registration No: INBI 00000035

Refund Bank

ICICI Bank Limited
Capital Markets Division
30, Mumbai Samachar Marg
Mumbai 400 001, India
Tel : + (91 22) 2262 7600
Fax : + (91 22) 2261 1138
E-mail: venkataraghavan.t@icicibank.com
Website: www.icicibank.com
Contact Person: Mr. Venkataraghavan T.A.
SEBI Registration No: INBI 00000004

Self Certified Syndicate Banks

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA Process are provided at http://www.sebi.gov/.in/pmd/scsb.pdf.

Bankers to the Company

Syndicate Bank
2, Kalishalya Park
Hauz Khas
New Delhi 110 016, India
Tel: +(91 11) 2696 3855
Fax: + (91 11) 2696 5765
Email: del.9049.delhauzkhas@syndicatebank.co.in

Bank of Maharashtra
A-13, Ring Road,
South Extension Part 1
New Delhi 110 049, India
Tel: + (91 11) 2462 3153
Fax: + (91 11) 2463 1151
Email: bom392@mahabank.co.in

Bank of India
37, Shaheed Bhagat Singh
New Delhi 110 001
Tel: + (91 11) 2376 5125
Fax: + (91 11) 2376 5123
Email: largecorporatebr.newdelhi@bankofindia.co.in

Kotak Mahindra Bank Limited
D-960, New Friends Colony
New Delhi 110 065, India
Tel: + (91 11) 4162 6666
Fax: + (91 11) 4132 8758
Email: amit.das@kotak.com

The Hongkong and Shanghai Banking Corporation
25, Barakhamba Road
New Delhi 110 001, India
Tel: + (91 11) 2373 8989
Fax: + (91 11) 4159 2222
Email: info@hsbc.co.in

Auditors to the Company

Deloitte Haskins & Sells
Chartered Accountants
ICAI Registration No.: 015125N
7th floor, building 10, Tower B
DLF Cyber City Complex
DLF City Phase-II
Gurgaon 122 002, Haryana, India
Tel: 91(124) 6792 000
Fax: 91 (124) 6792 012
Email: jagarwal@deloitte.com

IPO Grading Agency

ICRA Limited
Building No. 8, 2nd Floor
Tower A, DLF Cyber City Phase II
Gurgaon 122 002, Haryana, India
Tel: 91(124) 4545 300
Fax: 91 (124) 4545 350
Email: info@icraindia.com

Monitoring Agency

There is no requirement for a monitoring agency, since the issue is less than Rs. 5,000 million.

Inter se responsibilities of the GCBRLM and the CBRLM

The responsibilities and co-ordination for various activities in this Issue are as follows:

S. No.	Activities	Responsibility	Coordinator
1.	Capital Structuring with relative components and formalities such as type of instruments, etc.	Deutsche, Antique	Antique
2.	Due diligence of Company's operations/ management/ business plans/ legal etc. Drafting and design of Red Herring Prospectus and of statutory advertisement including memorandum containing salient features of the Prospectus. The GCBRLM and CBRLM shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, ROC and SEBI including finalisation of Prospectus and ROC filing	Deutsche, Antique	Deutsche
3.	Drafting and approval of all statutory advertisement	Deutsche, Antique	Deutsche
4.	Drafting and approval of all publicity material other than statutory advertisement as mentioned in (2) above including corporate advertisement, brochure, etc.	Deutsche, Antique	Deutsche
5.	Appointment of other intermediaries viz., Registrar(s), Printers, Advertising Agency and Bankers to the Issue	Deutsche, Antique	Deutsche
6.	Preparation of Road show presentation	Deutsche, Antique	Deutsche
7.	• International Institutional Marketing strategy • Finalise the list and division of investors for one to one meetings, in consultation with the Company, and • Finalizing the International road show schedule and investor meeting schedules • Domestic institutions / banks / mutual funds marketing strategy • Finalise the list and division of investors for one to one meetings, institutional allocation in consultation with the Company • Finalizing the list and division of investors for one to one meetings, and • Finalizing investor meeting schedules	Deutsche, Antique	Deutsche
8.	• Non-Institutional and Retail Marketing of the Issue, which will cover, *inter alia*, • Formulating marketing strategies, preparation of publicity budget • Finalise Media & PR strategy • Finalising centers for holding conferences for press and brokers • Follow-up on distribution of publicity and Issuer material including form, prospectus and deciding on the quantum of the Issue material • Finalize collection centers	Deutsche, Antique	Antique
9.	Co-ordination with Stock Exchanges for Book Building Software, bidding terminals and mock trading	Deutsche, Antique	Deutsche
10.	Finalisation of Pricing, in consultation with the Company and the Selling Shareholder	Deutsche, Antique	Deutsche
11.	The post bidding activities including management of escrow accounts, co-ordination of non-institutional allocation, intimation of allocation and dispatch of refunds to bidders etc. The post Offer activities for the Offer involving essential follow up steps, which include the finalisation of trading and dealing of instruments and demat of delivery of shares, with the various agencies connected with the work such as the Registrar(s) to the Issue and Bankers to the Issue and the bank handling refund business. The merchant banker shall be responsible for ensuring that these agencies fulfill their functions and enable it to discharge this responsibility through suitable agreements with the Company and the Selling Shareholder	Deutsche, Antique	Deutsche

Even if any of these activities are handled by other intermediaries, the designated GCBRLM and the CBRLM shall be responsible for ensuring that these agencies fulfil their functions and enable them to discharge this responsibility through suitable agreements with our Company.

Credit Rating

As this is an Issue of Equity Shares, credit rating for this Issue is not required.

IPO Grading

This Issue has been graded by ICRA, a SEBI registered credit rating agency, as "IPO Grade 3" indicating average fundamentals pursuant to Regulation 26(7) of the ICDR Regulations. The IPO grading is assigned on a five point scale from 1 to 5, with IPO Grade 5/5 indicating strong fundamentals and IPO Grade 1/5 indicating poor fundamentals. A copy of the report provided by ICRA, furnishing the rationale for its grading is available for inspection at our Registered Office from 10.00 a.m. to 4.00 p.m. on Business Days during the Bidding Period. For more information on IPO gading, see "***Appendix A***" on page 385.

Experts

Except the report of ICRA in respect of the IPO grading of this Issue appended herewith and except as stated elsewhere in this Red Herring Prospectus, the Company has not obtained any expert opinions.

Trustee

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

Project Appraisal

None of the objects of the Issue have been appraised by an independent agency.

Book Building Process

The Book Building Process, with reference to the Issue, refers to the process of collection of Bids on the basis of the Red Herring Prospectus within the Price Band. The Price Band and the minimum Bid lot will be decided by the Company in conultation with the GCBRLM and the CBRLM and advertised at least two (2) working days prior to the Bid Opening Date.

The principal parties involved in the Book Building Process are:

- Our Company;
- GCBRLM;
- CBRLM;
- Syndicate Member which is intermediaries registered with SEBI or registered as brokers with BSE/NSE and eligible to act as Underwriters. The Syndicate Member is appointed by the GCBRLM and the CBRLM;
- Registrar to the Issue;
- Escrow Collection Banks; and
- SCSBs.

This is an Issue of less than 25% of the post–Issue share capital of our Company and is being made pursuant to Rule 19 (2) (b) of the SCRR through the 100% Book Building Process wherein at least 60% of the Net Issue shall be Allotted to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the GCBRLM, CBRLM and the Designated Stock Exchange.

In accordance with the ICDR Regulations, QIBs bidding in the Net QIB Portion are not allowed to withdraw their Bid(s) after the Bid Closing Date. In addition, QIBs bidding in the Net QIB Portion are required to pay at least 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bidding Period and allocation to such QIBs will be on a proportionate basis. However, Anchor Investors are not allowed to withdraw their Bids after the Anchor Investor Bidding Date. In addition, Anchor Investors are required to pay atleast 25% of the Bid Amount upon submission of the Bid cum Application Form and allocation to the Anchor Investors will be on a discretionary basis. For further details, see "***Issue Structure***" on page 301.

Our Company shall comply with the regulations and directions issued by SEBI for this Issue. In this regard, our Company has appointed Deutsche Equities India Private Limited as the GCBRLM and Antique Capital Markets Private Limited as the CBRLM to manage the Issue and procure subscriptions to the Issue.

The Book Building Process is subject to change from time to time and the investors are advised to make their own judgement about investment through this process prior to making a Bid in the Issue.

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 (excluding the ASBA bidders who can only bid at cut-off price) can bid at any price within the Price Band. For instance, assume a price band of Rs. 20 to Rs. 24 per equity share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. A graphical representation of the consolidated demand and price would be made available at the bidding centers during the bidding period. The illustrative book below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

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

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of shares is the price at which the book cuts off, i.e., Rs. 22 in the above example. The issuer, in consultation with the GCBRLM, the CBRLM 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 are valid bids and are considered for allocation in the respective categories.

Steps to be taken by the Bidders for Bidding

1. Check eligibility for making a Bid (For further details see "***Issue Procedure - Who Can Bid***") on page 306.

2. Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form and the ASBA Bid cum Application Form.

3. Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, for Bids of all values ensure that you have mentioned your PAN allotted under the I.T. Act in the Bid cum Application Form and the ASBA Bid cum Application Form (see "***Issue Procedure – Permanent Account Number or PAN***" on page 326).

4. Ensure that the Bid cum Application Form is duly completed as per instructions given in this Red Herring Prospectus and in the Bid cum Application Form and the ASBA Bid cum Application Form.

5. Ensure the correctness of your demographic details (as defined in the "***Issue Procedure-Bidders Depository Account Details***" on page 321) given in the Bid cum Application Form and the ASBA Bid cum Application Form, with the details recorded with your Depository Participant.

6. Bids by QIBs (including Anchor Investors) will have to be submitted to the GCBRLM and the CBRLM.

7. Bids by ASBA Bidders will have to be submitted to the designated branches of the SCSBs. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that the ASBA Bid cum Application Form is not rejected.

Withdrawal of the Issue

Our Company in consultation with the GCBRLM and the CBRLM reserves the right not to proceed with the Issue including at any time after the Bid Opening Date but before Allotment, without assigning any reason therefor. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply only for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the Stock Exchanges.

Bidding Programme

BID OPENS ON	**OCTOBER 28, 2009**
BID CLOSES ON	**OCTOBER 30, 2009**

**Anchor Investors shall submit their Bid one day prior to the Bid Opening Date.*

Bids and any revision in Bids will be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned in the Bid cum Application Form **except that on the Bid Closing Date, Bids excluding ASBA Bids shall be accepted only between 10 a.m. and 1 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) 5.00 p.m. or until such time as permitted by the Stock Exchanges in case of Bids by Retail Individual Bidders and Eligible Employees where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 1.00 p.m (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in IPOs, 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 in the Issue. If such Bids are not uploaded, the Company, the GCBRLM, the CBRLM and the Syndicate Member shall not be responsible. Bids will be accepted only on Business Days, i.e. Monday to Friday (excluding any public holiday).

On the Bid Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders and Eligible Employees, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the GCBRLM and the CBRLM to the Stock Exchanges within half an hour of such closure.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with the ICDR Regulations in consultation with the GCBRLM and CBRLM. The Cap Price shall not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the original floor price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bidding Period will be extended for three additional Business Days after revision of Price Band subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the web site of the GCBRLM, the CBRLM and at the terminals of the members of the Syndicate.

Underwriting Agreement

After the determination of the Issue Price but prior to the filing of the Prospectus with the RoC, our Company will enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Issue. It is proposed that pursuant to the terms of the Underwriting Agreement, the GCBRLM and the CBRLM shall be responsible for bringing in the amount devolved in the event that the Syndicate Member does not fulfil their underwriting obligations. The Underwriting Agreement is dated [●].

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

This portion has been intentionally left blank and will be filled in before filing of the Prospectus with the RoC

(Amount in Rs. million)

Name, address, telephone, fax and email of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Indicative Amount Underwritten
Deutsche Equities India Private Limited DB House, Hazarimal Somani Marg	[●]	[●]

Name, address, telephone, fax and email of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Indicative Amount Underwritten
Fort, Mumbai, 400 001, India Tel: + (91 22) 6658 4600 Fax: +(91 22) 2200 6765 Email : den.ipo@db.com		
Antique Capital Markets Private Limited 6th Floor, Nirmal Building Nariman Point Mumbai 400 021, India Tel: +(91 22) 4031 3300 Fax: +(91 22) 2204 0303 Email: den.ipo@antiquelimited.com	[●]	[●]
Antique Stock Broking Limited 2nd Floor, Nirmal Building Nariman Point Mumbai 400 021, India Tel: + (91 22) 4031 3300 Fax: + (91 22) 4031 3400 Email : vrajesh@antiquelimited.com	[●]	[●]

The abovementioned is indicative underwriting and this would be finalised after the pricing and actual allocation.

In the opinion of our Board of Directors (based on a certificate given by the Underwriters), the resources of the above mentioned Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The abovementioned Underwriters are registered with SEBI under Section 12 (1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board of Directors, at its meeting held on [●] has accepted and entered into the Underwriting Agreement with the Underwriters.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitments set forth in the table above. Notwithstanding the above table, the Underwriters shall be responsible for ensuring payment with respect to Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscriptions for/subscribe to Equity Shares to the extent of the defaulted amount, except in cases where the allocation to QIB is less than 60% of the Net Issue, in which case the entire subscription monies will be refunded.

The underwriting arrangements mentioned above shall not apply to the subscriptions by the ASBA Bidders in this Issue.

CAPITAL STRUCTURE

Our share capital as of the date of this Red Herring Prospectus is set forth below:

(*Amount in Rs.*)

		Aggregate Value at Face Value	Aggregate Value at Issue Price
A)	**Authorised share capital**		
	165,000,000 Equity Shares of Rs. 10 each	1,650,000,000	
	Total	**1,650,000,000**	
B)	**Issued, subscribed and paid up share capital before the Issue**		
	111,922,735 Equity Shares of Rs. 10 each	1,119,227,350	
C)	**Present issue in terms of this Red Herring Prospectus***		
	Issue of up to 20,000,000 Equity Shares of Rs. 10 each	200,000,000	[•]
	Out of the above		
	Employee reservation portion		
	Up to 250,000 Equity Shares of Rs. 10 each	2,500,000	[•]
	Net Issue to the public		
	19,750,000 Equity Shares of Rs. 10 each	197,500,000	[•]
D)	**Equity capital after the Issue**		
	131,922,735 Equity Shares of Rs. 10 each	1,319,227,350	[•]
E)	**Share premium account**		
	Before the Issue	2,928,244,706	
	After the Issue	[•]	

The Issue has been authorised by the Board of Directors in their meeting held on July 7, 2009 and by the shareholders of our Company at the EGM held on July 29, 2009.

For details in change of the authorised capital of the Company, see *"**History and Certain Corporate Matters**"* on page 85.

Notes to Capital Structure

1. ***Share Capital History of our Company***

(a) The following is the history of the equity share capital account of our Company:

Date of allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash etc.)	Nature of allotment	Cumulative Equity Share capital (Rs.)
July 10, 2007	10,000	10	10	Cash	Initial subscription to the Memorandum of Association	100,000
August 20, 2007	1,000,000	10	10	Cash	Preferential allotment	10,100,000

Date of allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, other than cash etc.)	Nature of allotment	Cumulative Equity Share capital (Rs.)
August 30, 2007	318,182	10	220	Cash	Preferential allotment	13,281,820
September 28, 2007	363,636	10	220	Cash	Preferential allotment	16,918,180
October 30, 2007	1,931,818	10	220	Cash	Preferential allotment	36,236,360
November 15, 2007	14,494,544	10	NA	Nil	Bonus issue (4:1)*	181,181,800
March 29, 2008	500	10	500	Cash	Preferential allotment	181,186,800
February 17, 2009	200	10	500	Cash	Preferential allotment	181,188,800
June 26, 2009	72,475,520	10	NA	Nil	Bonus issue (4:1)*	905,944,000
July 27, 2009	3,959,786	10	151.49^	Nil	Conversion of CCPS	1,039,557,610
	8,164,185	10	146.94^			
	1,237,390	10	161.47^			
	13,361,361					
July 29, 2009	4,019,606	10	190^^	Other than cash	Preferential allotment	1,079,753,670
	3,947,368	10	190	Cash	Preferential allotment	1,119,227,350
Total	**111,922,735**					**1,119,227,350**

* *Capitalization of share premium account*
^ *The effective conversion price in accordance with the Shareholders Agreement*
^^*Not based on any valuation report prepared by any independent auditor*

(b) The following are the details of Equity Shares issued for consideration other than cash:

Date of allotment	No. of Equity Shares	Face Value (Rs.)	Issue Price (Rs.)	Consideration	Nature of allotment	Equity Share capital (Rs.)
July 29, 2009	4,019,606	10	190	Other than cash	Preferential allotment	40,196,060
Total						**40,196,060**

Our Company issued an aggregate of 4,019,606 Equity Shares on July 29, 2009, at an issue price of Rs. 190 each, for a consideration value of Rs. 763.72 million to existing shareholders of certain MSOs (including our Subsidiaries) in part-consideration for acquisition of equity interest in such MSOs as per the terms of the relevant share purchase, share subscription and shareholders' agreement. For details, see "***Our Subsidiaries***" on page 92.

(c) The following is the history of the preference share capital of our Company:

Date of allotment	No. of CCPS	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, bonus, other than cash etc.)	Nature of allotment	Cumulative No. of Preference Shares
March 29, 2008	3,199,500	10	500	Cash	Preferential allotment	3,199,500

Date of allotment	No. of CCPS	Face Value (Rs.)	Issue Price (Rs.)	Consideration (Cash, bonus, other than cash etc.)	Nature of allotment	Cumulative No. of Preference Shares
February 17, 2009	799,800	10	500	Cash	Preferential allotment	3,999,300
May 26, 2009	39,993,000	10	NA	NA	Bonus issue (10:1)*	43,992,300
July 27, 2009	(43,992,300)	10	NA	Cash	Conversion of the CCPS into Equity Shares	Nil

* *Capitalization of share premium account*

2. ***Issue of Equity Shares in the last one year***

(a) Our Company issued 200 Equity Shares to certain IL&FS Investors on February 17, 2009 at an issue price of Rs. 500 each. The preferential allotment of such 200 Equity Shares was made along with an issue of 799,800 CCPS on preferential basis to the IL&FS Investors in consideration for an aggregate investment of Rs. 400 million by the IL&FS Investors into the Company to fund the existing and future business activities of the Company.

(b) Our Company made a bonus issue of 72,475,520 Equity Shares (in the ratio of 4:1) on June 26, 2009 by capitalizing amounts outstanding in the share premium account to then existing shareholders of the Company.

(c) Our Company issued 13,361,361 Equity Shares to the IL&FS Investors on July 27, 2009, pursuant to the conversion of 43,992,300 CCPS into Equity Shares by the IL&FS Investors.

(d) Our Company issued an aggregate of 4,019,606 Equity Shares on July 29, 2009, at an issue price of Rs. 190 each, for a consideration value of Rs. 763.72 million to existing shareholders of certain MSOs (including our Subsidiaries) in part-consideration for acquisition of equity interest in such MSOs as per the terms of the relevant share purchase, share subscription and shareholders' agreement. For details, see "***Our Subsidiaries***" on page 92.

(e) Additionally, our Company has issued 3,947,368 Equity Shares to EMSAF Mauritius on July 29, 2009 at an issue price of Rs. 190 each. The preferential allotment of such 3,947,368 Equity Shares was made to EMSAF Mauritius in consideration for an aggregate investment of Rs. 750 million by EMSAF Mauritius into the Company to fund the existing and future business activities of the Company.

3. ***Promoter Contribution and lock-in***

(a) ***Details of the build up of our Promoters shareholding in our Company***

Detailed below is the build-up of our Promoters total shareholding in our Company:

Name of Promoter	Date of transfer/ allotment	Nature of Allotment	Consideration	No. of Equity Shares	Issue price (Rs.)	Pre-Issue paid-up capital (%)	Post-Issue paid-up capital (%)
Mr. Sameer Manchanda	August 30, 2007	Preferential allotment	Cash	318,182	220	0.28	0.24
	September 28, 2007	Preferential allotment	Cash	363,636	220	0.32	0.27
	October 30, 2007	Preferential allotment	Cash	1,136,364	220	1.01	0.86
	November 15, 2007	Bonus issue (4:1)	Nil	7,272,728	NA	6.49	5.51
	June 26, 2009	Bonus issue (4:1)	Nil	36,363,640	NA	32.49	27.56

Name of Promoter	Date of transfer/ allotment	Nature of Allotment	Consideration	No. of Equity Shares	Issue price (Rs.)	Pre-Issue paid-up capital (%)	Post-Issue paid-up capital (%)
Total(A)				**45,454,550**		**40.61**	**34.45**
Lucid Systems Private Limited	August 20, 2007	Preferential allotment	Cash	640,000	10	0.57	0.48
	November 15, 2007	Bonus issue (4:1)	Nil	2,560,000	NA	2.28	1.94
	June 26, 2009	Bonus issue (4:1)	Nil	12,800,000	NA	11.43	9.70
Total (B)				**16,000,000**		**14.29**	**12.12**

(b) ***Details of the Promoter Contribution locked-in for three years***

Pursuant to the ICDR Regulations, an aggregate of 20% of the post-Issue Equity Share capital of our Company, 26,384,547 Equity Shares, shall be locked-in by the Promoters for a period of three years from the date of Allotment. Details of the same are as follows:

Name of Promoter	Date of transfer/ allotment	Nature of Allotment	Consideration	No. of Equity Shares locked in	Issue price (Rs.)	% of Post Issue paid-up capital*
Mr. Sameer Manchanda	June 26, 2009	Bonus issue (4:1)	Nil	16,384,547	Nil	12.42
Lucid Systems Private Limited	June 26, 2009	Bonus issue (4:1)	Nil	10,000,000	Nil	7.58
Total				**26,384,547**		**20.00**

The Promoter's contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as promoters under the ICDR Regulations.

26,384,547 Equity Shares, aggregating to 20.00% of the post-Issue equity capital of the Company, held by the Promoters, shall be locked in for a period of three years from the date of Allotment in the Issue. The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Regulation 33 of the ICDR Regulations. In this connection, we confirm the following:

(i) The Equity Shares offered for minimum 20% Promoters' contribution have not been acquired in the last three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluation reserves or unrealized profits of our Company or against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;

(ii) The minimum Promoters' contribution does not include any Equity Shares acquired during the preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

(iii) Our Company has not been formed by the conversion of a partnership firm into a company;

(iv) The Equity Shares held by the Promoters and offered for minimum 20% Promoters' contribution are not subject to any pledge; and

(v) The minimum Promoters' contribution does not consist of Equity Shares for which specific written consent has not been obtained from the respective Promoters for inclusion of their subscription in the minimum Promoters' contribution subject to lock-in.

(c) ***Details of other Equity Shares locked–in***

Other than the above Equity Shares that are locked in for three years, the entire pre-Issue capital would be locked-in for a period of one year from the date of Allotment in the Issue.

Further, Equity Shares Allotted to Anchor Investors, in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment of Equity Shares in the Issue.

(d) ***Other requirements in respect of lock-in***

The locked-in Equity Shares held by the Promoters can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of the loan. However, Equity Shares locked in as Promoters Contribution can be pledged only if in addition to fulfilling the aforementioned requirements, such loans have been granted by such banks or financial institutions for the purpose of financing one or more of the objects of the Issue.

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

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

4. ***Shareholding Pattern***

The table below presents our Equity shareholding pattern of our Company.

Category code	**Category of shareholder**	**Number of shareholders**	**Total number of shares**	**Number of shares held in dematerialized form**	**Total shareholding as a percentage of total number of shares**	
					As a percentage of (A+B)[1]	**As a percentage of (A+B+C)**
(A)	**Shareholding of Promoter and Promoter Group[2]**					
(1)	**Indian**					
(a)	Individuals/ Hindu Undivided Family	3	49,587,050	Nil	44.30%	44.30%
(b)	Central Government/ State Government(s)	Nil	Nil	Nil	N.A	N.A
(c)	Bodies Corporate	2	20,529,670	Nil	18.34%	18.34%
(d)	Financial Institutions/ Banks	Nil	Nil	Nil	N.A	N.A
(e)	Any Other (specify)	Nil	Nil	Nil	N.A	N.A
	Sub-Total (A)(1)	**5**	**70,116,720**	**Nil**	**62.65%**	**62.65%**
(2)	**Foreign**					
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)	Nil	Nil	Nil	N.A	N.A
(b)	Bodies Corporate	Nil	Nil	Nil	N.A	N.A
(c)	Institutions	Nil	Nil	Nil	N.A	N.A
(d)	Any Other (specify)	Nil	Nil	Nil	N.A	N.A
	Sub-Total (A)(2)	**Nil**	**Nil**	**Nil**	**N.A**	**N.A**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**5**	**70,116,720**	**Nil**	**62.65%**	**62.65%**
(B)	**Public shareholding3**					

Category code	Category of shareholder	Number of shareholders	Total number of shares	Number of shares held in dematerialized form	Total shareholding as a percentage of total number of shares	
					As a percentage of (A+B)[1]	As a percentage of (A+B+C)
(1)	**Institutions**					
(a)	Mutual Funds/ UTI	Nil	Nil	Nil	N.A	N.A
(b)	Financial Institutions/ Banks	Nil	Nil	Nil	N.A	N.A
(c)	Central Government/ State Government(s)	Nil	Nil	Nil	N.A	N.A
(d)	Venture Capital Funds	2	1,212,158	39	1.08%	1.08%
(e)	Insurance Companies	Nil	Nil	Nil	N.A	N.A
(f)	Foreign Institutional Investors	1	3,947,368	3,947,368	3.53%	3.53%
(g)	Foreign Venture Capital Investors	Nil	Nil	Nil	N.A	N.A
(h)	Any Other (specify)	4	12,152,703	661	10.86%	10.86%
	Sub-Total (B)(1)	**7**	**17,312,229**	**3,948,068**	**15.47%**	**15.47%**
(2)	**Non-institutions**					
(a)	Bodies Corporate	5	15,508,259	Nil	13.86%	13.86%
(b)	Individuals -					
	i. Individual shareholders holding nominal share capital up to Rs. 1 lakh.	8	50,344	Nil	0.04%	0.04%
	ii. Individual shareholders holding nominal share capital in excess of Rs. 1 lakh.	42	8,935,183	36,000	7.98%	7.98%
(c)	Any Other (specify)	Nil	Nil	Nil	N.A	N.A
	Sub-Total (B)(2)	**55**	**24,493,786**	**36,000**	**21.88%**	**21.88%**
	Total Public Shareholding (B)=(B)(1)+(B)(2)	**62**	**41,806,015**	**3,984,068**	**37.35%**	**37.35%**
	TOTAL (A)+(B)	**67**	**111,922,735**	**3,984,068**	**100%**	**100%**
(C)	**Shares held by Custodians and against which Depository Receipts have been issued**	Nil	Nil	Nil	N.A	N.A
	GRAND TOTAL (A)+(B)+(C)	**67**	**111,922,735**	**3,984,068**	**100%**	**100%**

1 For determining public shareholding for the purpose of Clause 40A.

2 For definitions of "Promoter" and "Promoter Group", refer to Clause 40A

3 For definitions of "Public Shareholding", refer to Clause 40A

Except as disclosed above, none of the GCBRLM, CBRLM, Promoters, Promoter Group, Directors, directors of our corporate Promoter and key managerial personnel hold any Equity Shares.

5. The list of our top 10 shareholders and the number of Equity Shares held by them is as under:

(a) Our top 10 shareholders as of the date of this Red Herring Prospectus are as follows:

S. No.	Shareholder	No. of Equity Shares	Percentage of shareholding	Remarks
1.	Mr. Sameer Manchanda	45,454,550	40.61	Promoter
2.	Lucid Systems Private Limited	16,000,000	14.30	Promoter
3.	RRB Investment Private Limited	9,856,680	8.81	Investment company of

S. No.	Shareholder	No. of Equity Shares	Percentage of shareholding	Remarks
				Mr. Raghav Bahl
4.	Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Private Limited	8,166,060	7.30	IL&FS investor group
5.	Blue Eye Entertainment Private Limited	5,000,000	4.47	Investor
6.	Verve Engineering Private Limited	4,529,670	4.05	Promoter Group
7.	EMSAF Mauritius	3,947,368	3.53	Investor
8.	Ms. Kavita Manchanda	3,757,500	3.36	Promoter Group
9.	TARA India Holdings A Limited	2,748,253	2.46	IL&FS investor group
10.	Ms. Anitha Kumarswamy	1,771,579	1.58	One of the promoters of Amogh Broadband Services Private Limited, a subsidiary of our Company
	Total	**101,231,661**	**90.47**	

(b) Our top 10 shareholders 10 days prior to the filing of this Red Herring Prospectus, i.e. October 6, 2009 are as follows:

S. No.	Shareholder	No. of Equity Shares	Percentage of shareholding
1.	Mr. Sameer Manchanda	45,454,550	40.61
2.	Lucid Systems Private Limited	16,000,000	14.30
3.	RRB Investment Private Limited	9,856,680	8.81
4.	Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Private Limited	8,166,060	7.30
5.	Blue Eye Entertainment Private Limited	5,000,000	4.47
6.	Verve Engineering Private Limited	4,529,670	4.05
7.	EMSAF Mauritius	3,947,368	3.53
8.	Ms. Kavita Manchanda	3,757,500	3.36
9.	TARA India Holdings A Limited	2,748,253	2.46
10.	Ms. Anita Kumarswamy	1,771,579	1.58
	Total	**101,231,661**	**90.47**

(c) Our shareholders as of two years prior to the date of filing of this Red Herring Prospectus i.e. October 16, 2007 were as follows:

S. No.	Shareholder	No. of Equity Shares	Percentage of shareholding
1.	Mr. Hemant Narang	5,000	0.38
2.	Mr. Mohammad Ghulam Azhar	5,000	0.38
3.	SPN Shareholders Trust	360,000	27.10
4.	Lucid Systems Private Limited	640,000	48.19
5.	Mr. Sameer Manchanda	318,182	23.96
	Total	**1,328,182**	**100.00**

6. Our Company, our Promoters, our Directors, the GCBRLM, the CBRLM have not entered into any buy-back and/or standby arrangements for the purchase of Equity Shares from any person.

7. None of our Promoters, Promoter Group, directors of our corporate Promoter, our Directors (or their immediate relatives) purchased or sold any Equity Shares or financed the purchase by any other person within the six months preceding the date of filing of the Draft Red Herring Prospectus with SEBI.

8. In terms of Rule 19 (2) (b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be Allotted to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. 5% of the Net QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the Net QIB Portion shall be available for allocation on a proportionate basis to QIBs and Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. However, if the aggregate demand from Mutual Funds is less than 414,750 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the Net QIB Portion and allocated proportionately to the QIB Bidders in the Net QIB Portion. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the GCBRLM, CBRLM and the Designated Stock Exchange.

   Under-subscription, if any, in the Retail or Non-Institutional Portion would be met with spill over from other categories or combination of categories at the discretion of our Company in consultation with the GCBRLM and the CBRLM.

9. A total of 1.25% of the Issue, i.e. 250,000 Equity Shares, have been reserved for allocation to Eligible Employees on a proportionate basis, subject to valid Bids being received at or above the Issue Price. Only Eligible Employees would be eligible to apply in this Issue under the Employee Reservation Portion on a competitive basis. Bids by Eligible Employees can also be made in the Net Issue and such Bids shall not be treated as multiple Bids. If the aggregate demand in the Employee Reservation Portion is greater than 250,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis. Any unsubscribed portion in the Employee reservation Portion shall be added to the Net Issue to the public. The unsubscribed portion, if any, in the Net Issue shall be allowed to met with spill-over to the extent of such under-subscription from the Employee Reservation Portion.

10. An investor cannot make a Bid for more than the number of Equity Shares offered through the Issue and Bidders are subject to the maximum limit of investment prescribed under relevant laws applicable to each category of investor.

11. We have not raised any bridge loan against the Issue Proceeds.

12. An over-subscription to the extent of 10% of the Net Issue can be retained for the purpose of rounding off to the nearest integer while finalizing the basis of Allotment.

13. 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 this Red Herring Prospectus until the Equity Shares issued/ to be issued pursuant to the Issue have been listed.

14. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares.

15. We presently do not intend or propose to alter our capital structure for a period of six months from the date of filing of this Red Herring Prospectus, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether preferential or otherwise. However,

when we enter into acquisitions or joint ventures, we may, subject to necessary approvals, consider raising additional capital to fund such activity or use Equity Shares for participation in such acquisitions or joint ventures or to use such shares as consideration for such joint ventures. Further, if business needs of our Company so require, our Company may alter the capital structure by way of split / consolidation of the denomination of the Equity Shares / issue of Equity Shares on a preferential basis or issue of bonus or rights or public or preferential issue of Equity Shares or any other securities during the period of six months from the Bid Opening Date or from the date the application moneys are refunded on account of failure of the Issue, after seeking and obtaining all the approvals which may be required.

16. We have not issued any Equity Shares out of revaluation reserves. Our Company has not issued any Equity Shares for consideration other than cash, except as disclosed in note 1 above.

17. There shall be only one denomination of Equity Shares, unless otherwise permitted by law. We shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.

18. As of the date of filing of this Red Herring Prospectus, the total number of holders of Equity Shares are 67.

19. There are no partly paid up Equity Shares in our Company. All the Equity Shares will be fully paid up at the time of Allotment.

20. Our Company, Directors, Promoters or Group Entities shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application for Allotment under this Issue except as disclosed in this Red Herring Prospectus.

21. The Equity Shares held by the Promoters are not subject to any pledge.

22. Our Promoters and the members of our Group Entities will not participate in this Issue.

OBJECTS OF THE ISSUE

The objects of the Issue are to: (1) invest in the development of our cable television infrastructure and services; (2) invest in the development of our cable broadband infrastructure and services; (3) invest in acquisition of content and broadcasting rights; (4) repay certain loans availed by the Company; (5) fund expenditure for general corporate purposes; and (6) achieve the benefits of listing on the Stock Exchanges.

The main objects clause of our Memorandum of Association and objects incidental to the main objects enable us to undertake our existing activities and the activities for which funds are being raised by us through this Issue.

The fund requirements described below are based on management estimates and our Company's current business plan and have not been appraised by any bank or financial institution. In view of the dynamic nature of the cable and broadband industry and on account of new objects that our Company may pursue, our Company may have to revise its capital expenditure requirements as a result of variations in the cost structure, changes in estimates, exchange rate fluctuations and other external factors, which may not be within the control of the management of our Company. This may entail rescheduling or revising the planned capital expenditure and increasing or decreasing the capital expenditure for a particular purpose from its planned expenditure at the discretion of our Company's management.

Proceeds of the Issue

The details of proceeds of the Issue are summarized in the following table:

(Amount in Rs. million)

S. No	Description	Amount
1.	Gross proceeds of the Issue*	[●]
2.	Issue Expenses *	[●]
3.	Net proceeds of the Issue*	[●]

**To be finalized upon determination of Issue Price.*

Requirement of Funds and Use of Net Proceeds of the Issue

We intend to utilize the Net Proceeds of the Issue of Rs. [•] ("**Net Proceeds**") for financing the objects as set forth below:

(Amount in Rs. million)

S. No	Expenditure Items	Estimated Issue Proceeds
1.	Invest in the development of our cable television infrastructure and services*	2,100.00
2.	Invest in the development of our cable broadband infrastructure and services*	250.00
3.	Invest in acquisition of content and broadcasting rights*	100.00
4.	Repayment of certain loans	400.00
5.	Fund expenditure for general corporate purposes	[●]**
	Total	[●]

*****_We have not accounted for contingencies and price escalations in calculating the fund requirements._
***To be finalized upon determination of Issue Price.*

The entire requirements of the objects detailed above are intended to be funded from the Net Proceeds of the Issue. Accordingly, we confirm that there is no requirement for us to make firm arrangements of finance through verifiable means towards at least 75% of the stated means of finance, excluding the amount to be raised through the Issue.

The year-wise break down of the Net Proceeds of the Issue to be utilized is set forth below in the following table:

(Amount in Rs. millions)

Sr. No.	Object	Estimated schedule of Deployment of funds		Total
		Fiscal 2010	Fiscal 2011	

1.	Invest in the development of our cable television infrastructure and services	1,000.00	1,100.00	2,100.00
2.	Invest in the development of our cable broadband infrastructure and services	100.00	150.00	250.00
3.	Invest in acquisition of content and broadcasting rights	100.00	-	100.00
4.	Repayment of certain loans	350.00	50.00	400.00
5.	Fund expenditure for general corporate purpose	[●]	[●]	[●]

While we intend to utlise the Net Proceeds in the manner provided above, in the event of a surplus, we will use such surplus towards general corporate purposes including meeting future growth requirements. In case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Issue. In the event of any shortfall in the Net Proceeds, our Company will bridge the fund requirements from internal accruals or debt.

Details of the Objects

1. *Invest in the development of our cable television infrastructure and services*

We need to invest in capital equipment on a recurring basis to further fund our expansion and provide value-added services to our customers. We believe that such investments in suitable hardware and software will give us the ability to further integrate our business and enable us to broaden the scope and quality of our services and increase our market presence. In this respect we have already launched our digital services in February 2008 under our brand name "Digitelly" and have expanded these services to 37 cities, and we propose to invest in the ongoing digital roll out in all the markets that are currently serviced through analog infrastructure as well as introducing them in the markets where we intend to expand in the future. We intend to utilize Rs. 2,100 million from the Net Proceeds of this Issue to invest in the development of our cable infrastructure and services in the following manner:

S. No	Description of Item	Quantity	Amount (Rs. in million)
1.	Digital set top boxes	717,500	**1,650.25**
2.	Head-ends (Digital & Analog)		**149.75**
(a)	*Compression & other equipment*	3	108.36
(b)	*Modulators*	1,200	6.55
(c)	*Digital Receiver Satellite*	660	3.16
(d)	*Racks*	210	6.99
(e)	*Digital Control Room (False Flooring & Interiors cost)*	3	7.29
(f)	*Dish Antennas: 12 feet*	84	2.01
(g)	*Dish Antennas: 16 feet*	21	1.03
(h)	*Bandpass Filters*	24	0.66
(i)	*Diesel Generator Set (20 KVA noise free)*	12	2.97
(j)	*Diesel Generator Set (3 phase 100 KVA)*	3	2.01
(k)	*A.C Split*	69	2.52
(l)	*Other ancillary materials*		6.22
3.	Hybrid fibre co-axial cables	300 Km	**150.00**
4.	Up-gradation cost		**150.00**
(a)	*EDFA*	36	9.33
(b)	*1550nm Transmitter*	48	31.11
(c)	*EdgeQAM*	48	28.62
(d)	*Router*	48	21.41
(e)	*Others*	-	59.53
	Total		**2,100.00**

The outlay in relation to our investments to develop our cable television infrastructure and services has been estimated based on pro forma invoices/ quotations received from various parties and management estimates. We have not entered into any contracts in relation to the estimated amount to be deployed.

Our Company has obtained quotations from suppliers in relation to the purchase of the following equipment and related infrastructure:

S. No	Description of Item	Quantity	Cost per unit (In Rs.)	Date of quotation
1.	Digital set top boxes* [1]	1,000,000	1,920.00	July 8, 2009
2.	Head-ends (Digital & Analog)			
	*Compression & other equipment**	3	27,157,801.00	July 9, 2009
	Modulators	1	4,850.00	July 8, 2009
	Digital Receiver Satellite	1	4,250.00	July 8, 2009
	Racks	7	26,683	June 6, 2009
	Digital Control Room (False Flooring & Interiors cost)	1	2,429,925	July 30, 2009
	Dish Antennas: 12 feet	1	18,900.00	July 26, 2009
	Dish Antennas: 16 feet	1	39,600.00	July 26, 2009
	Bandpass Filter	2	24,300.00	July 26, 2009
	*Diesel Generator Set (20 KVA noise free) ***	2	247,500	July 8, 2009
	*Diesel Generator Set (3 phase 100 KVA)***	1	594,325	July 8, 2009
	A.C Split	1	34,800	July 30, 2009
	Other ancillary materials	-	6.00	
3.	Hybrid fibre co-axial cables***			
	Laying of HDPE Ducts (in meters)	1	395.00	July 9, 2009
	Blowing of OF Cable (in meters)	1	10.00	July 9, 2009
	Installation of conical RCC Manhole	1	14,000	July 9, 2009
	HDPE Ducts(in meters)	1	109.50**	July 31, 2009
	SM optical fibre cable fibre 48F	1	43.50	July 10, 2009
4.	Up-gradation cost			
	*EDFA**	1	201,600	July 31, 2009
	*1550nm Transmitter**	1	504,000	July 31, 2009
	EdgeQAM	4	530,010	July 30, 2009
	Router	1	396,400	August 1, 2009

[1] *Excludes customs and related duty, insurance and freight. At the prevelant rate of duty and related charges, the aggregate cost would be Rs. 2,300 million*

**Quotation has been received in US dollars, assuming an exchange rate of US $1 = Rs. 48.00 for the above calculations*

*** Inclusive of applicable taxes*

****The cost of laying HFC cables includes payment for right-of-way charges, digging charges, duct, fibre and other incidental expenses.*

The delivery period for the aforementioned equipments usually ranges from a few days to three months.

No second-hand equipment and instruments have been purchased or are proposed to be purchased from the Net Proceeds. The equipments sought to be purchased out of the Net Proceeds are proposed to be acquired in a ready to use condition.

2. *Invest in the development of cable broadband infrastructure and services*

We also intend to invest in the launch and expansion of broadband services being offered by our Company in the Kanpur, Delhi, NCR and Bangalore. We intend to build a multiservice internet delivery platform that can deliver video and data to our subscribers. We intend to use the GePON technology integrated with EOC. This will enable us to carry a broadband signals on FITC from where it is integrated with coaxial wire using the EOC technique which will enable symmetric data to be carried over the existing last mile coaxial cable into the subscriber's home.

We intend to utilize Rs. 250 million from the Net Proceeds towards the development of broadband infrastructure and services in Kanpur, Delhi, NCR and Bangalore in the following manner:

S. No	Description of Item	Quantity	Amount(Rs. in million)
1.	Consumer Premise Equipment	61,000	115.29
2.	Ethernet Master Modems (EMM)	2,865	69.82
3.	Optical Network Unit ("**ONU**")	2,865	14.44
4.	Optical Line Terminal ("**OLT**")	15	4.73
5.	Optical fibre including laying (Km)	1250	30.71
6.	Other Ancillary Material	-	15.01
	Total		**250.00**

This outlay in relation to our investments to develop our cable broadband infrastructure and services has been estimated based on pro forma invoices/ quotations received from various parties and management estimates. We have not entered into any contracts in relation to the estimated amount to be deployed.

We have obtained the following quotations from suppliers in relation to the aforementioned:

S. No	Description of Item	Quantity	Cost per unit (In Rs.)	Date of quotation
1.	Consumer Premise Equipment*	100,000**	1,675.20	July 30, 2009
2.	Ethernet Master Modems (EMM)	1,200**	21,600.00	July 30, 2009
3.	ONU*	107,000***	4,147.70	June 24, 2009
4.	OLT *	871***	259,381.70	June 24, 2009
5.	Fibre			
	12 fibre(armoured)	1 meter	17.00	August 1, 2009
	Staywire	1 meter	2.20	June 26, 2009
	Bindingwire	1 meter	0.80	June 26, 2009
	Laying Charges	1 meter	3.50	July 22, 2009

** Quotation has been received in US dollars, assuming an exchange rate of US $1 = Rs. 48.00 for the above calculations*
*** This does not include the duty payable at the current rate of 12.83%*
**** This does not include the duty payable at the current rate of 21.52%*

3. *Invest in acquisition of content and broadcasting rights*

We plan to expand the services offered to our subscribers by developing and acquiring content rights to films, music as well as international programmes, from the respective producer/ content aggregators of such films, music and international programmes, on a regular basis and transmitting such content on our cable network. Our content library would cater to the tastes and preferences of a diverse and varied group of subscribers.

We intend to use up to Rs. 100.00 million from the Net Proceeds towards the same. We believe that acquiring content rights to such films, music and programmes will play an important role in increasing our subscriber base and contribute to the expansion of our business and increase competitiveness.

This outlay in relation to our investments to acquire content and broadcasting rights has been estimated based on management estimates. We have not entered into any contracts in relation to the estimated amount to be deployed.

4. *Repayment of certain loans*

Our Company has entered into various financing arrangements with banks and other lenders. In order to reduce the leverage and allow flexibility in financial management of our business and operations we intend to utilize up to Rs. 400 million, or [●]% of the Net Proceeds, towards repayment of our outstanding loans from the Net Proceeds. Following are the details of the facilities as on the date of filing this Red Herring Prospectus, intended to be partly repaid from the Net Proceeds.

Working Capital

Lender	Sanctioned Amount	Rate of interest	Amount Outstanding as on September 30, 2009*
Syndicate Bank	350 million	PLR	Rs. 273.07 million
Bank of Maharashtra	50 million	BPLR or as charges by Syndicate Bank whichever is higher	Rs. 50 million

**As per the certificate issued by Pankaj Krishn & Associates, Chartered Accountants dated October 14, 2009*

Term Loan

Lender	Sanctioned Amount	Rate of interest	Amount Outstanding as on September 30, 2009*
Syndicate Bank	250 million	PLR	Rs. 230.19 million**

**As per the certificate issued by Pankaj Krishn & Associates, Chartered Accountants dated October 14, 2009*
*** Includes the interest payable*

The Company requires funds on a regular basis for its business operations, capital expenditure, investments and towards its other general corporate and working capital requirements. The Company meets such fund requirements from internal accruals and/or by availing various loans and facilities as may be deemed suitable by the Company.

As certified by Pankaj Krishn & Associates, Chartered Accountants, dated October 14, 2009, the Company had utilised the loan amounts for procurement of equipments and working capital requirements.

For details see "***Financial Indebtedness***" on page 247. Our Company will give preference to repaying high cost debt/advance in order to reduce the interest burden. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder.

5. *Fund expenditure for general corporate purposes*

We intend to use a part of the Net Proceeds, approximately Rs. [●] million, towards general corporate purposes to drive our business growth, including acquiring new subscribers and MSOs, both organically and inorganically, investment in joint ventures/ Subsidiaries among others(the "**GCP Expenditure Amount**"). The Company intends to use approximately 75% out of the GCP Expenditure Amount million to drive its business growth organically and inorganically, by acquiring new subscribers and MSOs, and investing in joint ventures/ existing subsidiaries, among others. As of the date of this Red Herring Prospectus, we have not yet entered into any definitive commitment for any acquisition, investment or joint venture for which we intend to use the Net Proceeds. With respect to investment in existing subsidiaries, our investment may, depending on the business requirements, be in the form of equity, preference or debt. Further, with respect to the acquisition targets and joint ventures subsequently identified, the form of investment may be in the form of equity, preference or debt depending on the commercial understanding with respect to such acquisition/joint ventures. We cannot assure the payment of dividends by the entities acquired by us or the entities in which we have made equity or preference investment.

Additionally, we intend utilise a part of the Net Proceeds towards development of our brands' recognition. The Company intends to use approximately 25% out of the GCP Expenditure Amount towards development of the Company's brands' recognition and other general corporate purposes in the ordinary course of its business. We believe that offering a recognised branded service will help us compete against existing digital cable service companies and give us an advantage over our competitors that have not yet rolled out digital cable services in areas where we operate.

Our management, in accordance with the policies of the Board, will have the flexibility in utilizing the sum earmarked for general corporate purposes and any surplus amounts from the Net Proceeds.

6. *Achieve the benefits of listing on the Stock Exchanges*

We believe that equity capital markets is an ideal source for meeting long term funding requirements of a growing cable and broadband company like ours. In addition, the listing of our Equity Shares will, *inter alia,* enhance our visibility and brand name among our existing and potential customers. We also believe that as a listed entity we would be able to attract high quality and talented personnel.

Issue Related Expenses

The expenses of this Issue include, among others, underwriting and management fees, printing and distribution expenses, legal fees, advertisement expenses and listing fees. The estimated Issue expenses are as follows:

Activity	Expenses* (Amount in Rs. million)	% of Issue size	% of Issue expenses
Lead management fee and underwriting commissions	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Printing and stationery	[●]	[●]	[●]
IPO grading expenses	[●]	[●]	[●]
Others (SCSB commission, Registrar's fee, legal fees, auditor fee, etc.)	[●]	[●]	[●]
Total	**[●]**	**[●]**	**[●]**

**Will be incorporated after finalisation of the Issue Price.*

Appraisal Report

None of the projects for which the Net Proceeds will be utilised have been financially appraised. The estimates of the costs of objects mentioned above are based on internal estimates of our Company and quotes received from vendors of equipments.

Working Capital Requirement

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

Interim use of funds

The management of our Company, in accordance with the policies established by our Board from time to time, will have flexibility in deploying the Net Proceeds. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest/dividend bearing liquid instruments including investments in mutual funds, deposits with banks and other investment grade interest bearing securities. Such investments would be in accordance with investment policies approved by our Board from time to time. Our Company confirms that pending utilization of the Net Proceeds it shall not use the funds for any investments in the equity markets.

Monitoring Utilization of Funds

As this is an Issue for less than Rs. 5,000 million, there is no need for an appointment of a monitoring agency.

Our Board will monitor the utilization of the Net Proceeds, through its Audit Committee. We will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statements until fiscal 2011, specifying the purpose for which the Net Proceeds have been utilization as per the disclosure requirements of our listing agreements with the Stock Exchanges and in particular clause 49 of the Listing Agreement. As per the requirements of clause 49 of the Listing Agreement, we will disclose to the Audit Committee the uses/applications of funds on a quarterly basis as part of our quarterly declaration of results. Further, on an annual basis, we shall prepare a statement of funds utilized for purposes other than those stated in this Red Herring Prospectus and place it before the Audit Committee. The said disclosure shall be made until such time that the money raised through the Issue has been fully spent. The statement shall be certified by Auditors. Further, we will furnish to the Stock Exchanges on a quarterly basis, a statement indicating material deviations, if any, in the use of proceeds from the objects stated in this Red Herring Prospectus.

No part of the proceeds from the Net Issue will be paid by us as consideration to our Promoters, our Directors, Group Entities, associates or key managerial employees, except in the normal course of our business.

BASIS FOR ISSUE PRICE

The Issue Price will be determined by the Company in consultation with the GCBRLM and CBRLM on the basis of assessment of market demand for the offered Equity Shares by way of the Book Building Process. The face value of the Equity Shares is Rs. 10 per Equity Share and the Issue Price is [●] times the face value at the lower end of the Price Band and [●] times the face value at the higher end of the Price Band. The information presented below relating to the Company is based on the restated audited consolidated financial statements of the Company for the period ended March 31, 2008, fiscal 2009 and the three month period ended June 30, 2009. Investors should also refer to the sections "Risk Factors", "Industry Overview", "Our Business" and "Financial Statements" on pages x, 57, 67 and F1, respectively, to get a more informed view before making the investment decision.

Qualitative factors

The information presented in this section for the period ended March 31, 2008, fiscal 2009 and the three month period ended June 30, 2009 is derived from our consolidated audited restated financial statements. Investors should evaluate the Company taking into consideration its earnings and based on its consolidated growth strategy. Some of the qualitative factors which may form the basis for computing the Issue Price are as follows:

- Rapid growth in key geographical regions;
- Proven acquisition track record;
- Industry-experienced management team;
- Offer local and regional specific content across India on our own brand channels;
- High quality technological expertise, assets and infrastructure; and
- Quality customer service.

For detailed discussion on the above factors, see the section "***Our Business***" on page 67.

Quantitative Factors

1. Weighted Average Earnings Per Equity Share ("EPS")

Year	Basic EPS (Rs. per Equity Share)	Weight	Weighted Avg No. of Equity Shares**
Period ended March 31, 2008 (consolidated)*	(4.32)	1	50,027,330
Fiscal 2009 (consolidated)*	(1.67)	2	90,593,518
Weighted Average	**(2.55)**		

**Face Value of Rs.10 per share; EPS = Net profit after tax and minority interest, as restated, attributable to equity shareholders divided by weighted average number of Equity Shares outstanding for the period.*
*** As per the report of the Auditors*

*Note A: Basic EPS for the three month period ended June 30, 2009 as per the restated consolidated financial statements is Rs. 0.36. Further, the Company had on May 26, 2009 approved a bonus issue of 39,993,000 CCPS to its preference share holders and on June 25, 2009 had approved a bonus issue of 72,475,520 Equity Shares to its Equity Shareholders. Additionally, on July 22, 2009, the preference share holders converted their preference shares into 13,361,361 Equity Shares of the Company. Subsequently, on July 29, 2009, the Company made a preferential allotment of 7,966,974 Equity Shares. For details see "**Capital Structure**"* on page 27.

Year	Diluted EPS (Rs. per Equity Share)	Weight	Weighted Avg No. of Equity Shares**
Period ended March 31, 2008 (consolidated)*	(4.32)	1	50,147,886
Fiscal 2009 (consolidated)*	(1.67)	2	101,597,599
Weighted Average	**(2.55)**		

**Face Value of Rs.10 per share; EPS = Net profit after tax and minority interest, as restated, attributable to equity*

shareholders divided by weighted average number of Diluted Equity Shares outstanding for the period. As mentioned in the Auditors report, Diluted earnings per share are computed using the weighted average number of equity shares outstanding during the period and dilutive equity equivalent shares outstanding at the period end, except where the results would be anti dilutive
*** As per the report of the Auditors*

Note B: Diluted EPS for the three month period ended June 30, 2009 as per the restated consolidated financial statements is Rs. 0.31. Further, the Company had on May 26, 2009 approved a bonus issue of 39,993,000 CCPS to its preference share holders and on June 25, 2009 had approved a bonus issue of 72,475,520 Equity Shares to its Equity Shareholders. Additionally, on July 22, 2009, the preference share holders converted their preference shares into 13,361,361 Equity Shares of the Company. Subsequently, on July 29, 2009, the Company made a preferential allotment of 7,966,974 Equity Shares. *For details see "**Capital Structure"*** on page 27.

2. *Price/Earnings Ratio ("P/E") in relation to the Issue Price of Rs. [●]*

Basic EPS as per the restated consolidated financial statements for year ended March 31, 2009 is Rs. (1.67).

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based on fiscal 2009 restated EPS of Rs. (1.67) (consolidated)	[●]	[●]
Based on weighted average EPS of Rs. (2.55)	[●]	[●]

Diluted EPS as per the restated consolidated financial statements for year ended March 31, 2009 is Rs. (1.67).

Particulars	P/E at the lower end of Price Band (no. of times)	P/E at the higher end of Price Band (no. of times)
Based on fiscal 2009 restated EPS of Rs. (1.67) (consolidated)	[●]	[●]
Based on weighted average EPS of Rs. (2.55)	[●]	[●]

Peer Group P/E

	Industry P/E	
a)	Highest	93.3
b)	Lowest	4.0
c)	Industry Average	31.1

Source: *Capital Market, Volume XXIV/16, Oct 05- 18, 2009, Entertainment / Electronic Media Software Industry*

3. *Return on Net Worth ("RoNW") as per restated consolidated financial statements (excluding preference share capital)*

Year	RoNW (%)	Weight
Period ended March 31, 2008	(11.37)	1
Fiscal 2009	(7.08)	2
Weighted Average	(8.51)	

RoNW as of June 30, 2009 on a restated consolidated basis was 1.84% (excluding preference share capital)

RoNW (excluding preference share capital) = Net profit after tax and minority interest, as restated, divided by net worth as restated at the end of year.

Net Worth = Equity Share Capital + Reserves and Surplus-Profit and Loss Account (Debit Balance) as per the Balance Sheet

Note C: Pursuant to the conversions and preferential allotments as detailed in Note A and Note B above, the networth of the Company has undergone a change.

4. *Minimum Return on Increased Net Worth Required to Maintain Pre-Issue EPS*

The minimum return on increased net worth required to maintain pre-Issue EPS is [●]%.

5. Net Asset Value ("NAV")

	NAV (Rs. per Equity Share)
As at March 31, 2008 (Restated Consolidated)	105.02
As at March 31, 2009 (Restated Consolidated)	117.87
As at June 30, 2009 (Restated Consolidated)	19.51
After the Issue	[●]

The Issue Price is Rs. [●] per Equity Share.

NAV = Net Worth (Equity Share Capital + Reserves and Surplus- Profit and Loss Account (Debit Balance, as per the Balance Sheet) as restated divided by the Equity Shares at the end of the year.

Note D: Pursuant to the above conversions and preferential allotments as detailed in Note A and Note B above, the networth of the Company has undergone a change.

6. Peer Group Comparisons (Industry Peers) - Accounting Ratios as of March 31, 2009

Fiscal 2009	EPS (Rs. per Equity Share)	BV (Rs. per Equity Share)	P/E	RoNW (excluding preference share capital) (%)
DEN Networks Limited	(1.67)	117.87	[●]	(7.08)
Peer Group				
Wireless & Wireless India Limited ("WWIL")	-	5.30	Not material	-
Dish TV India Limited ("Dish TV")	-	(6.30)	Not material	-

Face value of Rs.10 per share
Source: *Capital Market, Volume XXIV/16, Oct 05- 18, 2009, Entertainment / Electronic Media Software Industry*

All data for peer group companies are for full fiscal 2009; the P/E is based on trailing 12 month earnings; EPS is based on net profit reduced by preference dividend and dividend tax, divided by number of Equity Shares. All figures for the Company are based on consolidated financials for the year ended March 31, 2009.

Since the Issue is being made through the 100% Book Building Process, the Issue Price will be determined on the basis of the demand from the investors.

STATEMENT OF TAX BENEFITS

DEN Networks Limited
236, Okhla Industrial Estate, Phase III
New Delhi – 110 020,
India

Sirs,

We hereby report that the enclosed Annexure A states the possible tax benefits available to **DEN Networks Limited** ('the Company') and its shareholders under The Income Tax Act, 1961 and The Wealth Tax Act, 1957 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 business imperatives the Company faces in the future, may or may not choose to fulfill.

The benefits discussed below 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, 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.

We do not express any opinion or provide any assurance as to whether:

- the Company or its shareholders will continue to obtain these benefits in future ; or
- the conditions prescribed for availing the benefits have been / would be met with

The contents of this annexure as based on the information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company and should be read together with note 8 to the Annexure A.

No assurance is given that the revenue authorities/ Courts will concur with the views expressed herein . Our views are based on existing provisions of law and its interpretation, which are subject to change from time to time. We do not assume any responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We are not liable to any other person in respect of this statement.

This certificate is provided solely for the purpose of assisting the addressee Company in discharging its responsibilities under the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the SEBI ICDR Regulations).

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner
(Membership No. 87104)

Gurgaon
15 October, 2009

Annexure A

1. Special Tax benefits available to the Company

No special tax benefit is available to the Company.

2. General tax benefits available to the Company under the Income-tax Act, 1961 ('the Act')

A) Business Income:

A.i. Depreciation

The Company is entitled to claim depreciation on:

- specified tangible assets (being Buildings, Plant & Machinery, Computer and Vehicles); and
- intangible assets (being Knowhow, Copyrights, Patents, Trade marks, Licenses, Franchises or any other business or commercial rights of similar nature acquired on or after 1st April, 1998) owned by it and used for the purpose of its business under section 32 of the Act.

In case of any new plant and machinery (other than ships and aircraft) that will be acquired and installed by the Company engaged in the business of manufacture or production of any article or thing, the Company will be entitled to a further sum equal to twenty per cent of the actual cost of such machinery or plant subject to conditions specified in section 32 of the Act.

Unabsorbed depreciation if any, for an Assessment Year (AY) can be carried forward & set off against any source of income in subsequent AYs as per section 32 (2) subject to the provisions of sub-section (2) of section 72 and sub-section (3) of section 73 of the Act.

A.ii. Preliminary Expenditure:

As per Section 35D, the Company is eligible for deduction in respect of specified preliminary expenditure incurred by the Company in connection with extension of its undertaking or in connection with setting up a new unit for an amount equal to 1/5th of such expenses over 5 successive AYs subject to conditions and limits specified in that section 35D(3).

A.iii. Carry forward of business loss

Business losses if any, for any AY can be carried forward and set off against business profits for eight subsequent AYs.

A.iv. MAT Credit:

As per section 115JAA(1A), the Company is eligible to claim credit for Minimum Alternate Tax ("MAT") paid under sub-section (1) of section 115JB for any AY commencing on or after April 1, 2006 against normal income tax payable in subsequent AYs. MAT credit shall be allowed under sub-section (1A) shall be the difference of the tax paid for any assessment year under sub-section (1) of section 115JB and the amount of tax payable by the assessee on his total income computed in accordance with the other provisions of this Act.

The amount of tax credit determined shall be carried forward and set off up to 7 (seven) AYs immediately succeeding the assessment year in which tax credit becomes allowable.

All the deductions mentioned above, will result into reduction in tax liability of the company.

B) Capital Gains:

B. i. Capital asset means property of any kind held by an assessee whether or not connected with his business or profession but does not include any stock-in-trade, consumables stores or Raw Materials held for the purpose of his business or profession and personal effects i.e. movable property held for personal use.

Capital assets may be categorised into short term capital assets and long term capital assets based on the period of holding.

Shares in a company, listed securities or units of UTI or units of mutual fund specified under section 10 (23D) or zero coupon bond will be considered as long term capital assets if they are held for a period exceeding twelve months. In case of all other assets if the period of holding exceeds thirty six months they are termed as long term capital assets.

B. ii.

a. Long term Capital Gain (LTCG)

LTCG means capital gain arising from the transfer of a long term capital asset.

b. Short Term Capital Gain (STCG)

STCG means gain arising out of transfer of capital asset being share held in a company or any other security listed in a recognized stock exchange in India or unit of the Unit Trust of India or a unit of a mutual fund specified under clause (23D) of section 10, held by an assessee for 12 months or less.

In respect of any other capital asset, STCG means capital gain arising from the transfer of capital asset, held by an assessee for 36 months or less.

(i) As per Section 48 of the ITA, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/ improvements and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains.

(ii) As per second and third proviso to section 48, LTCG arising on transfer of capital assets, other than bonds and debentures excluding capital indexed bonds issued by Government, is to be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

(iii) Further as per fifth proviso to Section 48 of the ITA, while computing income under the head "Capital Gains", no deduction shall be allowed in respect of any sum paid on account of securities transaction tax.

(iv) As per Section 112 of the ITA, taxable long-term capital gains, if any, on sale of listed securities will be charged to tax at the rate of 20% (plus applicable surcharge and education cess and Secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge and education cess and Secondary and higher education cess) without indexation benefits, whichever is less.

(v) As per section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented fund, on a recognized stock exchange are subject to tax at the rate of 15 per cent (plus applicable surcharge and education cess and Secondary and higher education cess), provided the transaction is chargeable to STT.

(vi) As per Section 10(38) of the ITA, long term capital gains arising to the company from the transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund where such transaction is chargeable to securities transaction tax will be exempt in the hands of the Company.

For this purpose, "Equity Oriented Fund" means a fund –

a. where the investible funds are invested by way of equity shares in domestic companies to the extent of more than sixty five percent* of the total proceeds of such funds; and

b. which has been set up under a scheme of a Mutual Fund specified under Section 10(23D) of the ITA.

*Provided that the percentage of equity shareholding of the fund shall be computed with reference to the annual average of the monthly averages of the opening and closing figures;

(vii) As per Section 14A, no deduction shall be allowed in respect of expenditure incurred by the company in relation to income which does not form part of the total income under this Act.

(viii) If the Company is paying tax as per Section 115JB, while calculating "book profits" the Company will not be able to reduce the long term capital gains to which the provisions of Section 10(38) of the ITA apply and will be required to pay Minimum Alternate Tax @ 10% (plus applicable surcharge and education cess and Secondary and higher education cess) of the book profits.

(ix) As per section 71 read with section 74, Short-term capital loss arising during a year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, should be carried forward and set-off against short-term as well as longterm capital gains for subsequent 8 years.

(x) As per section 71 read with section 74, Long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, should be carried forward and set-off against subsequent year's long-term capital gains for subsequent 8 years.

(xi) As per Section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 Lacs.

However, if the Company transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long term specified asset" for making investment under this section on or after 1st April 2007 means any bond, redeemable after three years and issued on or after the 1st April 2007 by:

a. National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988; or

b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

C) Income from Other Sources

Dividend Income:

As per Section 10(34) of the ITA, any income by way of dividends referred to in Section 115 – O (i.e. dividends declared, distributed or paid on or after 1st April, 2003 by domestic companies) received on the shares of any company is exempt from tax.

As per Section 10(35) of the ITA, the following income will be exempt in the hands of the Company:

(a) Income received in respect of the units of a Mutual Fund specified under clause (23D) of Section 10; or

(b) Income received in respect of units from the Administrator of the specified undertaking; or

(c) Income received in respect of units from the specified company:

However, this exemption does not apply to any income arising from transfer of units of the Administrator of the specified undertaking or of the specified Company or of a mutual fund, as the case may be.

For this purpose (i) “Administrator” means the Administrator as referred to in Section 2(a) of the Unit Trust of India (Transfer of Undertaking and Repeal) Act, 2002 and (ii) “Specified Company” means a Company as referred to in Section 2(h) of the said Act.

D) Dividend Distribution Tax:

The domestic company is required to pay dividend distribution tax u/s 115O @ 15% (plus applicable surcharge and education cess and Secondary and higher education cess).

However, the company will also be entitled to avail the credit of dividend received by it from its subsidiaries in accordance with the provisions of section 115-O (1A) on which tax on distributed profits has been paid by the subsidiary. This credit is available to ultimate parent company i.e. the domestic company is not a subsidiary of any other company.

For the purposes of this sub-section, a company shall be a subsidiary of another company, if such other company holds more than half in nominal value of the equity share capital of the company.

3. Special Tax benefits available to the shareholders of the Company

No special Tax benefit is available to the shareholders of the Company.

4. General Tax benefits available to the Shareholders *(not engaged in business or profession of shares trading)* of the company

4.1 Resident Shareholders

4.1.i Dividend income:

Dividend (both interim and final) income, if any, received by the resident shareholder from a domestic company is exempt under Section 10(34) read with Section 115O of the Act.

4.1.ii Capital gains:

(i) As per Section 2(29A) read with Section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.

(ii) As per Section 48 of the ITA, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/ improvements and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains.

(iii) As per second and third proviso to section 48, LTCG arising on transfer of capital assets, other than bonds and debentures excluding capital indexed bonds issued by Government, is to be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

(iv) As per Section 112 of the ITA, taxable long-term capital gains, if any, on sale of listed securities will be charged to tax at the rate of 20% (plus applicable surcharge and education cess and Secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge and education cess and Secondary and higher education cess) without indexation benefits, whichever is less.

(v) As per section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented fund, on a recognized stock exchange are subject to tax at the rate of 15 per cent (plus applicable surcharge and education cess and Secondary and higher education cess), provided the transaction is chargeable to STT.

(vi) If the resident shareholder is a company is paying tax as per Section 115JB, while calculating "book profits" the Company will not be able to reduce the long term capital gains to which the provisions of Section 10(38) of the ITA apply and will be required to pay Minimum Alternate Tax @ 10% (plus applicable surcharge and education cess and Secondary and higher education cess) of the book profits.

(vii) As per section 71 read with section 74, Short-term capital loss arising during a year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, should be carried forward and set-off against short-term as well as longterm capital gains for subsequent 8 years.

(viii) As per section 71 read with section 74, Long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, should be carried forward and set-off against subsequent year's long-term capital gains for subsequent 8 years.

(ix) As per Section 10(38) of the ITA, long term capital gains arising from the transfer of a long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.

(x) Further as per proviso 5 of Section 48 of the ITA, while computing income under the head "Capital Gains", no deduction shall be allowed in respect of any sum paid on account of securities transaction tax.

(xi) As per Section 14A, no deduction shall be allowed in respect of expenditure incurred by the company in relation to income which does not form part of the total income under this Act.

(xii) As per Section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 Lacs.

However, if the shareholder transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long term specified asset" for making investment under this section on or after 1st April 2007 means any bond, redeemable after three years and issued on or after the 1st April 2007 by:

a. National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988; or

b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

(xiii) As per Section 54F of the ITA, long term capital gains (in cases not covered under Section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:

(a) if the individual or Hindu Undivided Family-

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or

- purchases another residential house within a period of one year after the date of transfer of the shares; or

- constructs another residential house within a period of three years after the date of transfer of the shares; and

(b) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head “Income from house property”.

If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head “Capital Gains” of the year in which the new residential house is transferred.

4.1.iii Clubbing of Income:

Any income of minor children clubbed with the total income of the parent under section 64(1A) of the IT Act, will be exempt from tax to the extent of Rs. 1500/- per minor child under section 10(32) of the IT Act.

4.2 Tax Benefits available to Non-Resident Indians/Non-Resident Shareholders (Other than FIIs)

4.2.i Dividend income:

Dividend (both interim and final) income, if any, received by the non-resident shareholders from a domestic company shall be exempt under section 10(34) read with Section 115-O of the Act.

4.2.ii Capital gains:

(i) As per Section 2(29A) read with Section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.

(ii) As per Section 48 of the ITA, which prescribes the mode of computation of capital gains, provides for deduction of cost of acquisition/ improvements and expenses incurred in connection with the transfer of a capital asset, from the sale consideration to arrive at the amount of capital gains.

(iii) As per first proviso to Section 48 of the ITA, in case of a non resident shareholder, the capital gain/loss arising from transfer of shares of the Company, acquired in convertible foreign exchange, is to be computed by converting the cost of acquisition, sales consideration and expenditure incurred wholly and exclusively incurred in connection with such transfer, into the same foreign currency which was initially utilized in the purchase of shares. Cost Indexation benefit will not be available in such a case.

(iv) As per second and third proviso to section 48, LTCG arising on transfer of capital assets, other than bonds and debentures excluding capital indexed bonds issued by Government, is to be computed by deducting the indexed cost of acquisition and indexed cost of improvement from the full value of consideration.

(v) As per Section 10(38) of the ITA, long term capital gains arising from the transfer of a long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.

(vi) As per Section 112 of the ITA, taxable long-term capital gains, if any, on sale of listed securities will be charged to tax at the rate of 20% (plus applicable surcharge and education cess and Secondary and higher education cess) after considering indexation benefits or at 10% (plus applicable surcharge and education cess and Secondary and higher education cess) without indexation benefits, whichever is less.

(vii) As per section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented fund, on a recognized stock exchange are subject to tax at the rate of 15 per cent (plus applicable surcharge and education cess and Secondary and higher education cess), provided the transaction is chargeable to STT.

(viii) As per section 71 read with section 74, Short-term capital loss arising during a year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, should be carried forward and set-off against short-term as well as longterm capital gains for subsequent 8 years.

(ix) As per section 71 read with section 74, Long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, should be carried forward and set-off against subsequent year's long-term capital gains for subsequent 8 years.

(x) Further as per proviso 5 of Section 48 of the ITA, while computing income under the head "Capital Gains", no deduction shall be allowed in respect of any sum paid on account of securities transaction tax.

(xi) As per Section 14A, no deduction shall be allowed in respect of expenditure incurred by the company in relation to income which does not form part of the total income under this Act.

(xii) As per Section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 Lacs.

However, if the shareholder transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long term specified asset" for making investment under this section on or after 1st April 2007 means any bond, redeemable after three years and issued on or after the 1st April 2007 by:

a. National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988; or

b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

(xiii) As per Section 54F of the ITA, long term capital gains (in cases not covered under Section 10(38)) arising on the transfer of the shares of the Company held by an individual or Hindu Undivided Family (HUF) will be exempt from capital gains tax if the net consideration is utilised, within a period of one year before, or two years after the date of transfer, in the purchase of a residential house, or for construction of a residential house within three years. Such benefit will not be available:

(a) if the individual or Hindu Undivided Family-

- owns more than one residential house, other than the new residential house, on the date of transfer of the shares; or

- purchases another residential house within a period of one year after the date of transfer of the shares; or

- constructs another residential house within a period of three years after the date of transfer of the shares; and

(b) the income from such residential house, other than the one residential house owned on the date of transfer of the original asset, is chargeable under the head "Income from house property".

If only a part of the net consideration is so invested, so much of the capital gain as bears to the whole of the capital gain, the same proportion as the cost of the new residential house bears to the net consideration, will be exempt.

If the new residential house is transferred within a period of three years from the date of purchase or construction, the amount of capital gains on which tax was not charged earlier, will be deemed to be income chargeable under the head "Capital Gains" of the year in which the new residential house is transferred.

4.2.iii Special provisions in respect of income / LTCG from specified foreign exchange assets available to Non resident Indians under Chapter XII-A

(i) Non-Resident Indian (NRI) means a citizen of India or a person of Indian origin who is not a resident, Person is deemed to be of Indian origin if he, or either of his parents or any of his grand-parents, was born in undivided India.

(ii) Specified foreign exchange assets include shares of an Indian company acquired/purchased/subscribed by NRI in convertible foreign exchange.

(iii) As per Section 115E of the ITA, in the case of a shareholder being a Non-Resident Indian, and subscribing to the shares of the Company in convertible foreign exchange, in accordance with and subject to the prescribed conditions, long term capital gains arising on transfer of the shares of the Company (in cases not covered under Section 10 (38) of the ITA) will be subject to tax at the rate of 10% (plus applicable surcharge and education cess and Secondary and higher education cess), without any indexation benefit.

(iv) As per Section 115F of the ITA and subject to the conditions specified therein, in the case of a shareholder being a Non-Resident Indian, gains arising on transfer of a long term capital asset being shares of the Company will not be chargeable to tax if the entire net consideration received on such transfer is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the ITA. If part of such net consideration is invested within the prescribed period of six months in any specified asset or savings certificates referred to in Section 10(4B) of the ITA then such gains would not be chargeable to tax on a proportionate basis. Further, if the specified asset or savings certificate in which the investment has been made is transferred within a period of three years from the date of investment, the amount of capital gains tax exempted earlier would become chargeable to tax as long term capital gains in the year in which such specified asset or savings certificates are transferred.

(v) As per Section 115G of the ITA, Non-Resident Indians are not obliged to file a return of income under Section 139(1) of the ITA, if their only source of income is income from specified investments or long term capital gains earned on transfer of such investments or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the ITA.

(vi) As per Section 115H of the ITA, where Non-Resident Indian becomes assessable as a resident in India, he may furnish a declaration in writing to the Assessing Officer, along with his return of income for that year under Section 139 of the ITA to the effect that the provisions of Chapter XIIA shall continue to apply to him in relation to such investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

(vii) As per Section 115I of the ITA, a Non-Resident Indian may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing a declaration along with his return of income for that assessment year under Section 139 of the ITA, 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 ITA.

4.2.iv Clubbing of Income:

Any income of minor children clubbed with the total income of the parent under section 64(1A) of the ITA, will be exempt from tax to the extent of Rs. 1500/- per minor child under section 10(32) of the ITA.

4.2.v Tax Treaty Benefits:

In respect of non-residents (including Foreign Company), the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the non-resident or Foreign Company is resident. As per the provisions of Section 90(2) of the ITA, the provisions of the ITA would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the non-resident or Foreign Company.

4.3 Tax Benefits available to Foreign Institutional Investors (FIIs)

4.3.1 Dividend income:

Dividend (both interim and final) income, if any, received by the shareholder from the domestic company shall be exempt under Section 10(34) read with Section 115O of the Act.

4.3.2 Capital Gains:

(i) As per Section 2(29A) read with Section 2(42A), shares held in a company are treated as long term capital asset if the same are held by the assessee for more than twelve months period immediately preceding the date of its transfer. Accordingly, the benefits enumerated below in respect of long term capital assets would be available if the shares are held for more than twelve months.

(ii) As per Section 10(38) of the ITA, long term capital gains arising from the transfer of a long term capital asset being an equity share of the Company, where such transaction is chargeable to securities transaction tax, will be exempt in the hands of the shareholder.

(iii) As per Section 14A, no deduction shall be allowed in respect of expenditure incurred by the company in relation to income which does not form part of the total income under this Act.

(iv) As per section 71 read with section 74, Short-term capital loss arising during a year is allowed to be set-off against short-term as well as long-term capital gains of the said year. Balance loss, if any, should be carried forward and set-off against short-term as well as longterm capital gains for subsequent 8 years.

(v) As per section 71 read with section 74, Long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, should be carried forward and set-off against subsequent year's long-term capital gains for subsequent 8 years.

(vi) Further as per proviso 5 of Section 48 of the ITA, while computing income under the head "Capital Gains", no deduction shall be allowed in respect of any sum paid on account of securities transaction tax.

(vii) As per section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented fund, on a recognized stock exchange are subject to tax at the rate of 15 per cent (plus applicable surcharge and education cess and Secondary and higher education cess), provided the transaction is chargeable to STT.

(viii) In case of long term capital gains, (in cases not covered under Section 10(38) of the ITA), the tax is levied on the capital gains computed without considering the cost indexation and without considering foreign exchange fluctuation.

(ix) As per Section 54EC of the ITA and subject to the conditions and to the extent specified therein, long-term capital gains (in cases not covered under Section 10(38) of the ITA) arising on the transfer of a long-term capital asset will be exempt from capital gains tax to the extent such capital gains are invested in a "long term specified asset" within a period of 6 months after the date of such transfer. It may be noted that investment made on or after April 1, 2007 in the long term specified asset by an assessee during any financial year cannot exceed Rs. 50 Lacs.

However, if the FII transfers or converts the long term specified asset into money within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the long term specified asset is transferred or converted into money.

A "long term specified asset" for making investment under this section on or after 1st April 2007 means any bond, redeemable after three years and issued on or after the 1st April 2007 by:

a. National Highways Authority of India constituted under Section 3 of the National Highways Authority of India Act, 1988; or

b. Rural Electrification Corporation Limited, a company formed and registered under the Companies Act, 1956.

(x) As per Section 115AD of the ITA, FIIs as notified by the Central Government in the official gazette will be taxed on the capital gains that are not exempt under the provision of Section 10(38) of the ITA, at the following rates:

Nature of income	**Rate of tax (%)**
Long Term Capital Gains on transfer of securities	10
Short term capital gains (other than referred to in Section 111A) on transfer of securities	30

The above tax rates have to be increased by the applicable surcharge and education cess and Secondary and higher education cess.

(xi) As per Section 196D(2), no tax is to be deducted from any income, by way of capital gains arising from the transfer of shares payable to Foreign Institutional Investor.

4.3.3 Tax Treaty Benefits

The tax rates and consequent taxation mentioned above will be further subject to any benefits available under the Tax Treaty, if any, between India and the country in which the FII is resident. As per the provisions of Section 90(2) of the ITA, the provisions of the ITA would prevail over the provisions of the Tax Treaty to the extent they are more beneficial to the FII.

4.4 Tax Benefits available to Mutual Funds

As per Section 10(23D) of the ITA, any income of Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or Regulations made there under, Mutual Funds set up by public sector banks or public financial institutions and Mutual Funds authorised by the Reserve Bank of India will be exempt from income tax, subject to such conditions as the Central Government may, by notification in the Official Gazette, specify in this behalf.

4.5 Tax Benefits available to Venture Capital Companies/Funds

As per section 10(23FB) of the ITA, any income of a venture capital company or venture capital fund from investment in a venture capital undertaking is exempt from income tax.

"Venture Capital company" which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 (SEBI) and which fulfils the conditions as may be specified, with the approval of the Central Government, as notified by the SEBI in the Official Gazette;

"Venture Capital Fund", operating under a trust deed under the provisions of Registration Act or operating as a venture capital scheme made by the Unit Trust of India, which has been granted a certificate of registration under the Securities and Exchange Board of India Act, 1992 and which fulfils the conditions as may be specified, with the approval of the Central Government, as notified by the SEBI in the Official Gazette;

"Venture Capital Undertaking" means such domestic company whose shares are not listed in a recognized stock exchange in India and which is engaged in the—

(i) business of—

A. nanotechnology;
B. information technology relating to hardware and software development;
C. seed research and development;
D. bio-technology;

E. research and development of new chemical entities in the pharmaceutical sector;
F. production of bio-fuels;
G. building and operating composite hotel-cum-convention centre with seating capacity of more than three thousand; or
H. developing or operating and maintaining or developing, operating and maintaining any infrastructure facility as defined in the Explanation to clause (i) of sub-section (4) of section 80-IA; or

(ii) dairy or poultry industry;

5. 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 are not liable to wealth tax in the hands of shareholders.

6. The Gift Tax Act, 1958

Gift of shares of the company made on or after October 1, 1998 are not liable to Gift tax.

7. Security Transaction Tax (STT)

STT in respect of any taxable securities transaction shall be collected from the seller or the buyer, on the value of such transaction, by every recognized stock exchange or the prescribed person in case of any Mutual Fund, at the rate specified in section 98 of the Act.

8. Notes:

The above Statement of Possible Direct Tax Benefits sets out 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;

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;

The above Statement of Possible Direct Tax Benefits 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 his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue;

At present, the Company does not enjoy any special tax benefits. All the above benefits are as per the current tax law as amended by the Finance Act, 2008. These benefits will be available only to the sole/ first named holder in case the shares are held by joint holders; and

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.

SECTION IV – ABOUT THE COMPANY

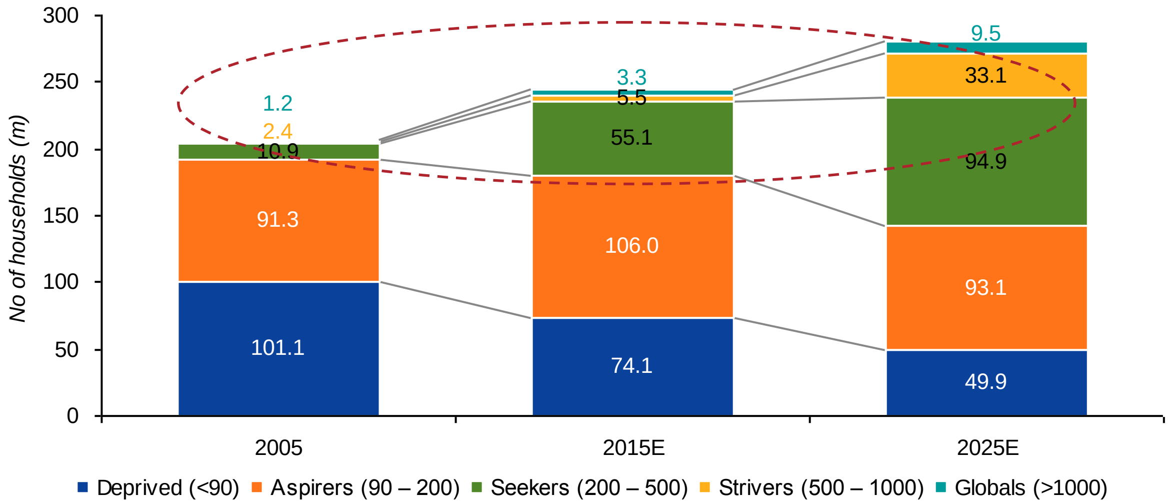
INDUSTRY OVERVIEW

*Unless noted otherwise, the information in this section is derived from "The Indian Entertainment and Media Industry", FICCI KPMG Report 2009 ("**FICCI KPMG Report 2009**"). The information in this section is also derived from Media Partners Asia Limited's report titled "Asia Pacific Pay-TV & Broadband Markets 2009" (the "**MPA Report 2009**") and other industry sources as well as government publications. None of the Company, the GCBRLM, the CBRLM and any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.*

India's Economy

Over the last few years, India has been one of the fastest growing economies in the world. In spite of the global economic downturn during fiscal 2009, the overall growth rate of gross domestic product ("**GDP**") in India in fiscal 2009 was a respectable 6.7%, while the GDP growth rate was 9.0% in fiscal 2008 (Source: *Central Statistical Organisation, Revised Estimates of Annual National Income, 2008-09 and Quarterly Estimates of Gross Domestic Product, 2008-09*). According to the "Union Budget and Economic Survey 2007-2008" issued by the Ministry of Finance, Government of India, the per capita income in India grew at an annual average rate of 7.2% during the period from fiscal 2004 to fiscal 2008.

India's GDP is predicted to keep increasing with consequent rises in incomes levels across urban, semi urban and rural households, which is predicted to lead to an increase in the number of households in the consuming class. The chart below shows the structure of various income groups in India in 2005 and the estimated structure of those income groups in 2015 and 2025:



Note: Income in Rs. In thousands

Source: Marketing Whitebook 2008 (FICCI KPMG Report 2009)

Entertainment and Media Industry

The Indian entertainment and media industry, which, according to the *FICCI KPMG Report 2009*, comprises television, film, radio, print, music, the internet, animation, gaming and outdoor media, has been one of the fastest growing industries in India over the last few years, with a growth rate of 15% between 2006 and 2008. In 2008, the Indian entertainment and media industry recorded growth of 12.3% over the previous year, from an estimated Rs. 520 billion in 2007 to Rs. 584 billion in 2008. The *FICCI KPMG Report 2009* states that the key factors driving the growth of the industry have been deregulation, regionalisation of content, availability of organised funding, digitisation, convergence of platforms, creation of niche content, growing global demand for Indian content and a favourable socio-economic environment. The total market size for India's entertainment and media industry is projected to grow at 12.5% per year from Rs. 584 billion in 2008 to a total of Rs. 1.05 trillion in 2013. The following table sets forth the historic and projected revenue of India's entertainment and media industry as a whole and for the various segments of this industry for the period 2005 through 2013 in Rs. Billion:

(Rs. In billion, except percentages)

Industry Sector	**2005**	**2006**	**2007**	**2008**	**CAGR % (2006 – 08)**	**2009 P**	**2010 P**	**2011 P**	**2012 P**	**2013 P**	**CAGR % (2009 – 13)**
Television	163.3	182.5	211.3	240.5	13.8%	262.7	295.6	341.7	399.1	472.6	14.5%
Print	117.1	138.6	160.4	172.6	13.8%	183.9	197.9	216.0	239.3	266.0	9.0%
Film	66.9	81.7	96.4	109.3	17.7%	109.2	117.5	130.9	151.3	168.6	9.1%
Radio	4.9	6.0	7.4	8.4	19.7%	9.2	10.3	11.9	13.9	16.3	14.2%
Music	8.3	7.8	7.4	7.3	-4.4%	7.5	8.0	8.7	9.5	10.7	8.0%
Animation	10.0	12.0	14.5	17.4	20.1%	20.0	23.3	27.8	33.1	39.4	17.8%
Gaming	2.2	3.0	4.4	6.5	44.6%	9.4	13.3	17.9	22.5	27.4	33.3%
Internet Advertising	2.0	2.0	3.9	6.2	45.2%	8.4	11.0	13.7	17.1	21.4	27.9%
Outdoor	10.0	11.7	14.0	16.1	17.3%	17.7	19.8	22.4	25.5	29.3	12.8%
Total Industry Size	**385**	**445**	**520**	**584**	**15.0%**	**628**	**697**	**791**	**911**	**1,052**	**12.5%**

Source: Group M, KPMG Interviews, KPMG Analysis (FICCI KPMG Report 2009)

India's Television Industry

As at the end of 2008, 123 million households in India had televisions, with 86 million of those households being cable and satellite ("**C&S**") households and 37 million of those households being non-cable and satellite ("**Non-C&S**") households with access to terrestrial television (Doordarshan). The number of households in India with televisions increased by 15 million households between 2005 and 2008, translating into growth of 13.9% for that period. Rapid urbanisation and an increase in disposable income are accelerating the addition of new viewers thus driving up the viewership numbers.

The number of households owning televisions and the number of C&S households varies considerably between states as illustrated in the table below, which shows as of 2006, the total number of households, the total number of television households, the total number of C&S households and the percentage of each as a percentage of the number of households (penetration) in each state and in India overall.

States	**Households (in millions)**	**TV Owning Households (in millions)**	**TV Penetration**	**C&S Households (in millions)**	**C&S Penetration**
Andhra Pradesh	19.1	12.6	65.7%	11.5	59.9%
Assam	5.7	1.9	33.8%	0.5	9.4%
Bihar	16.4	3.6	22.2%	0.8	4.8%
Chhattisgarh	4.6	1.8	38.5%	0.8	16.9%
Delhi	3.3	3.0	90.5%	2.6	78.1%
Gujarat	11.4	6.3	55.5%	3.9	34.3%

States	Households (in millions)	TV Owning Households (in millions)	TV Penetration	C&S Households (in millions)	C&S Penetration
Jharkhand	5.4	1.6	28.9%	0.7	13.0%
Punjab/HP/Chandigarh	6.6	5.3	80.1%	2.6	38.7%
Haryana	4.5	3.3	73.7%	2.0	44.1%
Karnataka	12.0	7.9	66.5%	6.6	55.4%
Kerala	7.5	5.2	68.6%	3.6	47.8%
Madhya Pradesh	12.6	5.0	39.8%	2.4	18.7%
Maharashtra/Goa	22.9	14.5	63.1%	8.3	36.3%
Meghalaya	0.5	0.3	60.4%	0.2	39.2%
Orissa	9.1	3.4	37.9%	1.6	17.7%
Rajasthan	10.7	4.9	46.3%	1.8	16.7%
Tamil Nadu/Pondicherry	16.5	11.1	67.3%	10.3	62.1%
Tripura	0.7	0.3	44.9%	0.2	26.3%
Uttar Pradesh	29.5	10.5	35.7%	2.9	9.8%
Uttaranchal	1.8	1.0	57.2%	0.4	19.8%
West Bengal	18.2	7.9	43.1%	4.9	26.6%
Total	**219.2**	**111.6**	**50.9%**	**68.4**	**31.2%**

Source: NRS Report 2006

The Indian television industry comprises two main categories:

- broadcasters of television channels; and
- distributors of television channels.

In addition, there are television content aggregators who bundle and create packages of television channels and sell these packages to distributors of television channels.

Television Broadcast Industry

The Indian television broadcast industry began in 1959 when Doordarshan, a Government-owned channel, commenced operations. In 1992, the Government authorized the licensing of privately-owned cable and satellite television channels. The number of channels has grown from two in 1992 to approximately 120 in 2003 and to over 450 as of the end of 2008. The major private TV networks in India include Star TV, Zee, Multi Screen Media (previously known as the Sony Entertainment Television), Network18, NDTV and SUN TV (a regional language operator).

Television Distribution Industry

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

- cable television;
- DTH; and
- terrestrial television.

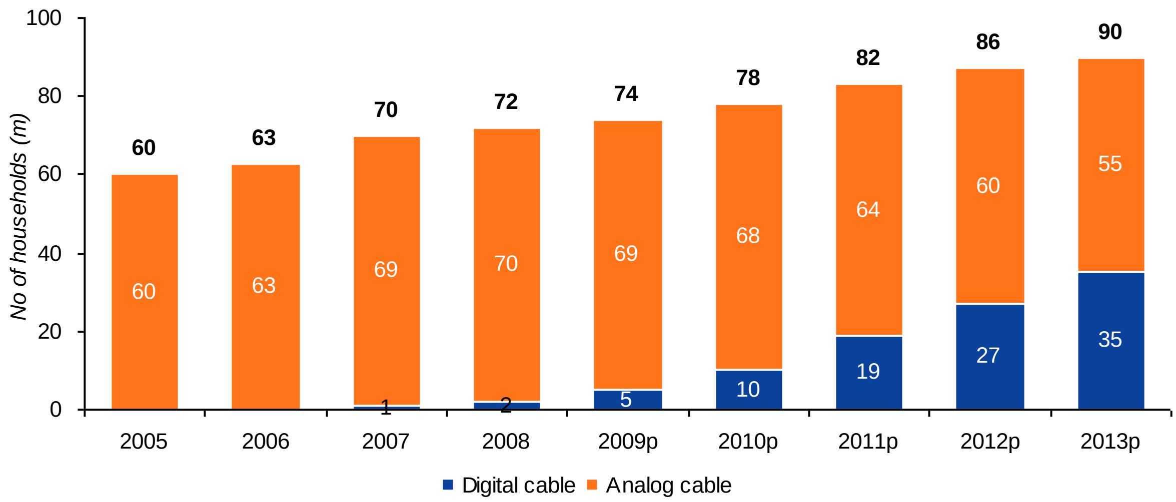
In addition, there are other emerging television distribution technologies that have begun to appear in India such as IPTV and HITS (head-end in the sky television). Terrestrial television is classified as non-C&S television while all other types of television distribution are classified collectively as C&S television.

Cable Television

Cable television broadcasting operates by uplinking a broadcaster's channel to a satellite which then provides a downlink signal to a particular region. The downlink signal is received by ground-based MSOs through dish antennas, modulators, decoders, encoders, amplifiers and the signal is then distributed to end-user subscribers, generally by LCOs who provide the "last mile" cable link to a subscriber's home.

Cable television signals can be transmitted in either analog or digital form. Analog is a signal sent as a continuous stream of information. Digital signals are sent in discrete packets that are less susceptible to both noise and loss during data transfer.

Most of the cable television distribution networks currently deliver television channels in analog mode to subscribers. The following chart sets forth the historic and projected number of cable households in India as a whole and for the analog and digital segments for the period 2005 through 2013 in millions:



Source: KPMG Interviews, KPMG Analysis (FICCI KPMG Report 2009)

Benefits of Digitisation

Better quality picture and sound: Digital cable television, with its DVD picture quality and sound, provides a significantly better quality viewing experience compared with analog cable television.

Significantly more channels: Digital cable networks have a significantly higher capacity to carry channels than the current capacity available in an analog cable network. This means digital cable networks can offer an increased number of channels and can cater to a wider variety demographics compared with analog cable networks. Using the current technology, the most number of channels that can be carried on analog cable in India is 106, although in metros, most of the analog cable television homes receive only 65 to 90 channels. Our analog subscribers currently receive up to approximately 100 channels and our digital subscribers currently receive up to 180 channels.

Value-added services: Digital cable allows operators to provide subscribers with value-added services, such as an electronic programme guide, video-on-demand, pay-per view and interactive-TV services, which provide multiple monetization opportunities for the distributor. It is not possible for analog cable operators to offer value-added services.

Prevents non-subscribers from viewing content and the under reporting of subscribers by LCOs: Digitisation also enables encryption of content, which helps to prevent unauthorised viewing of the content by persons who are not subscribers to digital cable and means that it is much more difficult for LCOs to under report the number of subscribers a MSO has.

Accurate viewership data: Digitisation provides accurate data on viewership. This brings transparency not only to the revenue sharing process among the value-chain players, but also to the process by which advertising revenue is determined, as otherwise there is no way to accurately measure viewership.

"Triple play" services: Digital cable networks typically also enable operators to provide "triple-play" services, which means that cable, internet and telephone services can be provided to consumers through the same cable fibre.

Conditional Access System

In 1997, the Government established TRAI for the purpose, among others, of addressing the emerging cable television technologies, including digitisation. In April 2006, TRAI announced a plan for digitisation that involved the introduction of digital cable services (referred to as CAS) in India's 35 cities. TRAI has recommended that the Indian government expand the CAS mandate to 55 cities, but we believe that this is unlikely due to political opposition. CAS essentially refers to digital set-top boxes with conditional access software that permits the cable operator to distribute content in an encrypted form, thereby enabling the broadcaster to identify the precise number of subscribers of each pay channel or group of pay channels. TRAI also implemented a series of additional measures primarily aimed at minimising revenue leakages through increased transparency in reporting of subscriber numbers and promoting digitisation in the distribution industry. For further details, see "***Regulations and Policies***" on page 78.

Government-mandated CAS has been implemented over various stages since 2003. The most recent initiative came in January 2007 with mandated deployment prescribed zones in Mumbai, Delhi and Kolkata. The adoption rate of set top boxes in CAS mandated areas of these three cities was approximately 38% by the end of 2007. As of September 2008, there were 717,722 set top boxes installed in the mandatory CAS regions of Delhi, Mumbai, Kolkata and Chennai (CAS was introduced in Chennai earlier in September 2003). (Source: *FICCI KPMG Report 2009*, citing the TRAI Indian Telecom Services Performance Indicators (July-Sep 2008))

Due to the benefits resulting from digitisation, MSOs have seen an opportunity to pursue voluntary CAS in urban areas in which they operate as a way in which they can encourage digitisation of their cable services. The *FICCI KPMG Report 2009* projects that digitisation of cable is likely to gain pace in India regardless of whether CAS is implemented on a wider scale and that it is possible that up to 35 million cable households in India could be digital by 2013.

Multi-System Operators

There are approximately 1,000 MSOs in India, including 10 that are considered major MSOs. Of these 10 major MSOs, five have emerged as national MSOs in India: DEN; Hathway; InCable; Wired and Wireless (India); and Digicable. (Source: *MPA Report 2009*).

The MSOs receive the broadcasters' signals and transmit those signals to the LCOs for a fee, which is typically based on the number of subscribers receiving the signals through each LCO. However, the lack of a proper subscriber management system has resulted in massive under-reporting of subscriber numbers by LCOs. Consequently, we believe, that the subscription value chain is currently skewed in favour of LCOs. The anticipated growth of digital cable is expected to result in a shift in the balance of power in the cable distribution segment with a higher percentage of subscription revenues being payable to MSOs and broadcasters.

Placement/carriage fees are paid by broadcasters to MSOs to carry their channels on their preferred signal and frequency band. This is of particular relevance for analog cable transmission since only a limited number of channels can be transmitted and where the channel is placed on the frequency band can significantly impact the viewing experience of the channel. Some frequencies therefore command a premium in the industry and broadcasters pay for placing their channels on these frequencies. The placement/carriage fees market doubled from approximately Rs. 6.0 billion in 2007 to Rs. 12.0 billion in 2008. However, the *FICCI KPMG Report 2009* states that it expects the size of the carriage market to either stabilize or decrease from the 2008 level.

Further, MSOs may have access to channel bandwidth on head ends that they operate and may use these channels to transmit an "own brand" channel. These channels tend to be city specific, based on the head end from which the channel is broadcast, and carry localised content or films. MSOs may earn revenues from advertising by selling commercial spots that are interspersed in an own brand channel's regular programmes and by selling sponsorship rights to certain programs. MSOs may also earn advertising revenue from advertisers who pay to have stills, banner advertisements or screen crawlers displayed on a part of the television screen while regular programmes are broadcast.

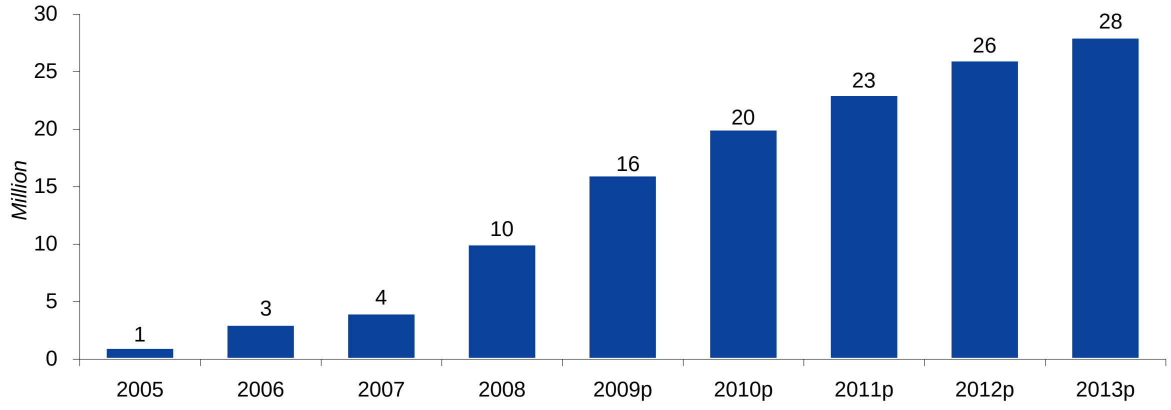
Local Cable Operators

There are approximately 50,000 LCOs in India. As LCOs provide the "last mile" link to subscribers, most LCOs typically operate networks as a single monopoly, or in some instances as a duopoly, in a limited physical area. Each LCO typically manages between 1,000 and 2,000 subscribers. (Source: *MPA Report 2009*)

DTH Satellite Television

DTH satellite television, which was introduced in India in 2003, utilises a small dish antenna and a set top box that is installed at the viewer's premises and is capable of directly receiving and unscrambling television signals from the broadcaster's satellite. There is one free to air DTH satellite television provider (DD Direct+) and five pay DTH satellite television providers (Dish, Tata Sky, Sun, Big TV and Airtel Digital TV).

The following chart sets forth the historic and projected number of pay DTH satellite television households in India for the period 2005 through 2013:



Source: KPMG Interviews, KPMG Analysis (FICCI KPMG Report 2009)

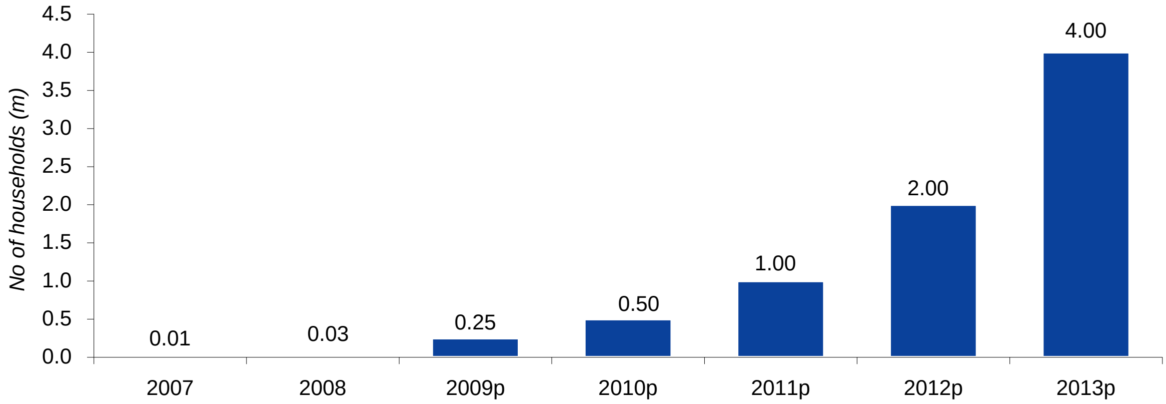
Terrestrial Television

Terrestrial television is a term that describes modes of television broadcasting that do not involve satellite or cable transmission. Prasar Bharti (Broadcasting Corporation of India), which is owned by the Government, is the only terrestrial television broadcaster in India. It operates a network of free to air channels in Hindi and several other regional languages under the umbrella brand of "Doordarshan". Terrestrial television enjoys greater penetration in rural areas where cable and satellite television is less prevalent. The number of non-C&S households (i.e., households only receiving terrestrial television) was 46 million in 2005, which decreased to 37 million in 2008 and is projected to further decrease to 23 million in 2013.

Other Emerging Pay-TV Technologies

Apart from cable and DTH satellite television networks, a number of other emerging digital pay-television technologies may become more available to Indian subscribers, including IPTV and HITS.

IPTV delivers television channels to subscribers using high speed internet protocol over copper cable networks. IPTV is capable of providing voice, video and data transmission (referred to in the industry as triple-play services) and can support video on demand, live video and gaming. IPTV was introduced in India in 2007 but it is expected to take some time to catch on as infrastructure is built to support it on a wider scale. The following chart sets forth the historic and projected number of IPTV households in India for the period 2007 through 2013 in millions:



Source: KPMG Interviews, KPMG Analysis (FICCI KPMG Report 2009)

HITS technology operates by television broadcasters uplinking their signals to a satellite, which is downlinked by an MSO. The MSO then adds its own encryption to the signal and uplinks it to a satellite. LCOs then downlink the signals from the satellite using a dish antenna. Thereafter, the signals are transmodulated and retransmitted by LCOs to subscribers who use a set top box to decrypt the signals for viewing. The main difference between HITS and other digital cable television distribution is that MSO needs to only have one head-end using HITS compared with the need to have multiple head-ends to service different areas. However, this is also a disadvantage as it means that it is relatively more expensive for a HITS operator to offer different channels in different areas. Broadcasters in India have not yet embraced HITS due to their concern over piracy issues. As of December 2008, WWIL of the Essel Group was the only HITS licencee in India but it has not yet commenced commercial operations due to the fact the Government has not issued detailed regulations governing HITS.

Revenue Drivers for the Television Industry

Revenues of the Indian television industry primarily consist of subscription revenues and advertising revenues. The following chart illustrates the historic and projected growth of subscription revenues and advertising revenues of India's television industry over the period 2005 through 2013:

(Rs. In billion, except percentages)

Type of Revenue	**2005**	**2006**	**2007**	**2008**	**CAGR** (2006-08)	**2009 P**	**2010 P**	**2011 P**	**2012 P**	**2013 P**	**CAGR** (2009-13)
Subscription Revenues	111.4	122.0	140.2	158.1	12.4%	174.5	198.5	229.1	267.4	317.1	14.9%
Advertisement Revenues	51.9	60.5	71.1	82.5	16.7%	88.2	97.1	112.6	131.7	155.5	13.5%
Total Industry Size	**163.3**	**182.5**	**211.3**	**240.5**	**13.8%**	**262.7**	**295.6**	**341.7**	**399.1**	**472.6**	**14.5%**

Source: Group M, KPMG Interviews, KPMG Analysis (FICCI KPMG Report 2009)

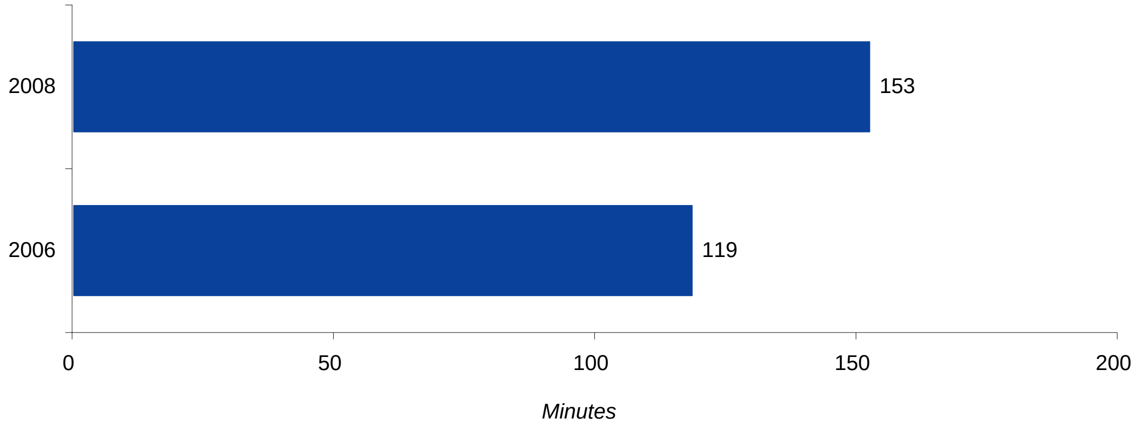
The growth of the television industry between 2009 and 2013 is likely to be driven by a variety of factors including:

- Rapid growth in the number of digitised households;
- Steady increase in the average revenues per user ("**ARPUs**") realized through digital distribution platforms;
- Growth in the number of television channels, especially in niche and regional categories; and
- Growth in the number of television and C&S households.

The total number of digital pay TV households (including digital cable, DTH satellite television and IPTV) is projected to grow at a CAGR of 35.4% from 2009-2013 to reach 71 million by 2013, or about 56% the total C&S households at that time.

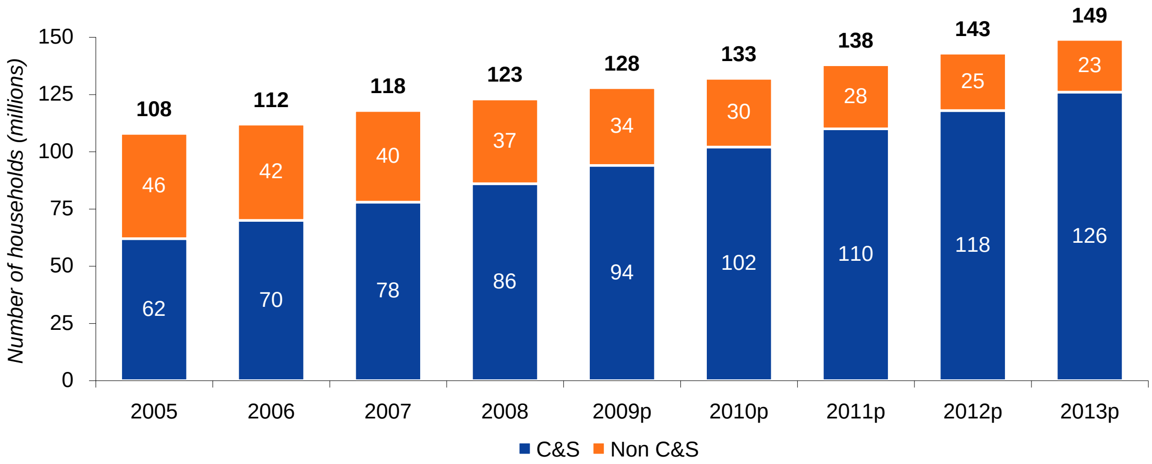
With digitisation of distribution, the rapid growth in channels is likely to continue, which will lead to increasing choice for subscribers and is likely to lead to an increase in average television viewership time. As the chart below shows, the average daily time spent watching television has increased from 2006-2008:

Average Time Spent Watching Television Per Day



Source: TAM Peoplemeter System: TG CS 4+years: Markets: All India (FICCI KPMG Report 2009)

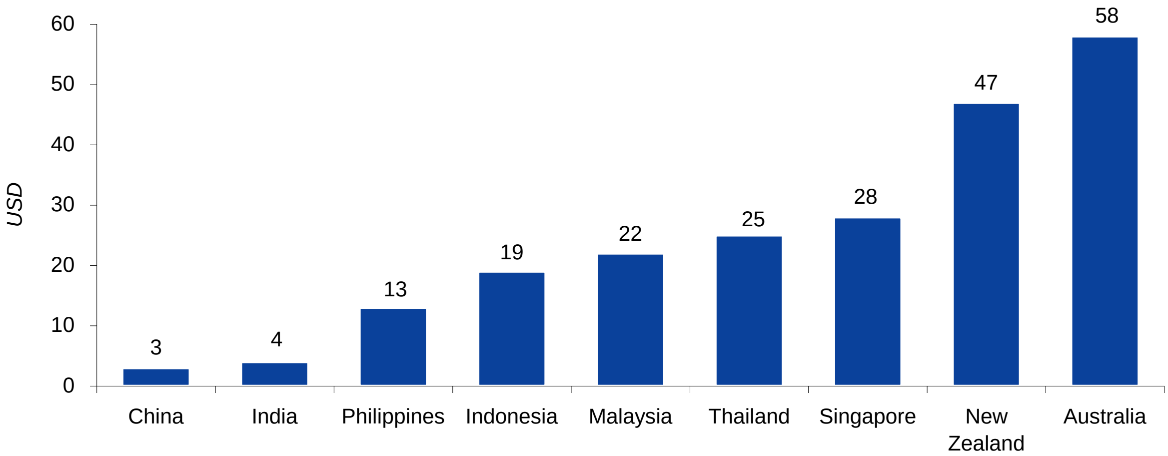
Television and C&S penetrations are also likely to continue to increase at a steady rate. By the end of 2013, the total number of households owning televisions in India is projected to increase to 149 million compared with 123 million at the end of 2008, with 84.6% of those television households being C&S households compared with 69.9% at the end of 2008. The chart below shows the growth of households with televisions in India between 2005 and 2008 and projected growth through 2013 by total households, by C&S households and by non-C&S households with access to terrestrial television (Doordarshan) in millions.



Source: KPMG Analysis (FICCI-KPMG Report 2009)

Of the projected 149 million television households in India as at the end of 2013, 60.4% are projected to be cable households (36.9% analog cable households and 23.5% digital cable households), 18.8% are projected to be DTH satellite television households and 2.7% are projected to be IPTV households.

The average pay television ARPU per month in India, at around US$4 in 2008, remains low by global standards, coming in second last position among the major Asia Pacific nations, as shown in the chart below:



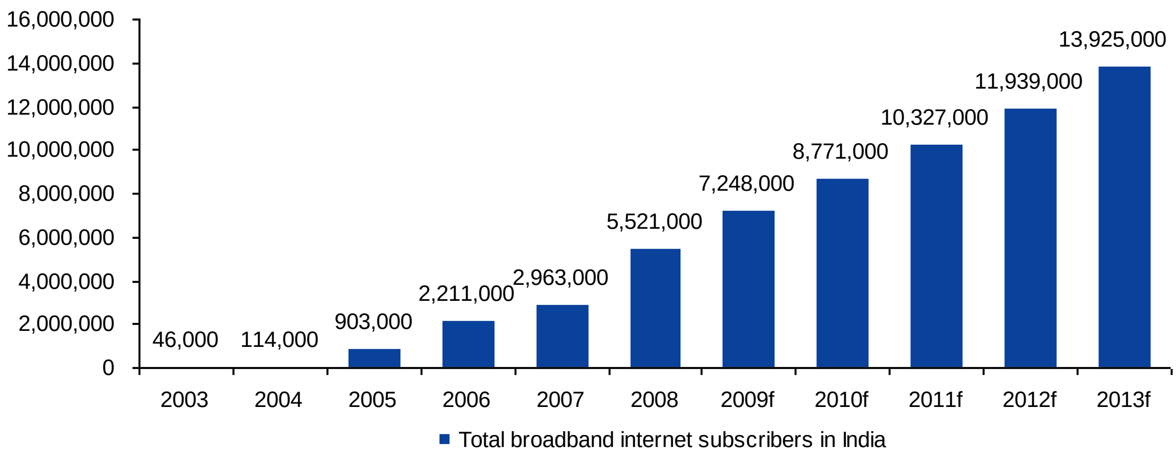
Source: KPMG Analysis (FICCI KPMG Report 2009)

The *FICCI KPMG Report 2009* states that pay television ARPUs are likely to start increasing from 2010 onwards, largely on account of increased usage of add-on services associated with digital distribution (e.g., pay-per-view) as well as the cooling down of the highly competitive environment in the television distribution sector that exists today.

Driven by rising ARPUs from digital distribution and increasing C&S penetration, subscription revenues have been projected to grow at a CAGR of 14.9% over 2009-2013 compared with a CAGR of 12.4% over 2006-2008. On the other hand, due to the slowdown in the Indian economy, the growth in advertising revenue is projected to be lower at 13.5% CAGR in 2009-2103 compared with 16.7% CAGR in 2006-2008.

Internet Broadband Industry

The Indian broadband internet subscriber market comprised approximately 5.52 million subscribers in 2008 as compared with 46,000 subscribers in 2003. The MPA Report 2009 projects that the number of broadband internet households will increase to approximately 13.93 million by 2013. As a percentage of total households, broadband internet subscription has a relatively low penetration, with only 0.5% of total households in India accessing the internet. This percentage is projected to grow to 1.2% of total Indian households by 2013. *(Source: MPA Report 2009)*



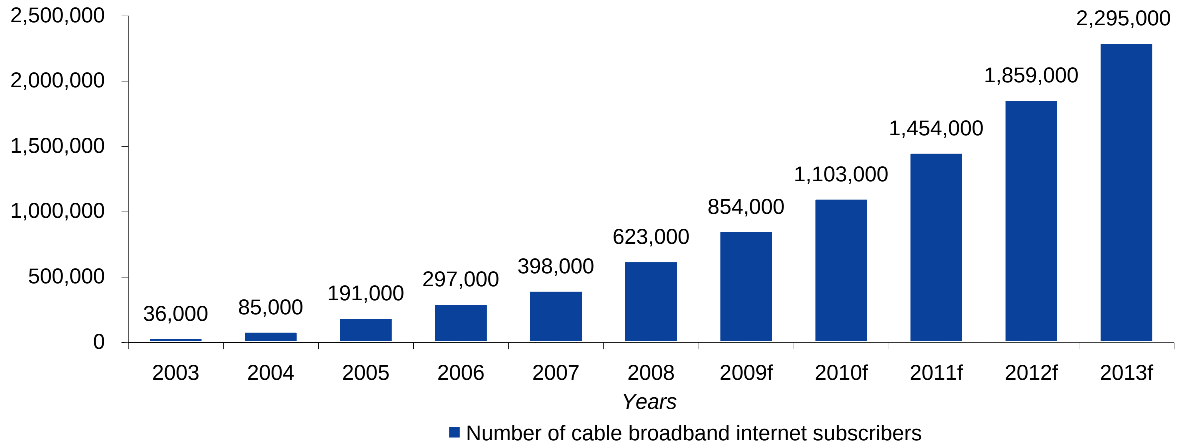
Source: MPA Report 2009

ADSL Broadband

4.71 million, or 85.3% of all of broadband internet subscribers, accessed the internet via ADSL, an asymmetric digital subscriber line, through the telephone network in India in 2008. ADSL works alongside the frequencies used for voice telephone calling using a single connection. It allows users to download data and make voice calls at the same time. The distinguishing feature of ADSL is that the flow of data is greater in one direction than it is in the other – hence the name 'asymmetric'. ADSL download speeds are far greater than upload speeds. The top speeds for downloads are usually eight Mbps, and the top speeds for uploads are usually below one Mbps. (Source: *MPA Report 2009)*

Cable Internet Broadband

There were 623,000 cable broadband internet subscribers, or 11.3% of total Indian broadband internet subscribers, in India in 2008. Subscribers with a cable modem can receive data that has been sent over the cable television network by taking advantage of unused bandwidth on the network. Cable broadband connection speeds in India range between one Mbps up to 20 Mbps, which is faster than ADSL or dial up internet. Cable broadband internet is generally considered as the most consistent and reliable of internet connections, resulting from transmission through fibre-optic material rather than ordinary copper wires. Additionally, there is often a cost saving for cable broadband internet subscribers as cable broadband can be tied into television and telephone deals as part of a bundled service from a cable service provider. It is estimated that these benefits of cable broadband internet will drive its growth in India, with the MPA Report 2009 predicting that the number of cable broadband internet subscribers will increase to approximately 2.30 million, or 16.5% of all Indian broadband internet subscribers, by 2013. (Source: *MPA Report 2009)*



Source: MPA Report 2009

A MSO that offers cable broadband services derives revenue from fees paid to it by LCOs for subscriber access to the cable broadband internet service that the MSO provides on its network. The fees are based on the numbers of subscribers that avail themselves of the cable broadband service. According to the *MPA Report 2009,* in 2008 the total revenue from cable broadband subscriptions in India was US$42.0 million, up from US$7.8 million in 2003. The *MPA Report 2009* estimates that cable broadband subscription revenues will reach US$149.5 million in 2013, reflecting the increase in the number of cable broadband subscriptions through 2013.

Broadband service providers compete with fixed telephony carriers and other broadband internet access providers, as well as with providers of dial-up internet access and with emerging and future technologies for the provision of broadband services. Competition in the provision of broadband access is based on speed of access, the ability to handle large volumes of data, price, technical support and the quality of data transmissions. The major players in this market include MTNL, BSNL, Tata Indicom, Bharti Airtel, Sify and Reliance Communications.

OUR BUSINESS

Overview

We are one of the largest national cable television companies in India engaged in the distribution of analog and digital cable television services (*Source: MPA Report 2009*). Since our incorporation in July 2007, we have expanded our analog cable services to 77 cities across India. The *MPA Report 2009* estimates that our cable television services reach approximately 10 million homes and that we have 300,000 digital cable television subscribers as of December 2008. We launched our digital cable television services in February 2008 under the brand “Digitelly”. We have since expanded our digital services to 37 cities in India and we plan to roll out digital cable television in all of the other cities in which we operate. We currently provide cable television services in the National Capital Region of Delhi and the states of Uttar Pradesh, Rajasthan, Maharashtra, Gujarat, Karnataka, Haryana, Madhya Pradesh and Kerala.

The focus of our growth strategy has been to acquire majority interests in MSOs. We acquire, aggregate and expand the businesses of existing MSOs to achieve economies of scale, deliver a standardised service and provide broadcasters a single-point connect with millions of subscribers. Since our Company’s incorporation, we have acquired a majority interest in the businesses of 65 MSOs while simultaneously expanding our own proprietary infrastructure organically. We utilise LCOs to provide the “last mile” cable link to reach our subscribers.

The digitisation of our analog subscriber base is one of our key business strategies. Our digital platform enables us to enhance the television viewing experience of our subscribers. We currently offer up to 180 channels through our digital cable television service compared with up to 100 channels through our analog cable television service. Besides providing DVD quality picture and sound for the broadcast channels, our digital cable television service includes value-added services to our subscribers, such as an interactive electronic programme guide, programme reservations, “red button” initiatives, audio music channels, on-screen reminders, interactive games, interactive blogging and parental controls. We plan to commence offering our digital cable subscribers additional value-added services such as pay-per-view services, interactive educational programmes, personal video recording and mosaic viewing. Value-added services cannot be offered through an analog platform.

We operate between one and three own brand television channels from each of our head-ends, which are telecast exclusively on our cable distribution network. These channels primarily telecast films, music, devotional programmes or local events and news. We have the rights to telecast more than 4,000 films on our network.

We have obtained an all-India ISP license and have recently commenced a limited roll out of broadband internet services in select areas, which we intend to expand in all of the other cities in which we operate across India.

In January 2008, we entered into a 50:50 joint venture agreement with STAR with respect to STAR-DEN. STAR-DEN acts as a content aggregator and currently has the exclusive right to distribute 23 television channels, including the entire STAR group of channels, the entire Disney group of channels, select Network18 channels, the entire Times Group of channels and MGM, to providers of various television distribution platforms, such as cable television, DTH satellite television and IPTV, in India, Bhutan and Nepal. STAR-DEN has also entered into agreements with five channels in the STAR group to place those channels on those channels’ preferred bandwith and signal with the various television distributors in India, Bhutan and Nepal.

For the period from July 10, 2007 to March 31, 2008, fiscal 2009 and the three month period ended June 30, 2009 our consolidated revenues were Rs. 868.90 million, Rs. 7,193.46 million and Rs. 2,140.50 million, respectively, and we made a consolidated loss after tax and minority interest of Rs. 216.34 million and Rs. 151.13 million and a profit after tax and minority interest of Rs. 32.42 million, respectively.

Our Strengths

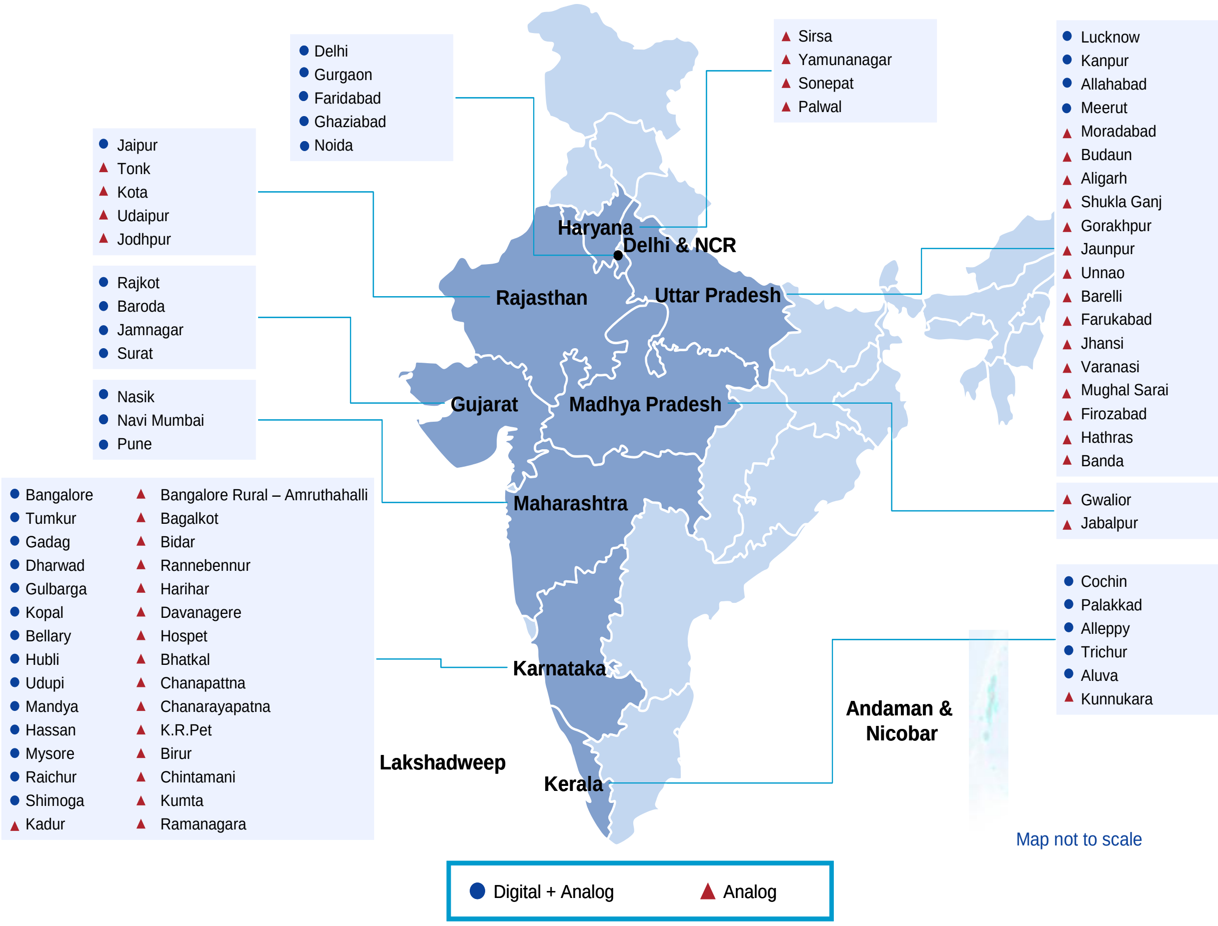
Our business is characterised by the following key strengths:

Rapid growth in key geographical regions

We have grown rapidly since our incorporation in July 2007 to become one of the largest national cable television companies in India (*Source: MPA Report 2009*), principally through the acquisition of majority interests in established MSOs and also through the expansion of our own cable network. In the first nine months after our Company's incorporation, we acquired a majority interest in the businesses of 22 MSOs across India. Since March 31, 2008, we have acquired a majority interest in the businesses of 43 additional MSOs. The *MPA Report 2009* estimates that our cable television services reach approximately 10 million homes and that we have 300,000 digital cable television subscribers as of December 2008. However, due to the industry-wide problem of LCOs under reporting subscriber numbers, we cannot ascertain the exact numbers of subscribers we have.

As a result of our acquisitions and organic expansion, we have 112 analog head-ends, 15 digital head-ends and a hybrid fibre co-axial ("**HFC**") cable network, part of which we own and part of which we lease from third party vendors. We provide our analog cable television services to subscribers in 77 cities in the states of Uttar Pradesh, Rajasthan, Maharashtra, Gujarat, Karnataka, Haryana, Madhya Pradesh and Kerala and the National Capital Region of Delhi. We believe that operating in these states provides us with the opportunity to expand our business significantly, particularly in Uttar Pradesh, Rajasthan and Madhya Pradesh, which are among the Indian states with the lowest degree of cable television penetration. For more information, see "***Industry – India's Television Industry***" on page 58.

We have acquired majority interests in MSOs that are located in states which we believe have significant television viewership, potential for increased digital cable penetration and significant revenue potential. Below is a map of India showing the cities in which we provide analog and/or digital cable distribution services.



Proven acquisition track record

We have successfully identified, acquired and integrated 65 established MSOs since our incorporation. We believe our understanding of the cable television distribution industry has enabled us to identify and acquire appropriate acquisition targets, which has enabled us to become one of the largest national cable television companies in India.

Typically, we retain the existing management of an MSO at the time we acquire our majority interest, which allows us to leverage their existing relationships and goodwill with LCOs. In addition, the senior management of an acquired MSO generally retains a significant minority interest in the MSO, which we believe aligns their long-term interests with those of the Company. For more information, see "***Our Subsidiaries - Asset Transfer Agreements***", "***Our Subsidiaries - Business Transfer Agreements***" and "***Our Subsidiaries - Share Subscription/Share Purchase and Shareholder Agreements***" on pages 95, 95 and 96, respectively.

When we acquire a majority interest in an MSO, we upgrade its analog infrastructure, to the extent necessary, and implement our standardised policies relating to operational systems, content sourcing, customer service, branding and marketing. This approach has enabled us to provide quality, standardised service to all of our subscribers. Additionally, we have begun to achieve economies of scale in various operational areas such as equipment purchasing, customer service and general and administrative services. These economies of scale reduce costs per subscriber and improve our operations.

Industry-experienced management team

Our management team includes professionals with extensive experience in cable television distribution, entertainment and media operations, finance and engineering.

Our Promoter and Chairman, Mr. Sameer Manchanda, has extensive experience in the television industry. He has played an instrumental role in the launch and success of "CNN-IBN", a leading 24-hour English language news and current affairs channel, and has been integral to the success of the Network18 group, an Indian media conglomerate that has interests in television, print, internet, film, mobile content and allied businesses. Mr. Manchanda was also formerly a director of New Delhi Television Limited, a private producer of news, current affairs and entertainment television in India. Mr. Raghav Bahl, one of our Directors, has extensive experience in the entertainment and media industry and is the promoter of the Network18 group and has been instrumental in establishing partnerships with media conglomerates such as NBC Universal, Viacom, Time Warner and Forbes.

Our senior management team has significant experience in various areas of the television and media industry. This includes significant experience in dealing and negotiating with MSOs, broadcasters and content aggregators in India. Our senior management team includes former senior employees from Discovery Networks India, Indusind Media & Communications Limited, MSM Discovery Private Limited (formerly SET Discovery), Hathway Cable & Datacom, Tata Sky and STAR TV. For more information, see "***Our Management***" on page 154.

Offer local and regional specific content across India on our own brand channels

We provide cable television services to a culturally and geographically diverse group of subscribers and we expect that our subscribers will become increasingly more diverse as we continue to expand. While most of the content that we offer has a general appeal, we also seek to cater to the local and regional interests of our subscribers by offering regional language films, local events and news programming on our own brand channels. We have the rights to telecast more than 4,000 films, including regional language films, on our network. Local events and news programming are gathered through a network of freelance journalists. From a technological perspective, having head-ends located in various parts of India enables us to distribute particular local and regional content on our own brand television channels. We see this ability and our commitment to distributing local and regional content as a key strength, especially compared with DTH satellite television. We believe that this helps subscriber retention.

Quality technological expertise, assets and infrastructure

We believe that our expertise in designing and constructing our cable networks enables us to rapidly develop and expand our cable television distribution network. This expertise also allows us to efficiently integrate the networks and technology of the MSOs in which we have acquired a majority interest. Moreover, when we acquire a majority interest in an MSO, we upgrade its infrastructure wherever necessary, thus further ensuring that we provide a good quality of service across our network.

In order to provide quality digital cable services, we procure equipment and software, including digital head-ends and set top boxes, from reputed vendors such as Cisco Systems International B.V., Harmonics Inc., NDS Limited, Homecast Company Limited and Kaon Media Company Limited.

Quality customer service

We believe that providing superior customer service helps to build subscriber loyalty and promotes subscriber retention. As the employees of the LCOs often have established relationships with subscribers, we structure our relationships with the LCOs in such a way that leaves the LCOs in place as the principal contacts with our subscribers. We have implemented a range of training initiatives for their employees (including training intended to improve their familiarity with our services and procedures and training to improve phone courtesy and sales skills) to ensure that the LCOs provide our subscribers with quality customer service.

We also have an outsourced call centre located in New Delhi that operates 16 hours a day, where service representatives provide our digital subscribers with information regarding our services and deal with queries and complaints from our subscribers.

Our Strategy

Our aim is to become India's leading integrated provider of cable television distribution and cable broadband internet services. In order to achieve our aim, we intend to follow the key business strategies described below:

Further expand our presence through strategic acquisitions

We intend to undertake additional acquisitions of majority interests in established MSOs in order to consolidate our position in the states in which we already have a presence and to expand into other states of India that have significant television viewership potential for increased digital cable penetration and revenue potential. We typically enter into MoUs with respect to us acquiring the majority interest in existing MSOs. After entering into a MoU, we undertake detailed due diligence on the MSO and, upon satisfaction, we enter into a definitive acquisition agreement. We plan to continue to use the integration approach that has enabled us to successfully integrate our acquisitions and to provide high quality services to all our subscribers.

Roll out digital services to all subscribers and introduce value-added services

We currently offer up to 180 channels through our digital platform compared with up to 100 channels on our analog platform. This allows us to offer a wider range of channels and as a result we can cater to a wider variety of genres and demographics. Additionally, a digital platform enables us to offer content with DVD quality picture and sound and revenue enhancing value-added services, such as pay-per-view, HD-PVR (high definition, personal video recorders) and interactive educational programmes, which cannot be offered through an analog platform. We have the rights to telecast more than 4,000 films and are committed to expanding our film library. We intend to offer dedicated movie channels on our digital cable service and charge an additional subscription fee for those film channels.

Digitisation of our services also provides commercial advantages for us. We believe that our digital service offerings reduce the likelihood of our subscribers switching to another digital platform such as DTH satellite television, thereby strengthening our relationships with LCOs.

The use of digital set top boxes enables us to obtain accurate data about the number of subscribers using our services and eliminates the underreporting of subscribers by LCOs. Further, digitisation enables our signal to be encrypted, thereby reducing revenues lost due to unauthorized access.

We believe our digital service offerings enable us to compete effectively with other digital technologies. We believe that our ability to offer different local and regional content on our own brand channels gives us a competitive advantage over DTH satellite television, which broadcasts the same channels all over India.

Rollout our broadband internet services

We have obtained an all-India internet service provider license and have recently commenced a limited roll out of our broadband internet services to our cable television subscribers in Bangalore, National Capital Region of Delhi and Kanpur. Over time, we intend to expand our broadband internet services to all of our cable television subscribers. We intend to use the GePON technology integrated with EOC. This will enable us to carry a broadband signals on FITC from where it is integrated with coaxial wire using the EOC technique which will enable symmetric data to be carried over the existing last mile coaxial cable into the subscriber's home.

Our cable broadband internet services can provide subscribers symmetric download and upload speeds of up to 10 megabytes per second. Offering bi-directional communication through our cable broadband internet services is a key commercial enhancement and a competitive advantage over DTH satellite television, which requires an additional communication link to be used by a subscriber in order to upload content.

Build our Brands

We have begun to build and plan to continue to enhance the visibility of our brands, including "DEN" and "Digitelly". In order to develop our brands' recognition, we distribute promotional materials and advertise across various media. We also run advertisements for our digital cable services on our own brand television channels. We believe that offering a recognised, branded service will help us compete against existing digital cable service companies and give us an advantage over our competitors that have not yet rolled out digital cable services in areas where we operate.

As part of our brand building initiative, we intend to acquire cable partner rights for select Bollywood films. This would allow us to telecast a film on our own brand television channels for a limited period of time when it first becomes available for cable television distribution, which we believe would foster increased demand for our cable television services.

Improve the quality of our own brand television channels in order to increase our subscription and advertising revenues

We operate between one and three own brand television channels from each of our head-ends, which are telecast exclusively on our cable distribution network. These channels primarily telecast films, music, devotional programmes or local events and news. Our advertising and sponsorship revenue is currently obtained primarily from local advertisers. Over time, we intend to standardise the look and feel of our own brand television channels and improve the quality of the programming on these channels in order to increase viewership and the channels' attractiveness to regional and national advertisers.

Our Service Offerings

Analog Cable Television Distribution

Our analog cable services involve the distribution of video programming from analog linear transmission channels through our HFC network. A significant majority of our subscribers currently receive analog cable services. Our analog infrastructure comprises 112 analog head-ends that enable distribution of our analog cable services in 77 cities. The analog transmission is distributed to subscribers utilising an LCO through a feed processed at an analog head-end through our control room. Our analog packages presently offer up to 100 channels.

Digital Television Cable Distribution

We launched our digital cable television services in February 2008 under the brand "Digitelly". We currently offer up to 180 channels through our digital cable television services. We currently offer digital services in 37 cities and plan to roll out digital services in all of the other cities in which we operate. We have a conditional access system ("**CAS**") license for Delhi and Mumbai. We currently have 15 operational digital head-ends located in the National Capital Region of Delhi, Lucknow, Kanpur, Meerut, Jaipur, Bangalore, Cochin, Rajkot, Surat, Nashik, Navi Mumbai and Pune.

Our digital cable services are enhanced with value-added services such as interactive electronic programme guides, programme reservations, on-screen reminders, interactive games, parental controls audio music channels, interactive blogging and "red button" initiatives. We plan to offer additional value-added services such as pay-per-view services, mosaic viewing, interactive educational offerings, and personal video recorders. A brief description of the value-added services that we offer is provided below, all of which we provide for free:

- Electronic Programme Guide: An on-screen guide to scheduled broadcast television content. This allows a subscriber to navigate, select and discover content by time, title, channel or genre by using a remote control.
- Programme Reservations: A feature that allows a subscriber to programme his or her set top box in advance to automatically cause certain content to be shown on the subscriber's television at the

	time such content is scheduled to air. This feature is accessed through the electronic programme guide.
• On-Screen Reminders:	A feature that allows a subscriber to programme his or her set top box in advance by reminding him or her when a particular piece of content is about to air. This feature is accessed through the electronic programme guide.
• Music Audio Channels:	Round the clock audio content with 10 different genres of music, including regional language music.
• Parental Control:	A feature that enables parents to block their children's access to any particular content.
• "Red Button" Initiatives:	Interactive television features that a subscriber can access using a red button on his or her remote control. The interactive features available vary depending on the content.
• Interactive Games:	A feature that enables subscribers to play games on set top boxes using the remote control. Subscribers can choose from a variety of games, including card games, board games and puzzles.
• Interactive blogging:	A feature that enables subscribers to interact with one another on relevant discussion topics and also express their views on the content shown on television.

A brief description of value-added services that we intend to offer in the near future is provided below:

• Mosaic Viewing:	A feature that allows a subscriber to choose up to 10 channels simultaneously on his or her television screen.
• Interactive Educational Offerings:	Educational content delivered through our network that allows a subscriber to engage in an active learning experience.
• Personal Video Recorder:	A feature that enables a subscriber to record television content broadcast in digital format for future viewing even while viewing another channel.
• Pay-Per-View:	A feature that allows a subscriber to view certain content, such as a movie, only if the subscriber pays a special access fee.

Broadband Internet Services

We have obtained an all-India internet service provider license and have recently commenced a limited roll out of broadband internet services in Bangalore, the National Capital Region of Delhi and Kanpur. We intend to expand our cable broadband internet services commercially to our subscribers through our existing network infrastructure across India. We pay the LCOs a small commission in order to utilise their last mile connection to reach our subscribers.

Our cable broadband internet services provide subscribers symmetric download and upload speeds of up to 10 megabytes per second. Offering bi-directional communication through our cable broadband internet services is a key commercial enhancement and a competitive advantage over DTH satellite television, which requires an additional communication link to be used by a subscriber in order to upload content.

We plan to encourage our subscribers to purchase bundled services of digital cable television and broadband internet, which would lower subscribers' cost of using broadband internet services. We also intend to use the GePON technology integrated with EOC. This will enable us to carry a broadband signals on FITC from where it is integrated with coaxial wire using the EOC technique which will enable symmetric data to be carried over the existing last mile coaxial cable into the subscriber's home.

Own Brand Television Channels

We operate between one and three own brand television channels from each of our head-ends, which are telecast exclusively on our cable distribution network. These channels primarily telecast films, music, devotional programmes or local events and news.

We have the telecast rights for more than 4,000 films for the purposes of delivering them through our network. The majority of the distribution rights agreements that we have entered into with broadcasters and content aggregators have a term of one year. We seek to continuously acquire the distribution rights of additional films, music and other content while renewing distribution rights agreements for the films already in our library whenever the terms of the relevant distribution rights agreements are set to expire in order to cater to the tastes and preferences of a diverse and varied group of subscribers and to differentiate ourselves from our competitors.

We earn revenues from our own brand television channels by selling advertising spots that are interspersed in our channels' regular programmes, by selling sponsorship rights to certain content and from stills, banner advertisements and screen crawlers that are displayed on the bottom of the television screen while regular content is broadcast. Each of our MSOs typically have a small team responsible for generating advertisement revenues, who are assisted by a central sales team.

Sales and Marketing

Our marketing efforts are focussed on converting our analog subscribers to become digital subscribers. Our Digitelly brand campaign is focused on building the digital viewing category and encouraging subscribers to upgrade their television viewing to digital cable. We distribute leaflets and other promotional materials, post advertisements on kiosks and use banners. We also run advertisements for Digitelly and scrolls for Digitelly on the bottom of our local own brand analog television channels. We also rely on the vast network of LCOs that distribute our cable service to promote our digital services. LCOs conduct on the ground marketing activities to demonstrate the Digitelly service to potential subscribers.

We rely on LCOs to sign-up subscribers for our cable television distribution services and broadband internet services. Each subscriber pays a subscription fee to the LCO who then remits the same to us after deducting his commission. We typically enter into exclusive affiliation agreements with LCOs, pursuant to which the LCOs receive our signal feed and agree to offer our cable services. The affiliation agreements are typically valid for a period of one year. However, an LCO may terminate the agreement on 30 days' notice provided that all the accounts are fully settled between us and the LCO.

Some of the MSOs that we acquired a majority interest in also own the last mile link to our subscribers, so those subscribers are billed directly. As we rollout our broadband internet services, we also intend to appoint direct sales agents to sign-up subscribers for our internet services and collect fees from those subscribers.

Technology Overview

Analog Cable Services

The process of delivering analog cable services begins with our receiving signals containing content from various broadcasters using multiple satellite antennas located at an analog head-end. The signals received by the antennas for a particular channel are then fed into an integrated receiver/decoder ("**IRD**"), which is an electronic device used to demodulate the C-Band signal and decrypt it to output as an analog baseband signal. In the analog head-ends, each IRD is dedicated solely to a particular channel. After decryption, the analog baseband signal is modulated using a radio frequency modulator, which modulates the analog baseband signal to cause one channel only to be transmitted per radio frequency carrier. Once these modulations are completed, the modulated radio frequency signals are combined so that they can be transmitted via a single cable to our HFC network. The HFC network further distributes the signals from the head-end to LCOs in various servicing areas. Each LCO in turn delivers the signals to end-user subscribers' televisions through their own network of cables.

Digital Cable Services

The process of delivering digital cable television services begins with our receiving signals containing content from various broadcasters using various antennas located at a digital head-end. The signals received by the antennas are then fed into an IRD, which demodulates the signal and converts the digital information contained in the signal into a decrypted signal. An encoder is then used to encode the signal. Following encoding (compression), a multiplexer is used to select and package signals to be transmitted as a bundle of channels on a single radio frequency carrier. Thereafter, a device called a transrater adjusts the bandwidth (i.e., rate of data transfer) of each channel in the pool using statistical multiplexing to facilitate efficient sharing of the transmission bandwidth. Depeding on the type of output, the signal is either fed directly to the multiplexer or a switch is used to perform the routing of a signal.

After the transrater and switching device have performed their functions, the signal is encrypted by our CAS to prevent unauthorised reception of the signal. Once encrypted, a signal undergoes a final modulation process and is then combined with other analog modulated signals before being transmitted to our HFC network for transmission of signals from the head-ends to LCOs in various servicing areas.

Each LCO in turn deliver the signals to end-user subscribers through its own "last mile" network. Each subscriber receives the signal through a digital set top box that is connected to the LCO's network and the subscriber's television. The set top box decodes and decrypts the signals, which results in the conversion of the signals into the content that is displayed on the subscriber's television screen. The set top box is activated by sending box specific commands via the subscriber management system.

The table below sets forth the step by step process of delivering digital cable television services to a subscriber:

- **Step 1** We receive signals from the broadcaster via an array of dish antennas.
- **Step 2** The received signals are then demodulated and decrypted.
- **Step 3** Un-encrypted signals are processed in the compression system using encoders, multiplexers, routers, etc., and then encrypted with our CAS.
- **Step 4** The encrypted signals are modulated and combined together on various frequencies for delivery to our HFC network.
- **Step 5** From the HFC network, LCOs take the feed for the last mile connectivity to our subscribers.
- **Step 6** Set top boxes installed at subscribers' premises are activated using the subscriber management system and the signals are decoded for viewing on a TV.

Broadband Internet Services

Our broadband internet philosophy is to build a multi-service internet protocol delivery platform that can deliver voice, video and data to our subscribers. We use the latest Gigabit Ethernet Passive Optical Network (GEPON) technology integrated with Ethernet over Coax, which enables symmetric data (both upstream and downstream) to be carried at speeds of up to 10 megabytes per second over the existing last mile co-axial cable into the home. Using this technique, we carry the broadband signals on fibre deep until the curb from where it is integrated with the coaxial cable using Ethernet over Coax. Due to its robust nature towards noise and ingress, Ethernet over Coax requires minimal investments in cleaning up the existing coaxial infrastructure and no additional upgrades are required to be made to the LCOs' last mile connections. The current one way networks do not need plant upgrades and only a minimal replacement of field devices such as amplifiers, cables and tap offs is required. Using this technique allows us to utilise the unused bandwidth on our network and on the LCOs' last mile connections and minimises capital costs and service roll out times.

Equipment and Network

We purchase our equipment from reputed manufacturers, including: set top boxes from Homecast and Kaon; encoders, multiplexers, transraters and QAMs from Harmonics and Cisco; and encryption technology from NDS Group Ltd. Except for encryption technology, we have not entered into any long-term supply agreements. In the event our current suppliers are unable to fulfil our requirements, we believe that there are various alternative suppliers available to us who can fulfil our requirements. We own part of our HFC network and also lease part of our HFC network. In this respect, we have entered into an agreement with IDEA Cellular Limited. Pursuant to the agreement, we have been granted an exclusive right to use IDEA Cellular Limited's dark fibre network in specified locations within New Delhi.

Maintenance of Our Equipment and Network

We use a comprehensive network management software package to monitor and log any problems affecting our head-ends. The network management software can be accessed locally at each head end and at the central location at Okhla, New Delhi. We also monitor the live video at each head-end on 24-hour, 7-day a week basis. With respect to head-end equipment whose malfunction could affect more than one channel, we keep standby/ replacement equipment and software ready for immediate use. In respect of the cables owned by us, we provide for adequate route redundancy to maintain connectivity and ensure uninterrupted services. All our sites are accessible to our equipment vendors in case offsite technical support is required. To ensure our services can operate on a 24-hour, 7-day a week basis, all sites have uninterrupted power supplies (UPS), which are backed up by generators.

Customer Service

We believe that good customer service helps to build subscriber loyalty and promotes subscriber retention. The current structure of the Indian cable television distribution industry results in the LCOs having direct contact with our subscribers in respect of sales, billing, technical support and general assistance. However, since it is important to us that our subscribers receive superior customer service, our training teams provide employees of LCOs with instruction intended to improve their familiarity with our services and procedures, develop their phone courtesy skills and enhance their sales skills. The LCOs' cable installation personnel and other employees who visit our subscribers are given extensive training to maintain high standards of professionalism and courtesy.

We have provided our digital cable television subscribers with a toll free number that they can use to contact our outsourced call centre located in New Delhi. This call centre operates 16 hours a day and uses interactive voice technology in three different languages. Customer service representatives are trained to professionally deal with inquiries and complaints from subscribers. In the event that our customer service representatives are unable to handle particular queries from subscribers, such queries are redirected to the relevant LCOs.

We maintain a team of service engineers for installation and servicing of equipment.

Competition

Our cable television distribution business faces competition from other local, regional and national cable television distributors and providers of television services through different transmission platforms, such as DTH satellite television and IPTV, as well as from India's traditional terrestrial broadcasting service, Doordarshan. We believe that our strongest competitors providing cable television services include Hathway Datacom, Digicable, InCable and WWIL. All four of these competitors have a presence in multiple cities across India. Our competitors providing DTH satellite television services include TataSky, DishTV, Sun Direct, BIG TV and Bharti Airtel. We also compete with providers of IPTV, including BSNL, MTNL, Bharti Airtel and Reliance Communications.

Competition is not necessarily limited only to traditional forms of television services such as competition based on programme offerings, customer satisfaction, network quality and price, but may also include competition in respect of value-added services that competitors can offer. Competition may increase in the future due to changes in laws and regulations governing the television industry.

Our own brand television channels compete with the other television channels distributed by us.

Television competes with other forms of entertainment for the attention of the consumer. The introduction of new technologies and cultural shifts may all affect consumer interest in watching television.

Our broadband cable internet services compete with fixed telephony carriers and other broadband internet access providers, as well as providers of dial-up internet access and with emerging technologies for the provision of broadband internet services. We believe that competition in the provision of broadband internet service is based on speed of access, the ability to handle large volumes of data, price, technical support and the quality of data transmissions. We believe that our main competitors in this market are MTNL, BSNL, Tata Indicom, Bharti Airtel, Sify and Reliance Communications.

Intellectual Property

The Company filed a trademark application dated February 12, 2008 for the registration of the "DEN" trademark under class 38, which pertains to trademarks for broadcasting and distribution of video, communication and data signals, including signals for television, radio programmes, video programmes and cable television services. Further, our Company has filed trademark applications for registration of the "Digitelly", "EXCITE", and "CINE TIME" trademarks.

We have the telecast rights for more than 4,000 films for the purposes of delivering them through our network. We typically purchase the right to transmit a film in India through a cable platform for an unlimited number of times for a term of one year.

Insurance

We are covered by commercial general liability insurance policies for loss caused to our property or operations by earthquakes, accident, fire, flood, riot, strike or malicious damage. We also maintain group medical insurance and life insurance policies for the benefit of our employees. Our Company provides and maintains directors insurance for Mr. Sameer Manchanda. Additionally, our Company also maintains an insurance coverage for all its employees with respect for expenses related to hospitalization due to illness, disease or injury.

Notwithstanding our insurance coverage, damage to our facilities, equipment and properties could nevertheless have a material adverse effect on our business and our financial condition and results of operations to the extent such occurrences disrupt normal operations of our business or to the extent our insurance policies do not cover our economic loss resulting from such damage.

Human Resources

We believe that our ability to maintain growth depends to a large extent on our strength in attracting, training, motivating and retaining employees. As on September 30, 2009, we had approximately 1,095 employees (not including STAR-DEN's employees)

The Company does not employ any part-time employees. None of the Company's employees are covered by collective bargaining agreements. The Company considers its relations with its employees to be good.

Our employees currently receive salaries and benefits which, we believe, are competitive in the industry. In addition to recruiting employees who already have experience in their areas of focus, we recruit university students on-campus for positions within the Company. The Company ensures that its employees are up-to-date with current trends in our industry and accomplishes this by providing professional training to employees at all levels.

Properties and Facilities

We do not own any property in our own name, including our registered and corporate office. Set forth below are the details of the leases for our registered and corporate office:

Address	Area (in square feet)	Term
Basement and ground floor of 236, Okhla Industrial Estate, Phase III, New Delhi-110 020	19,000	11 months starting from September 1, 2009 until July 31, 2010*
First Floor of 236, Okhla Industrial Estate, Phase III, New Delhi- 110 020	3,500	11 months starting from January 31, 2009 until November 30, 2009**

**Under the lease deed dated October 20, 2007 between our Company and Luxor Metalic India Private Limited, the term of the lease deed is 11 months starting from December 1, 2007 and ending on October 31, 2008. However, the lease deed provides that after the expiry of the 11 months, the lease deed shall be renewed for two terms of 11 months each and at the end of the third 11 month term, the lease may be further renewed for two terms of three years at the option of the lessee.*

*** Under the lease deed dated February 5, 2008 between our Company and Luxor Metalic India Private Limited, the term of the lease deed is 11 months starting from March 1, 2008 and ending on January 31, 2009. However, the lease deed provides that after the expiry of the 11 months, the lease deed shall be renewed for two terms of 11 months each and at the end of the third 11 month term, the lease may be further renewed for two terms of three years at the option of the leasee.*

In addition to the above mentioned properties, we lease various properties for commercial and official purposes across the various states from which we operate.

Our digital and analog head-ends are located on property that we either lease or over which we have entered into a leave and license agreement. The term of those agreements range from a period of 11 months to nine years.

STAR-DEN

On January 14, 2008, we entered into a 50:50 joint venture agreement with STAR with respect to STAR-DEN. For information on the joint venture agreement, see "***History and Certain Corporate Matters – Our Joint Venture***" on page 87. STAR-DEN acts as a content aggregator and currently has the exclusive right to distribute 23 television channels, including the entire STAR group of channels, the entire Disney group of channels, select Network18 channels, the entire Times Group of channels and MGM to providers of various television distribution platforms, such as cable television, DTH satellite television and IPTV, in India, Bhutan and Nepal. STAR-DEN has long-term license agreements with the broadcasters of these channels, ranging from two to seven years. STAR-DEN also has a right of first negotiation to distribute all future channels of the STAR group launched within seven years from the date of formation of STAR-DEN.

STAR-DEN has also entered into agreements with five channels in the STAR group to place those channels on those channels' preferred bandwith and signal with the various television distributors in India, Bhutan and Nepal. These agreements are for a period of one year.

STAR-DEN competes with other content aggregators, primarily Zee Turner and Sony One Alliance.

As on September 30, 2009, STAR-DEN had 135 full-time employees.

STAR-DEN leases its registered and corporate offices in Mumbai and its five regional offices.

REGULATIONS AND POLICIES

The following description is a summary of the relevant regulations and policies as prescribed by the Government of India and other regulatory bodies that our applicable to our business. The information detailed below has been obtained from the various legislations, including rules and regulations promulgated by regulatory bodies, and the bye laws of the respective local authorities that are available in the public domain. The regulations set out below may not be exhaustive and are merely intended to provide general information to the Bidders and are neither designed nor intended to substitute for professional legal advice.

Our Company is engaged in the business of providing cable television and internet services.

Central Laws

Foreign Direct Investment

FDI, including FII investment, in activities pertaining to cable television network is restricted to 49% of the paid up equity capital of the Company and subject to prior FIPB approval and Cable Television Network Rules, 1994, as amended.

Further, FDI up to 49% of the paid up equity capital is permitted under the automatic route in ISP activities. The FDI limit may be increased to 74% with the prior approval of the FIPB.

Cable Television

The following acts, rules and regulations govern our cable television business:

The Cable Television Networks (Regulation) Act, 1995 ("Cable Television Act")

The Cable Television Act regulates the operation of cable television networks in India. Section 3 of the Cable Television Act requires any cable operator who is desirous of operating a cable television network to be registered with the head post master of the area concerned. The Cable Television Act further stipulates that no programme or advertisement shall be transmitted, unless it is in conformity with the prescribed programme and advertisement code, respectively. The Cable Television Act also mandates that the equipment to be used by a cable operator has to be in conformity with the standards prescribed by the Bureau of Indian Standards. By an amendment to the Cable Television Act in 2002, every cable operator, where transmission is through addressable system, is required to submit a report to the central government in the prescribed form regarding (i) the total number of subscribers, (ii) the subscription rates; and (iii) number of subscribers receiving programmes transmitted in the basic service tier or particular programme or set of programmes transmitted on pay channels.

The Cable Television Network Rules, 1994 ("Cable Television Rules")

The Cable Television Rules stipulates that registration as a cable operator needs to be renewed every 12 months. Rule 11 of the Cable Television Rules stipulates that no MSO shall provide CAS services without the prior permission of the MIB. Every subscriber who is desirous of receiving one or more pay channels is required to apply to the MSO to supply and install the set top box. On the installation of the set top box every MSO shall start transmitting the pay channel in encrypted as well as unencrypted form for a period of not less than 15 days and in the event of a successful completion of the same, the MSO shall transmit the pay channels only through an encrypted form. The Cable Television Rules stipulates that no programme or advertisement shall be carried in a cable service which is against public morality and decency.

The Indian Telegraph Act, 1885 ("Telegraph Act")

The Telegraph Act governs all forms of the usage of 'telegraph' which expression has been defined to mean any appliance, instrument, material or apparatus used or capable of use for transmission or reception of signs, signals, writing, images, and sounds or intelligence of any nature, bywire, visual or other electro-mangnetic emissions, radio waves or hertzian waves, galvanic, electric or magnetic means. Using appliance or apparatus for the purposes of dissemination of television signals and video transmissions would therefore come within the definition of a 'telegraph'. Under section 4 of the Telegraph Act, the Director-General of Posts and Telegraphs may grant license to any person to establish, maintain or work a telegraph within any part of India with such conditions as it may think fit. In addition, the Telegraph Act provides that if the holder of a license granted under Section 4 contravenes any condition contained in the license, such person shall be punished with fine which may extend to Rs. 1,000, and with a further fine that may extend up to Rs. 500 for every week during which the breach of the condition continues.

The Telecom Regulatory Authority of India Act, 1997 ("TRAI Act")

The Telecom Regulatory Authority of India ("**TRAI**") was established in 1997 by the TRAI Act, as amended, to regulate telecommunication services in India, including broadcasting and cable services. The TRAI is vested with major recommendatory, regulatory and tariff setting functions, including (a) making recommendations on the need and timing for introduction of new service providers, (b) on the terms and conditions of license to a service provider, (c) ensuring compliance of terms and conditions of license, (d) effective management of telecom, (e) laying down the standards for quality of service, (f) conducting a periodical survey of such service provided by the service providers so as to protect interest of consumers, (g) notifying the rates at which telecommunication services within India and outside India shall be provided under the TRAI Act. In addition, the TRAI Act contains penalty provisions for offences committed by a company under the TRAI Act.

The following regulations have been notified by TRAI:

1. *The Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004, as amended* ("*Interconnection Regulations")*

The Interconnection Regulations apply to all arrangements among service providers, including MSOs, for interconnection and revenue sharing for all telecommunication services, including cable services in India. Interconnection means the commercial and technical arrangements under which the service providers connect, including through electro-magnetic signals, their equipment networks and services to enable their customers to have access to the customers, services/and or networks of other service providers. The Interconnection Regulations issued by TRAI lay down, *inter alia*, the following:

(a) Must Provide Clause: Broadcasters are required to provide signals on non-discriminatory terms to all distributors of television channels. Similarly, MSOs are required to re-transmit signals received from a broadcaster on a non-discriminatory basis to LCOs. MSOs are not allowed to engage in any practice or activity or enter into any understanding or arrangement, including exclusive contracts with any broadcaster or distributor of TV channels that prevents any LCO from obtaining such TV channels.

(b) Disconnection of TV Channel Signals: No Broadcaster/MSO shall disconnect the TV channel signals to a distributor of TV channels without giving three weeks' prior written notice and public notices in two newspapers indicating the brief reasons for the proposed action.

(c) Interconnection Agreements: In areas where CAS has not been notified, the interconnections agreements between broadcasters and MSOs are required to be based on 'Reference Interconnection Offer' published by the broadcasters, which, *inter alia*, describes the technical and commercial conditions for interconnection.

In CAS notified areas, all broadcasters, MSOs and LCOs are required to mutually negotiate and finalise their interconnection agreements and in case they are not able to arrive at a mutually acceptable interconnection agreement within a time-period of 60 days, then they are required to enter into interconnection agreements in a standard prescribed by TRAI.

The abovementioned standard agreement provides, among others, that the subscription amount will be shared between the broadcasters, MSOs and LCOs in the ratio of 45%, 30% and 25% respectively (excluding free to air charges and channel placement fee – the free to air charges will be retained by the LCOs and the channel placement fee will be retained by the MSO). The standard agreement also provides for the duties, responsibilities, obligations and rights of an MSO.

(d) Minimum Guarantee: The Interconnect Regulations provide that in CAS notified areas, the broadcasters/MSOs are not allowed to demand any minimum guaranteed amount from the MSOs/LCOs, respectively, as subscription fee for the services provided.

In March, 2009, TRAI, by an amendment to the Interconnection Regulations, made it mandatory for all broadcasters to have reference interconnect offers (RIOs) for their addressable systems. The amendment bars the distributor of television channels from seeking signals in terms of the 'must provide' clause of the Interconnect Regulations from a broadcaster for those channels for which a carriage fee is being demanded by him. Also, the Interconnect Regulations facilitate introduction and roll-out of voluntary CAS by making it mandatory for all broadcasters to have RIOs for all addressable systems. In addition to this, minimum technical specifications for addressable systems have also been specified.

2. *The Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television – CAS Areas) Regulation, 2006* ("*SQS Regulations*")

The SQS Regulations contains provisions relating to connection, disconnection, transfer and shifting of cable services in CAS areas as well as complaint handling and redressal in respect of cable services in CAS areas.

The SQS Regulations details the billing procedure with respect to billing of cable services in CAS areas as well as provisions for set top boxes and filing of the complaints in respect of cable services in CAS areas along with provisions relating to change in positioning of channels / taking the channel off air. Further, MSOs are required to match the technical standards set by the Bureau of Indian Standards for cable television networks.

3. *The Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television – Non CAS Areas) Regulation, 2009*

The regulations provide for provisions relating to connection/disconnection or shifting of cable services as well as provisions for the billing procedure and billing related complaints. Further, the regulations details the mechanism for the handling of complaints and the provisions regarding additional standards of quality of service relating to digital decoders and set top boxes for digital cable service in non-CAS areas.

4. *Telecommunication (Broadcasting And Cable) Services (Second) Tariff (Eighth Amendment) Order, 2007*

In areas where CAS has not been notified, TRAI has imposed a ceiling on tariffs of bouquets being offered by (i) broadcasters to MSOs, (ii) MSOs to LCOs, and (iii) MSOs/LCOs to subscribers. The tariffs applicable are fixed as was prevalent on December 1, 2007 + 4%. However, there are no price caps on channels being provided to subscribers through addressable platforms in areas where CAS has not been notified.

MSOs are permitted to subscribe to pay channels from broadcasters on am a-la-carte basis and retransmit the same to LCOs in a bouquet format.

5. *The Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff Order 2006*

The charges payable by subscribers to LCOs/MSOs in the CAS areas are determined by the provisions of the Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff Order 2006 ("**Cable Tariff Order 2006**"). In CAS areas, it is mandatory to offer pay channels to the subscribers on an a-la-carte basis. The ceiling in respect of maximum retail prices payable by a subscriber for each pay channel is Rs. 5 per month (exclusive of taxes). The maximum retail price for a pay channel within this ceiling shall be fixed by the broadcaster. The maximum amount payable by each subscriber for receiving the basic service tier services offered in CAS areas comprising minimum 30 free to air channels is Rs. 77 per month (exclusive of taxes). Free to air channels over and above the basic service tier would also be made available to the subscribers within the maximum amount mentioned above. The Cable Tariff Order 2006 also provides that MSOs are required to compulsorily offer to the subscribers options of the standard tariff package contained in the Cable Tariff Order 2006. In addition, MSOs are permitted to offer alternative tariff packages and the subscribers shall have the freedom to choose from amongst the tariff packages so offered including the standard tariff package specified by TRAI. There is no levy or collection of any charges separately from the subscribers on account of:

(a) Installation of set top box;

(b) Activation or reactivation of set top box;

(c) Smart card/viewing card; and

(d) Repair, maintenance or any other charges (for the first five years).

All MSOs in CAS areas are required to report to TRAI the tariff packages, including all terms and conditions, associated with the supply of set top boxes to the subscribers.

The charges payable by LCOs to MSOs and MSOs to broadcasters in areas where CAS has been notified, is determined by the provisions of Interconnection Regulations read with the provisions of Cable Tariff Order 2006.

6. *TRAI Final Recommendations on Restructuring of the Regulatory Framework for Cable TV Services, July 2008*

In July 2008, TRAI submitted recommendations to the MIB relating to the restructuring of the regulatory framework for cable TV services in India. TRAI has recommended, *inter alia*, the introduction of a separate licensing framework for MSOs and LCOs, which licenses will be granted by the MIB either directly or through any other administrative unit under its direct control. The duration of the license shall be five years. TRAI has recommended that all existing MSOs and LCOs obtain the new prescribed license within a period of 12 months from March 31 of the year in which the revised procedure is notified or from the date of expiry of existing registration, whichever is earlier. The non-refundable entry fee for MSO and LCO licenses, based on the recommendations, shall be as follows:

Type of License	LCO	MSO
District Level	Rs. 10,000	Rs. 100,000
State Level	Rs. 100,000	Rs. 1,000,000
National Level	N/A	Rs. 2,500,000

Further, all cable television service providers, including MSOs, will be required to comply with BIS Standard IS 13420 (revised) relating to system performance and ensure the delivery of proper signals at subscriber premises. TRAI has made a provision for existing cable operators to authorize their transmission within five years from the date of notification of the new licensing regime. TRAI has also recommended that Indian Broadcasting Federation maintain an indicative list of accepted Encryption and Subscriber Management Softwares which can be deployed by MSOs.

Internet Service Provider

Guidelines and General Information for Grant of License for Operating Internet Services, 2007 ("ISP License Guidelines")

The DoT issued ISP License Guidelines or grant of license of internet services on non-exclusive basis. The ISP License Guidelines provide, among others for the following:

(a) Service area: A Category A license covers the territorial jurisdiction of India except specified areas that may be notified to be excluded from time to time.

(b) Foreign direct investment: Foreign direct investment in the licensee company is restricted to 74% of the paid up capital of the company. Foreign direct investment upto 49% will be under the automatic route.

(c) Security conditions: The licensee company is required to take adequate and timely measures to ensure that the information transacted through a network by the subscribers is secure and protected. In addition, the majority of directors on the board of directors of the licensee company are required to be Indian citizens.

(d) Fees payable: A one-time entry fee of Rs. 2 million is required to be paid for category A internet service license before signing the license agreement. An annual license fee at the rate of 6% of adjusted gross revenue subject to a minimum of Rs. 50,000 shall be charged per annum. Further, a financial bank guarantee of Rs. 1,000,000, valid for one year, and a performance bank guarantee of Rs. 20 million valid for two years, is to be provided in favour of DoT before signing the license agreement.

The licensee company is required to provide service within 24 months from the date of signing the license agreement. The license is valid for a period of 15 years and access to internet through an authorized cable operator is permitted to ISPs without additional licensing subject to the provisions of Cable Television Act. In addition, the license is governed by the provisions of the Telegraph Act and TRAI Act.

License Agreement for Internet Services

A service provider is required to obtain a license and enter into a standard agreement ("**ISP License Agreement**") with the DoT before starting operations as an ISP. In addition to the conditions required to be followed by a licensee company under the ISP License Guidelines, the ISP License Agreement provides for further requirements to be adhered to by the licensee company.

The licensee company is required to make its own arrangements for the infrastructure involved in providing the service and is solely responsible for the installation, networking and operation of the necessary equipment and systems, treatment of subscriber complaints, issue of bills to its subscribers, collection of revenue, attending to claims and damages arising out of its operations. In the process of operating the internet service, the licensee company is responsible for the installation of the internet nodes i.e., routers/servers and the proper operation and maintenance of its network infrastructure.

The licensee company is required to adhere to such quality of service standards and provide timely information as required by DoT. The licensee company is responsible for:

(a) maintaining the performance and quality of service standards;

(b) maintaining the mean time to restore within the specified limits of the quality of service; and

(c) the licensee company will keep a record of number of faults and rectification reports in respect of the service, which will be produced before DoT/TRAI as and when and in whatever form desired.

In addition, the licensee company is required ensure that objectionable, obscene, unauthorized or any other content, messages or communications infringing copyright, intellectual property right and international and domestic cyber laws, in any form, or inconsistent with the laws of India, are not carried in its network.

Further, the licensee company is obliged to provide, without delay, all the tracing facilities of the nuisance or malicious messages or communications transported through his equipment and network, to authorized officers of Government of India/State Government, when such information is required for investigations of crimes or in the interest of national security. The activities shall also be complied with the provisions of the Information Technology Act, 2000, as amended.

The DoT may, without prejudice to any other remedy available for the breach of any conditions of the licence agreement, by a written notice of 60 calendar days from the date of issue of such notice to the licensee company at its registered office, terminate the licence agreement if the licensee company, under any of the following circumstances:

(a) fails to perform any obligation(s) under the licence agreement including timely payments of fee and other charges due to DoT;

(b) fails to rectify, within the time prescribed, any defect/deficiency/correction in service/equipment as may be pointed out by the DoT;

(c) goes into liquidation or ordered to be wound up; and

(d) is recommended by TRAI for termination of the licence agreement for non-compliance of the terms and conditions of the licence agreement.

The DoT may impose a financial penalty not exceeding Rs. 10 million for violation of terms and conditions of the license agreement.

TRAI Press Release – No. 73/2005

TRAI, by a press release dated September 12, 2005 issued a direction to all ISPs making it mandatory for ISPs to obtain explicit consent of their subscribers before making value-added services chargeable.

The Telecommunication Tariff Order, 1999 ("Tariff Order 1999")

The Tariff Order issued by TRAI, provides the terms and conditions at which telecommunication services within India and outside India may be provided, including rates and related conditions at which messages shall be transmitted to any country outside India, deposits, installation fees, rentals, free calls, usage charges and any other related fees or service charge. Reporting requirements are not applicable for service provided to bulk customers, provided that all ISPs shall, within seven days after the close of every quarter, furnish brief details about the number of plans and the bulk customers availing them along with a certification, for, information and record.

A tariff plan once offered by an ISP shall be available to a subscriber for a minimum period of six months from the date of enrolment of the subscriber to that tariff plan. However, any tariff plan presented, marketed or offered as valid for any prescribed period exceeding six months or as having lifetime or unlimited validity in lieu of an upfront payment shall continue to be available to the subscriber for the duration of the period as prescribed in the plan and in the case of lifetime or unlimited validity plans, as long as the ISP is permitted to provide such telecom service under the current license or renewed license. In the case of plans with lifetime validity or unlimited validity, the service provider shall also inform the subscribers of the month and year of expiry of his current license.

For any tariff plan, ISPs shall be free to reduce tariffs at any time. However, no tariff item in a tariff plan shall be increased by ISPs:

(a) In respect of tariff plans with prescribed periods of validity of more than six months including tariff plans with lifetime or unlimited validity and also involving an upfront payment to be made by the subscriber towards such validity period, during the entire period of validity specified in the tariff plan;

(b) In respect of other tariff plans, within six months from the date of enrolment of the subscriber; and

(c) In the case of recharge coupons with a validity of more than six months under any tariff plan, during the entire period of validity of such recharge coupon.

Broadband Policy, 2004 ("Broadband Policy")

The Broadband Policy issued by the DoT provides a framework for the creation of infrastructure through various access technologies which can contribute to the growth of the internet in India.

The Broadband Policy states that a Cable TV network can be used as a franchisee network of the service provider for providing broadband services. However, all responsibilities for ensuring compliance with the terms and conditions of the licence shall vest with the licensee company. The terms of the franchise agreement between the licensee company and its franchisee shall be settled mutually by negotiation between the two parties involved. Further, the quality of standards prescribed under the TRAI Act should apply to broadband services.

State Laws

Entertainment Tax Laws

In majority of states, the payment of entertainment tax is a liability of the cable operators. Cable operators have to register themselves under respective state entertainment laws and they are required to deposit the entertainment tax to the concerned department on monthly basis. The cable operators also require filing of returns from time to time.

In the States of West Bengal, Karnataka and Andhra Pradesh, the respective governments have amended the entertainment tax laws and rules. In the abovementioned states, the payment of entertainment tax is the liability of the MSOs instead of LCOs and in the remaining states wherever entertainment tax applicable for providing cable services, the LCOs are only liable to deposit entertainment tax directly to the concerned authority/department/agency.

HISTORY AND CERTAIN CORPORATE MATTERS

Our Company was incorporated as "DEN Digital Entertainment Networks Private Limited" on July 10, 2007 under the Companies Act with the RoC. Pursuant to the shareholders' resolution dated March 4, 2008, the status of our Company was changed from a private company to a public company to cater to the growing size of the business and increasing number of stakeholders and consequently, the name of our Company was changed to "DEN Digital Entertainment Networks Limited"**.** Consequent to the change of name a fresh certificate of incorporation dated April 15, 2008 was issued by the RoC. The name of our Company was further changed to "DEN Networks Limited" to reflect the broader span of business, both current and future and consequent to the change of name a fresh certificate of incorporation dated June 27, 2008 was issued by the RoC.

For details of our business and competitors see "***Our Business***" on page 67.

Changes in Registered Office

The registered office of our Company was located at E-346, Nirman Vihar, Vikas Marg, New Delhi 110 092, India at the time of incorporation. Pursuant to a board resolution dated February 1, 2008, the Registered Office was shifted to 236, Okhla Industrial Estate Phase III, New Delhi 110 020, India. The registered office of our Company was shifted to its present larger premise to cater to the growing size of the business and increasing employee strength.

Key Events and Milestones

Month and Year	Key Events, Milestones and Achievements
July, 2007	Incorporation of our Company
January, 2008	Investment of Rs. 1,600 million by SCB
	Executed joint venture agreement with Star India Private Limited to create STAR-DEN
February, 2008	Launch of the digital services under the brand of "Digitelly"
February, 2008	Our Company obtained a non-exclusive license from the DoT to set up and operate internet services all over India
March, 2008	Import of the first set of set top boxes
August, 2008	Obtained a license to operate the conditional access system in Delhi and Mumbai
January 2009	Further investment of Rs. 400 million by affiliates of IL&FS
July 2009	Investment of Rs. 750 million by EMSAF Mauritius

Our Company has 67 shareholders as on the date of filing this Red Herring Prospectus.

For details, relating to our financial statements, see "***Financial Statements***" on page F1.

Main Objects

The main objects of our Company are:

1. To carry on the business of broadcasting, telecasting, relaying, transmitting, distributing or running any video, audio, voice, or other programmes or software (both proprietary and third party) over television, radio, internet, telecom or any other media.

2. To carry on the business of cable services encompassing distribution, relaying, transmission of signals including but not limited to television, voice over internet protocol, video on demand or any other services through cable within and outside India by means of any system.

3. To offer internet based services including but not limited to offering international and domestic voice, voice-over-internet-protocol, broadband internet, wireless, data and hosting services to business and residential retail customers and other carriers located in the territory of India and to apply and obtain licenses to carry on these objects.

4. To create/raise infrastructure of dark fibres, right of way, duct space and tower for relaying and transmission of signals for internet and telecom based cable services to end subscribers and customers in Indian territory, to offer such infrastructure to others business establishment on lease and commercial terms and to apply and obtain licenses to carry on these objects.

The main objects as contained in the Memorandum of Association enable us to carry on the business that are presently carried out, as well as the businesses we propose to carry out.

For details relating to our business and operations see "***Our Business***" and "***Financial Statements***" on pages 67 and F1 respectively.

Amendments to our Memorandum of Association

Since our incorporation, the following changes have been made to our Memorandum of Association.

Date of Shareholder's approval	Nature of Amendment
August 17, 2007	Clause V of the Memorandum of Association was replaced with the following: "*The authorized share capital of our Company is Rs. 50,000,000 (Rs Fifty million) divided into 5,000,000 (Five million) Equity Shares of Rs. 10 each.*"
September 7, 2007	The objects clause of the Memorandum of Association was amended to insert clauses 3 and 4; *3. To offer internet based services including but not limited to offering international and domestic voice, voice-over-internet-protocol (VOIP), broadband internet, wireless, data and hosting services to business and residential retail customers and other carriers located in the territory of India and to apply and obtain licenses to carry on these objects.* *4. To create/raise infrastructure of dark fibres, right of way, duct space & tower for relaying and transmission of signals for internet and telecom based cable services to end subscribers and customers in Indian territory, to offer such infrastructure to others business establishment on lease and commercial terms and to apply and obtain licenses to carry on these objects.*
October 22, 2007	Clause V of the Memorandum of Association was replaced with the following: "*The authorized share capital of our Company is Rs. 120,000,000 (Rs. One Twenty million) divided into 12, 000,000 (Twelve million) Equity Shares of Rs. 10 each.*"
November 12, 2007	Clause V of the Memorandum of Association was replaced with the following: "*The authorized share capital of our Company is Rs. 200,000,000 (Rs. Two hundred million) divided into 20,000,000 (Twenty million) Equity shares of Rs. 10 each.*"
January 15, 2008	Clause V of the Memorandum of Association was replaced with the following: "*The authorized share capital of our Company is Rs. 300,000,000 (Rs. Three hundred million) divided into 25,000,000 (Twenty five million)Equity Shares of Rs. 10 each and 5,000,000 (Five million) 0.001% Cumulative Convertible Preference Shares of Rs. 10 each*"
March 4, 2008	The name of our Company was changed to DEN Digital Entertainment Networks Limited
June 17, 2008	The name of our Company was changed to DEN Networks Limited
May 26, 2009	Clause V of the Memorandum of Association was replaced with the following "*The authorized share capital of our Company is Rs 1,400,000,000 (Rs. One thousand four hundred million) divided into 90,000,000 (Ninety thousand million) Equity Shares of Rs. 10 each and 50,000,000 (Fifty million) 0.001% Cumulative Convertible Preference Shares of Rs. 10 each*
June 25, 2009	Clause V of the Memorandum of Association was replaced with the following: *"The authorized share capital of our Company is Rs. 1,400,000,000 (Rs. One thousand four hundred million) divided into 96,000,000(Ninety Six thousand million) Equity Shares of Rs. 10 each and 44,000,000 (Forty four million) 0.001% Cumulative Convertible Preference Shares*

Date of Shareholder's approval	Nature of Amendment
	of Rs. 10 each".
July 22, 2009	Clause V of the Memorandum of Association was replaced with the following: *"The authorized share capital of our Company is Rs. 1,400,000,000 (Rs. One thousand four hundred million) divided into 139,992,300(One hundred and thirty nine million nine hundred and ninety two thousand and three hundred) Equity Shares of Rs. 10 each and 7,700 (seven thousand seven hundred) 0.001% Cumulative Convertible Preference Shares of Rs. 10 each".* Clause V of the Memorandum of Association was replaced with the following: *The authorised share capital of our Company is Rs. 1,650,000,000 (Rs One thousand six hundred and fifty million) divided into 165,000,000 (One sixty five million) Equity Shares of Rs. 10 each*

Our Joint Venture

STAR-DEN

STAR-DEN was incorporated as 'DEN New Media Private Limited' on December 17, 2007. Subsequently pursuant to a fresh certificate consequent upon the change of name issued by the RoC on January 24, 2008, the name of the company was subsequently changed to 'STAR-DEN Media Services Private Limited'. The registered office of STAR-DEN is situated at 7th Floor, Blue House, Behind Kuber Chambers, Off Link Road, Andheri –West, Mumbai 400 053, India. The main objects of STAR-DEN are to carry on the business of distribution of television channels, arranging band placements, seeding of set top boxes, across different medium being television, internet and broadband.

Our Company entered into a joint venture agreement with Star India Private Limited ("**STAR**") on January 14, 2008 to form a 50:50 joint venture company, STAR-DEN, to operate a television channel distribution business in India, Nepal and Bhutan. STAR-DEN has the exclusive distribution rights to television channels controlled by STAR, and the other channels for which STAR-DEN has acquired or acquires exclusive distribution rights. The salient terms of the joint venture agreement are set forth below:

Business of the JVC: STAR-DEN shall have the right to (i) distribute the television channels wholly-owned and operated by STAR ("**STAR Channels**") and certain other channels to which STAR has acquired or acquires distribution rights ("**Distribution Channels**"). STAR-DEN is entitled to receive a percentage of the net revenues in respect of the distribution of the STAR Channels and the Distribution Channels.

*Right of First Negotiation ("**ROFN**"):* STAR-DEN has an exclusive ROFN for a period of seven years to distribute all new STAR Channels and Distribution Channels that may be launched by STAR and channels that our Company may launch or acquire exclusive distribution rights. As per the terms of the ROFN, STAR-DEN has the right to require that STAR or Company not engage in any discussions with any third party on an opportunity without first giving the opportunity to STAR-DEN, the right to engage in a 45 day exclusive discussion period.

Most Favored Status: Subject to specified exceptions, STAR-DEN has agreed that the terms on which it acquires distribution rights acquire to third party channels shall be the same as and not better than the terms offered to STAR in respect of the STAR Channels and that the STAR Channels are treated at least as favourably vis-à-vis any third party channel distributed. Further, the terms on which STAR-DEN shall acquire distribution rights to third party channels shall be the same as and no better to third party than those offered to STAR in respect of the STAR Channels.

Funding Strategy: Each of the parties has undertaken to fund no more than Rs. 100 million (in cash) in proportion to their shareholding, at such time as may be agreed by the parties. Failure to bring in the required funding by a party shall entitle the other party to bring in the shortfall, resulting in the dilution of interest of the non-funding party.

STAR-DEN Management: Each party has the right to nominate a number of directors in proportion to its interest in STAR-DEN. The approval of a majority of the directors, including the approval of a nominee of each of the parties, is required in respect of key matters including any material change in business of STAR-DEN, acquisition of channel distribution rights, and transactions between STAR-DEN and either of the parties.

Mr. Anuj Gandhi, our Chief Executive Officer, also acts as the director of STAR-DEN. In consideration of our Company contributing its expertise to STAR-DEN and for the above, we are entitled to receive a fee from STAR-DEN. This arrangement is subject to review after a period of two years.

Exit Options: Neither party may sell its interest in STAR-DEN to any other party without giving a right of first refusal to the non-selling party, such that in no event shall any third party acquire any interest in STAR-DEN on terms less favorable to the terms offered to the transferring party by the non-transferring party. In no event shall either party sell its interest to an unwelcome purchaser, including any owner or supplier of Distribution Channels or an entity engaged in the cable television distribution business.

STAR has the option to purchase an additional 1% equity stake in STAR-DEN from our Company in the event of default by our Company under the joint venture agreement (which includes breach of funding requirements, breach of the ROFN and failure by STAR-DEN to meet its performance targets as set out in the joint venture agreement) or, at its option (the "**Call Option**") on the terms and conditions set forth in the joint venture agreement. In the event the option is exercised by STAR as a result of our default under the joint venture agreement, our Company shall at its option, have the tag along right to sell the balance 49% stake at a 20% discount to the fair market value to STAR. Our Company has the right to call upon STAR to purchase the stake held by our Company in STAR-DEN at fair market value, in the event of default by STAR, including breach of the ROFN, funding requirements or change in control of STAR.

STAR-DEN shall remain a pure distributor of television channels and shall not own or invest in any distribution network.

Shareholding Pattern

The shareholding pattern of STAR-DEN as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited	2,500,000	50.00
2.	STAR India Private Limited	2,500,000	50.00
	Total	**5,000,000**	**100.00**

Board of Directors

The board of directors of STAR-DEN currently comprises Mr. Anuj Gandhi, Mr. Mohammad Gulam Azhar (*nominee directors of our Company)*, Mr. Rishi Kanwarjeet Gaind and Mr. Nitin Kukerja (*nominee directors of STAR)*

Financial Performance

As STAR-DEN was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of STAR-DEN for the three month period ended June 30, 2009, fiscal 2009 and the period ended March 31, 2008 are set forth below:

(In Rs. million, except per share data)

	Three month period ended June 30, 2009	Year ended March 31, 2009	Period from December 17, 2007 to March 31, 2008
Total Income	2,526.57	8,246.43	988.08
Profit/(Loss) after tax	53.06	46.30	13.38
Share Capital	50.00	50.00	50.00
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	112.74	59.68	13.38

	Three month period ended June 30, 2009	Year ended March 31, 2009	Period from December 17, 2007 to March 31, 2008
Earnings Per Share (Rs.) (Basic)*	10.61	9.26	2.68
Earnings Per Share (Rs.) (Diluted)*	10.61	9.26	2.68
Book Value per share (Rs.)	32.55	21.94	12.68

**On weighted average basis*

Partnership firm

Our Company entered into a partnership with Ms. Priya Mukherjee through a partnership deed dated October 12, 2007 to establish Creative Cable Network ("**Firm**"). The principle place of business of the Firm is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India. The objects of the Firm are to carry on the business of rendering services of cable television network and all ancillary and incidental activities or any other activities as may be jointly agreed upon including taking over the business of any firm or a company as a going concern.

Under the partnership deed a new partner can be inducted at any time, at the discretion of our Company and either party to the partnership deed can retire from the Firm, by giving atleast one month's notice. The entire capital requisite for carrying on the partnership business was contributed by our Company. Any further capital requirement shall be contributed by the partners in proportion to their capital share. Under the partnership deed, both the parties to the partnership deed are required to make all efforts to take all decisions of the partnership on a unanimous basis. However, in the event such unanimity is not possible on a particular issue after due deliberation and efforts within 15 days, the matter shall be decided by the affirmative vote of our Company.

Profit/loss sharing ratio: The net financial profits of the business shall be divided between our Company and Ms. Priya Mukherjee in the ratio 99:1, respectively, and they shall, in the like proportion, bear the losses, if any.

Financial Performance

As the Firm was established in fiscal 2008, the audited financial results for the period before fiscal 2008 are not available. Selected financial information derived from the audited financial results of the Firm for the three month period ended June 30, 2009, fiscal 2009 and the period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	-	27,574	-
Excess of Income over Expenditure for the year	(194,606)	(1,352,540)	(1,157,259)
Capital Account (Corpus Fund)	1,295,595	1,490,201	2,842,741

Summary of Key Agreements

1. *Amended and restated shareholders agreement dated January 29, 2009 between our Company, SCB, PAN Asia Infrastructure, TARA India, PAN Asia, TARA, TARA Domestic (collectively referred to as "***IL&FS Investors***" for the purpose of this agreement), Mr. Sameer Manchanda, Lucid Systems Private Limited and Verve Engineering Private Limited (collectively referred to as* "**Promoters**" *for the purpose of this agreement)* (" **Shareholders Agreement**")

Pursuant to subscription of 3,199,500 CCPS and 500 Equity Shares by SCB for an investment of Rs. 1,600 million into the Company, the Company had entered into a shareholders agreement on January 21, 2008 with the Promoters and SCB. By a further subscription of 799,800 CCPS and 200 Equity Shares by the IL&FS Investors, the Company entered into the Shareholders Agreement, thereby amending and restating the earlier shareholders agreement.

Board of director composition: The board of directors of the Company shall comprise a maximum of 12 directors. So long as the IL&FS Investors maintain 50% of its original investment in our Company, IL&FS Investors shall be entitled to nominate one director on the Board. ("**Investor Director**"). The

Investor Director shall be a non-executive director and shall not be responsible for the day to day management of the Company.

Restricted Matters: There are certain restricted matters on which decisions shall not be taken or implemented by our Company (i) at the general meetings without the affirmative vote of the representative of the IL&FS Investors, or (ii) at the meeting of its Board, without the affirmative vote or prior written consent of the Investor Director. The restricted matters are:

(i) Acquisition or merger or diversification or sale by the Company, other than in respect of acquisition of business/entity engaged in the cable television distribution and network business including MSOs, LCOs, and distributors of the business;

(ii) Any change in auditors, including appointment of new auditors;

(iii) Any changes in the capital structure, except for an IPO, ESOPs and issue of shares to entities/persons engaged in cable television distribution and networking business including MSOs, LCOs, and distributors of the business;

(iv) Declaration of dividends;

(v) Change in the CEO;

(vi) Approval of accounts;

(vii) Change in accounting year;

(viii) Creation of subsidiaries for any new business; and

(ix) Amendment to charter documents.

Right of First Refusal: The IL&FS Investors have a right of first refusal in the event of the Promoters intending to transfer whole or part of its securities in excess of 615,000 Equity Shares to any third party purchaser. In addition, the IL&FS Investors have a tag along right on their entire shareholding, exercisable at their sole discretion to participate in the transfer of their shares to a third party purchaser ("**Tag Along Rights**"). If the IL&FS Investors exercise their Tag Along Rights, then the transfer of Equity Shares from the Promoters to the third party purchasers shall be conditional upon such third party purchaser acquiring the tag along shares offered by the IL&FS Investors, in exercise of the Tag Along Rights, on terms no less favourable than those offered by such third party purchaser to the Promoters.

Exit Options: The Promoters have agreed in the Shareholders Agreement to provide an exit option to the IL&FS Investors not later than December 31, 2010.

Events of default: In case of any event of default, being a default in performance of covenants and conditions under the shareholders agreement or misrepresentation of any representation, warranty or undertaking by Promoters or the Company under the Shareholders Agreement, or any other definitive agreement or in any other instrument in writing provided by the Company and/Promoters the Company/ and Promoter after becoming aware of such event, give notice thereof to IL&FS Investors in writing specifying the nature of the event of default. If one or more event of defaults occur, or continue to occur and the same have not been cured within the stipulated period, then the IL&FS Investors shall be entitled to exercise all or any of the following rights:

(a) demand the cure of the underlying event of default;

(b) to require the Promoters, either directly or indirectly or through a third party nominee, to purchase the Investor Shares, and the Promoters shall be under an obligation to purchase such Investor Shares from the IL&FS Investors, at the stipulated price; and

(c) such other rights and remedies available to it under this Shareholders Agreement or under any other definitive agreement or under law.

Termination: The Shareholders Agreement provides, *inter alia*, that upon shareholding of any of the IL&FS Investors falling below 50% of the number of CCPS issued to such IL&FS Investor, all rights of such IL&FS Investor other than Tag Along Rights shall terminate. Further, the Shareholders Agreement will stand terminated upon (i) the winding up of our Company; or (ii) on our Company undertaking an IPO.

Subsequently, SCB transferred its CCPS to Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Private Limited ("**Standard Chartered**") in accordance with the terms of the Shareholders Agreement.

2. *Amendment to the Shareholders Agreement dated July 24, 2009("***Amendment Agreement**")

Our Company, IL&FS Investors (with Standard Chartered replacing SCB) and the Promoters (as defined above) entered into the Amendment Agreement amending terms for the conversion of the CCPS, pursuant to which the IL&FS Investors have converted their respective CCPS into Equity Shares on July 22, 2009. For details, see ***"Capital Structure"*** on page 27.

The Amendment Agreement provides that the IPO price will not be less than the reference price based on which the conversion price of the CCPS was determined. Further that, if prior to the filing of the RHP, the Company and the IL&FS Investors agree that the reference price at that stage is likely to be higher than the reference price based on which the conversion price was determined, the Company has the right to require the Investors to, prior to the filing of the RHP with the RoC, transfer to such Promoters as may be agreed by the parties such number of additional Equity Shares based on the difference between the such revised reference price and the reference price based on which the conversion price was determined. Provided that the Company shall ensure that the IPO Price is not less than such revised reference price.

In the event the our Company is unable to complete the IPO on or before December 31, 2009, our Company may proceed with the IPO, until the validity of SEBI observations on the DRHP only if the expected IPO price is atleast a price which yields the IL&FS Investors (i) an IRR of 17% to the reference price at that stage calculated from the date of respective payment made by each IL&FS Investor to our Company up to a date approximately three months prior to the date of allotment of Equity Shares pursuant to the IPO; or (ii) a flat discount of 15% to the expected IPO Price, which ever more beneficial to the IL&FS Investors.

Further, in the event our Company is unable to comply with the above requirement, our Company shall withdraw the DRHP already filed with the SEBI. Our Company may re-file the DRHP with the SEBI, provided that the expected IPO price at that stage is atleast a price which yields the IL&FS Investors (i) an IRR of 17% to the reference price at that stage calculated from the date of respective payment made by each IL&FS Investor to our Company up to a date approximately two months after the after re-filing of the DRHP; or (ii) a discount less than 15% to the expected IPO Price at that stage, which ever more beneficial to the IL&FS Investors.

There would be no subsisting rights available to IL&FS Investors under the Amendment Agreement which may affect the rights of the other shareholders of our Company after the Issue. Further, our Company undertakes that the Net Proceeds of the Issue or any part thereof shall not be utilized towards fulfillment of any obligations of the Company under the Amendment Agreement.

Strategic Partner

Our Company does not have any strategic or financial partners.

OUR SUBSIDIARIES

Our Company currently has 71 Subsidiaries, all of which have been incorporated in India under the Companies Act. Unless otherwise stated, none of our Subsidiaries have been declared sick companies under the Sick Industrial Companies (Special Provisions) Act, 1985 and no winding up proceeding have been initiated against any of them. Further no application has been made in respect of any of the Subsidiaries to the respective Registrar of Companies for striking off their names. Unless otherwise stated, all of our Subsidiaries are currently engaged in the business of providing cable and internet services.

The equity shares of none of our Subsidiaries are listed on any stock exchange and none of them have made any public issue of securities in the preceding three years.

As part of our business strategy to expand and consolidate our cable network, we acquire a majority voting interest in existing cable networks of MSOs across India. As a majority of the cable networks acquired by us were operated by the MSOs through sole proprietorships/partnership firms, we require such MSOs to transfer their business and/or the assets to a newly incorporated company pursuant to business/asset transfer agreements. Our Company then acquires a majority interest in the newly incorporated company pursuant to share subscription/purchase agreements. For details, see "***Asset Transfer Agreements***", "***Business Transfer Agreements***" and "***Share Subscription/Share Purchase and Shareholder agreements***" on pages 95, 95 and 96, respectively, below.

However, in certain situations, where the cable network business is being operated by an MSO through an already existing company, the MSOs are not required to incorporate a new company and therefore, we directly acquire a majority interest in the existing company pursuant to a share subscription/purchase agreement.

The following wholly-owned Subsidiaries have been incorporated/acquired by our Company:

S. No.	Name of the Subsidiary	Percentage of our shareholding (%)	Date of incorporation	Revenue for three month period ended June 30, 2009 (in Rs.)	Area of operations
1.	DEN Futuristic Cable Networks Private Limited	100	October 9, 2007	4,617,418	Palwal, Bhiwani and Sirsa, Haryana
2.	DEN Ambey Farukabad Cable Network Private Limited	100*	October 6, 2008	4,023,057	Farukabad, Uttar Pradesh
3.	DEN Digital Entertainment Banglore Private Limited	100	September 17, 2007	1,658,333	Operations are yet to commence
4.	Shine Cable Network Private Limited	100	September 26, 2008	195,000	Operations are yet to commence
5.	DEN Digital Entertainment Gujarat Private Limited	100	August 7, 2007	-	Operations are yet to commence
6.	DEN Entertainment Network Private Limited**	100	January 7, 1998	-	Operations are yet to commence

**Through our 51% subsidiary DEN Ambey Cable Networks Private Limited*
***Acquired by our Company on September 1, 2007*

The details of the Subsidiaries, acquired directly or indirectly by our Company are as follows:

S. No.	Name of the Subsidiary	Percentage of our shareholding (%)	Date of acquisition/ investment	Revenue for three month period ended June 30, 2009 (in Rs.)	Area of operations
1.	DEN Enjoy Cable Networks Private Limited	51.00	April 2, 2008	41,904,185	Lucknow, Uttar Pradesh
2.	DEN Nashik City Cable Network Private Limited	51.00	June 26, 2008	32,594,629	Nashik, Maharashtra
3.	Den-Manoranjan Satellite Private Limited	51.00	March 1, 2008	31,925,445	Yamunanagar, Pune, Maharashtra
4.	DEN Ambey Cable Networks Private Limited	51.00	September 11, 2007	31,635,144	Kanpur, Uttar Pradesh

S. No.	Name of the Subsidiary	Percentage of our shareholding (%)	Date of acquisition/ investment	Revenue for three month period ended June 30, 2009 (in Rs.)	Area of operations
5.	DEN Sky Media Network Private Limited	91.00	May 31, 2008	26,649,052	Jaipur, Rajasthan
6.	DEN Kashi Cable Network Private Limited	51.00	March 1, 2008	26,045,658	Varanasi, Uttar Pradesh
7.	Meerut Cable Network Private Limited	51.00	December 1, 2007	25,442,659	Meerut, Uttar Pradesh
8.	Den Digital Cable Network Private Limited	51.00	May 1, 2008	20,229,721	Gurgaon, Haryana
9.	Rajkot City Communication Private Limited	51.00	April 10, 2009	17,710,111	Rajkot, Gujarat
10.	DEN Fateh Marketing Private Limited	51.00	April 9, 2008	17,631,841	Bareilly, Uttar Pradesh
11.	Radiant Satellite (India) Private Limited	51.00	April 2, 2008	16,063,610	Kota, Rajasthan
12.	Dew Shree Network Private Limited	51.00	September 26, 2007	15,943,356	Surat, Gujarat
13.	DEN Saya Channel Network Private Limited (2)	51.00	June 30, 2008	14,971,236	Yamunanagar, Haryana
14.	DEN Supreme Satellite Vision Private Limited	51.00	May 30, 2008	11,992,760	Panvel, Maharashtra
15.	Den MCN Cable Network Private Limited	51.00	April 8, 2008	11,115,655	Vadodara, Gujarat
16.	DEN Enjoy Navaratan Network Private Limited (1)	51.00	April 2, 2008	9,924,995	Gorakhpur, Uttar Pradesh
17.	DEN Mewar Rajdev Cable Network Private Limited	65.00	April 2, 2008	9,117,000	Udaipur, Rajasthan
18.	DEN Faction Communication System Private Limited (2)	51.00	October 1, 2008	7,877,658	Sonepat, Haryana
19.	DEN Bellary City Cable Private Limited	51.00	January 1, 2009	7,213,990	Bellary, Karnataka
20.	Shree Siddhivinayak Cable Network Private Limited	51.00	December 1, 2007	7,146,306	Vadodara, Gujarat
21.	DEN Montooshah Network Private Limited	51.00	July 16, 2008	6,486,694	Sant Nagar, Tilak Nagar Extension, Delhi
22.	DEN Ambey Jhansi Cable Network Private Limited (3)	100.00	March 1, 2009	6,481,420	Jhansi, Uttar Pradesh
23.	DEN Pawan Cable Network Private Limited	51.00	December 27, 2007	6,477,339	Narela, Delhi
24.	Den F K Cable TV Network Private Limited	51.00	May 1, 2008	6,238,889	Moradabad, Uttar Pradesh
25.	Den Prayag Cable Networks Private Limited	51.00	February 1, 2008	6,169,328	Allahabad, Uttar Pradesh
26.	DEN Krishna Cable TV Network Private Limited	51.00	December 27, 2007	6,080,700	Lakshmi Nagar, Delhi
27.	DEN Maa Sharda Vision Cable Networks Private Limited	51.00	April 1, 2008	5,836,756	Jaunpur, Uttar Pradesh
28.	DEN Varun Cable Network Private Limited	51.00	January 7, 2008	5,784,173	Aligarh, Uttar Pradesh
29.	Mahadev DEN Network Private Limited	51.00	February 1, 2008	5,618,626	Surat, Gujarat
30.	Mahadev DEN Cable Network Private Limited	51.00	February 1, 2008	4,828,101	Surat, Gujarat
31.	Drashti Cable Network Private Limited	51.00	April 1, 2008	4,109,164	Vadodara, Gujarat
32.	DEN Satellite Cable TV Network Private Limited	51.00	April 1, 2008	4,041,703	Aligarh, Uttar Pradesh
33.	Mahadev DEN Cable Net Private Limited	51.00	February 1, 2008	3,786,924	Surat, Gujarat
34.	DEN Ashu Cable Private Limited	51.00	August 22, 2008	3,060,620	Khera, Delhi

S. No.	Name of the Subsidiary	Percentage of our shareholding (%)	Date of acquisition/ investment	Revenue for three month period ended June 30, 2009 (in Rs.)	Area of operations
35.	DEN Crystal Vision Network Private Limited	51.00	December 27, 2007	2,886,322	Sector Rajender Nagar, Delhi
36.	DEN BCN Suncity Network Private Limited	51.00	December 27, 2007	2,578,276	Indirapuram, Ghaziabad, Uttar Pradesh
37.	Malayalam Telenet Private Limited	51.00	August 22, 2008	2,391,322	Cochin, Kerala
38.	DEN Mod Max Cable Network Private Limited	51.00	December 27, 2007	2,346,723	Indirapuram, Ghaziabad, Uttar Pradesh
39.	DEN Aman Entertainment Private Limited	51.00	October 1, 2008	2,208,224	Sambhal, Delhi
40.	DEN Jai Ambey Vision Cable Private Limited	51.00	April 5, 2008	2,043,447	Hathras, Uttar Pradesh
41.	DEN Pradeep Cable Network Private Limited	51.00	February 1, 2008	2,001,874	Firozabad, Uttar Pradesh
42.	DEN Budaun Cable Network Private Limited	51.00	October 1, 2008	1,980,657	Budaun, Uttar Pradesh
43.	DEN Harsh Mann Cable Network Private Limited	51.00	March 1, 2008	1,809,897	Alipur, Delhi
44.	DEN Ambey Citi Cable Network Private Limited [(4)]	51.00	February 1, 2008	1,454,041	Unnao, Uttar Pradesh
45.	Den P.S.C. Network Private Limited	76.00	August 11, 2008	1,447,357	Sant Nagar Extension, Tilak Nagar, Delhi
46.	Den Prince Network Private Limited	51.00	February 1, 2008	1,418,565	Besant View, Aligarh, Uttar Pradesh
47.	Den Malabar Cable Vision Private Limited	51.00	April 30, 2009	1,352,357	Puthanathani, Kerala
48.	DEN Bindra Network Private Limited	51.00	July 1, 2008	1,111,095	Kali Bari Marg, Delhi
49.	Den Radiant Satellite Cable Network Private Limited	65.00	April 2, 2008	1,090,511	Tonk, Rajasthan
50.	DEN Classic Cable TV Services Private Limited	51.00	May 1, 2008	1,022,047	Pitampura, Delhi
51.	DEN Mahendra Satellite Private Limited	60.00	December 27, 2007	930,874	Mayapuri, Delhi
52.	DEN RIS Cable Network Private Limited	80.00	June 1, 2008	843,720	Jaipur, Rajasthan
53.	DEN Shiva Cable Network Private Limited	51.00	May 1, 2008	822,772	G.T. Road, Mughalsarai, Uttar Pradesh
54.	DEN Elgee Cable Vision Private Limited	51.00	June 3, 2009	416,016	Kunnukara, Kerala
55.	DEN Deva Cable Network Private Limited [(5)]	51.00	April 1, 2008	357,820	Shuklaganj, Uttar Pradesh
56.	Den Nanak Communication Private Limited [(6)]	51.00	March 1, 2008	224,108	Sonepat, Haryana
57.	DEN Narmada Network Private Limited	51.00	September 1, 2008	50,589	Jabalpur, Madhya Pradesh
58.	Fortune (Baroda) Network Private Limited	51.00	July 31, 2009	NA	Manjalpuri, Vadodara, Gujarat
59.	Amogh Broadband Services Private Limited	51.00	July 29, 2009	NA	Bangalore, Karnataka
60.	DEN Infoking Channels Entertainers Private Limited	51.00	August 1, 2009	NA	Bellary and Kolar, Karnataka
61.	Galaxy DEN Media & Entertainment Private Limited	51.00	August 1, 2009	NA	Jamnagar, Gujarat
62.	DEN UCN Network India Private Limited	51.00	July 25, 2009	NA	Udipi, Karnataka

S. No.	Name of the Subsidiary	Percentage of our shareholding (%)	Date of acquisition/ investment	Revenue for three month period ended June 30, 2009 (in Rs.)	Area of operations
63.	Bali DEN Cable Network Private Limited	51.00	September 1, 2009	NA	Sahibabad, Uttar Pradesh
64.	Mahavir DEN Entertainment Private Limited	51.00	September 1, 2009	NA	Lucknow, Uttar Pradesh
65.	Star Channel DEN Network Private Limited (1)	51.00	August 11, 2009	NA	Banda, Uttar Pradesh

[1] Through DEN Enjoy Cable Networks Private Limited
[2] Through DEN Futuristic Cable Networks Private Limited
[3] Through our 51% subsidiary DEN Ambey Cable Networks Private Limited
[4] Through DEN Ambey Cable Networks Private Limited
[5] Through DEN Ambey Cable Networks Private Limited
[6] Through DEN Futuristic Cable Networks Private Limited

Asset Transfer Agreements

The newly incorporated company typically enters into asset transfer agreements with the MSOs we propose to acquire. Pursuant to an asset transfer agreement, the existing sole proprietorship/ partnership firm sells the entire assets of the firm to the newly incorporated company. Pursuant to such asset transfer agreements, the existing sole proprietorship/partnership firm represents that the transferred assets are free from any liens or encumbrances and that the absolute and exclusive ownership over the assets is transferred to the relevant newly incorporated company.

The particulars of the MSOs with respect to which such asset transfer agreements have been entered into are as follows:

S. No	Date	Name of the subsidiary
1.	September 30, 2007	DEN Prayag Cable Networks Private Limited
2.	December 27, 2007	DEN Pawan Cable Network Private Limited
3.	December 27, 2007	DEN Mahendra Satellite Private Limited
4.	December 27, 2007	DEN Krishna Cable TV Network Private Limited
5.	December 27, 2007	DEN Mod Max Cable Network Private Limited
6.	December 27, 2007	DEN BCN Suncity Network Private Limited
7.	December 27, 2007	DEN Crystal Vision Network Private Limited
8.	January 7, 2008	DEN Varun Cable Network Private Limited
9.	February 1, 2008	DEN Ambey Citi Cable Network Private Limited
10.	March 1, 2008	DEN Kashi Cable Network Private Limited
11.	March 1, 2008	DEN Harsh Mann Cable Network Private Limited
12.	March 1, 2008	DEN Nanak Communication Private Limited
13.	March 1, 2008	DEN-Manoranjan Satellite Private Limited
14.	May 1, 2008	DEN Enjoy Cable Networks Private Limited
15.	April 1, 2008	DEN Prince Network Private Limited
16.	April 1, 2008	DEN MCN Cable Network Private Limited
17.	April 1, 2008	DEN Supreme Satellite Vision Private Limited
18.	April 2, 2008	DEN Enjoy Navaratan Network Private Limited
19.	April 2, 2008	DEN Mewar Rajdev Cable Network Private Limited
20.	April 2, 2008	DEN Radiant Satelite Cable Network Private Limited
21.	April 3, 2008	DEN Deva Cable Network Private Limited
22.	May 1, 2008	DEN FK Cable TV Network Private Limited
23.	May 1, 2008	DEN Shiva Cable Network Private Limited
24.	May 1, 2008	DEN Classic Cable TV Services Private Limited
25.	June 3, 2008	DEN RIS Cable Network Private Limited
26.	October 1, 2008	DEN Aman Entertainment Private Limited
27.	October 1, 2008	DEN Budaun Cable Network Private Limited

Business Transfer Agreements

In certain cases, the newly incorporated company also enters into a business transfer agreement with the existing MSO. Pursuant to such business transfer agreement the relevant company acquires the entire business of the existing MSO. The business transferred pursuant to the business transfer agreement includes (a) the assets of the

MSO, (b) the channel decoders of the MSO, (c) subscription fees received by the MSO from the LCOs, (d) carriage fees received by the MSO from the broadcasters with whom the MSOs have entered into agreements for the placement of their channels, and (e) advertising fees received by the MSO from its advertisers. The business transfer agreements also provide the following, among others:

(i) From the effective date of the business transfer agreement, the MSO ceases to have any control over the rights or claims in respect of the LCOs and broadcasters;

(ii) All the existing contracts, whether written or oral, with each of the LCOs broadcasters, advertisers and other third parties are assigned to the newly incorporated company;

(iii) Such newly incorporated company is entitled to collect subscription fees from each LCO; and

(iv) The business transfer agreement generally includes a clause which provide for a specific exclusion of the transfer of liabilities of the MSO prior to the execution of the business transfer agreement. In the agreements, where such specific exclusion has not been provided, the MSO provides (i) an indemnity to our Company against any loss, claim, damage, liability or expense from any undisclosed liability that has been incurred prior to signing of the agreement or (ii) a representation that all liabilities/demands prior to signing the agreement shall be the sole responsibility of the existing proprietor/ firm.

The particulars of the MSOs with respect to which such business transfer agreement have been entered into are as follows:

S. No.	Date	Name of the subsidiary
1.	October 1, 2007	DEN Mahendra Satellite Private Limited
2.	December 31, 2007	DEN FK Cable TV Network Private Limited
3.	February 1, 2008	DEN Pradeep Cable Network Private Limited
4.	February 11, 2008. (Effective from April 1, 2008)	DEN Jai Ambey Vision Cable Private Limited
5.	April 1, 2008	DEN Maa Sharda Vision Cable Networks Private Limited
6.	April 1, 2008	DEN Deva Cable Network Private Limited
7.	April 1, 2008	DEN Satellite Cable TV Network Private Limited
8.	April 1, 2008	DEN Nashik City Cable Network Private Limited
9.	April 30, 2008	DEN Digital Cable Network Private Limited
10.	May 15, 2008	DEN Saya Channel Network Private Limited
11.	May 20, 2008	DEN Sky Media Network Private Limited
12.	June 30, 2008	DEN Bindra Networks Private Limited
13.	July 10, 2008	DEN Montooshah Network Private Limited
14.	August 11, 2008	DEN P.S.C Network Private Limited
15.	August 22, 2008	DEN Ashu Cable Private Limited
16.	September 1, 2008	DEN Narmada Network Private Limited
17.	September 29, 2008	DEN Faction Communication System Private Limited
18.	January 1, 2009	DEN Bellary City Cable Private Limited
19.	June 1, 2009	DEN Elgee Cable Vision Private Limited

Share Subscription/Share Purchase and Shareholders Agreements

Pursuant to the execution of the relevant business/asset transfer agreement by the newly incorporated company, our Company enters into a share subscription/share purchase and shareholders agreement with the newly incorporated company and the existing shareholders of such newly incorporated company under which our Company acquires a majority of the equity share capital of such company. In certain situations, where the cable network business is being operated by an MSO through an already existing company, the MSOs are not required to incorporate a new company and therefore, we directly acquire a majority interest in the existing company pursuant to a share subscription/purchase agreement. These agreements provide, *inter alia*, that:

(i) A majority of the relevant subsidiary's board of directors shall be nominated by our Company;

(ii) The existing shareholders are not entitled to sell their shareholding for a specified period of time, usually extending up to a period of five years, and if after such time the existing shareholders are desirous of selling their shares, then we shall have the right of first refusal;

(iii) The agreement shall remain in force until it is terminated. The agreement can be terminated on the occurrence of the following events:

(a) The parties mutually deciding to terminate the agreement;
(b) Our Company or the subsidiary being wound up; and
(c) The existing shareholders selling their entire shareholding to our Company.

(iv) Further, our Company has the right to terminate the agreement in the event there is a breach of the representation and warranties by the existing shareholders, and such breach is not rectified within 30 days;

(v) Upon the termination of the agreement on the happening of (iii)(a) or (b), our Company is entitled to a refund of the entire consideration from the existing shareholders;

(vi) Our Company has the right to acquire the remaining shareholding of the existing shareholders at a mutually agreed price; and

(vii) The existing shareholders/shall not engage, directly or indirectly or through their relatives or their assigns or agents during the terms of the agreement in any business competing with the business being carried on and to be pursued by the subsidiary.

Management and Technical Services Agreement

Pursuant to the acquisition of such cable networks, our Company also enters into a management and technical services agreement with each of our Subsidiaries whereby in consideration for certain services, which include providing digital head-end signals, set-top boxes, underground or overhead fibres and advice on content aggregation services rendered by us, we are entitled to receive a management fee. Further, in certain instances, our Company also provides additional services such as advising on marketing and branding services, designing and launching of packages, interactive services, value-added services and triple play initiatives.

Under the management and technical services agreement, our liability is limited to the provision of services by us and a claim against our Company cannot exceed an amount equal to the management fees to be paid by the subsidiary to our Company.

Details of our Subsidiaries

All our Subsidiaries are currently engaged in the business of providing cable and internet services.

1. DEN Futuristic Cable Networks Private Limited ("DEN Futuristic")

DEN Futuristic was incorporated on October 9, 2007 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Futuristic is Rs. 20,000,000.

Shareholding Pattern

The shareholding pattern of DEN Futuristic as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	714,950	100.00
	Total	**714,950**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, DEN Entertainment Network Private Limited, Mr. Rajesh Kaushall, Mr. Jatin Mahajan and Mr. Anuj Gandhi hold one equity share each as nominees of our Company*

Board of Directors

The board of directors of DEN Futuristic currently comprises Mr. Anand Verma, Mr. Nitin Kumar Gupta and Mr. Tapesh Singhi.

Financial Performance

As DEN Futuristic was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Futuristic for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	4,617,418	14,759,948	-
Profit/(Loss) after tax	(3,256,103)	(8,621,079)	(18,672)
Share Capital	7,149,500	7,149,500	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	51,549,646	54,805,749	(18,672)
Earnings Per Share (Basic)*	(4.55)	(26.92)	(1.87)
Earnings Per Share (Diluted)*	(4.40)	(25.69)	-
Book Value Per Share	82.10	86.66	8.13

**On weighted average basis*

2. DEN Ambey Farukabad Cable Network Private Limited ("DEN Ambey Farukabad")

DEN Ambey Farukabad was incorporated on October 6, 2008 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Ambey Farukabad is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Ambey Farukabad as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10 each	Percentage of shareholding
1.	DEN Ambey Cable Networks Private Limited*	49,999	100.00
2.	Mr. Rajesh Kaushall**	1	Negligible
	Total	**50,000**	**100.00**

**Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Jatin Mahajan, Mr. Anuj Gandhi, and DEN Entertainment Network Private Limited hold one equity share each as nominees of DEN Ambey Cable Networks Private Limited*
*** As a nominee of DEN Ambey Cable Networks Private Limited*

Board of Directors

The board of directors of DEN Ambey Farukabad currently comprises Mr. Dhanesh Verma, Mr. Munish Singla and Mr. Vinay Sharma.

Financial Performance

As DEN Ambey Farukabad was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Ambey Farukabad for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	4,023,057	-
Profit/(Loss) after tax	2,129,989	(93,859)
Share Capital	500,000	500,000
Reserves and Surplus (excluding revaluation reserves and including P/L	2,036,130	(93,859)

	Three month period ended June 30, 2009	Period ended March 31, 2009
debit balance)		
Earnings Per Share (Basic)*	42.60	(1.88)
Earning Per Share (Diluted)*	42.60	(1.88)
Book Value per share	50.72	8.12

**On weighted average basis*

3. DEN Digital Entertainment Banglore Private Limited ("DEN Banglore")

DEN Banglore was incorporated on September 17, 2007 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Banglore is Rs. 500,000.

Shareholding Pattern

The shareholding pattern of DEN Banglore as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	50,000	100.00
	Total	**50,000**	**100.00**

**Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Ajay Tiwari, Mr. Jatin Mahajan, Mr. Rajesh Kaushall and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company*

Board of Directors

The board of directors of DEN Banglore currently comprises Mr. Dhanesh Verma, Mr. Vinay Sharma and Mr. Tapesh Singhi.

Financial Performance

As DEN Banglore was incorporated in fiscal 2008 and had not commenced operations in fiscal 2008, no audited financial results prior to fiscal 2009 are available. Selected financial information derived from the audited financial results of DEN Banglore for the three month period ended June 30, 2009 and fiscal 2009 are set forth below:

(Amount in Rs)

	Three month period ended June 30, 2009	Fiscal 2009
Total Revenue	1,658,333	1,428,805
Profit/(Loss) after tax	7,015	31,146
Share Capital	500,000	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	38,161	31,146
Earnings Per Share (Basic)*	0.47	3.11
Earnings Per Share (Diluted)*	0.47	3.11
Book Value per share	10.76	13.11

***On weighted average basis*

4. Shine Cable Network Private Limited ("Shine Cable")

Shine Cable was incorporated on September 26, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of Shine Cable is Rs. 500,000.

Shareholding Pattern

The shareholding pattern of Shine Cable as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	50,000	100.00
	Total	**50,000**	**100.00**

* *Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi, Mr. Jatin Mahajan, Mr. Rajesh Kaushall and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company*

Board of Directors

The board of directors of Shine Cable currently comprises Mr. Anand Verma, Mr. Nitin Kumar Gupta and Mr. Tarak Nath Mukherjee.

Financial Performance

As Shine Cable was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of Shine Cable for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below

(Amount in Rs.)

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	195,000	520,000
Profit/(Loss) after tax	(196,869)	(557,703)
Share Capital	500,000	500,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(754,572)	(557,703)
Earnings Per Share (Basic)*	(3.94)	(104.39)
Earnings Per Share (Diluted)*	(3.94)	(104.39)
Book Value Per Share	(5.09)	(1.15)

**On weighted average basis*

5. DEN Digital Entertainment Gujarat Private Limited ("DEN Gujarat")

DEN Gujarat was incorporated on August 7, 2007 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi 110 064, India.

The authorized share capital of DEN Gujarat is Rs. 500,000.

Shareholding Pattern

The shareholding pattern of DEN Gujarat as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	50,000	100.00
	Total	**50,000**	**100.00**

***** *Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Ajay Tiwari, Mr. Jatin Mahajan, Mr. Rajesh Kaushall and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company*

Board of Directors

The board of directors of DEN Gujarat currently comprises Mr. Hemant Narang, Mr. Nitin Kumar Gupta and Mr. Tapesh Singhi.

Financial Performance

As DEN Gujarat was incorporated in fiscal 2008, no audited financial results prior to fiscal 2009 are available. Selected financial information derived from the audited financial results of DEN Gujarat for the three month period ended June 30, 2009 and fiscal 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009
Total Revenue	-	-
Profit/(Loss) after tax	(12,649)	(19,229)
Share Capital	500,000	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(31,878)	(19,229)
Earnings Per Share (Basic)*	(0.85)	(1.92)
Earnings Per Share (Diluted)*	(0.85)	(1.92)
Book Value per share	9.36	8.08

On weighted average basis

6. DEN Entertainment Network Private Limited ("**DEN Entertainment**")

DEN Entertainment was incorporated on January 7, 1998 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Entertainment is Rs. 28,000,000.

Shareholding Pattern

The equity shareholding pattern of DEN Entertainment as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	87,200	100.00
	Total	**87,200**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi, Mr. Jatin Mahajan, Mr. Ajay Tiwari and Mr. Rajesh Kaushall hold one equity share each as nominees of our Company*

The preference shareholding pattern of DEN Entertainment as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of preference shares of Rs. 10	Percentage of shareholding
1.	RRB Investments Private Limited	25,00,000	100.00
	Total	**25,00,000**	**100.00**

Board of Directors

The board of directors of DEN Entertainment currently comprises Mr. Sameer Manchanda, Mr. Nitin Kumar Gupta and Mr. Hemant Narang.

Financial Performance

Selected financial information derived from the audited financial results of DEN Entertainment for the three month period ended June 30, 2009, fiscal 2009, 2008 and 2007 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Revenue	-	-	160,848	-
Profit/(Loss) after tax	(61,114)	(248,124)	982,171	(34,200)
Share Capital*	25,872,000	25,872,000	25,872,000	872,000

	Three month period ended June 30, 2009	Fiscal 2009	Fiscal 2008	Fiscal 2007
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(2,184,187)	(2,123,073)	(1,874,949)	(892,778)
Earnings Per Share (Basic)**	(0.70)	(2.85)	(11.26)	(0.39)
Earnings Per Share (Diluted)**	(0.70)	(2.85)	(11.26)	(0.39)
Book Value per share	(15.05)	(14.35)	(11.50)	(0.24)

***Share Capital for Fiscal year 08-09 includes Preference Share Capital of Rs. 250 million.**
***On weighted average basis*

7. DEN Enjoy Cable Networks Private Limited (" DEN Enjoy")

DEN Enjoy was incorporated on September 17, 2007 under the Companies Act as 'Enjoy Cable Networks Private Limited' and the name was subsequently changed to 'DEN Enjoy Cable Networks Private Limited' on October 22, 2007. The registered office of the company is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Enjoy is Rs. 10,000,000.

Shareholding Pattern

The shareholding pattern of DEN Enjoy as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited	355,980	51.00
2.	Mr. Omeshwar Singh	113,995	16.33
3.	Mr. Sunil Jolly	88,925	12.74
4.	Mr. Rajinder Singh	66,694	9.56
5.	Mr. Yogesh Kumar	33,347	4.78
6.	Mr. Pankaj Rai	26,336	3.77
7.	Mr. Sanjeev Dixit	12,723	1.82
	Total	**698,000**	**100.00**

Board of Directors

The board of directors of DEN Enjoy currently comprises Mr. Rajesh Kaushall, Mr. Amarpreet Singh Rekhi, Mr. Rajeev Jain, Mr. Munish Singla (*nominee directors of our Company*), Mr. Omeshwar Singh, Mr. Rajinder Singh and Mr. Sunil Jolly.

Financial Performance

As DEN Enjoy was incorporated in fiscal 2008, no audited financial results prior the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Enjoy for three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 2008
Total Revenue	41,904,185	189,042,570	2,796,145
Profit/(Loss) after tax	5,712,476	4,993,858	(537,874)
Share Capital	6,980,000	6,980,000	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	36,838,460	31,125,984	(537,874)
Earnings Per Share (Basic)*	8.18	7.17	(53.79)
Earnings Per Share (Diluted)*	8.18	7.03	-

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 2008
Book Value per share	62.78	54.59	(43.79)

On weighted average basis

8. DEN Nashik City Cable Network Private Limited ("DEN Nashik")

DEN Nashik was incorporated on June 4, 2007 under the Companies Act as 'Nashik City Cable Network Private Limited' and was subsequently changed to 'DEN Nashik City Cable Network Private Limited' on July 3, 2008. The registered office of the company is situated at 1st Floor, Below Vighnahar Hospital, Mayur Plaza, Near Dwarka, Nashik, Maharashtra, India.

The authorized share capital of DEN Nashik is Rs. 500,000.

Shareholding Pattern

The shareholding pattern of DEN Nashik as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited	25,500	51.00
2.	Mr. Sachin Dattatray Pethkar	2,307	4.61
3.	Mr. Anand Raosaheb Sonawane	2,106	4.21
4.	Mr. Rauf Mohammad Patel	1,710	3.42
5.	Mr. Rajendra Tukaram Wagh	1,692	3.38
6.	Mr. Balvindersingh Puransingh Ramghdiya	1,310	2.62
7.	Mr. Milind Dayaram Kapse	1,277	2.55
8.	Mr. Khalik Mohammad Patel	1,174	2.35
9.	Ms. R V Jailaxmi	1,114	2.23
10.	Mr. Ravoori Ramchandra Murthy	979	1.96
11.	Mr. Nadkishor Madhukar Shinde	774	1.55
12.	Mr. Ajay Murlidhar Nemade	704	1.41
13.	Mr. Vilas Laxman Kothule	704	1.41
14.	Mr. Vinod Jagannath Shinde	704	1.41
15.	Mr. Vijay Namdeo Vrandal	704	1.41
16.	Ms. Sunita Sachin Shinde	611	1.22
17.	Ms. Anita Satish Sonawane	592	1.18
18.	Ms. Shirin Anand Sonawane	489	0.98
19.	Mr. Sujit Trambakrao Pachorkar	354	0.71
20.	Mr. Jagdish Uttamsa Danej	336	0.67
21.	Mr. Gautam Shivnath Nirbhavane	331	0.66
22.	Mr. Akhalak Rasul Shaikh	331	0.66
23.	Mr. Nandlal Narayan Pardeshi	331	0.66
24.	Mr. Kailash Nimbaji Padar	298	0.60
25.	Mr. Shantaram Nyandeo Tidke	247	0.49
26.	Mr. Anand Raosaheb Sonawane (HUF)	247	0.49
27.	Mr. Raosaheb Shankarrao Sonavane	247	0.49
28.	Ms. Mukaddas Rauf Patel	247	0.49
29.	Mr. Puppala Venkat Reddi Naidu	247	0.49
30.	Mr. Abdul Kadir Beig	228	0.46
31.	Mr. Rajendra Shridhar Nikam	214	0.43
32.	Mr. Dilip Ganpat Salve	191	0.38
33.	Ms. Azgari Mohammad Patel	126	0.25
34.	Ms. Surekha Milind Kapse	126	0.25
35.	Mr. Dayaram Narhar Kapse	126	0.25
36.	Ms. Meera Dattatray Pethkar	126	0.25
37.	Ms. Murlidhar Revaji Nikam	125	0.25
38.	Ms. Naziya Khalik Patel	121	0.24
39.	Ms. Aainnunisha Mohammad Patel	121	0.24
40.	Ms. Amarjeet Kaur B.Ramgadiya	121	0.24
41.	Ms. Vandana Sachin Pethkar	121	0.24
42.	Mr. Shobha Rajendra Nikam	121	0.24
43.	Ms. Vaishali Rajendra Wagh	121	0.24

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
44.	Mr. Ashok Lalooprasad Jaiswal	107	0.21
45.	Ms. Sunita Gurudatt Kasture	84	0.17
46.	Mr. Nitin Gulabrao Vyavhare	84	0.17
47.	Mr. Alka Devidas Prajapathi	47	0.09
48.	Mr. Shaikh Akbar Salim	23	0.05
	Total	**50,000**	**100.00**

Board of Directors

The board of directors of DEN Nashik currently comprises Mr. Rajesh Kaushall, Mr. Anand Verma, Mr. Shankar Devarajan (*nominee directors of our Company)*, Mr. Milind Dayaram Kapse and Mr. Anand Raosaheb Sonavane.

Financial Performance

As DEN Nashik was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Nashik for the three month period ended June 30, 2009, fiscal 2009 and the period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	32,594,629	122,101,624	-
Profit/(Loss) after tax	5,485,289	1,905,651	-
Share Capital	500,000	500,000	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	16,491,813	11,006,524	-
Earnings Per Share (Basic)*	109.71	178.33	-
Earnings Per Share (Diluted)*	109.71	178.33	-
Book Value Per Share	339.84	230.13	0.23

**On weighted average basis*

9. DEN-Manoranjan Satellite Private Limited ("Manoranjan Satellite")

Manoranjan Satellite was incorporated on February 18, 2000 under the Companies Act. The name of the company was changed to 'DEN-Manoranjan Satellite Private Limited' on April 3, 2008 consequent to a fresh certificate of incorporation issued by the RoC. The registered office of Manoranjan Satellite situated at Plot No. 212, Sector-21, Yamunanagar Nigdi, Pune, Maharashtra, India.

The authorized share capital of Manoranjan Satellite is Rs. 500,000.

Shareholding Pattern

The shareholding pattern of Manoranjan Satellite as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 100	Percentage of shareholding
1.	DEN Networks Limited*	2,550	51.00
2.	Mr. Lalit Raghunath Shinde	1228	24.46
3.	Ms. Aruna Shinde	1222	24.44
	Total	**5,000**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Rajesh Kaushall and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of Manoranjan Satellite currently comprises Mr. Nitin Mehra, Mr. Shankar Devarajan, Mr. Rajeev Jain (*nominee directors of our Company)*, Ms. Aruna Uday Shinde and Mr. Lalit Raghunath Shinde.

Financial Performance

Selected financial information derived from the audited financial results for the three month period ended June 30, 2009, fiscals 2009, 2008 and 20007 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Revenue	31,925,445	134,312,615	19,519,694	11,967,466
Profit/(Loss) after tax	3,535,886	(209,596)	(198,650)	77,429
Share Capital	500,000	500,000	101,000	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	4,675,578	1,139,692	1,748,288	(552,062)
Earnings Per Share (Basic)*	707.18	(61.77)	198.45	77.43
Earnings Per Share (Diluted)*	707.18	(61.77)	198.45	77.43
Book Value Per Share	1,035.12	327.94	1,830.97	(452.06)

**On weighted average basis*

10. DEN Ambey Cable Networks Private Limited ("DEN Ambey Cable")

DEN Ambey Cable was incorporated on September 11, 2007 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi 110 064, India.

The authorized share capital of DEN Ambey Cable is Rs. 2,000,000.

Shareholding Pattern

The shareholding pattern of DEN Ambey Cable as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
1.	DEN Networks Limited*	31,224	51.00
2.	Mr. Rajesh Malway	18,000	29.40
3.	Ms. Ritu Malway	12,000	19.60
	Total	**61,224**	**100.00**

***** *Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company*

Board of Directors

The board of directors of DEN Ambey Cable currently comprises Mr. Amit Vijh, Mr. Rajesh Kaushall, Mr. Nitin Kumar Gupta and Mr. Shailender Nath Sharma.

Financial Performance

As DEN Ambey Cable was incorporated in fiscal 2008, no audited financial results prior to period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Ambey Cable for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	31,635,144	89,311,221	335,990
Profit/(Loss) after tax	5,545,153	(1,538,816)	(841,729)
Share Capital	612,240	612,240	100,000

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	18,743,475	13,198,322	(841,729)
Earnings Per Share (Basic)*	90.57	(28.43)	(84.17)
Earnings Per Share (Diluted)*	90.57	(25.13)	-
Book Value Per Share	316.15	225.57	(74.17)

On weighted average basis

11. DEN Sky Media Network Private Limited ("DEN Sky Media")

DEN Sky Media was incorporated on May 1, 2008 and its registered office is located at 146, Laxmi Complex, M.I. Road, Jaipur, Rajasthan, India.

The authorized share capital of DEN Sky Media is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Sky Media as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
1.	DEN Networks Limited*	91,000	91.00
2.	Sky Media Private Limited	8,988	8.99
3.	Mr. Nihar Kothari	6	Negligible
4.	Mr. Siddharth Kothari	6	Negligible
	Total	**100,000**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Sky Media currently comprises Mr. Nitin Mehra, Mr. Amit Vijh, Mr. Parveen Aggarwal (*nominee directors of our Company*) and Mr. Siddharth Kothari.

Financial Performance

As DEN Sky Media was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Sky Media for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	26,649,052	102,154,603
Profit/(Loss) after tax	(7,764,268)	(8,603,467)
Share Capital	1,000,000	1,000,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	69,822,265	77,586,533
Earnings Per Share (Basic)*	(78.00)	(97.24)
Earnings Per Share (Diluted)*	(78.00)	(97.24)
Book Value per share	708.22	785.87

**On weighted average basis*

12. DEN Kashi Cable Network Private Limited ("DEN Kashi")

DEN Kashi was incorporated on October 25, 2007 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India. DEN Kashi was originally incorporated under the name of 'DEN ICOS Cable Network Private Limited'. The name of the company was changed to 'DEN

Kashi Cable Network Private Limited' and a fresh certificate of incorporation pursuant to the change of name was issued by the RoC on August 8, 2008.

The authorized share capital of DEN Kashi is Rs. 20,000,000.

Shareholding Pattern

The equity shareholding pattern of DEN Kashi as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited	25,501	51.00
2.	Mr. Virendra Kapoor	4,875	9.75
3.	Mr. Suresh Wadhya	4,875	9.75
4.	Mr. Rakesh Kumar	4,142	8.29
5.	Mr. Dharmendra Kumar Singh	3,677	7.35
6.	Mr. Manoj Kumar Pandey	1,950	3.90
7.	Mr. Sanjay Kumar Gupta	1,461	2.92
8.	Mr. Sanjay Ojha	1,270	2.54
9.	Mr. Anil Aggarwal	1,270	2.54
10.	Mr. Tej Shankar Awasthi	979	1.96
	Total	**50,000**	**100.00**

The preference shareholding pattern of DEN Kashi as on September 30, 2009 is as follows:

Sr. No.	Name of the shareholder	Number of preference shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited	750,000	100.00
	Total	**750,000**	**100.00**

Board of Directors

The board of directors of DEN Kashi currently comprises Mr. Parveen Aggarwal, Mr. Ajay Tiwari, Mr. Amit Vijh, Mr. Amarpreet Singh Rekhi (*nominee directors of our Company)* Mr. Dharmendra Kumar Singh, Mr. Tej Shankar Awasthi and Mr. Suresh Kumar Wadhya.

Financial Performance

As DEN Kashi was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Kashi for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	26,045,658	72,368,561	620,828
Profit/(Loss) after tax	5,027,971	(1,067,798)	(4,000,098)
Share Capital*	8,000,000	7,625,640	125,640
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	31,560,075	26,906,464	(2,025,738)
Earnings Per Share (Basic)**	100.56	(84.99)	(382.78)
Earnings Per Share (Diluted)**	6.28	(2.08)	-
Book Value per share	641.20	2,151.55	(151.23)

**Fiscal year 2009 includes Preference Share capital of Rs.7,500,000.*

***On weighted average basis*

13. Meerut Cable Network Private Limited ("Meerut Cable")

Meerut Cable was incorporated on September 4, 2003 under the Companies Act and its registered office is located at 195, Ajantha Building, Delhi Road, Meerut, Uttar Pradesh, India.

The authorized share capital of Meerut Cable is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of Meerut Cable as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited	51,000	51.00
2.	Mr. Anupam Gupta	13,750	13.75
3.	Mr. Gaurav Prasad	13,750	13.75
4.	Mr. Romi Shiv	12,500	12.50
5.	Mr. Rachna Shiv	2,500	2.50
6.	Mr. Manoj Kumar	2,500	2.50
7.	Mr. Raj Kumar Shiv	2,500	2.50
8.	Ms. Neeta Mishra	500	0.50
9.	Mr. Bimla Shiv	500	0.50
10.	Mr. Iqbal Ahmed	500	0.50
	Total	**100,000**	**100.00**

Board of Directors

The board of directors of Meerut Cable currently comprises Mr. Rajesh Kaushall, Mr. Ajay Tiwari, Mr. Amarpreet Singh Rekhi (*nominee directors of our Company*), Mr. Anupam Gupta and Mr. Romi Shiv.

Financial Performance

Selected financial information derived from the audited financial results of Meerut Cable for three month period ended June 30, 2009, fiscal 2009, 2008 and 2007 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Revenue	25,442,659	113,181,927	62,740,315	44,394,155
Profit/(Loss) after tax	1,833,216	2,787,833	888,344	703,374
Share Capital	1,000,000	1,000,000	1,000,000	1,000,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	6,808,405	4,975,189	2,187,357	1,299,013
Earnings Per Share (Basic)*	18.33	27.88	7.61	7.03
Earnings Per Share (Diluted)*	18.33	27.88	7.61	7.03
Book Value per share	78.08	59.75	31.87	22.99

**On weighted average basis*

14. DEN Digital Cable Network Private Limited ("DEN Digital")

DEN Digital was incorporated on February 13, 2008 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Digital is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Digital as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
1.	DEN Networks Limited*	30,140	51.00
2.	Mr. Sanjeev Chaudhary	8,690	14.70

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
3.	Mr. Vished	6,760	11.44
4.	Mr. Mukesh Sethi	6,755	11.43
5.	Mr. Navneet Sethi	6,755	11.43
	Total	**59,100**	**100.00**

* *Mr. Hemant Narang and Mr. Mohammad Ghulam Azhar as nominees of our Company.*

Board of Directors

The board of directors of DEN Digital currently comprises Mr. Rajesh Kaushall, Mr. Nitin Mehra, Mr. Rajeev Jain (*nominee directors of our Company*), Mr. Navneet Sethi and Mr. Mukesh Kumar Sethi.

Financial Performance

As DEN Digital was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Digital for the three month period ended June 30, 2009, fiscal 2009 and the period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	20,229,721	68,082,523	-
Profit/(Loss) after tax	2,226,768	(2,062,879)	(5,955)
Share Capital	591,000	591,000	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	39,666,934	37,440,166	(5,955)
Earnings Per Share (Basic)*	37.68	(34.99)	(0.60)
Earnings Per Share (Diluted)*	37.68	(34.99)	(0.60)
Book Value per share	681.18	643.51	5.07

**On weighted average basis*

15. Rajkot City Communication Private Limited ("Rajkot City")

Rajkot City was incorporated on October 3, 2006 under the Companies Act and its registered office is situated at 1, Kadia Nav Line, Ghee Kanta Road, Rajkot-360 001, India.

The authorized share capital of Rajkot City is Rs. 100,000.

Shareholding Pattern

The shareholding pattern of Rajkot City as on September 1, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited	5,100	51.00
2.	Mr. Mukesh Bundela	588	5.88
3.	Mr. Jugal M. Bundela	588	5.88
4.	Mr. Viren Kumar Parekh	588	5.88
5.	Mr. Krunal Dudakiya	588	5.88
6.	Mr. Bharatbhai Makwana	490	4.90
7.	Mr. Shyambhai Makwana	441	4.41
8.	Mr. Nitin S. Nathwani (HUF)	392	3.92
9.	Ms. Niyati N. Nathwani	392	3.92
10.	Nitin S. Nathwani	392	3.92
11.	Mr. Dineshbhai Moliya	245	2.45
12.	Mr. Motibhai Jogaran	196	1.96
	Total	**10,000**	**100.00**

Board of Directors

The board of directors of Rajkot City currently comprises Mr. Rajesh Kaushall, Mr. Amit Vijh, Mr. Tapesh Singhi (*nominee directors of our Company)*, Mr. Nitin S. Nathwani, Mr. Jugal Mukesh Bhai Bundela, Mr. Krunal Dudakiya, Mr. Viren Kumar Parekh, Mr. Bharatbhai Makwana, Mr. Mukesh Ratilal and Mr. Mukesh Bundela.

Financial Performance

As Rajkot City was incorporated in fiscal 2007, no audited financial results prior to fiscal 2007 are available Selected financial information derived from the audited financial results of Rajkot City for the three month period ended June 30, 2009, fiscal 2009, 2007 and 2008 are set forth below.

(*Amount in Rs.)*

	Three month period ended June 30, 2009	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Revenue	17,710,111	63,088,586	48,599,001	12,942,151
Profit/(Loss) after tax	3,078,501	1,866,880	1,120,875	392,491
Share Capital	100,000	100,000	100,000	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	6,458,747	3,380,246	1,513,366	392,491
Earnings Per Share (Basic)*	307.85	186.69	112.08	39.25
Earnings Per Share (Diluted)*	307.85	186.69	112.08	39.25
Book Value per share	655.88	346.88	161.35	49.25

**On weighted average basis*

16. DEN Fateh Marketing Private Limited ("Fateh Marketing ")

Fateh Marketing was incorporated under the name of 'Fateh Marketing Private Limited' on February 14, 2007 under the Companies Act. The name of the company was changed to 'DEN Fateh Marketing Private Limited' on June 4, 2008 consequent to a fresh certificate of incorporation issued by the RoC and its registered office is located at Singh Automobiles, Opposite Nagar Nigam, Bareilly, Uttar Pradesh, India.

The authorized share capital of Fateh Marketing is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of Fateh Marketing as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
1.	DEN Networks Limited	25,500	51.00
2.	Ms. Sandhya Gupta	6,125	12.25
3.	Mr. Harjinder Singh	6,125	12.25
4.	Mr. Pawan Kumar Bajaj	1,225	2.45
5.	Ms. Nisha Gulati	1,225	2.45
6.	Mr. Patvinder Singh	1,225	2.45
7.	Mr. Mahendrera Kumar Gupta	1,225	2.45
8.	Mr. Rajeev Chauhan	1,225	2.45
9.	Ms. Roli Saraswat	1,225	2.45
10	Ms. Kulbir Kaur	1,225	2.45
11.	Mr. Mohd. Umar	1,225	2.45
12.	Mr. Inder Pal Singh	1,225	2.45
13.	Mr. Mahipal Singh	1,225	2.45
	Total	**50,000**	**100.00**

Board of Directors

The board of directors of Fateh Marketing currently comprises Mr. Ajay Tiwari, Mr. Parveen Aggarwal, Mr. Rajeev Jain (*nominee directors of our Company)*, Mr. Pawan Kumar Bajaj and Ms. Sandhya Gupta.

Financial Performance

As Fateh Marketing was incorporated in fiscal 2007, no audited financial results prior to fiscal 2008 are available. Selected financial information derived from the audited financial results of DEN Fateh for the three month period ended June 30, 2009, fiscal 2009 and 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Fiscal 2008
Total Revenue	17,631,841	65,818,300	2,593,299
Profit/(Loss) after tax	2,524,025	(458,998)	8,843
Share Capital*	500,000	500,000	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	2,073,870	(450,155)	8,843
Earnings Per Share (Basic)**	50.48	(9.00)	0.88
Earnings Per Share (Diluted)**	50.48	(9.00)	0.88
Book Value per share	51.48	1.00	9.29

**Excluding share application money of Rs.39,61,000 pending allotment*
***On weighted average basis*

17. Radiant Satelite (India) Private Limited (“Radiant Satelite”)

Radiant Satelite was incorporated on July 27, 2006 under the Companies Act and its registered office is located at 106, Vallabh Bari, Gumanpura, Kota, Rajasthan, India.

The authorized share capital of Radiant Satellite is Rs. 1,500,000.

Shareholding Pattern

The shareholding pattern of Radiant Satelite as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
1.	DEN Networks Limited*	76,500	51.00
2.	Mr. Balbir Singh Sisodia	36,750	24.50
3.	Mr. Kapil Arora	36,750	24.50
	Total	**150,000**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of Radiant Satelite currently comprises Mr. Amarpreet Singh Rekhi, Mr. Tapesh Singhi, Mr. Nitin Mehra (*nominee directors of our Company*), Mr. Balbir Singh Sisodia and Mr. Kapil Arora.

Financial Performance

Selected financial information derived from the audited financial results of Radiant Satelite for the three month period ended June 30, 2009, fiscals 2009, 2008 and the period ended March 31, 2007 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Fiscal 2008	Period ended March 31, 2007
Total Revenue	16,063,610	70,223,747	59,160,196	1,530,299
Profit/(Loss) after tax	(2,674,695)	(2,366,409)	791,918	(234,131)

	Three month period ended June 30, 2009	Fiscal 2009	Fiscal 2008	Period ended March 31, 2007
Share Capital	1,500,000	1,500,000	1,000,000	1,000,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	5,016,683	7,691,378	557,787	(234,131)
Earnings Per Share (Basic)*	(17.83)	(15.78)	7.92	(2.34)
Earnings Per Share (Diluted)*	(17.83)	(15.78)	7.92	(2.34)
Book Value per share	43.44	61.28	15.58	7.66

**On weighted average basis*

18. Dew Shree Network Private Limited ("Dew Shree Network")

Dew Shree Network was incorporated on June 5, 2002 under the Companies Act and its registered office is situated at 158, Patel Park Apartment Kiber Nagar 1 Karatgram Road Surat 395 004, Gujarat, India.

The authorized share capital of Dew Shree Network is Rs. 2,500,000.

Shareholding Pattern

The shareholding pattern of Dew Shree Network as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	40,500	51.04
2.	Mr. Gopalbhai Valijibhai Gohil	17,200	21.68
3.	Ms. Varshaben Gopalbhai Gohil	11,000	13.86
4.	Ms. Kokilaben Gohil	7,000	8.82
5.	Mr. Batukbhai Patel	3,650	4.60
	Total	**79,350**	**100.00**

* *Mr. Hemant Narang and Mr. Rajesh Kaushall hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of Dew Shree Network currently comprises Mr. Rajesh Kaushall, Mr. Shankar Devarajan, Mr. Tapesh Singhi (*nominee directors of our Company)*, Mr. Gopal Bhai Valijibhai Gohil and Ms. Varshaben Gopalbhai Gohil.

Financial Performance

Selected financial information derived from the audited financial results of Dew Shree Network for the three month period ended June 30, 2009, fiscal 2009, 2008 and 2007 are set for the below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Revenue	15,943,356	113,279,073	113,587,809	96,010,531
Profit/(Loss) after tax	1,647,882	(4,384,742)	7,112,627	7,856,936
Share Capital	793,500	793,500	793,500	793,500
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	9,979,141	8,331,260	12,716,002	9,316,956
Earnings Per Share (Basic)*	20.77	(55.26)	89.64	106.25
Earnings Per Share (Diluted)*	20.77	(55.26)	89.64	106.25
Book Value Per Share	135.76	114.99	170.25	126.80

**On weighted average basis*

19. DEN Saya Channel Network Private Limited ("DEN Saya")

DEN Saya was incorporated on May 15, 2008 under the name of 'Saya Channel Network Private Limited' under the Companies Act. The name of the company was changed to 'DEN Saya Channel Network Private Limited' on August 12, 2008 pursuant to a fresh certificate of incorporation consequent to the change of name issued by the RoC. The registered office of DEN Saya is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Saya is Rs. 2,500,000.

Shareholding Pattern

The shareholding pattern of DEN Saya as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Futuristic Cable Network Private Limited*	127,500	51.00
2.	Mr. Sushil Jaiswal	61,250	24.50
3.	Mr. Yogesh Gupta	24,500	9.80
4.	Mr. Sunil Arora	12,250	4.90
5.	Mr. Parveen Kumar	12,250	4.90
6.	Mr. Naveen Jain	12,250	4.90
	Total	**250,000**	**100.00**

***** *Mr. Hemant Narang holds one equity share as a nominee of our Company*

Board of Directors

The board of directors of DEN Saya currently comprises Mr. Tarak Nath Mukherjee, Mr. Amit Vijh, Mr. Parveen Aggarwal (*nominee directors of the Company)*, Mr. Yogesh Kumar Gupta and Mr. Sushil Kumar Jaiswal.

Financial Performance

As DEN Saya was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Saya for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	14,971,236	40,742,905
Profit/(Loss) after tax	4,828,649	(114,679)
Share Capital	2,500,000	2,500,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	4,713,970	(114,679)
Earnings Per Share (Basic)*	19.31	(0.46)
Earnings Per Share (Diluted)*	19.31	(0.46)
Book Value per share	28.86	9.54

**On weighted average basis*

20. DEN Supreme Satellite Vision Private Limited ("DEN Supreme Satellite")

DEN Supreme Satellite was incorporated on April 22, 2008 under the Companies Act and its registered office is situated at 710, Prabhat Centre Annex, Sector 6, CBD Belapur, Navi Mumbai, Maharashtra, India.

The authorized share capital of DEN Supreme Satellite is Rs. 600,000.

Shareholding Pattern

The shareholding pattern of DEN Supreme Satellite as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	30,452	51.00
2.	Mr. Bhupesh Prakashchand Gupta	12,538	21.00
3.	Mr. Kewal Mukesh Daiya	3,583	6.00
4.	Mr. Paresh Gordhandas Thakkar	6,568	11.00
5.	Mr. Shailendra Banke Singh	3,583	6.00
6.	Mr. Jitendra Banke Singh	2,985	5.00
	Total	**59,709**	**100.00**

***** *Mr. Hemant Narang holds one equity share as a nominee of our Company*

Board of Directors

The board of directors of DEN Supreme Satellite currently comprises Mr. Rajesh Kaushall, Mr. Shankar Devarajan (*nominee directors of our Company)*, Mr. Bhupesh Prakashchand Gupta and Mr. Paresh Gordhandas Thakkar.

Financial Performance

As DEN Supreme Satellite was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Supreme Satellite for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	11,992,760	38,664,886
Profit/(Loss) after tax	1,813,515	280,935
Share Capital	597,090	597,090
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	11,207,904	9,394,389
Earnings Per Share (Basic)*	30.37	5.43
Earnings Per Share (Diluted)*	30.37	5.43
Book Value per share	197.71	167.34

**On weighted average basis*

21. DEN MCN Cable Network Private Limited ("DEN MCN")

DEN MCN was incorporated on April 2, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN MCN is Rs. 2,500,000.

Shareholding Pattern

The shareholding pattern of DEN MCN as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited	56,059	51.00
2.	Mr. Manoj Bhai B Patel	9,425	8.57
3.	Mr. Hiteshbhai I. Patel	6,733	6.13
4.	Mr. Ashishbhai M. Shukla	5,925	5.39
5.	Mr. Kamleshbhai R. Patel	4,847	4.41
6.	Mr. Kalpeshbhai C. Parmar	4,040	3.68
7.	Mr. Jitendrabhai D. Patel	4,040	3.68
8.	Mr. Dharmendra M. Patel	3,770	3.43
9.	Mr. Harivadanbhai M. Patel	3,770	3.43
10.	Mr. Jashvantbhai S. Rajput	3,232	2.94

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
11.	Mr. Rohitbhai B. Patel	2,693	2.45
12.	Mr. Manishbhai P. Desai	2,693	2.45
13.	Mr. Hiteshbhai V. Patel	2,693	2.45
	Total	**109,920**	**100.00**

Board of Directors

The board of directors of DEN MCN currently comprises Mr. Shankar Devarajan, Mr. Tarak Nath Mukherjee and Mr. Rajesh Kaushall (*nominee directors of our Company)*.

Financial Performance

As DEN MCN was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN MCN for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	11,115,655	39,542,745
Profit/(Loss) after tax	585,064	1,791,060
Share Capital	1,099,200	1,099,200
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	8,276,923	7,691,860
Earning Per Share (Basic)*	5.32	16.29
Earnings Per Share (Diluted)*	5.32	16.29
Book value per share	85.30	79.98

**On weighted average basis*

22. DEN Enjoy Navaratan Network Private Limited (“ DEN Enjoy Navaratan”)

DEN Enjoy Navaratan was incorporated on February 6, 2008 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Enjoy Navaratan is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Enjoy Navaratan as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
1.	DEN Enjoy Cable Networks Private Limited	31,020	51.00
2.	Mr. Syed Danish Ali Subzposh	3,725	6.12
3.	Mr. Rajesh Dubey	3,725	6.12
4.	Mr. Kusheshwar Parsad Singh	3,725	6.12
5.	Mr. Manoj Kumar Srivastava	3,725	6.12
6.	Mr. Rajan Mahendru	3,725	6.12
7.	Mr. Syed Abdul Rahim	3,725	6.12
8.	Mr. Sudhir Kumar Saxena	3,725	6.12
9.	Mr. Mohammad Ahmed	3,725	6.12
	Total	**60,820**	**100.00**

Board of Directors

The board of directors of DEN Enjoy Navaratan currently comprises Mr. Amarpreet Singh Rekhi, Mr. Nitin Mehra, Mr. Tarak Nath Mukherjee (*nominee directors of our Company)*, Mr. Syed Danish Ali Subzposh and Mr. Rajan Mahendru.

Financial Performance

As DEN Enjoy Navaratan was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Enjoy Navaratan the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	**Fiscal 2009**	**Period ended March 31, 2008**
Total Revenue	9,924,995	36,383,694	-
Profit/(Loss) after tax	2,091,517	497,682	(6,243)
Share Capital	608,200	608,200	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	3,824,756	1,733,239	(6,243)
Earnings Per Share (Basic)*	34.39	8.10	(0.10)
Earnings Per Share (Diluted)*	34.39	8.10	(0.10)
Book Value per share	72.89	38.50	5.04

**On weighted average basis*

23. DEN Mewar Rajdev Cable Network Private Limited ("DEN Mewar")

DEN Mewar was incorporated on February 29, 2008 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Mewar is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Mewar as on September 30, 2009 is as follows:

S. No.	**Name of the shareholder**	**Number of equity shares of Rs.10**	**Percentage of shareholding**
1.	DEN Networks Limited	33,950	65.00
2.	Mr. Balbir Singh Sisodia	4,390	8.41
3.	Mr. Vijay Kathuria	3,840	7.35
4.	Ms. Hansa Mali	3,655	7.00
5.	Mr. Chhoga Lal Bhoi	2,740	5.24
6.	Mr. Vasudev Umar	2,375	4.55
7.	Mr. Basant Sagar	1,280	2.45
	Total	**52,230**	**100.00**

Board of Directors

The board of directors of DEN Mewar currently comprises Mr. Ajay Tiwari, Mr. Amarpreet Singh Rekhi, Mr. Nitin Mehra (*nominee directors of our Company*), Mr. Balbir Singh Sisodia and Mr. Kapil Arora.

Financial Performance

As DEN Mewar was incorporated in fiscal 2008 and commenced operations only in fiscal 2009, no audited financial results prior to fiscal 2009 are available. Selected financial information derived from the audited financial results of DEN Mewar for the three month period ended June 30, 2009 and fiscal 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	**Fiscal 2009**
Total Revenue	9,117,000	40,370,572
Profit/(Loss) after tax	(461,869)	(7,229,856)
Share Capital	522,300	522,300

	Three month period ended June 30, 2009	Fiscal 2009
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(6,833,286)	(6,371,416)
Earnings Per Share (Basic)*	(8.84)	(138.43)
Earnings Per Share (Diluted)*	(8.84)	(138.43)
Book Value per share	(120.83)	(111.99)

On weighted average basis

24. DEN Faction Communication System Private Limited ("DEN Faction")

DEN Faction was incorporated on April 21, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Faction is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Faction as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Futuristic Cable Networks Private Limited*	29,453	51.00
2.	Mr. Davender Singh Malik	28,296	49.00
3.	Mr. Dharmendra Singh Malik	1	Negligible
	Total	**57,750**	**100.00**

* *Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of DEN Futuristic Cable Networks Private Limited.*

Board of Directors

The board of directors of DEN Faction currently comprises Mr. Anand Verma, Mr. Nitin Kumar Gupta and Mr. Tarak Nath Mukherjee.

Financial Performance

As DEN Faction was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Faction for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(*Amount in Rs.)*

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	7,877,658	14,533,396
Profit/(Loss) after tax	(217,711)	(1,012,665)
Share Capital	577,500	577,500
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	835,124	1,052,835
Earnings Per Share (Basic)*	(3.77)	(18.71)
Earnings Per Share (Diluted)*	(3.77)	(18.71)
Book Value per share	24.46	28.23

On weighted average basis

25. DEN Bellary City Cable Private Limited ("**DEN Bellary**")

DEN Bellary was incorporated on October 8, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Bellary is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Bellary as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	28,928	51.00
2.	Mr. Bellary. Sreeramulu	25,794	45.47
3.	Ms. Boya Shanthi	2,000	3.53
	Total	**56,722**	**100.00**

* *Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Rajesh Kaushall and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Bellary currently comprises Mr. Rajesh Kaushall and Mr. Shankar Devarajan (*nominee directors of our Company)* and Mr. Bellary Sreeramulu.

Financial Performance

As DEN Bellary was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Bellary for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(*Amount in Rs.)*

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	7,213,990	8,087,216
Profit/(Loss) after tax	296,552	390,580
Share Capital	567,220	567,220
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	8,932,203	8,635,650
Earnings Per Share (Basic)*	5.23	15.24
Earnings Per Share (Diluted)*	5.23	15.24
Book Value per share	167.47	162.25

**On weighted average basis*

26. Shree Sidhivinayak Cable Network Private Limited ("Shree Sidhivinayak")

Shree Sidhivinayak was incorporated on February 3, 2006 under the Companies Act and its registered office is located at 304, Param Complex, Dandi Bazar, Baroda, Gujarat, India.

The authorized share capital of Shree Sidhivinayak is Rs. 500,000.

Shareholding Pattern

The shareholding pattern of Shree Sidhivinayak as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10 each	Percentage of shareholding
1.	DEN Networks Limited*	25,500	51.00
2.	Mr. Ranjit Kumar Khaire	6,125	12.25
3.	Mr. Prakash D Shah	6,125	12.25
4.	Mr. Mahesh Sawant	6,125	12.25
5.	Mr. Gaurang Brahmbhatt	6,125	12.25
	Total	**50,000**	**100.00**

* *Mr. Hemant Narang, and Mr. Rajesh Kaushall hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of Shree Sidivinayak currently comprises Mr. Shankar Devarajan, Mr. Ajay Tiwari, Mr. Rajeev Jain (*nominee directors of our Company)*, Mr. Mahesh Ranjitsingh Sawant and Mr. Gaurangkumar Girishkumar Brahmbhatt.

Financial Performance

Selected financial information derived from the audited financial results of Shree Sidhivinayak for the three month period ended June 30, 2009, fiscal 2009, 2008 and 2007 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Revenue	7,146,306	24,843,968	11,873,094	3,614,080
Profit/(Loss) after tax	402,545	(1,875,680)	94,479	63,720
Share Capital	500,000	100,000	100,000	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(1,314,936)	(1,717,481)	158,199	63,720
Earnings Per Share (Basic)*	16.43	(187.57)	9.45	6.37
Earnings Per Share (Diluted)*	16.43	(187.57)	9.45	6.37
Book Value per share	(16.30)	(161.75)	25.82	16.37

**On weighted average basis*

27. DEN Montooshah Network Private Limited ("DEN Montooshah")

DEN Montooshah was incorporated on July 10, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Montooshah is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Montooshah as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	26,117	51.00
2.	Mr. Gurbux Singh	25,082	48.98
3.	Ms. Rajinder Kaur	10	0.02
	Total	**51,209**	**100.00**

***** *Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Montooshah currently comprises Mr. Amit Vijh, Mr. Parveen Aggarwal, Mr. Dhanesh Verma (*nominee directors of our Company)*, Mr. Gurbux Singh and Ms. Rajinder Kaur.

Financial Performance

As DEN Montooshah was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Montooshah for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	6,486,694	19,461,685

	Three month period ended June 30, 2009	Period ended March 31, 2009
Profit/(Loss) after tax	878,438	(1,763,373)
Share Capital	512,090	512,090
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	81,062	(830,888)
Earnings Per Share (Basic)*	17.15	(34.45)
Earnings Per Share (Diluted)*	17.15	(34.45)
Book Value per share	11.58	(6.23)

**On weighted average basis*

28. DEN Ambey Jhansi Cable Network Private Limited ("DEN Ambey Jhansi")

DEN Ambey Jhansi was incorporated on October 6, 2008 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Ambey Jhansi is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Ambey Jhansi as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10 each	Percentage of shareholding
1.	DEN Ambey Cable Networks Private Limited*	50,000	100.00
	Total	**50,000**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Jatin Mahajan, Mr. Ajay Tiwari, Mr. Rajesh Kaushall and DEN Entertainment Network Private Limited hold one equity share each as nominees of DEN Ambey Cable Networks Private Limited*

Board of Directors

The board of directors of DEN Ambey Jhansi currently comprises Mr. Dhanesh Varma, Mr. Nitin Kumar Gupta and Mr. Vinay Sharma.

Financial Performance

As DEN Ambey Jhansi was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Ambey Jhansi for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	6,481,420	2,026,827
Profit/(Loss) after tax	1,113,525	(1,209,389)
Share Capital	500,000	500,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(95,864)	(1,209,389)
Earnings Per Share (Basic)*	22.27	(24.19)
Earnings Per Share (Diluted)*	22.27	(24.19)
Book Value per share	8.08	(14.19)

**On weighted average basis*

29. DEN Pawan Cable Network Private Limited ("DEN Pawan")

DEN Pawan was incorporated on December 17, 2007 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Pawan is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Pawan as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	26,315	51.00
2.	Mr. Pawan Kumar	25,280	48.99
3.	Ms. Rekha Devi	5	0.01
	Total	**51,600**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Pawan currently comprises Mr. Rajeev Jain, Mr. Shailender Nath Sharma, Mr. Nitin Mehra (*nominee directors of our Company),* Mr. Pawan Kumar and Ms. Rekha Devi.

Financial Performance

As DEN Pawan has been incorporated in fiscal 2008, no audited financials prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Pawan for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Fiscal 2008
Total Revenue	6,477,339	25,422,029	5,096,924
Profit/(Loss) after tax	802,619	698,945	396,568
Share Capital	516,000	516,000	103,200
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	2,882,132	2,079,513	1,793,368
Earnings Per Share (Basic)*	15.55	13.55	7.69
Earnings Per Share (Diluted)*	15.55	13.55	7.69
Book Value per share	65.86	50.30	183.78

**On weighted average basis*

30. DEN FK Cable TV Network Private Limited ("FK Cable")

FK Cable was incorporated on March 25, 2008 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of FK Cable is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of FK Cable as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
1.	DEN Networks Limited*	27,675	51.00
2.	Mr. Firasat Khan	26,580	48.99
3.	Ms. Shagufta Khan	5	0.01
	Total	**54,260**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of FK Cable currently comprises of Mr. Tarak Nath Mukherjee, Mr. Anand Verma, Mr. Parveen Aggarwal (*nominee directors of our Company)*, Mr. Firasat Khan and Ms. Shagufta Khan.

Financial Performance

As FK Cable was incorporated in fiscal 2008 and commenced operations only in fiscal 2009, no audited financial results prior to fiscal 2009 are available. Selected financial information derived from the audited financial results of FK Cable for the three month period ended June 30, 2009 and fiscal 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009
Total Revenue	6,238,889	19,215,466
Profit/(Loss) after tax	845,101	(265,229)
Share Capital	542,600	542,600
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	4,061,272	3,216,171
Earnings Per Share (Basic)*	15.58	(4.89)
Earnings Per Share (Diluted)*	15.58	(4.89)
Book Value per share	84.85	69.27

**On weighted average basis*

31. DEN Prayag Cable Networks Private Limited ("DEN Prayag")

DEN Prayag was incorporated on August 31, 2007 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Prayag is Rs. 500,000.

Shareholding Pattern

The shareholding pattern of DEN Prayag as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
1.	DEN Networks Limited*	25,501	51.00
2.	Mr. Alok Shankar Mishra	12,501	25.00
3.	Mr. Sanjeev Dixit	11,998	24.00
	Total	**50,000**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Prayag currently comprises Mr. Rajesh Kaushall, Mr. Amarpreet Singh Rekhi (*nominee directors of our Company*) and Mr. Alok Shanker Mishra.

Financial Performance

As DEN Prayag was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Prayag for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	6,169,328	29,639,886	12,090,675
Profit/(Loss) after tax	(42,683)	(320,295)	(170,059)
Share Capital	500,000	500,000	133,350

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	66,963	109,646	796,591
Earnings Per Share (Basic)*	(0.85)	(6.41)	(3.60)
Earnings Per Share (Diluted)*	(0.85)	(6.41)	(3.60)
Book Value per share	11.34	12.19	69.74

**On weighted average basis*

32. DEN Krishna Cable TV Network Private Limited ("DEN Krishna")

DEN Krishna was incorporated on December 18, 2007 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Krishna is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Krishna as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	25,935	51.01
2.	Mr. Harish Gupta	24,915	48.99
3.	Mr. Sri Ram Gupta	5	Negligible
	Total	**50,855**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Krishna currently comprises Mr. Anand Verma, Mr. Shailender Nath Sharma, Mr. Rajeev Jain (*nominee directors of our Company*) Mr. Harish Gupta and Mr. Sri Ram Gupta.

Financial Performance

As DEN Krishna was incorporated in fiscal 2008 and had not commenced operations in fiscal 2008, the audited financial results prior to period ended March 31, 2008 are not available. Selected financial information derived from the audited financial results of DEN Krishna for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	6,080,700	22,316,385	6,137,349
Profit/(Loss) after tax	1,182,512	(820,580)	(79,096)
Share Capital	508,550	508,550	101,710
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	809,611	(372,901)	843,194
Earnings Per Share (Basic)*	23.25	(16.14)	(1.56)
Earnings Per Share (Diluted)*	23.25	(16.14)	(1.56)
Book Value per share	25.92	2.67	92.90

**On weighted average basis*

33. DEN Maa Sharda Vision Cable Networks Private Limited ("DEN Maa Sharda")

DEN Maa Sharda was incorporated on October 16, 2007 under the Companies Act. Its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Maa Sharda is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Maa Sharda as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	31,230	51.00
2.	Mr. Indra Bahadur Singh	29,997	49.00
3.	Ms. Sheila Singh	3	Negligible
	Total	**61,230**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Rajesh Kaushall and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Maa Sharda currently comprises Mr. Tarak Nath Mukherjee, Mr. Nitin Mehra (*nominee directors of our Company*) and Mr. Indra Bahadur Singh.

Financial Performance

As DEN Maa Sharda was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Maa Sharda for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	5,836,756	25,225,135	-
Profit/(Loss) after tax	1,147,078	(1,199,631)	(15,356)
Share Capital	612,300	612,300	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	5,419,791	4,272,713	(15,356)
Earnings Per Share (Basic)*	18.73	(19.59)	(0.30)
Earnings Per Share (Diluted)*	18.73	(19.59)	(0.30)
Book Value Per Share	98.52	79.78	4.03

**On weighted average basis*

34. DEN Varun Cable Network Private Limited ("DEN Varun")

DEN Varun was incorporated on January 3, 2008 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Varun is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Varun as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
1.	DEN Networks Limited*	30,416*	51.00
2.	Mr. Bal Kishan Gupta	29,224	49.00
	Total	**59,640**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi, Mr. Jatin Mahajan and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Varun currently comprises Mr. Anand Verma, Mr. Shailender Nath Sharma (*nominee directors of our Company*) and Mr. Bal Kishan Gupta.

Financial Performance

As DEN Varun was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Varun for the three month period ended June 30, 2009, fiscal 2009 and the period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	**Fiscal 2009**	**Period ended March 31, 2008**
Total Revenue	5,784,173	22,030,169	1,161,186
Profit/(Loss) after tax	207,793	(325,669)	(102,850)
Share Capital	596,400	596,400	149,100
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	712,874	505,081	1,278,050
Earnings Per Share (Basic)*	3.48	(5.46)	(1.73)
Earnings Per Share (Diluted)*	3.48	(5.46)	(1.73)
Book Value per share	21.95	18.47	95.72

**On weighted average basis*

35. Mahadev DEN Network Private Limited ("Mahadev DEN")

Mahadev DEN was incorporated on January 7, 2008 under the Companies Act and its registered office is situated at C-1/31, Althan Tenament, Bhatar Char Rasta, Surat, Gujarat, India.

The authorized share capital of Mahadev DEN is Rs. 2,400,000.

Shareholding Pattern

The shareholding pattern of Mahadev DEN as on September 30, 2009 is as follows:

S. No.	**Name of the shareholder**	**Number of equity shares of Rs. 10**	**Percentage of shareholding**
1.	DEN Networks Limited	122,400	51.00
2.	Mr. Gulamali Bhanvadia	29,400	12.25
3.	Mr. Ganesh Sawant	24,000	10.00
4.	Odhavjibhai Patel HUF	7,056	2.94
5.	Mr. Saurabh Kumar Gangani	6,912	2.88
6.	Mr. Nileshbhai Sagde,	5,400	2.25
7.	Mr. Chandrakantbhai Patel,	4,800	2.00
8.	Mr. Narayanbhai Dare	4,800	2.00
9.	Mr. Narendra Kumar Patel,	4,800	2.00
10.	Mr. Ranchodbhai Desai	4,800	2.00
11.	Mr. Ishwarlal Patel	4,608	1.92
12.	Mr. Rajesh Kumar Shah	4,656	1.94
13.	Mr. Gordhanbhai Patel	3,400	1.42
14.	Mr. Hamirbhai Suva	2,400	1.00
15.	Mr. Narendarbhai Surati	2,400	1.00
16.	Mr. Mohanbhai Patel	2,256	0.94
17.	Mr. Uttamchand Shah	2,256	0.94
18.	Mr. Kamleshbhai Mangukia	2,256	0.94
19.	Ms. Shobhaben Shah	1,400	0.58
	Total	**240,000**	**100.00**

Board of Directors

The board of directors of Mahadev DEN currently comprises Mr. Shankar Devarajan, Mr. Ajay Tiwari, Mr. Anand Verma, Mr. Parveen Aggarwal (*nominee directors of our Company)*, Mr. Gordhanbhai Ambabhai Patel, Mr. Gulamali Gulamhusen Bhanvadia and Mr. Narendra Kumar Ishwarlal Patel.

Financial Performance

As Mahadev DEN was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of Mahadev DEN for the three month period ended June 30, 2009, fiscal 2009 and the period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	**Fiscal 2009**	**Period ended March 31, 208**
Total Revenue	5,618,626	26,335,098	5,113,122
Profit/(Loss) after tax	1,137,760	(448,349)	155,195
Share Capital	2,400,000	2,400,000	2,400,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	844,606	(293,154)	155,195
Earnings Per Share (Basic)*	4.74	(1.87)	3.55
Earnings Per Share (Diluted)*	4.74	(1.87)	3.55
Book Value per share	13.52	8.78	10.65

**On weighted average basis*

36. Mahadev DEN Cable Network Private Limited ("Mahadev DEN Cable")

Mahadev DEN Cable was incorporated on January 7, 2008 under the Companies Act and its registered office is located at A-1, Fourth Floor, Samarth Park, Chhapra Bhatha Road, Surat, Gujarat, India.

The authorized share capital of Mahadev DEN Cable is Rs. 900,000.

Shareholding Pattern

The shareholding pattern of Mahadev DEN Cable as on September 30, 2009 is as follows:

S. No.	**Name of the shareholder**	**Number of equity shares of Rs. 10**	**Percentage of shareholding**
1.	DEN Networks Limited	45,863	50.96
2.	Mr. Narayanbhai Sajanbhai Dare	6,300	7.00
3.	Mr. Odhavjibhai Ambabhai Patel	3,600	4.00
4.	Mr. Rameshbhai Ranchodbhai Desai	3,300	3.67
5.	Mr. Rajenderbhai Desai	3,150	3.50
6.	Mr. Hardikkumar Gangani	2,840	3.16
7.	Mr. Ankit Gordanbhai Patel	2,610	2.90
8.	Mr. Jignesh Odhavjibhai Patel	2,574	2.86
9.	Mr. Narendarbhai Surati	2,250	2.50
10.	Mr. Kishoribhai Sudani	2,250	2.50
11.	Mr. Gordanbhai Patel HUF	1,800	2.00
12.	Mr. Pravinbhai Desai	1,800	2.00
13.	Ms. Shobhaben Desai	1,800	2.00
14.	Mr. Chandrakant Kantharia	1,454	1.62
15.	Mr. Chandrakantbhai Patel	1,323	1.47
16.	Ms. Kajalben Desai	900	1.00
17.	Ms. Kailashben Jatani	900	1.00
18.	Mr. Govindbhai Mania,	900	1.00
19.	Ms. Santuben Desai	900	1.00
20.	Mr. Kanubhai Suva	882	0.98
21.	Mr. Mukeshbhai Mangukia	774	0.86
22.	Mr. Vinubhai Gangani	774	0.86

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
23.	Mr. Rajubhai Der	756	0.84
24.	Rameshbhai Desai HUF	300	0.33
	Total	**90,000**	**100.00**

Board of Directors

The board of directors of Mahadev DEN Cable currently comprises Mr. Shankar Devarajan, Mr. Tarak Nath Mukherjee, Mr. Ajay Tiwari, Mr. Parveen Aggarwal (*nominee directors of our Company)*, Mr. Narayanbhai Sajanbhai Dare, Mr. Odhavjibhai Ambabhai Patel and Mr. Rameshbhai Ranchodbhai Desai.

Financial Performance

As Mahadev DEN Cable was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of Mahadev DEN Cable for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	4,828,101	26,986,077	3,517,352
Profit/(Loss) after tax	685,468	(3,763,941)	6,270
Share Capital	900,000	900,000	900,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(3,072,203)	(3,757,671)	6,270
Earnings Per Share (Basic)*	7.62	(41.82)	0.37
Earnings Per Share (Diluted)*	7.62	(41.82)	0.37
Book Value per share	(24.14)	(31.75)	10.07

**On weighted average basis*

37. Drashti Cable Network Private Limited ("Drashti Cable")

Drashti Cable was incorporated on February 5, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of Drashti Cable is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of Drashti Cable as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	27,325	51.00
2.	Mr. Dharmesh Jayantibhai. Pala	17,060	31.85
3.	Mr. Jayeshbhai Sanabhai Patel.	9,185	17.15
	Total	**53,570**	**100.00**

* *Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of Drashti Cable currently comprises Mr. Shankar Devarajan, Mr. Nitin Mehra, Mr. Parveen Aggarwal (*nominee directors of our Company)*, Mr. Dharmesh Jayantibhai. Pala, and Mr. Jayeshbhai Sanabhai Patel.

Financial Performance

As Drashti Cable was incorporated in fiscal 2008 and commenced operations only in fiscal 2009, no audited financial results prior to fiscal 2009 are available. Selected financial information derived from the audited financial results of Drashti Cable for the three month period ended June 30, 2009 and fiscal 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009
Total Revenue	4,109,164	18,824,907
Profit/(Loss) after tax	596,452	748,155
Share Capital	535,700	535,700
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	3,908,906	3,312,455
Earnings Per Share (Basic)*	11.13	19.83
Earnings Per Share (Diluted)*	11.13	19.83
Book value Per Share	82.97	71.83

**On weighted average basis*

38. DEN Satellite Cable TV Network Private Limited ("DEN Satellite")

DEN Satellite was incorporated on December 19, 2007 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Satellite is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Satellite as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	31,265	51.00
2.	Mr. Yogendra Kumar Singh	15,020	24.50
3.	Mr. Adnan Askari	15,020	24.50
	Total	**61,305**	**100.00**

***** *Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company*

Board of Directors

The board of directors of DEN Satellite currently comprises Mr. Amarpreet Singh Rekhi, Mr. Shailender Nath Sharma, Mr. Nitin Mehra (*nominee directors of our Company)*, Mr. Adnan Askari and Mr. Yogendra Kumar Singh.

Financial Performance

As DEN Satellite was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Satellite for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	4,041,703	15,136,515	-
Profit/(Loss) after tax	19,194	(256,570)	(6,555)
Share Capital	613,050	613,050	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L	1,168,019	1,148,825	(6,555)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
debit balance)			
Earnings Per Share (Basic)*	0.31	(4.19)	(0.15)
Earnings Per Share (Diluted)*	0.31	(4.19)	(0.15)
Book Value Per Share	29.05	28.74	9.34

**On weighted average basis*

39. Mahadev DEN Cable Net Private Limited ("Mahadev DEN Cable Net")

Mahadev DEN Cable Net was incorporated on January 7, 2008 under the Companies and its registered office is situated at 45/299, Gujarat Housing Board, Palapur Patiya, Rander Road, Surat, Gujarat, India.

The authorized share capital of Mahadev DEN Cable Net is Rs. 900,000.

Shareholding Pattern

The shareholding pattern of Mahadev DEN Cable Net as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited	45,900	51.00
2.	Mr. Ajitbhai Ilachiya	4,851	5.40
3.	Ms. Naynaben Patel	4,500	5.01
4.	Mr. Narendra Patel	4,500	5.01
5.	Mr. Kamleshbhai Patel	4,500	5.01
6.	Mr. Ramdas Lashkari	3,600	4.01
7.	Mr. Manish Kumar Patel	2,700	3.01
8.	Ms. Madhuben Gangani	2,646	2.94
9.	Mr. Anil Der	2,205	2.45
10.	Mr. Pravinbhai Desai	2,205	2.45
11.	Mr. Chandrakantbhai Patel	2,205	2.45
12.	Ms. Ashaben Patel	2,025	2.25
13.	Mr. Tribhovanbhai Patel	1,800	2.00
14.	Mr. Rajeshbhai Patel	1,800	2.00
15.	Mr. Odhavjibhai Patel	1,764	1.96
16.	Gordhanbhai Ambabhai Patel HUF	900	1.00
17.	Ms. Vaishaliben Shah,	864	0.96
18.	Mr. Umbedbhai Laskani	810	0.90
19.	Ms. Babitaben Patel	225	0.25
	Total	**90,000**	**100.00**

Board of Directors

The board of directors of Mahadev DEN Cable Net currently comprises Mr. Shankar Devarajan, Mr. Tarak Nath Mukherjee, Mr. Ajay Tiwari, Mr. Parveen Aggarwal (*nominee directors of our Company)*, Mr. Kamleshkumar Becharbhai Patel, Mr. Chandrakanth Mohanbhai Patel and Mr. Ramdas Dalpatram Laskari.

Financial Performance

As Mahadev DEN Cable Net was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of Mahadev DEN Cable Net for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	3,786,924	17,726,006	2,481,526
Profit/(Loss) after tax	683,662	716,938	51,017

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Share Capital	900,000	900,000	900,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	1,451,617	767,955	51,017
Earnings Per Share (Basic)*	7.60	7.97	3.05
Earnings Per Share (Diluted)*	7.60	7.97	3.05
Book Value per share	26.13	18.53	10.57

**On weighted average basis*

40. DEN Ashu Cable Private Limited (“**DEN Ashu**”)

DEN Ashu was incorporated on August 13, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Ashu is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Ashu as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	29,223	51.00
2.	Mr. Jitendra Rana	14,039	24.50
3.	Mr. Mukesh Mann	14,038	24.50
	Total	**57,300**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Ashu currently comprises Mr. Amit Vijh, Mr. Nitin Kumar Gupta and Mr. Parveen Aggarwal.

Financial Performance

As DEN Ashu was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Ashu for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	3,060,620	6,758,222
Profit/(Loss) after tax	72,172	(546,180)
Share Capital	573,000	573,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	2,525,742	2,453,570
Earnings Per Share (Basic)*	1.26	(9.58)
Earnings Per Share (Diluted)*	1.26	(9.58)
Book Value per share	54.08	52.82

**On weighted average basis*

41. DEN Crystal Vision Network Private Limited (“DEN Crystal”)

DEN Crystal was incorporated on December 18, 2007 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Crystal is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Crystal as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
1.	DEN Networks Limited*	29,150	51.00
2.	Mr. Rakesh Kumar Rawlley	27,995	48.99
3.	Ms. Ritu Rawlley	5	0.01
	Total	**57,150**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company*.

Board of Directors

The board of directors of DEN Crystal currently comprises Mr. Rajeev Jain,, Mr. Shailender Nath Sharma, Mr. Vinay Sharma (*nominee directors of our Company*), Mr. Rakesh Kumar Rawlley and Ms. Ritu Rawlley.

Financial Performance

As DEN Crystal was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Crystal for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	2,886,322	13,923,021	2,718,220
Profit/(Loss) after tax	(192,046)	(1,164,791)	20,234
Share Capital	571,500	571,500	114,300
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	191,897	383,943	2,005,934
Earnings Per Share (Basic)*	(3.36)	(20.38)	0.35
Earnings Per Share (Diluted)*	(3.36)	(20.38)	0.35
Book Value per share	13.36	16.72	187.26

**On weighted average basis*

42. DEN BCN Suncity Network Private Limited ("DEN BCN")

DEN BCN was incorporated on December 17, 2007 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN BCN is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN BCN as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
1.	DEN Networks Limited*	27,380	51.00
2.	Mr. Ravi Bali	13,145	24.50
3.	Mr. Surendra Sharma	13,145	24.50
	Total	**53,670**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN BCN currently comprises Mr. Dhanesh Verma, Mr. Rajeev Jain, Mr. Shailender Nath Sharma (*nominee directors of our Company*), Mr. Ravi Bali and Mr. Surendra Sharma.

Financial Performance

As DEN BCN was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN BCN for three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	**Fiscal 2009**	**Period ended March 31, 2008**
Total Revenue	2,578,276	10,928,237	2,419,642
Profit/(Loss) after tax	130,695	(336,237)	(37,088)
Share Capital	536,700	536,700	107,340
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	820,670	689,975	1,455,572
Earnings Per Share (Basic)*	2.44	(6.26)	(0.69)
Earnings Per Share (Diluted)*	2.44	(6.26)	(0.69)
Book Value per share	25.29	22.86	145.60

**On weighted average basis*

43. Malayalam Telenet Private Limited ("**Malayalam Telenet**")

Malayalam Telenet was incorporated on January 29, 2004 under the Companies Act and its registered office is situated at 3rd floor, Parapilly Buildings, S.A. Road, Panampilly Road, Cochin, Kerala, India.

The authorized share capital of Malayalam Telenet is Rs. 12,000,000.

Shareholding Pattern

The shareholding pattern of Malayalam Telenet as on September 30, 2009 is as follows:

S. No.	**Name of the shareholder**	**Number of equity shares of Rs. 10**	**Percentage of shareholding**
1.	DEN Networks Limited	550,800	51.00
2.	Mr. Sajan Malayail	58,800	5.44
3.	Mr. R. Prasad	58,800	5.44
4.	Mr. U.N. Bahsi	29,400	2.72
5.	Ms. Pauly Jose T.	29,400	2.72
6.	Mr. Manoj J. S.	14,700	1.36
7.	Mr. Martin D'Souza	14,700	1.36
8.	Mr. O. Narayanan	14,700	1.36
9.	Mr. Sohan Das T.M.	14,700	1.36
10.	Mr. Jayant C.	14,700	1.36
11.	Mr. Joseph John	14,700	1.36
12.	Mr. Sanoj K.J.	14,700	1.36
13.	Ms. Anitha Shenoy	14,700	1.36
14.	Mr. Anoop T.U.	14,700	1.36
15.	Mr. Mohanan	14,700	1.36
16.	Mr. V.Ramakrishnan	14,700	1.36
17.	Mr. Zainudheen A.A.	14,700	1.36
18.	Mr. P.N. Suresh	14,700	1.36
19.	Mr. C.G. Ramachandran	14,700	1.36
20.	Mr. K.K. Ramakrishnan	14,700	1.36
21.	Mr. C.B. Manoj Kumar	14,700	1.36
22.	Mr. Martin Joseph	14,700	1.36
23.	Mr. K.N. Velayudhan	14,700	1.36
24.	Mr. Muhamad Raphi	14,700	1.36

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
25.	Mr. George Henry C.J.	14,700	1.36
26.	Ms. Bina Joy	14,700	1.36
27.	Mr. Joseph N.R	14,700	1.36
28.	Mr. Hemaraj T.R.	12,250	1.13
29.	Mr. V. Gopalkrishnan	12,250	1.13
30.	Mr. T.D. Anchalose	4,900	0.45
	Total	**1,080,000**	**100.00**

Board of Directors

The board of directors of Malayalam Telenet currently comprises Mr. Shankar Devarajan, Mr. Amit Vijh, Mr. Parveen Aggarwal (*nominee directors of our Company)*, Ms. Pauly Jos Thekken and Mr. Sajan Malayil.

Financial Performance

Selected financial information derived from the audited financial results of Malayalam Telenet for the three month period ended June 30, 2009, fiscals 2009, 2008 and 2007 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Revenue	2,391,322	10,160,689	9,100,330	6,249,030
Profit/(Loss) after tax	(259,327)	(370,538)	393,076	(2,191,527)
Share Capital*	10,800,000	10,800,000	10,692,000	6,550,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(6,327,719)	(6,068,392)	(5,697,854)	(6,090,930)
Earnings Per Share (Basic)**	(2.40)	(0.66)	0.70	(3.35)
Earnings Per Share (Diluted)**	(2.40)	(0.66)	0.70	(3.35)
Book Value per share	4.14	4.38	1.29	0.69

**Fiscal Year 2008 includes share application money of Rs.41,42,000. *Fiscal Year 2007 includes share application money of Rs.36,92,000*
***On weighted average basis*

44. DEN Mod Max Cable Network Private Limited ("DEN Mod")

DEN Mod was incorporated on December 18, 2007 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Mod is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Mod as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
1.	DEN Networks Limited*	26,300	51.00
2.	Mr. Manoj Tyagi	25,260	49.00
3.	Mr. Subodh Tyagi	5	Negligible
	Total	**51,565**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Mod currently comprises Mr. Dhanesh Verma, Mr. Rajeev Jain, Mr. Shailender Nath Sharma (*nominee directors of our Company*), Mr. Manoj Kumar Tyagi and Mr. Subodh Kumar Tyagi.

Financial Performance

As DEN Mod was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Mod for three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	2,346,723	11,211,966	3,189,586
Profit/(Loss) after tax	(100,552)	(1,278,304)	(46,907)
Share Capital	515,650	515,650	103,130
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(1,113,413)	(1,012,861)	677,963
Earnings Per Share (Basic)*	(1.95)	(24.79)	(0.94)
Earnings Per Share (Diluted)*	(1.95)	(24.79)	(0.94)
Book Value per share	(11.59)	(9.64)	75.74

**On weighted average basis*

45. DEN Aman Entertainment Private Limited ("**DEN Aman**")

DEN Aman was incorporated on September 2, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Aman is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Aman as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	30,529	51.00
2.	Mr. Mukul Rastogi	29,330	49.00
3.	Ms. Ritu Rastogi	1	Negligible
	Total	**59, 860**	**100.00**

* *Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Aman currently comprises Mr. Amit Vijh, Mr. Dhanesh Verma and Mr. Vinay Sharma, (*nominee directors of our Company)* Ms. Ritu Rastogi and Mr. Mukul Kumar Rastogi,

Financial Performance

As DEN Aman was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Aman for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(*Amount in Rs.)*

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	2,208,224	4,877,696
Profit/(Loss) after tax	470,413	(72,382)
Share Capital	598,600	598,600
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	1,628,932	1,158,518
Earnings Per Share (Basic)*	7.86	(1.24)
Earnings Per Share (Diluted)*	7.86	(1.24)
Book Value per share	37.21	29.35

*On weighted average basis

46. DEN Jai Ambey Vision Cable Private Limited ("DEN Jai")

DEN Jai was incorporated on April 2, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Jai is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Jai as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	25,624	51.00
2.	Mr. Sanjay Sharma	24,612	48.99
3.	Ms. Sushma Sharma	4	0.01
	Total	**50,240**	**100.00**

***** *Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Jai currently comprises Mr. Nitin Kumar Gupta, Mr. Vinay Sharma and Mr. Tapesh Singhi.

Financial Performance

As DEN Jai was incorporated in fiscal 2009 and commenced operations only in fiscal 2009, no audited financial results prior to fiscal 2009 are available. Selected financial information derived from the audited financial results of the three month period ended June 30, 2009 and fiscal 2009 are as follows:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009
Total Revenue	2,043,447	7,294,754
Profit/(Loss) after tax	97,883	(318,583)
Share Capital	502,400	502,400
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	216,900	119,017
Earnings Per Share (Basic)*	1.95	(6.34)
Earnings Per Share (Diluted)*	1.95	(6.34)
Book Value per share	14.32	12.37

*On weighted average basis

47. DEN Pradeep Cable Network Private Limited ("DEN Pradeep")

DEN Pradeep was incorporated on January 16, 2008 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Pradeep is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Pradeep as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	25,628	51.01
2.	Mr. Pradeep Kumar Gurrelay	12,312	24.50

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
3.	Mr. Pradeep Kumar Valecha	12,308	24.49
	Total	**50,248**	**100.00**

* *Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Pradeep currently comprises Mr. Anand Verma, Mr. Shailender Nath Sharma, Mr. Rajeev Jain (*nominee directors of our Company*), Mr. Pradeep Kumar Valecha and Mr. Pradeep Kumar Gurrelay.

Financial Performance

As DEN Pradeep was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Pradeep for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	2,001,874	7,514,925	858,624
Profit/(Loss) after tax	4,598	(183,467)	(238,640)
Share Capital	502,480	502,480	125,620
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(219,989)	(224,587)	335,740
Earnings Per Share (Basic)*	0.09	(3.65)	(4.81)
Earnings Per Share (Diluted)*	0.09	(3.65)	(4.81)
Book Value per share	5.62	5.53	36.73

**On weighted average basis*

48. DEN Budaun Cable Network Private Limited ("**DEN Budaun**")

DEN Budaun was incorporated on July 2, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Budaun is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Budaun as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited	37,113	51.00
2.	Mr. Jyoti Prasad	9,984	13.71
3.	Mr. Mukesh Kumar Gupta	8,914	12.25
4.	Mr. Vikas Ahuja	6,062	8.34
5.	Mr. Lokesh Gupta	4,279	5.88
6.	Mr. Surendra Ahuja	3,209	4.41
7.	Mr. Anil Kumar Ahuja	3,209	4.41
	Total	**72,770**	**100.00**

Board of Directors

The board of directors of DEN Budaun currently comprises Mr. Parveen Aggarwal, Mr. Nitin Kumar Gupta and Mr. Ajay Tiwari (*nominee director of our Company)* and Mr. Jyoti Prasad.

Financial Performance

As DEN Budaun was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Budaun for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(*Amount in Rs.)*

	Three month period ended June 30, 2009	**Period ended March 31, 2009**
Total Revenue	1,980,657	2,428,804
Profit/(Loss) after tax	104,796	(98,732)
Share Capital	727,700	727,700
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	1,005,364	900,568
Earnings Per Share (Basic)*	1.44	(1.51)
Earnings Per Share (Diluted)*	1.44	(1.51)
Book Value per share	23.82	22.38

**On weighted average basis*

49. DEN Harsh Mann Cable Network Private Limited ("DEN Harsh")

DEN Harsh was incorporated on December 19, 2007 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Harsh is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Harsh as on September 30, 2009 is as follows:

S. No.	**Name of the shareholder**	**Number of equity shares of Rs. 10**	**Percentage of shareholding**
1.	DEN Networks Limited*	27,565	51.00
2.	Mr. Sudesh Mann	26,480	48.99
3.	Mr. Rai Singh Mann	5	0.01
	Total	**54,050**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Harsh currently comprises Mr. Tapesh Singhi, Mr. Rajeev Jain (*nominee directors of our Company*) and Ms. Sudesh Mann.

Financial Performance

As DEN Harsh was incorporated in fiscal 2008, no audited financial results prior the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Harsh for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	**Fiscal 2009**	**Period ended March 31, 2008**
Total Revenue	1,809,897	7,058,489	526,036
Profit/(Loss) after tax	(15,106)	(187,255)	(18,646)
Share Capital	540,500	540,500	108,100
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(174,332)	(159,226)	460,429
Earnings Per Share (Basic)*	(0.28)	(3.46)	(0.35)
Earnings Per Share (Diluted)*	(0.28)	(3.46)	(0.35)
Book Value per share	6.78	7.05	52.59

**On weighted average basis*

50. DEN Ambey Citi Cable Network Private Limited ("DEN Ambey Citi")

DEN Ambey Citi was incorporated on October 16, 2007 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Ambey Citi is Rs. 500,000.

Shareholding Pattern

The shareholding pattern of DEN Ambey Citi as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10 each	Percentage of shareholding
1.	DEN Ambey Cable Networks Private Limited*	25,501	51.00
2.	Mr. Anil Kumar Tuli	24,495	48.99
3.	Mr. Renu Tuli	4	0.01
	Total	**50,000**	**100.00**

**Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of DEN Ambey Cable Networks Private Limited.*

Board of Directors

The board of directors of DEN Ambey Citi currently comprises Mr. Vinay Sharma, Mr. Amarpreet Singh Rekhi, Mr. Anand Verma (*nominee directors of our Company)*, Mr. Anil Kumar Tuli and Ms. Renu Tuli.

Financial Performance

As DEN Ambey Citi was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Ambey Citi for the three month period ended June 30, 2009, fiscal 2009 and the period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	1,454,041	5,631,527	439,772
Profit/(Loss) after tax	204,532	(87,037)	(110,519)
Share Capital	500,000	500,000	115,740
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	406,976	202,444	673,741
Earnings Per Share (Basic)*	4.09	(1.74)	(2.26)
Earnings Per Share (Diluted)*	4.09	(1.74)	(2.26)
Book Value Per Share	18.14	14.05	68.21

**On weighted average basis*

51. DEN P.S.C. Network Private Limited ("**DEN P.S.C**")

DEN P.S.C was incorporated on July 17, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN P.S.C. is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN P.S.C as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	38,914	76.00
2.	Mr. Paramjeet Singh	4,097	8.00
3.	Mr. Taranjeet Singh	4,097	8.00
4.	Mr. Avneet Singh	4,095	8.00
	Total	**51,203**	**100.00**

* *Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar and Mr. Anuj Gandhi hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN P.S.C currently comprises Mr. Amit Vijh, Mr. Tarak Nath Mukherjee and Mr. Parveen Aggarwal (*nominee directors of our Company*), Mr. Paramjeet Singh and Mr. Avneet Singh.

Financial Performance

As DEN P.S.C was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN P.S.C for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	1,447,357	3,626,505
Profit/(Loss) after tax	10,706	(108,836)
Share Capital	512,030	512,030
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	171,840	161,134
Earnings Per Share (Basic)*	0.21	(2.13)
Earnings Per Share (Diluted)*	0.21	(2.13)
Book Value per share	13.36	13.15

**On weighted average basis*

52. DEN Prince Network Private Limited ("DEN Prince")

DEN Prince was incorporated on December 18, 2007 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Prince is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Prince as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	27,384	51.00
2.	Mr. Reetesh Kumar Varshney	20,000	37.24
3.	Mr. Umesh Chand Varshney	6,312	11.76
	Total	**53,696**	**100.00**

**Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Prince currently comprises Mr. Vinay Sharma, Mr. Amarpreet Singh Rekhi, Mr. Shailender Nath Sharma (*nominee directors of our Company),* Mr. Reetesh Kumar Varshney and Mr. Umesh Chand Varshney.

Financial Performance

As DEN Prince was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Prince for the three month period ended June 30, 2009, fiscal 2009 and the period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	1,418,565	5,630,686	386,542
Profit/(Loss) after tax	(98,626)	(529,496)	(449,777)
Share Capital	536,960	536,960	134,240
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(14,859)	83,767	1,015,983
Earnings Per Share (Basic)*	(1.84)	(9.86)	(8.61)
Earnings Per Share (Diluted)*	(1.84)	(9.86)	(8.61)
Book Value Per Share	9.72	11.56	85.68

**On weighted average basis*

53. DEN Malabar Cable Vision Private Limited ("DEN Malabar")

DEN Malabar was incorporated on July 9, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase II, Delhi, India.

The authorized share capital of DEN Malabar is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Malabar as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	30,633	51.00
2.	Mr. V. Kunhimohamed Kutty	14,714	24.50
3.	Mr. Ali Mubarak Nil Ali Mubarak	7,357	12.25
4.	Mr. P.V. Munner	7,358	12.25
5.	Mr. Ramia Adimaparambli	1	negligible
	Total	**60,063**	**100.00**

* *Mr. Hemant Narang and Mr. Rajesh Kaushall hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Malabar currently comprises Mr. Tapesh Singhi, Mr. Shankar Devarajan, Mr. Amarpreet Singh Rekhi (*nominee directors of our Company)*, Mr. Ali Mubarak Nil Ali Mubarak and V. Kunhimohamed Kutty.

Financial Performance

The audited financial statements of DEN Malabar for the three month period ended June 30, 2009 and period ended March 31, 2009 are as follows:

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	1,352,357	-
Profit/(Loss) after tax	(91,160)	(44,818)
Share Capital	600,630	500,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	7,763,477	(44,818)
Earnings Per Share (Basic)*	(1.76)	(2.19)

	Three month period ended June 30, 2009	Period ended March 31, 2009
Earnings Per Share (Diluted)*	(1.76)	(2.19)
Book Value per share	139.26	9.10

On weighted average basis

54. DEN Bindra Network Private Limited ("DEN Bindra")

DEN Bindra was incorporated on June 13, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Bindra is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Bindra as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	26,841	51.00
2.	Ms. Inderjeet Kaur Bindra	25,000	47.50
3.	Mr. Harpal Singh Bindra	788	1.50
	Total	**52,629**	**100.00**

***** *Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Bindra currently comprises Mr. Anand Verma, Mr. Nitin Kumar Gupta and Mr. Tarak Nath Mukherjee

Financial Performance

As DEN Bindra was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Bindra for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	1,111,095	3,580,482
Profit/(Loss) after tax	99,758	(735,121)
Share Capital	526,290	526,290
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(161,653)	(261,411)
Earnings Per Share (Basic)*	1.90	(11.23)
Earnings Per Share (Diluted)*	1.90	(11.23)
Book Value per share	6.93	5.03

On weighted average basis

55. DEN Radiant Satellite Cable Network Private Limited ("DEN Radiant")

DEN Radiant was incorporated on February 28, 2008 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Radiant is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Radiant as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	35,140	65.00
2.	Mr. Balbir Singh Sisodia	9,460	17.50
3.	Mr. Lal Chand Maheshwari	9,460	17.50
	Total	**54,060**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Radiant currently comprises Mr. Ajay Tiwari, Mr. Amarpreet Singh Rekhi, Mr. Nitin Mehra (*nominee directors of our Company*), Mr. Balbir Singh Sisodia and Mr. Kapil Arora.

Financial Performance

As DEN Radiant was incorporated in fiscal 2008 and commenced operations only in fiscal 2009, no audited financial results prior to fiscal 2009 are available. Selected financial information derived from the audited financial results of DEN Radiant for the three month period ended June 30, 2009 and fiscal 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009
Total Revenue	1,090,511	2,501,418
Profit/(Loss) after tax	299,344	(142,152)
Share Capital	540,600	540,600
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	496,592	197,248
Earnings Per Share (Basic)*	5.54	(2.63)
Earnings Per Share (Diluted)*	5.54	(2.63)
Book Value per share	19.19	13.65

**On weighted average basis*

56. DEN Classic Cable TV Services Private Limited ("DEN Classic")

DEN Classic was incorporated on January 10, 2008 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Classic is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Classic as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	29,685	51.00
2.	Ms. Neeru Mehta	28,520	48.99
3.	Ms. Vasudha Mehta	5	0.01
	Total	**58,210**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Classic currently comprises Mr. Shailender Nath Sharma, Mr. Dhanesh Verma, Mr. Rajeev Jain (*nominee directors of our Company*), Ms. Vasudha Mehta and Ms. Neeru Mehta.

Financial Performance

As DEN Classic was incorporated in fiscal 2008, no audited financial results prior to the period March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Classic for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	1,022,047	5,638,808	-
Profit/(Loss) after tax	(236,482)	(817,751)	(8,059)
Share Capital	582,100	582,100	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(813,393)	(576,910)	(8,059)
Earnings Per Share (Basic)*	(4.06)	(14.21)	(0.14)
Earnings Per Share (Diluted)*	(4.06)	(14.21)	(0.14)
Book Value per share	(3.97)	0.09	4.86

**On weighted average basis*

57. DEN Mahendra Satellite Private Limited ("DEN Mahendra")

DEN Mahendra was incorporated on December 19, 2007 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Mahendra is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Mahendra as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
1.	DEN Networks Limited*	33,300	60.00
2.	Mr. Mahendra Kumar	22,200	40.00
	Total	**55,500**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi, Mr. Jatin Mahajan and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Mahendra currently comprises Mr. Tapesh Singhi, Mr. Rajeev Jain (*nominee directors of our Company*) and Mr. Mahendar Kumar.

Financial Performance

As DEN Mahendra was incorporated in fiscal 2008, no audited financial results prior to period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Mahendra for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	930,874	3,440,133	881,100
Profit/(Loss) after tax	(115,216)	(938,882)	(270,689)
Share Capital	555,000	555,000	111,000

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(1,283,787)	(1,168,571)	214,311
Earnings Per Share (Basic)*	(2.08)	(16.92)	(4.88)
Earnings Per Share (Diluted)*	(2.08)	(16.92)	(4.88)
Book Value per share	(13.13)	(11.06)	29.31

**On weighted average basis*

58. DEN RIS Cable Network Private Limited ("DEN RIS")

DEN RIS was incorporated on January 3, 2008 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN RIS is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN RIS as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	48,256	80.00
2.	Mr. Vivek Prabhakar	12,060	19.99
3.	Mr. Vinay Prabhakar	4	0.01
	Total	**60,320**	**100.00**

**Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN RIS currently comprises of Mr. Amarpreet Singh Rekhi, Mr. Shailender Nath Sharma, Mr. Nitin Mehra (*nominee directors of our Company*), Mr. Vivek Prabhakar and Mr. Vinay Prabhakar.

Financial Performance

As DEN RIS was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN RIS for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	843,720	2,844,746	-
Profit/(Loss) after tax	(707,546)	(643,605)	(6,234)
Share Capital	603,200	603,200	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	414,414	1,121,961	(6,234)
Earnings Per Share (Basic)*	(11.73)	(10.82)	(0.11)
Earnings Per Share (Diluted)*	(11.50)	(10.75)	-
Book Value per share	16.87	28.60	6.44

**On weighted average basis*

59. DEN Shiva Cable Network Private Limited ("DEN Shiva Cable")

DEN Shiva Cable was incorporated on April 8, 2008 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Shiva Cable is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Shiva Cable as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs.10	Percentage of shareholding
1.	DEN Networks Limited*	25,500	51.00
2.	Mr. Satish Kumar	12,250	24.50
3.	Mr. Satya Priya Shailendra	12,250	24.50
	Total	**50,000**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, DEN Entertainment Network Private Limiited and Mr. Anuj Gandhi hold one equity share each as nominees of our Company*

Board of Directors

The board of directors of DEN Shiva Cable currently comprises Mr. Tapesh Singhi, Mr. Nitin Kumar Gupta, Mr. Ajay Tiwari (*nominee directors of our Company)* and Mr. Satish Kumar.

Financial Performance

As DEN Shiva Cable was incorporated in fiscal 2009 no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Shiva Cable for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	822,772	2,353,907
Profit/(Loss) after tax	(57,075)	(494,034)
Share Capital	500,000	500,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(551,109)	(494,034)
Earnings Per Share (Basic)*	(1.14)	(10.78)
Earnings Per Share (Diluted)*	(1.14)	(10.78)
Book Value per share	(1.02)	0.12

**On weighted average basis*

60. DEN Elgee Cable Vision Private Limited ("DEN Elgee)

DEN Elgee was incorporated on August 6, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Elgee is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Elgee as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	47,052	51.00
2.	Mr. Lateef Thumbarath Saidumuhammed	45,205	48.99
3.	Mr. Puduva Kuriappan George	1	0.01
	Total	**92,258**	**100.00**

** Mr. Anuj Gandhi, Mr. Mohammad Ghulam Azhar, Mr. Rajesh Kaushall and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Elgee currently comprises Mr. Parveen Aggarwal, Mr. Munish Singla and Mr. Anand Verma.

Financial Performance

As DEN Elgee was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Elgee for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

	Three month period ended June 30, 2009	**Period ended March 31, 2009**
Total Revenue	416,016	-
Profit/(Loss) after tax	1,411	(45,156)
Share Capital	922,580	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	3,463,675	(45,156)
Earnings Per Share (Basic)*	0.09	(6.95)
Earnings Per Share (Diluted)*	0.09	(6.95)
Book Value per share	47.54	5.48

**On weighted average basis*

61. DEN Deva Cable Network Private Limited ("DEN Deva")

DEN Deva was incorporated on January 8, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Deva is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Deva as on September 30, 2009 is as follows:

S. No.	**Name of the shareholder**	**Number of equity shares of Rs. 10**	**Percentage of shareholding**
1.	DEN Ambey Cable Networks Private Limited*	25,501	51.00
2.	Mr. Dinesh Kumar Bajpayee	24,493	48.99
3.	Ms. Laxmi Bajpayee	6	0.01
	Total	**50,000**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of DEN Ambey Cable Networks Private Limited.*

Board of Directors

The board of directors of DEN Deva currently comprises Mr. Nitin Mehra, Mr. Amarpreet Singh Rekhi (*nominee directors of our Company)* and Mr. Dinesh Kumar Bajpayee.

Financial Performance

As DEN Deva was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Deva for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	**Fiscal 2009**	**Period ended March 31, 2008**
Total Revenue	357,820	1,390,074	-
Profit/(Loss) after tax	(147,681)	(273,730)	(14,256)
Share Capital	500,000	500,000	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L	(435,617)	(287,936)	(14,256)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
debit balance)			
Earnings Per Share (Basic)*	(2.95)	(6.47)	(0.47)
Earnings Per Share (Diluted)*	(2.95)	(6.47)	(0.47)
Book value per share	1.29	4.24	4.23

**On weighted average basis*

62. DEN Nanak Communication Private Limited ("DEN Nanak")

DEN Nanak was incorporated on January 30, 2008 under the Companies Act and its registered office is located at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Nanak is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Nanak as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Futuristic Cable Networks Private Limited*	31,045	51.00
2.	Mr. Naresh Kumar	14,915	24.50
3.	Mr. Sahdev Om	14,915	24.50
	Total	**60,875**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of DEN Futuristic Cable Networks Private Limited.*

Board of Directors

The board of directors of DEN Nanak currently comprises Mr. Ajay Tiwari, Mr. Shailender Nath Sharma, Mr. Nitin Mehra (*nominee directors of our Company*), Mr. Sahdev Om and Mr. Naresh Kumar.

Financial Performance

As DEN Nanak was incorporated in fiscal 2008, no audited financial results prior to the period ended March 31, 2008 are available. Selected financial information derived from the audited financial results of DEN Nanak for the three month period ended June 30, 2009, fiscal 2009 and period ended March 31, 2008 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Total Revenue	224,108	7,702,555	620,530
Profit/(Loss) after tax	107,634	(4,509,371)	(385,345)
Share Capital	608,750	608,750	121,750
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(4,568,062)	(4,675,696)	492,905
Earnings Per Share (Basic)*	1.77	(74.08)	(6.46)
Earnings Per Share (Diluted)*	1.77	(74.08)	(6.46)
Book Value per share	(65.04)	(66.81)	50.49

**On weighted average basis*

63. DEN Narmada Network Private Limited ("DEN Narmada")

DEN Narmada was incorporated on April 8, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of DEN Narmada is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Narmada as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	44,814	51.00
2.	Mr. Devendra Kumar Dubey	43,056	49.00
3.	Mr. Surendra Kumar Dubey	1	Negligible
	Total	**87,871**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Anuj Gandhi and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Narmada currently comprises Mr. Nitin Kumar Gupta, Mr. Vinay Sharma and Mr. Tapesh Singhi.

Financial Performance

As DEN Narmada was incorporated in fiscal 2009, no audited financial results prior to the period ended March 31, 2009 are available. Selected financial information derived from the audited financial results of DEN Narmada for the three month period ended June 30, 2009 and period ended March 31, 2009 are set forth below:

(Amount in Rs.)

	Three month period ended June 30, 2009	Period ended March 31, 2009
Total Revenue	50,589	118,857
Profit/(Loss) after tax	(1,712,445)	(3,254,123)
Share Capital	878,710	878,710
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(5,107,142)	(1,942,833)
Earnings Per Share (Basic)*	(19.49)	(44.94)
Earnings Per Share (Diluted)*	(19.49)	(44.94)
Book Value per share	(48.12)	(12.11)

**On weighted average basis*

64. Fortune (Baroda) Network Private Limited ("Fortune Baroda")

Fortune Baroda was incorporated on December 8, 2003 under the Companies Act and its registered office is situated at C 301 Yesh Apartments, NRL Jain Temple, Manjalpur, Baroda, Gujarat, India.

The authorized share capital of Fortune Baroda is Rs. 2,000,000.

Shareholding Pattern

The shareholding pattern of Fortune Baroda as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited	51,000	51.00
2.	Mr. Kirtibhai Patel	10,290	10.29
3.	Mr. Jayesh Shah	6,125	6.13
4.	Mr. Dushyant Purohit	6,125	6.13
5.	Mr. Venus Patel	6,125	6.13
6.	Mr. Rakesh Patel	6,125	6.13
7.	Mr. Roshan Shah	5,880	5.88
8.	Mr. Birjubhai Shah	5,880	5.88
9.	Mr. Madhusudhan Shah	2,450	2.45
	Total	**100,000**	**100.00**

Board of Directors

The board of directors of Fortune Baroda currently comprises Mr. Kirtibhai Patel, Mr. Birjubhai Shah, Mr. Dushyant Purohit, Mr. Rakesh Patel, Mr. Jayesh Shah, Mr. Rohan Kirti Shah and Mr. Vishnukumar Chhaganbhai Patel

Financial Performance

Selected financial information derived from the audited financial results of Fortune Baroda for fiscal 2009, 2008 and 2007 are as follows:

(*Amount in Rs.)*

	Fiscal 2009	**Fiscal 2008**	**Fiscal 2007**
Total Revenue	15,839,391	16,850,023	17,480,194
Profit/(Loss) after tax	1,802,036	469,694	448,691
Share Capital	1,000,000	1,000,000	1,000,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	989,479	(791,128)	(1,222,994)
Earnings Per Share (Basic)*	18.02	4.70	4.49
Earnings Per Share (Diluted)*	18.02	4.70	4.49
Book Value per share	19.89	2.09	(2.23)

**On weighted average basis*

65. Amogh Broadband Services Private Limited ("Amogh Broadband")

Amogh Broadband was incorporated on May 26, 2004 under the Companies Act and its registered office is situated at 2/3 Abhimani Building, Dr. Rajkumar Road, Rajaji Nagar, Bangalore, Karnataka 560010, India.

The authorized share capital of Amogh Broadband is Rs. 20,000,000.

Shareholding Pattern

The shareholding pattern of Amogh Broadband as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited	10,200	51.00
2.	Ms. Anitha Kumarswamy	5,500	27.50
3.	Mr. Nikhil Gowda	4,300	21.50
	Total	**20,000**	**100.00**

Board of Directors

The board of directors of Amogh Broadband currently comprises Mr. Rajesh Kaushall, Mr. Shankar Devarajan, Mr. Shailender Nath Sharma and Mr. Nitin Mehra (*nominee directors of our Company)*, Mr. M.V. Prasad Babu, Ms. Anitha Kumarswamy and Mr. Nikhil Kumaraswamy.

Financial Performance

Selected financial information derived from the audited financial results of Amogh Broadband for fiscal 2009, 2008 and 2007 are set forth below.

(*Amount in Rs.)*

	Fiscal 2009	**Fiscal 2008**	**Fiscal 2007**
Total Revenue	354,296,099	308,107,921	91,899,978
Profit/(Loss) after tax	(70,792,039)	7,045,139	2,522,292
Share Capital	200,000	200,000	200,000

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(61,486,255)	9,305,784	2,260,645
Earnings Per Share (Basic)*	(3,539.60)	352.26	126.11
Earnings Per Share (Diluted)*	(3,539.60)	352.26	126.11
Book Value per share	(3,064.31)	475.01	122.46

**On weighted average basis*

66. DEN Infoking Channels Entertainers Private Limited ("DEN Infoking")

DEN Infoking was incorporated on September 10, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase II, Delhi, India.

The authorized share capital of DEN Infoking is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN Infoking as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	27,882	51.00
2.	Mr. Toguru Sudarshan Kamal Kumar	18,752	34.30
3.	Mr. Srinivas Ravindra Babu	8,036	14.70
	Total	**54,670**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Rajesh Kaushall and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of DEN Infoking currently comprises Mr. Amit Vijh, Mr. Munish Singla, (*nominee directors of our Company)*, Mr. Toguru Sudarshan Kamal Kumar and Mr. Srinivas Ravindra Babu.

Financial Performance

As Den Infoking was incorporated in fiscal 2009 and has not yet commenced any operations, no historical audited financial results are available.

67. Galaxy DEN Media & Entertainment Private Limited ("Galaxy DEN")

Galaxy DEN was incorporated on August 14, 2008 under the Companies Act and its registered office is situated at Jay Srinivas Colony-3, Summer Club Road, Jamnagar, Gujarat, India.

The authorized share capital of Galaxy DEN is Rs. 500,000.

Shareholding Pattern

The shareholding pattern of Galaxy DEN as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	25,500	51.00
2.	Mr. Mansukh Purusottam Bhai Ravadia	12,250	24.50
3.	Ms. Sarla Ben Mansukh Ravadia.	12,250	24.50
	Total	**50,000**	**100.00**

** Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Rajesh Kaushall and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company*

Board of Directors

The board of directors of Galaxy DEN currently comprises Mr. Mansukh Purusottam Bhai Ravadia and Ms. Sarla Ben Mansukh Ravadia.

Financial Performance

As Galaxy DEN was incorporated in fiscal 2009 and has not yet commenced any operations, no historical audited financial results are available.

68. DEN UCN Network India Private Limited ("DEN UCN")

DEN UCN was incorporated on July 9, 2009 under the Companies Act and its registered office is situated at 4/107, B Rameshbhat Building, near Vaikunta Valiga Law College, Kunjibettu, Udupi, India.

The authorized share capital of DEN UCN is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of DEN UCN as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 100	Percentage of shareholding
1.	DEN Networks Limited	2,998	50.99
2.	Mr. Eric Thomas Saldanha	412	7.01
4.	Ms. Jayalakshmi G. Amin	412	7.01
5.	Mr. Rohan Kumar	412	7.01
6.	Mr. Ramachandra	412	7.01
7.	Mr. Anil Kumar	411	6.99
8.	Mr. Ravi K. Salian	411	6.99
9.	Mr. Yajnesh	137	2.33
10.	Mr. Suraj	137	2.33
11.	Mr. Sathyajith Hosabettu	137	2.33
	Total	**5,879**	**100.00**

Board of Directors

The board of directors of DEN UCN currently comprises Mr. Tapesh Singhi, Mr. Vinay Sharma, Mr. Munish Singla *(nominee directors of our Company)*, Mr. Eric Thomas and Mr. Satyajith Hosabettu.

Financial Performance

As DEN UCN was incorporated in fiscal 2010, no historical audited financial results are available.

69. Bali DEN Cable Network Private Limited ("Bali DEN")

Bali DEN was incorporated on September 24, 2008 under the Companies Act as 'Pulsar Cable Network Private Limited' and the name was subsequently changed to 'Bali DEN Cable Network Private Limited' on November 18, 2008. The registered office of the company is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of Bali DEN is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of Bali DEN as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	27,300	51.03
2.	Mr. Ravi Bali	18,333	34.27

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
3.	Mr. Vijay Bali	7,857	14.70
	Total	**53,490**	**100.00**

**Mr. Hemant Narang, Mr. Mohammad Ghulam Azhar, Mr. Rajesh Kaushall and DEN Entertainment Network Private Limited hold one equity share each as nominees of our Company.*

Board of Directors

The board of directors of Bali DEN currently comprises Mr. Taraknath Mujherjee, Mr. Munish Singla and Mr. Anand Verma (*nominee directors of our Company)*.

Financial Performance

As Bali DEN was incorporated in fiscal 2009, no historical audited financial results are available.

70. Mahavir DEN Entertainment Private Limited ("Mahavir DEN")

Mahavir DEN was incorporated on July 15, 2009 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of Mahavir DEN is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of Mahavir DEN as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Networks Limited*	25,502	51.00
2.	Mr. Anupam Singh	5,042	10.08
3.	Mr. Sunil Kumar Gupta	3,598	7.19
4.	Mr. Kunwar Ji Puri	10,949	21.89
5.	Mr. Vinod Kumar Gupta	2,762	5.52
6.	Mr. Qamar Ahmad	2,147	4.32
	Total	**50,000**	**100.00**

**Mr. Hemant Narang holds one equity share as nominee of our Company.*

Board of Directors

The board of directors of Mahavir DEN currently comprises Mr. Nitin Gupta, Mr. Munish Singla and Mr. Dhanesh Verma (*nominee directors of our Company)*.

Financial Performance

As Mahavir DEN was incorporated in fiscal 2010, no historical audited financial results are available.

71. Star Channel DEN Network Private Limited ("SCDNPL")

SCDNPL was incorporated on September 30, 2008 under the Companies Act and its registered office is situated at C-148, Mayapuri Industrial Area, Phase-II, New Delhi, India.

The authorized share capital of SCDNPL is Rs. 1,000,000.

Shareholding Pattern

The shareholding pattern of SCDNPL as on September 30, 2009 is as follows:

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
1.	DEN Ambey Cable Networks Private Limited*	35,598	51.00
2.	Mr. Adarsh Tiwari	11,401	16.33

S. No.	Name of the shareholder	Number of equity shares of Rs. 10	Percentage of shareholding
3.	Mr. Sadakat Hussain	11,400	16.33
4.	Mr. Vinod Kumar Yadav	11,401	16.33
	Total	**59,800**	**100.00**

**Mr. Hemant Narang, Mr. Rajesh Kaushall and Mr. Mohd. Ghulam Azhar hold one equity share as nominees of DEN Ambey Cable Networks Private Limited.*

Board of Directors

The board of directors of SCDNPL currently comprises Mr. Ajay Tiwari, Mr. Munish Singla and Mr. Amit Vijh.

Financial Performance

As SCDNPL was incorporated in fiscal 2009, no historical audited financial results are available.

OUR MANAGEMENT

Under our Articles of Association we cannot have fewer than three directors and more than 12 directors. We currently have six directors on our Board.

The following table sets forth details regarding our Board as of the date of filing the Red Herring Prospectus with SEBI.

<table>
<tr><th>Name, designation, father's name, term and occupation</th><th>Age (Years)</th><th>Address</th><th>Other directorships</th></tr>
<tr><td>Mr. Sameer Manchanda
Non-executive chairman

s/o Late Mr. Sukhdayal Manchanda

Term: Three years effective from November 26, 2008

DIN: 00015459

Occupation: Chartered Accountant</td><td>48</td><td>A-89,
Nizammuddin East,
New Delhi 110 013</td><td>Indian Companies
• ibn18 Broadcast Limited;
• IBN Lokmat News Private Limited;
• Jagran18 Publications Limited;
• Moneycontrol Dot Com India Limited;
• Setpro18 Distribution Limited;
• DEN Entertainment Network Private Limited;
• Viacom18 Media Private Limited; and
• Web18 Software Services Limited.</td></tr>
<tr><td>Mr. Raghav Bahl
Non-executive director
s/o Late Mr. Pran Nath Bahl

Term: Liable to retire by rotation

DIN: 00015280

Occupation: Media Professional</td><td>48</td><td>E-36, Sector 30,
Noida,
Uttar Pradesh
201 301</td><td>Indian Companies

• BK Finhold Private Limited;
• BK Media Private Limited;
• digital18 Media Limited;
• e.Eighteen.com Limited;
• greycells18 Media Limited;
• IBN Lokmat News Private Limited;
• IFC Distribution Private Limited;
• Infomedia18 Limited;
• Jagran 18 Publications Limited;
• Keyman Financial Services Private Limited;
• BRR Securities Private Limited;
• Moneycontrol Dot Com India Limited;
• Network18 Media & Investments Limited;
• Network18 Publications Limited;
• NewsWire18 Limited;
• RB Finhold Private Limited;
• RB Holdings Private Limited;
• RB Investments Private Limited;
• RB Softech Private Limited;
• RB Software Private Limited;
• RRB Fincap Private Limited;
• RRB Holdings Private Limited;
• RRB Investments Private Limited;
• RRB Media Private Limited;
• RRK Finhold Private Limited;
• RRK Finvest Private Limited;
• RRK Holdings Private Limited;
• RRK Media Private Limited;
• RVT Fincap Private Limited;
• RVT Finhold Private Limited;
• RVT Softech Private Limited;
• Stargaze Entertainment Private Limited;
• Tangerine Digital Entertainment Private Limited;
• Television Eighteen India Limited;
• TV18 Home Shopping Network Limited;</td></tr>
</table>

Name, designation, father's name, term and occupation	Age (Years)	Address	Other directorships
			• Viacom18 Media Private Limited; • VT Holdings Private Limited; • VT Investments Private Limited; • VT Media Private Limited; • VT Softech Private Limited; • Web18 Software Services Limited; and • ibn18 Broadcast Limited **Foreign Companies** • BK Capital Limited, Mauritius; • BK Communications Limited, Mauritius; • BK Network Limited, Mauritius; • BK Holdings Limited, Mauritius; • BK Media Mauritius Private Limited; • BK Ventures Limited, Mauritius; • Capital18 Acquisition Corp., Cayman Islands; • Capital 18 Limited, Cayman Islands; • Capital 18 Limited, Mauritius; • E-18 Limited, Cyprus; • Film Investment Managers (Mauritius) Limited; • Network 18 Holdings Limited, Cayman Islands; • Silver Ridge – Tangerine SDN BHD; • Television Eighteen Mauritius Limited; • Television Eighteen Media & Investments Limited; Mauritius • TV18 HSN Holdings Limited, Cyprus; • Web 18 Holdings Limited, Cayman Islands; and • The Indian Film Company Limited, Guernsey.
Mr. Ajaya Chand Independent Director s/o Mr. Kripal Chand *Term:* Liable to retire by rotation *DIN:* 02334456 *Occupation:* Chartered Accountant	54	P-10, Green Park Extension, New Delhi 110 016	Nil
Mr. Shahzaad Siraj Dalal Nominee Director s/o Mr. Siraj Mohammad Dalal *Term:* Liable to retire by rotation *DIN:* 00011375 *Occupation:* Service	50	902, Crescent Heights, V.N. Naik Road, Mumbai 400 036	**Indian Companies** • IL&FS Investment Managers Limited; • SARA Fund Trustee Company Private Limited; • IL&FS Financial Services Limited; • Bharat Serums and Vaccines Limited; • Indraprastha Gas Limited; • Shoppers' Stop Limited; • IPF Online Limited; • Datamatics Technologies Limited; • Development Investment Trustees Co Private Limited; • Il&FS Transportation Networks Limited; • ibn 18 Broadcast Limited; • ABG Shipyard Limited; • ETL Infrastructure Services Limited; • IL&FS Asian Infrastructure Managers

Name, designation, father's name, term and occupation	Age (Years)	Address	Other directorships
			Limited; • Zydus BSV Pharma Private Limited; • DB Hospitality Private Limited; • QVC Realty Private Limited; • DB Realty Private Limited; • Offbeat Developers Private Limited; • Bhartiya Urban Infrastructure and Land; Development Company Private Limited; • ATS Estates Private Limited; • Suyog Realtors Private Limited; • GK Industrial Park Private Limited; • IL&FS Milestone Realty Advisors Private Limited; • Ansal Township Infrastructure Limited; • Il&FS Energy Development Company Limited; • JB SEZ Private Limited; • Runwal Projects Private Limited; and • Mumbai Business School Private Limited. **Foreign Companies** • IL&FS Venture Fund; • AIG Indian Equity Sectoral Fund LLC, Mauritius; • AIG Indian Equity Advisor LLC, Mauritius; • IL&FS Investment Advisors LLC, Mauritius; • India Project Development Fund-II, LLC, Mauritius; • IL&FS India Realty Fund LLC, Mauritius; • IL&FS Singapore Asset Management Company PTE Limited; • MM Kadarjee and Company; • UOB IL&FS India Opportunities Fund Limited; and • UOB IL&FS Management Limited
Mr. Krishna Kumar P.T. Gangadharan Alternate Director to Mr. Shahzaad Siraj Dalal *S/o:* Mr. Padinchara Tharamel Gangadharan *Term:* Liable to retire by rotation *DIN:* 00090715 *Occupation:* Service	38	6, Shobhana, Goshala Road, Mulund (West) Mumbai, 400 080	**Indian Companies** • Central U.P. Gas Limited; • Petronet India Limited; and • Worlds Windows Infrastructure and Logistics Private Limited. **Foreign Companies** Nil
Mr. Atul Sharma Independent Director	53	D-118, Sector -36, Noida, Uttar Pradesh	**Indian Companies** Spicejet Limited

Name, designation, father's name, term and occupation	Age (Years)	Address	Other directorships
S/o: Late Shri Gopal Sharma Term: Liable to retire by rotation *DIN:* 00308698 *Occupation:* Professional			**Foreign Companies** Nil **Partnership Firm** Link Legal
Mr. Robindra Sharma Independent Director *S/o:* Mr. Devindar Nath Sharma Term: Liable to retire by rotation *DIN:* 00375141 *Occupation:* Chartered Accountant	48	EG-3/17, Garden Estate, Gurgaon Haryana - 122 002	**Indian Companies** T. Group Solutions Private Limited **Foreign Companies** Nil

All our directors are Indian nationals. Further, none of our Directors are related to each other.

Brief Profile of our Directors

Mr. Sameer Manchanda is our Chairman and is also a promoter of our Company. He is a qualified chartered accountant. He is a Fellow of the Institute of Chartered Accountants of India. He has been associated with the television industry since 1984 and has considerable and varied experience and expertise in distribution, media sector operations, strategic and financial planning, capital structuring, mergers and acquisitions, collaborations and joint ventures. Mr. Manchanda also serves as the joint managing director of ibn18 Broadcast Limited. Further, Mr. Manchanda is also President of the News Broadcaster Association.

Mr. Raghav Bahl holds a Bachelor's degree in Economics from St. Stephens College and holds a Master's degree in Business Administration from the University of Delhi. He also attended a doctoral program at the Graduate School of Business, Columbia University, New York. Mr. Raghav Bahl has over 22 years of experience in the fields of television and journalism. He began his career as a management consultant with A. F. Ferguson & Company. He founded TV18 (now Network18 Group) in 1993 and has been instrumental in establishing partnerships with media conglomerates such as NBC Universal, Viacom, Time Warner and Forbes. He won the Sanskriti Award for Journalism in 1994. Mr. Bahl was honoured as a Global Leader of Tomorrow by the World Economic Forum. He was also selected by Ernst & Young as the Entrepreneur of The Year (2007) for Business Transformation.

Mr. Ajaya Chand holds a Bachelor's degree in commerce from Hansraj College, Delhi University and is also a qualified chartered accountant. He is currently an independent financial and management consultant He has over 24 years of experience in accounting, financial and corporate legal matters. Prior to that, he was associated with ibn18 Broadcast Limited and New Delhi Television Limited.

Mr. Shahzaad Siraj Dalal holds a Bachelor's degree in commerce from Bombay University and holds a Master's in Business Administration from Northeast Louisiana University. He is the vice chairman & managing director, IL&FS Investment Managers Limited. Mr. Dalal is also on the boards of various companies to guide their growth plans and other strategic developments. Mr. Dalal has been the chief executive officer of the Asset Management Business of IL&FS. Within the IL&FS group, he has undertaken various responsibilities including overall planning and raising of resources for IL&FS, its group companies and other IL&FS sponsored infrastructure projects. Mr. Dalal has 23 years of financial markets and investment experience and has also headed the initiative for large value structured finance/transactions in leasing, project finance and privatizations.

Mr. Krishna Kumar P.T. Gangadharan holds a Bachelor of Commerce degree from the University of Mumbai (India), majoring in Financial Accounting. Mr. Kumar has managed private equity funds that have invested in assets of infrastructure sectors, including power, telecom and maritime. From 1992 to 1995, Mr. Kumar was with Kotak Mahindra Group as a Senior Officer at Synergy Credit Corporation Limited as an Officer in the Finance Department. Prior to joining IL&FS Investment Managers Limited in 2002, Mr. Kumar was with IL&FS as a Manager in Asset Management. Mr. Kumar has over 17 years of financial service and infrastructure experience.

Mr. Atul Sharma holds a Bachelor's degree in economics and a Bachelor's degree in law from Delhi University. Mr. Sharma has been the consultant and legal advisor to various Indian and multinational companies. He is the founding partner of Link Legal, a law firm located in New Delhi. He has over 28 years of experience in the legal profession.

Mr. Robindra Sharma holds a Bachelor's degree in commerce from Bombay University. He is also a qualified chartered accountant. He is currently the chief financial officer of Triburg Sportswear, an apparel sourcing company in India. He has been associated with Triburg Sportswear for the last 15 years and is responsible for all the accounting, financial and legal matters of the company.

Details of Remuneration of the Directors

Pursuant to a resolution of our Board dated July 10, 2007, we do not pay any remuneration to our Directors, including sitting fees.

We have not entered into any service contracts with our Directors providing for benefits upon termination of employment.

Manager

Pursuant to Section 269 of the Companies Act, Mr. Hemant Narang has been appointed as the Manager of our Company by a resolution of our Board dated November 26, 2008.

Interests of our Manager

Mr. Hemant Narang had also been appointed as a consultant to our Company with effect from April 20, 2008 and has received Rs. 2.88 million as consultancy fee in fiscal 2009. Separately, Mr. Hemant Narang is a director and shareholder of Blue Eye Entertainment Private Limited which holds 5,000,000 Equity Shares of our Company.

Borrowing Powers of our Board

Our Articles of Association, subject to Section 293 (1))(d) of the Companies Act, authorise our Board, to raise or borrow or secure the payment of any sum or sums of money for the purposes of our Company. Pursuant to a resolution passed at the EGM dated June 17, 2008, our shareholders have authorised our Board to borrow monies together with monies already borrowed by us, in excess of the aggregate of the paid up capital of our Company and its free reserves, not exceeding Rs. 10,000 million at any time.

Corporate Governance

The provisions of the Listing Agreement to be entered into with the Stock Exchanges with respect to corporate governance will be applicable to us immediately upon the listing of our Equity Shares with the Stock Exchanges. We believe we are in compliance with the requirements of the applicable regulations, including the Listing Agreement with the Stock Exchanges and the ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board Committees, as required under law.

We have a Board constituted in compliance with the Companies Act and Listing Agreement with Stock Exchanges. The Board functions either on its own or through various committees constituted to oversee specific operational areas. Our executive management provides the Board detailed reports on its performance periodically.

The Board has six directors, out of which three are Independent Directors.

Committees of the Board

Our Company has constituted the following committees for compliance with corporate governance requirements:

a. Audit Committee

The Audit Committee was constituted by our Directors at their Board meeting held on April 23, 2008. It was reconstituted by our Board at their meeting held on July 6, 2009. The audit committee comprises Mr. Ajaya Chand (Chairman), Mr. Shahzaad Siraj Dalal and Mr. Robindra Sharma. Our Company Secretary is the secretary of the Audit Committee.

The scope and function of the Audit Committee is in accordance with Section 292A of the Companies Act and clause 49 of the Listing Agreement and its terms of reference includes the following:

- Overseeing the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;

- Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees;

- Approving payment to statutory auditors for any other services rendered by the statutory auditors;

- Reviewing, with the management, the annual financial statements before submission to the Board for approval, with particular reference to:

  (a) Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (2AA) of Section 217 of the Companies Act;

  (b) Changes, if any, in accounting policies and practices along with reasons for the same;

  (c) Major accounting entries involving estimates based on the exercise of judgment by management;

  (d) Significant adjustments made in the financial statements arising out of audit findings;

  (e) Compliance with listing and other legal requirements relating to financial statements;

  (f) Disclosure of any related party transactions; and

  (g) Qualifications in the draft audit report.

- Reviewing, with the management, the quarterly financial statements before submission to the board for approval;

- Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the uttilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

- Reviewing, with the management, performance of statutory and internal auditors, and adequacy of the internal control systems;

- 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;

- 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;

- Reviewing the functioning of the Whistle Blower mechanism, in case the same is existing; and

- Carrying out any other function as is mentioned in the terms of reference of the Audit Committee or contained in the Listing Agreement as and when amended from time to time.

b. Compensation Committee

The Compensation Committee constituted pursuant to the Board meeting held on July 6, 2009 comprises Mr. Mr. Ajaya Chand (Chairman), Sameer Manchanda, Mr. Atul Sharma and Mr. Robindra Sharma. The terms of reference of the Compensation Committee are as follows:

The terms of reference of the Compensation Committee are as follows:

- Reviewing, assessing and recommending the appointment of Executive/Non-Executive Directors and senior employees;

- Reviewing the remuneration packages of executive/non-executive Directors and senior employees;

- Recommending payment of compensation in accordance with the provisions of the Companies Act;

- Considering and recommending grant of employees stock option, if any, and administration and superintendence of the same; and

- Carrying out any other function contained in the Listing Agreement as and when amended from time to time.

c. Shareholders Transfer / Investors Grievance Committee

The Investors Grievance Committee constituted pursuant to the Board meeting held on July 6, 2009 is responsible for the redressal of shareholder grievance. The Investor Grievances Committee comprises of Mr. Sameer Manchanda (Chairman), Mr. Ajaya Chand and Mr. Atul Sharma.

The terms of reference of the Investor Grievance Committee are as follows:

- Redressal of investors' complaints;

- Allotment of shares, approval of transfer or transmission of equity shares, debentures or any other securities;

- Issue of duplicate certificates and new certificates on split/consolidation/renewal, etc.;

- Non-receipt of declared dividends, balance sheets of the Company, etc; and

- Carrying out any other function contained in the Listing Agreement as and when amended from time to time.

D. IPO Committee

The IPO Committee constituted pursuant to the Board meeting held on July 6, 2009**.** The IPO Committee comprises of Mr. Sameer Manchanda and Mr. Ajaya Chand.

The terms of reference of the IPO Committee includes:

- To decide on the actual size of the Issue, including any offer for sale by promoters/shareholders, and/or reservation on a firm or competitive basis, timing, pricing and all the terms and conditions of the Issue, including the price, and to accept any amendments, modifications, variations or alterations thereto;

- To appoint and enter into arrangements with the book running lead managers, co managers, underwriters, syndicate members, brokers, escrow collection bankers, registrars, IPO grading agency, monitoring agency, legal advisors, printers and any other agencies or persons whose appointment is required in relation to the Issue;

- To finalise the Draft Red Herring Prospectus, the Red Herring Prospectus, Prospectus, book running lead managers, co-book running lead managers, memorandum of understanding, syndicate agreement, underwriting agreement, escrow agreement and all other documents, deeds, agreements and instruments as may be required or desirable in connection with the Issue;

- To do all acts and deeds, and execute all documents, agreements, forms, certificates, undertakings, letters and instruments as may be necessary for the purpose of or in connection with the Issue;

E. Finance Committee

The Finance Committee was constituted pursuant to the Board meeting held on July 6, 2009. The Finance Committee comprises of Mr. Sameer Manchanda and Mr. Ajaya Chand. The powers and functions of the Finance Committee are as follows:

- to review the Company's financial policies and procedures;

- to keep board informed of financial condition, requirements for funds,

- investment in securities for acquisition of networks and access to liquidity;

- considering and advising the Board concerning the Company sources and uses of funds, including payment of dividends to shareholders;

- dealing with banks concerning the financial requirements of the Company;

- reviewing and recommending to the Board methods and terms of external financing and other financial transactions required to achieve the Company's objectives; and

- other matters, as directed by the Board.

Interests of Directors

Our Directors may also be regarded as interested in the Equity Shares if any, held by them or by the companies/firms/ventures promoted by them or held by relatives of our Directors or that may be subscribed by or allotted to the companies, firms, trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Issue. Please see "***Our Promoters and Group Entities***" on page 166. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares.

Mr. Sameer Manchanda is also a promoter of our Company and holds 45,454,550 Equity Shares. In addition, RRB Investments Private Limited, a company promoted by Mr. Raghav Bahl, holds 9,856,680 Equity Shares. Further, Mr. Sameer Manchanda and Mr. Raghav Bahl are also, directly or indirectly, interested in certain broadcasters/distributors, with whom our Company has entered into certain placement agreements. Further, Mr. Sameer Manchanda has also given a loan of Rs. 31.60 million to DEN Entertainment Networks Private Limited.

Our Directors have no interest in any property acquired by our Company within two years of the date of this Red Herring Prospectus.

Except as stated in the "***Related Party Transactions***" on page 171, the Directors do not have any other interest in the business of our Company.

Changes in our Board of Directors since incorporation

The changes in the Board of Directors since incorporation are as follows:

Name of director	Date of appointment	Date of cessation	Reason
Mr. Vivek Kant Gupta	July 10, 2007	July 29, 2007	Resignation
Mr. Hemant Narang	July 10, 2007	July 6, 2009	Resignation
Mr. Tapesh Singhi	July 29, 2007	December 24, 2007	Resignation
Mr. Sameer Manchanda*	September 15, 2007	Continuing	Appointment
Mr. Raghav Bahl*	September 27, 2007	Continuing	Appointment
Mr. Ajaya Chand*	September 20, 2008	Continuing	Appointment
Mr. Shahzaad Siraj Dalal*	August 28, 2008	Continuing	Appointment
Mr. Atul Sharma*	July 6, 2009	Continuing	Appointment
Mr. Robindra Sharma*	July 6, 2009	Continuing	Appointment

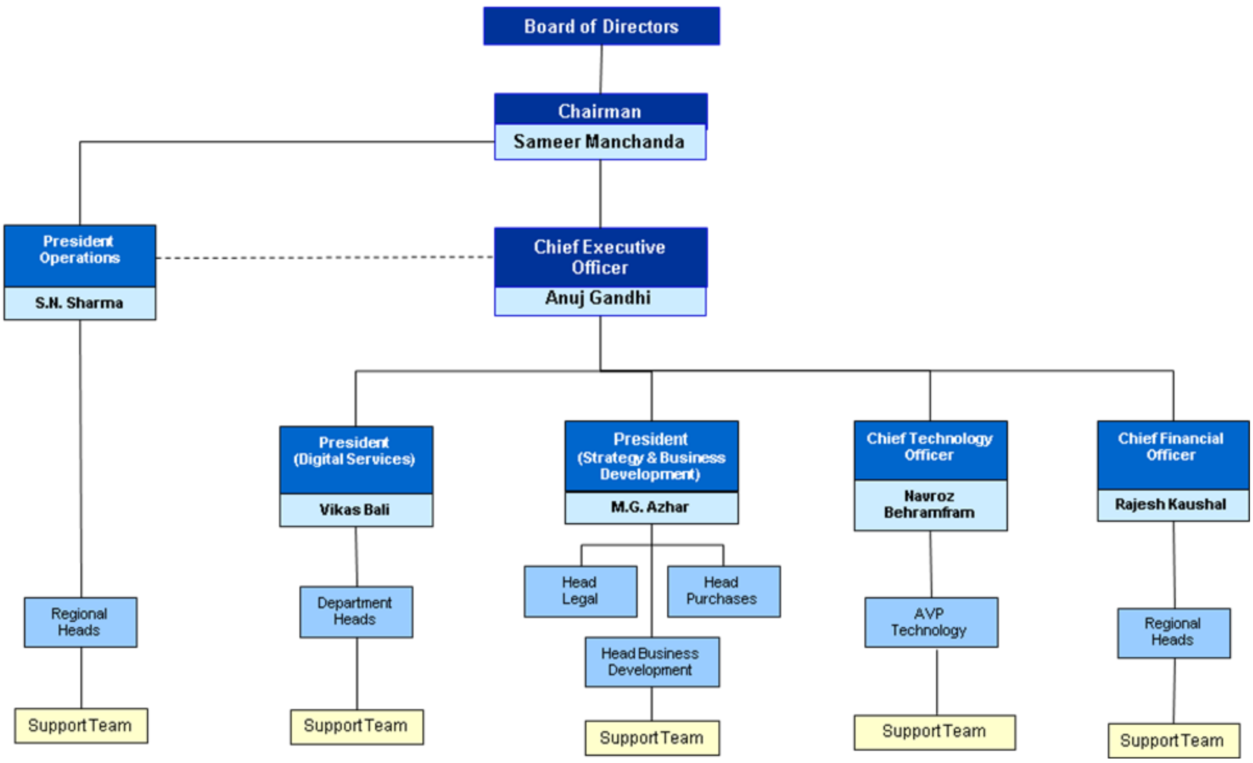
** The appointment of Mr. Sameer Manchanda, Mr. Raghav Bahl, Mr. Shahzaad Siraj Dalal, Mr. Atul Sharma and Mr. Robindra Sharma as Directors of our Company has been confirmed at the AGM of our Company dated August 3, 2009.*

Shareholding of Directors in our Company

The Articles of Association do not require our Directors to hold any qualification shares. The following table details the shareholding of our Directors:

Name of Director	No. of Equity Shares
Mr. Sameer Manchanda	45,454,550

Management Organisation Structure



The details regarding our key managerial personnel are as follows:

Mr. Anuj Gandhi is our Chief Executive Officer and is a post graduate in Management from S.P. Jain Institute of Management, Mumbai and holds a bachelor's degree in Computer Science from Delhi University. He has over 14 years of experience in the media industry. Prior to joining our Company in July 2007 he had worked with SET Discovery Private Limited and Indusind Media and Communications as the general manager of

Business Development. Mr. Gandhi was awarded the best distribution head for the year 2006 by the Indian Telly Awards. The remuneration paid to him in fiscal 2009 was Rs. 12.3 million. Mr. Anuj Gandhi has been appointed as Chief Executive Officer of the Company for a term commencing from August 1, 2007 until July 31, 2010.

Mr. S.N. Sharma is our president of operations and holds a Bachelors degree in electronics and communications from Kurukshetra University and a Masters degree in business administration from the same university. Mr. S.N. Sharma joined our Company in July 2007 and has over 23 years of experience in the media industry. He had previously worked as president northern region of Hathway Cable and Datacom Private Limited and as the, vice-president of Indusind Media and Communications. The remuneration paid to him in fiscal 2009 was Rs. 39.88 million. Mr. S.N. Sharma has been appointed as president of operations of the Company for a term commencing from August 1, 2007 until July 31, 2010.

Mr. Vikas Bali is our president of the Digital Services and Corporate Strategy and holds a Bachelors degree in instrumentation from Bombay University and holds a post graduate diploma in business administration from the Indian Institute of Management (IIM), Calcutta. He has over 14 years of experience in the media and management consulting sectors. Prior to joining us in January 2008, he had worked as the chief content buying and acquisition officer with Tata Sky and as vice president – business development with STAR India Private Limited. The remuneration paid to him in fiscal 2009 was Rs. 9 million. Mr. Vikas Bali has been appointed as president of the Digital Services and Corporate Strategy of the Company for a term commencing from January 2, 2008 until January 1, 2011.

Mr. Navroz Behramfram is our Chief Technology Officer and holds a Bachelors degree in physics from Wilson College, Mumbai, and a Bachelors degree in Electronics & Computer Technology from Watumul College, Mumbai and a Masters in Marketing Management from NMIMS, Mumbai. He has over 25 years of experience in the field of Television and Internet services. Prior to joining our Company in December 2007, he was heading the technical division - Consumer Electronic Products of Tata Sky prior to which he worked as Vice President – Technology with Hathway Cable and Datacom Private Limited. He is responsible for designing and implementing the technology architecture of all cable services. The remuneration paid to him in fiscal 2009 was Rs. 5.5 million. Mr. Navroz Behramfram has been appointed as Chief Technology Officer of the Company for a term commencing from November 15, 2007 until November 14, 2010.

Mr. Mohammad Ghulam Azhar is our President of Strategy and Business Development. He holds Masters in Finance and Control from Aligarh Muslim University. He has over 15 years of considerable and varied experience and expertise in strategic and financial planning, capital structuring, mergers and acquisitions. Prior to joining our Company in November 2007, he was the head of the fund syndication at Access Financial Services. The remuneration paid to him in fiscal 2009 was Rs. 8.4 million. Mr. Mohammad Ghulam Azhar was appointed as the President of Startegy and Business Development of the Company for a term commencing from November 1, 2007 and to continue till the services of Mr. Mohammad Ghulam Azhar are terminated.

Mr. Rajesh Kaushall is our Chief Financial Officer. He is a qualified Chartered Accountant and a Costs and Works Accountant and has over 13 years of experience in best international practices and domain expertise in financial systems and processes, project controllership, treasury and tax compliance. He has previously worked with Price Waterhouse and has held senior management positions at Lucent Technologies Hindustan Limited (a subsidiary of Lucent Technologies, a NYSE listed corporation). Prior to joining our Company in September 2007, he was the financial controller at Tekelec Systems India Private Limited (a wholly owned subsidiary of Teklec, a NASDAQ listed corporation). The remuneration paid to him in fiscal 2009 was Rs. 6 million. Mr. Rajesh Kaushall was appointed as the Chief Financial Officer of the Company for a term commencing from September 1, 2007 and to continue till the services of Mr. Rajesh Kaushall are terminated.

All our key managerial personnel are permanent employees of our Company. All our key managerial personnel are Indian nationals. Further, none of our key managerial personnel are related to each other.

Shareholding of the Key Managerial Personnel

The table below sets forth the details of the Equity Shares held by the key managerial personnel as of the date of this Red Herring Prospectus.

Name	No. of Equity Shares
Mr. Anuj Gandhi	1,142,500
Mr. S.N. Sharma	850,000

Name	No. of Equity Shares
Mr. Mohammad Ghulam Azhar	995,000
Mr. Rajesh Kaushall	40,000
Mr. Vikas Bali	32,500
Mr. Navroz Behramfram	15,000
Total	**3,075,000**

Bonus or Profit Sharing Plan for our Key Managerial Personnel

Our Company has entered into an employment agreement dated July 11, 2007 with Mr. S.N. Sharma pursuant to which Mr. S.N. Sharma has been designated as "President-Operations" until August 31, 2010. The said term may be extended for another two years at the option of the Company with an annual increment of 15%-20% over the last drawn salary for each extended year with rest of the terms and conditions as stipulated in the agreement remaining the same.

In addition to the annual compensation Mr. S.N. Sharma is also entitled to receive, in respect of areas specifically handled by Mr. S.N. Sharma, the three other employees and a consultant of the Company being brought in by him, 5% of the total agreed carriage fees until such time that the Company floats an IPO, and 2% of the total carriage fee thereafter. Provided that if the Company joins hands with a strategic partner, the said percentages may be reviewed and revised mutually by Mr. S.N. Sharma and the Company, and if the same is not mutually agreed upon by Mr. S.N. Sharma and the Company, Mr. S.N. Sharma shall continue to get the carriage fees commission at the rates mentioned above. The distribution of this incentive compensation among the three other employees and consultant shall be at the sole discretion of Mr. S.N. Sharma.

Our Company has entered into an employment agreement dated July 21, 2007 with Mr. Anuj Gandhi pursuant to which Mr. Anuj Gandhi has been designated as "Chief Executive Officer" until July 31, 2010. The said term may be extended for another two years at the option of the Company with rest of the terms and conditions as stipulated in the agreement remaining the same.

In addition to the annual compensation, Mr. Anuj Gandhi is also entitled to receive, upon fulfillment of business plans as agreed by the Board of Directors, an annual incentive compensation of a maximum of Rs. 3 million at the completion of first year of the term of the employment agreement, and a maximum of Rs. 4 million per annum for the rest of the term of the employment agreement.

Our Company has entered into an employment agreement dated January 2, 2008 with Mr. Vikas Bali pursuant to which Mr. Vikas Bali has been designated as "President-Digital Services & Corporate Strategy" until January 1, 2011. The said term may be extended for another two years at the mutually agreed terms and conditions.

In addition to the annual compensation, Mr. Vikas Bali is also entitled to receive an annual incentive compensation of a maximum of Rs. 2 million at the completion of each year of the term of the employment agreement.

Except as stated above, our Company has not provided for any bonus or profit sharing plan.

Interest of Key Managerial Personnel

Except as disclosed above, our key managerial personnel do not hold any Equity Shares. All of our key managerial personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares. The key managerial personnel of our Company do not have any interest in our Company other than to the extent of the remuneration or benefits 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 including in their capacity as nominee directors of our Subsidiaries.

None of our key managerial personnel have been paid any consideration of any nature from our Company, other than their remuneration.

Changes in Key Managerial Personnel

There has been no change in the key managerial personnel of our Company since our incorporation.

Payment or Benefit to officers of our Company

Except as stated otherwise in this Red Herring Prospectus, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company's employees including the key managerial personnel and our Directors. None of the beneficiaries of loans, and advances and sundry debtors are related to the Directors of our Company.

OUR PROMOTERS AND GROUP ENTITIES

The Promoters of our Company are Mr. Sameer Manchanda and Lucid Systems Private Limited.

Our Promoters currently hold 45,454,550 and 16,000,000 Equity Shares of our Company, respectively, and will continue to hold the majority of our post-Issue paid-up share capital, collectively.

Promoters

Mr. Sameer Manchanda

Mr. Sameer Manchanda, 48 years**,** (Voter ID DL\01\003\306046, Driving License P03062002316622) is our non-executive Chairman and a Promoter of our Company. He is a qualified chartered accountant. He is a Fellow of the Institute of Chartered Accountants of India. He has been associated with the television industry since 1984 and has considerable and varied experience and expertise in distribution, media sector operations, strategic and financial planning, capital structuring, mergers and acquisitions, collaborations and joint ventures. Mr. Manchanda also serves as the joint managing director of ibn18 Broadcast Limited.

Mr. Sameer Manchanda's residential address is A-89, Nizammuddin East, New Delhi 110 013, India.

Our Company confirms that the PAN, bank account number and passport number of our Promoter have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with them.

Lucid Systems Private Limited ("Lucid")

Lucid was incorporated on October 15, 2001 under the Companies Act. The registered office of Lucid is situated at E-346, Nirman Vihar, Vikas Marg Delhi, India.

The promoters of Lucid are Mr. Sameer Manchanda and Ms. Kavita Manchanda. Lucid was initially promoted by Mr. Gyan Anand and P. Kal Infotech Private Limited. Mr. Gyan Anand transferred 5,000 equity shares of Lucid to Ms. Kavita Manchanda and 1,000 equity shares to Mr. Sameer Manchanda at Rs. 18 per equity share. Further, P. Kal transferred 5,000 equity shares to Mr. Sameer Manchanda also at Rs. 18 per equity share. Lucid Systems has been funded by Mr. Sameer Manchanda through an interest-free unsecured loan of Rs.6.4 million.

The main objects of Lucid include, to act as financial investors and management consultants.

The equity shares of Lucid are not listed on any stock exchange.

Shareholding Pattern

The shareholding pattern of Lucid as on September 30, 2009 is as follows:

S. No.	Name of the Shareholder	No. of equity shares of Rs. 10 each	Percentage of shareholding
1.	Mr. Sameer Manchanda	6,000	60.00
2.	Ms. Kavita Manchanda	4,000	40.00
	Total	**10,000**	**100.00**

Board of Directors

The board of directors of Lucid consists of Mr. Hemant Narang and Mr. Tapesh Singhi.

Financial Information

Selected financial information derived from the audited financial results of Lucid for fiscals 2009, 2008 and 2007 are set forth below:

(*Amount in Rs.)*

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Total Revenue	-	-	40,000
Profit/(loss) after tax	(8,540)	29,938	(28)
Equity capital	100,000	100,000	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	27,304	35,844	6,445
Earnings Per Share (Basic)*	(0.85)	2.99	(0.003)
Earnings Per Share (Diluted)*	(0.85)	2.99	(0.003)
Book Value per share	12.73	13.58	10.64

**On weighted average basis*

Our Company confirms that the PAN, bank account number, the Company Registration Number have been submitted to the Stock Exchanges, at the time of the filing of the Draft Red Herring Prospectus with them.

Other understanding and confirmations

Our Promoters, Promoter Group and Group Entities 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 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.

Neither our Company, our Promoters or their relatives (as defined in the Companies Act), Group Entities, 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.

Interests of our Promoters and Group Entities

Our Promoters and Group Entities are interested in our Company to the extent of their shareholding in our Company. Mr. Sameer Manchanda is also interested to extent of him being a Director of our Company. Additionally, Mr. Sameer Manchanda has also given a personal guarantee with respect to certain loans. For further reference, see "***Financial Indebtedness***" on page 247. Further, Mr. Sameer Manchanda is also directly or indirectly, interested in certain broadcasters/distributors, with whom our Company has entered into certain placement agreements. Further, Mr. Sameer Manchanda has also given a loan of Rs. 31.60 million to DEN Entertainment Networks Private Limited, one of our Subsidiaries. For details, see "***Financial Statements"*** on page F1.

The Promoters and Group Entities confirm that they have no interest in any property acquired by our Company during the last two years from the date of filing of this Red Herring Prospectus.

For details see "***Our Management - Interests of Directors***" on page 161.

Payment or Benefit to Promoters

Except as stated otherwise in the "***Financial Statements***" and "***Interest of our Promotesr and Group Entities***" on pages F1 and 167, respectively, there has been no payment or benefits to our Promoters or Group Entities during the two years prior to the filing of this Red Herring Prospectus.

Common Pursuits

Our Promoters do not have any interest in any venture that is involved in any activities similar to those conducted by us.

Group Entities

The Companies which form a part of our Group Entities are as follows:

In addition to Mr. Sameer Manchanda, the natural persons, who are part of our Promoter Group (due to their relationship with our promoter, Mr. Sameer Manchanda), are as follows:

Promoter	Name of the Relative	Relationship with Promoter
Mr. Sameer Manchanda	Ms. Kamla Manchanda	Mother of Mr. Sameer Manchanda
	Ms. Kavita Manchanda	Wife of Mr. Sameer Manchanda
	Mr. Sanjeev Manchanda	Brother of Mr. Sameer Manchanda
	Mr. Rajeev Manchanda	Brother of Mr. Sameer Manchanda
	Mr. Vaibhav Manchanda	Son of Mr. Sameer Manchanda
	Mr. Aarush Manchanda	Son of Mr. Sameer Manchanda
	Mr. R.D. Makkar	Father of Ms. Kavita Manchanda
	Ms. Asha Makkar	Mother of Ms. Kavita Manchanda
	Ms. Sujata Kumra	Sister of Ms. Kavita Manchanda
	Mr. Raman Makkar	Brother of Ms. Kavita Manchanda

Group Entities

The following companies are promoted by our Promoters (including companies under the same management pursuant to Section 370 (1B) of the Companies Act) and thus, are our Group Entities:

(a) Setpro18 Distribution Limited; and
(b) Verve Engineering Private Limited.

No equity shares of our Group Entities are listed on any stock exchange and they have not made any public or rights issue of securities in the preceding three years. Additionally none of our Group Entities are in the process of being wound up.

Companies forming part of our Group Entities

The following companies form a part of our Group Entities:

1. Setpro18 Distribution Limited ("Setpro")

Setpro was incorporated as 'Setpro Holdings Private Limited' on September 28, 1993 under the Companies Act. The name was changed to 'Setpro18 Distribution Private Limited' on May 11, 2007. Subsequently, on June 9, 2008 the name of the Company was changed to 'Setpro18 Distribution Limited'. The registered office of Setpro is located at 601, 6th Floor, Commercial Tower, Hotel Le-Meridien, Raisina Road, New Delhi 110 001, India. Setpro is primarily engaged in the business of arranging band placement, within India or abroad and collecting subscription revenues for broadcasters.

Our Promoter, Mr. Sameer Manchanda, holds 33.90% of the equity shareholding of Setpro.

Shareholding Pattern

The shareholding pattern of Setpro as on September 30, 2009 is as follows:

S. No.	Name of the Shareholder	No. of equity shares of Rs. 10 each	Percentage of shareholding
1.	Network18 Media & Investments Limited*	33,000	66.00
2.	Mr. Sameer Manchanda	16,950	33.90
3.	Ms. Kavita Manchanda	50	0.10
	Total	**50,000**	**100.00**

**Mr. R.D.S Bawa, Mr. Anil Srivastava, Mr. Sanjeev Kulshrestha and Mr. Hitesh Jain hold one share as nominees of Network18 Media and Investments Limited.*

Board of Directors

The board of directors of Setpro consists of Mr. Sameer Manchanda, Mr. Sanjay Ray Chaudhuri and Mr. Anil Srivastava.

Financial Information

Selected financial information derived from the audited financial results of Setpro for fiscal 2009, 2008 and 2007 are set forth below:

(*Amount in Rs.)*

	Fiscal 2009	Fiscal 2008	Fiscal 2007
Equity Capital	500,000	500,000	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	76,890,092	46,769,610	24,170,767
Sales/Turnover	651,105,597	533,157,268	433,427,679
Profit/(loss) after tax	30,120,482	22,998,843	20,846,774
Earnings Per Share (Basic)*	602.41	459.98	2,084.68
Earnings Per Share (Diluted)*	602.41	459.98	2,084.68
Book value per share	1,547.80	945.39	2,427.08

**On weighted average basis*

2. Verve Engineering Private Limited ("Verve Engineering")

Verve Engineering was incorporated on June 21, 2007 under the Companies Act. The registered office of Verve Engineering is situated at A-301, Prince Apartments, 54 I.P. Extension, Patparganj, New Delhi. It is engaged in the business of installation, commission and engineering.

Our Promoter, Mr. Sameer Manchanda, holds 90.00% of the equity shareholding of Verve Engineering.

Shareholding Pattern

The shareholding pattern of Verve Engineering as on September 30, 2009 is as follows:

S. No.	Name of the Shareholder	Number of equity shares of Rs. 10 each	Percentage of shareholding
1.	Mr. Sameer Manchanda	9,000	90.00
2.	Mr. Vivek Kant Gupta	1,000	10.00
	Total	**10,000**	**100.00**

Board of Directors

The board of directors of Verve Engineering consists of Mr. Vivek Kant Gupta and Mr. Taiyab Zia Ahmed.

Financial Information

Selected financial information derived from the audited financial results of Verve Engineering for fiscal 2009 and the period ended March 31, 2008 are set forth below:

(*Amount in Rs.)*

	Fiscal 2009	Period ended March 2008
Total Revenue	11,350,138	-
Profit/(loss) after tax	(8,114,272)	-
Equity capital	100,000	100,000
Reserves and Surplus (excluding revaluation reserves and including P/L debit balance)	(8,114,272)	(10,200)*
Earnings Per Share (Basic)**	(811.43)	0.00
Earnings Per Share (Diluted)**	(811.43)	0.00
Book value per share	(801.43)	8.98

*****_This includes miscellaneous expenditure_

***On weighted average basis*

Verve Engineering had a negative net worth of Rs. (8,014,272) in fiscal 2009.

Disassociation by the Promoters in the Last Three Years

There are no companies from which the Promoters have disassociated themselves during the previous three years.

Other Information

Sick Companies

None of the companies forming part of our Promoters or Group Entities have become sick companies within the meaning of Sick Industrial Companies (Special Provisions) Act, 1985 and none of them is under winding up.

Litigation

For details relating to the legal proceeding involving the Promoters and Group Entities, see "***Outstanding Litigation and Material Developments***" on page 269.

RELATED PARTY TRANSACTIONS

Our Company has entered into related party transactions with certain subsidiaries, STAR-DEN, Group Entities and Mr. Sameer Manchanda and Lucid. For details, see "***Financial Statements***" on page F1.

DIVIDEND POLICY

Our Company has not paid any cash dividends on its Equity Shares or its preference shares in the past. Any future dividends declared would be at the discretion of the Board of Directors and would depend on our financial condition, results of operations, capital requirements, contractual obligations, the terms of our credit facilities and other financing arrangements at the time dividend is considered, and other relevant factors

SECTION V - FINANCIAL STATEMENTS

AUDITORS' REPORT ON RESTATED STANDALONE FINANCIAL STATEMENTS

AUDITOR'S REPORT

To,
The Board of Directors,
DEN Networks Limited
236, Okhla Industrial Estate, Phase III
New Delhi – 110 020,
India

Dear Sirs,

1. We have examined the attached financial information of DEN Networks Limited ('the Company'), as approved by the Board of Directors of the Company, prepared in terms of the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India ('SEBI') - (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the SEBI ICDR Regulations) and pursuant to Section 11 of the Securities and Exchange Board of India Act, 1992 (the 'SEBI Act') and in terms of our engagement agreed upon with the Company in accordance with our engagement letter dated 3 August, 2009 in connection with the proposed initial public offering of equity shares (IPO).

2. **Financial Information as per Audited Financial Statements**

We have examined the attached 'Summary Statement of Assets and Liabilities, as restated' of DEN Networks Limited as at 30 June, 2009, 31 March, 2009 and 31 March, 2008 (Annexure I), the attached 'Summary Statement of Profit and Losses, as restated' (Annexure II) 'Summary Statement of Cash Flows, as restated' (Annexure III) of DEN Networks Limited for the period ended 30 June, 2009, year ended 31 March, 2009 and period ended 31 March, 2008, together referred to herein as 'Standalone Restated Summary Statements'. These Standalone Restated Summary Statements have been extracted by the management from the financial statements of DEN Networks Limited as at and for the year/periods ended 30 June, 2009, 31 March, 2009 and 31 March, 2008 and have been approved by the Board of Directors for those respective periods. The Financial Statements of DEN Networks Limited as at and for the period ended 30 June, 2009 have been approved by the Board of Directors and the year ended 31 March, 2009 and the period ended 31 March, 2008 have been adopted by the members.

The standalone financial statements as at and for the period ended 30 June, 2009 and year ended 31 March, 2009, were audited by us. The standalone financial statements as at and for the period ended 31 March, 2008 were audited by Price Waterhouse, Chartered Accountants.

Based on our examination of the Standalone Restated Summary Statements, we state that:

i. The Standalone Restated Summary Statements have to be read in conjunction with the 'Significant Accounting Policies as adopted by the Company and Notes to the Standalone Restated Summary Statements' given in 'Annexure IV' to this report.

ii. There are no changes in accounting policies which require adjustments to arrive at the Standalone Restated Summary Statements.

iii. The restated profits/losses have been arrived at after making such adjustments and regroupings as in our opinion are appropriate in the year/period to which they relate;

iv. There are no extraordinary items that need to be disclosed separately in the Standalone Restated Summary Statements.

v. There are no qualifications in the auditors' report on the financial statements that require adjustments to the Standalone Restated Summary Statements except the following qualification included in note 1 of Annexure IV,

Qualifications made in the main Auditors' Report for the three months period ended 30 June, 2009

Attention is invited to Note 1 of Schedule 15 to the financial statements wherein it is stated that the Company has not prepared a comparable balance sheet as at 30 June, 2008, the profit and loss account and the statement of cash flows for the three months period ended 30 June, 2008 as required in consonance with Accounting Standard 25 – Interim Financial Reporting as notified by the Companies (Accounting Standards) Rules 2006 due to the limited use of the financial statements for the proposed initial public offering of equity shares.

3. **Other Financial Information**

We have also examined the following financial information relating to the Company and as approved by the Board of Directors and annexed to this report:

a. Significant Accounting Policies as adopted by the Company and Notes to the Standalone Restated Summary Statements, as restated (Annexure IV) as at 30 June, 2009;

b. Details of Secured and Unsecured Loans and assets charged as securities as at 30 June, 2009, 31 March, 2009 and 31 March, 2008 (Annexure V);

c. Details of Sundry Debtors as at 30 June, 2009, 31 March, 2009 and 31 March, 2008 (Annexure VI);

d. Details of Loans and Advances as at 30 June, 2009, 31 March, 2009 and 31 March, 2008 (Annexure VII);

e. Details of Fixed Assets as at 30 June, 2009, 31 March, 2009 and 31 March, 2008 (Annexure VIII)

f. Details of Other Income for the period ended 30 June, 2009, year ended 31 March, 2009 and period ended 31 March, 2008 (Annexure IX)

g. Statement of Tax Shelter for the period ended 30 June, 2009, year ended 31 March, 2009 and period ended 31 March, 2008 (Annexure X)

h. Accounting Ratios relating to earnings per share, net asset value and return on net worth (Annexure XI)

i. Capitalisation Statement as at 30 June, 2009 (Annexure XII)

j. Details of Dividends paid for the period ended 30 June, 2009, year ended 31 March, 2009 and period ended 31 March, 2008 (Annexure XIII)

4. Based on our examination of the financial information of the Company attached to this report, we state that in our opinion, the 'Standalone Restated Summary Statements' and 'Other Financial Information' mentioned above, as at and for the period ended 30 June, 2009, year ended 31 March, 2009 and period ended 31 March, 2008, have been prepared in accordance with paragraph B (1) of Part II of Schedule II of the Act, the SEBI ICDR Regulations and the SEBI Act.

5. This report should not, in any way, be construed as a reissuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

6. This report is intended solely for use of the management and for inclusion in the Offer Documents, in connection with the proposed initial public offering of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner
(Membership No. 87104)

Gurgaon
15 October, 2009

ANNEXURE I

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED OF DEN NETWORKS LIMITED

(Rs. in million)

PARTICULARS	As on 30.06.2009	As on 31.03.2009	As on 31.03.2008
9. FIXED ASSETS			
Gross Block	1,458.95	1,317.88	114.71
Less: Accumulated depreciation /amortization	161.94	114.98	9.67
Net block	1,297.01	1,202.90	105.04
Capital work in progress	183.84	253.95	361.32
	1,480.85	**1,456.85**	**466.37**
10. INVESTMENTS	**1,563.52**	**1,368.99**	**1,499.95**
11. DEFERRED TAX ASSET (NET)	-	-	**0.05**
12. CURRENT ASSETS, LOANS & ADVANCES			
Cash and bank balances	237.18	319.62	142.58
Unbilled revenue	147.37	65.05	9.60
Sundry debtors	701.82	597.17	152.18
Loans and advances	937.70	914.92	429.53
Total	**2,024.07**	**1,896.76**	**733.89**
13. LIABILITIES AND PROVISIONS			
Secured loans	1,555.82	1,154.00	106.42
Unsecured loans	27.00	55.00	95.60
Current liabilities	1,275.84	1,298.25	564.34
Provisions	14.85	13.17	3.12
	2,873.51	**2,520.42**	**769.48**
14. DEFERRED TAX LIABILITY (NET)	**17.01**	**16.99**	**-**
15. NET WORTH (1+2+3+4-5-6)	**2,177.92**	**2,185.19**	**1,930.78**
16. REPRESENTED BY			
Share Capital			
- Equity Share Capital	905.95	181.19	181.19
- Preference Share Capital	439.92	39.99	32.00
Securities Premium Account	1,196.22	2,322.02	1,938.02
Surplus/(Deficit) as per Summary Statement of Profit and	(364.17)	(358.01)	(220.42)
NET WORTH	**2,177.92**	**2,185.19**	**1,930.78**

Note:
The accompanying Significant Accounting Policies as adopted by the Company and Notes to the Standalone Restated Summary Statements (Annexure IV) and Statement of Cash Flows as restated (Annexure III) are an integral part of this statement.

SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED OF DEN NETWORKS LIMITED

(Rs. in million)

PARTICULARS	Period ended 30.06.2009	Year ended 31.03.2009	Period ended 31.03.2008
10. INCOME			
Income from operations	733.24	2,627.02	248.59
Sale of equipments	0.96	19.58	31.78
Other income	27.34	64.58	17.54
Gain on foreign exchange fluctuation	9.20	-	2.21
	770.74	**2,711.18**	**300.11**
11. EXPENDITURE			
Operational, administrative and other costs	602.35	2,270.48	387.34
Personnel cost	78.33	283.71	84.44
Cost of traded items	0.96	19.58	31.78
Loss on foreign exchange fluctuation	-	47.80	-
	681.64	**2,621.57**	**503.56**
12. PROFIT/ (LOSS) BEFORE FINANCE COSTS, DEPRECIATION, AMORTISATION AND TAX	89.10	89.61	(203.45)
Finance costs	46.80	99.19	5.97
Depreciation and amortization	47.31	105.52	9.67
13. PROFIT/(LOSS) BEFORE TAX	**(5.01)**	**(115.10)**	**(219.09)**
14. PROVISION FOR TAXES			
Fringe benefit tax	1.11	5.38	1.33
Income tax (including wealth tax)	0.02	0.07	0.06
Deferred tax	0.02	17.04	(0.05)
15. PROFIT/ (LOSS) AFTER TAX	**(6.16)**	**(137.59)**	**(220.42)**
16. PROFIT/ (LOSS) BROUGHT FORWARD	**(358.01)**	**(220.42)**	**-**
17. APPROPRIATIONS			
Dividend on cumulative preference shares (See note 9 of Annexure IV)	-	-	-
18. PROFIT/(LOSS) CARRIED TO BALANCE SHEET	**(364.17)**	**(358.01)**	**(220.42)**

Note:
The accompanying Significant Accounting Policies as adopted by the Company and Notes to the Standalone Restated Summary Statements (Annexure IV) and Statement of Cash Flows as restated (Annexure III) are an integral part of this statement.

ANNEXURE III

SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED OF DEN NETWORKS LIMITED

(Rs. in million)

PARTICULARS	Period ended 30.06.2009	Year ended 31.03.2009	Period ended 31.03.2008
A. CASH FLOW FROM OPERATING ACTIVITIES			
Net Profit/ (loss) before tax	(5.01)	(115.10)	(219.08)
Adjustments for:			
Depreciation and amortization	47.31	105.52	9.67
Interest and other financial expenses	46.81	99.19	5.97
Provision for employee benefits	1.92	10.18	1.73
Loss/ (gain) on exchange rate fluctuation – unrealized	(6.67)	6.47	(2.21)
Doubtful debts and advances written off/provided	0.09	7.88	46.99
Fixed assets/ capital work in progress written off	-	5.91	-
Interest income	(2.31)	(12.36)	(3.10)
Dividend received on current investment	-	(2.76)	(2.58)
Profit from sale of current investment	(0.95)	(9.84)	(11.86)
Excess provisions written back	(22.40)	(30.94)	-
Operating Profit/(Loss) before Working Capital	58.79	64.14	(174.47)
Adjustments for:			
Decrease/(Increase) in current assets	(196.86)	(641.12)	(397.83)
Increase/(Decrease) in current liabilities	(6.10)	598.93	249.38
Cash Generated From/ (Used in) Operations	(144.17)	21.95	(322.92)
Tax on operational income (including fringe benefit tax)	(16.06)	(113.86)	(10.72)
Net Cash Generated From/(Used in)Operating	**(160.23)**	**(91.91)**	**(333.64)**
B. CASH FLOW FROM INVESTING ACTIVITIES			
Investments purchased:			
- in subsidiaries (including share application money)	(91.44)	(787.08)	(256.10)
- in joint venture		-	(25.00)
- in partnership firm		-	(4.00)
- in mutual funds and others (net)	(470.04)	(403.45)	(2,271.96)
Loan repaid by/(to) body corporate (net)	(3.40)	102.00	(105.00)
Loan repaid by/(to) subsidiaries (net)	(9.52)	(29.98)	(10.82)
Advance given for investment	(34.05)	(300.78)	(90.82)
Interest income	1.00	9.92	0.59
Dividend received on current investment	-	2.76	2.58
Sale of mutual fund investment	450.98	1,395.15	1,301.96
Payment for business purchase acquisition	-	-	(39.23)
Purchase of fixed assets (including capital advances)	(91.65)	(1,016.63)	(370.25)
Net Cash Generated From/(Used in) Investing	**(248.12)**	**(1,028.08)**	**(1,868.04)**
C. CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from issue of equity shares	-	0.00	551.45
Proceeds from issue of preference share capital	-	400.00	1,599.75
Share Issue Expenses	(1.11)	(8.00)	-
Proceeds from short term borrowings from a subsidiary company	(28.00)	9.40	45.60
Proceeds/ (repayment) of short term borrowings from a director	-	(50.00)	50.00

(Rs. in million)

PARTICULARS	Period ended 30.06.2009	Year ended 31.03.2009	Period ended 31.03.2008
Proceeds from working capital loan from bank	(45.40)	330.53	22.62
Proceeds from term loan from bank	447.73	719.13	78.82
Repayment of finance lease obligation	(0.51)	(2.09)	(0.75)
Interest Paid	(46.80)	(101.94)	(3.22)
Net cash from/ (used in) financing activities	**325.91**	**1,297.03**	**2,344.26**
Net increase/ (decrease) in cash and cash equivalents (A+B+C)	(82.44)	177.04	142.58
Cash & Cash Equivalents at the beginning of year	319.62	142.58	-
Cash and cash equivalents as at the end of the year	237.18	319.62	142.58

Notes:

1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
2. Figures in brackets indicate cash outflow.
3. Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

ANNEXURE IV

Significant Accounting Policies as adopted by the Company and Notes to Standalone Restated Summary Statements

1. Background

DEN Networks Limited (hereinafter referred to as 'the Company' or 'DEN') was incorporated on 10 July, 2007 to engage in cable television distribution, broadband internet and other related business.

DEN is engaged in distribution of television channels through analog and digital cable distribution network and provision of internet services.

The Company changed its status from a Private Limited Company to a Public Limited Company on 15 April, 2008 thereby changing its name to DEN Digital Entertainment Networks Limited. Subsequently, the company changed its name to DEN Networks Limited on 27 June, 2008.

The Summary Statement of Assets and Liabilities, as restated, the Summary Statement of Profit and Loss, as restated and the Summary Statement of Cash Flows, as restated are herein referred to as 'Standalone Restated Summary Statements'. The Standalone Restated Summary Statements and the notes set out in this Annexure as at and for the period ended 30 June, 2009 represent the amounts for the period 1 April to 30 June, 2009, for the year ended 31 March, 2009 represent the amounts for the year 1 April, 2008 to 31 March, 2009 and for the period ended 31 March, 2008 represent the amounts for the period 10 July, 2007 to 31 March, 2008.

The Company has not prepared a comparable balance sheet as at 30 June, 2008, the profit and loss account and the statement of cash flows for the three months period ended 30 June, 2008 as required in consonance with Accounting Standard 25 – Interim Financial Reporting as notified by the Companies (Accounting Standards) Rules 2006 due to the limited use of the financial statements for the proposed initial public offering of equity shares.

2. Significant accounting policies

a. Basis of preparation

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ("GAAP") in India, and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

b. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include estimates of income taxes, future obligations under employment retirement benefit plans, provision for doubtful debts and advances and estimated useful life of tangible and intangible assets. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

c. Revenue recognition

i. Income from operations

- Income from services is recognised upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognised pro-rata over the contractual period. Service revenue comprises income from subscription, placement of channels, advertisement revenue and other services. It also comprises fees for rendering management, technical and consultancy services.
- Activation Fees on Set Top Boxes (STB) is recognized as revenue at the end of the month of activation of boxes, on issue of STBs to the customers.
- Revenue billed but not recognised at the end of the period has been disclosed as deferred revenue under current liabilities.

ii. Sale of equipment

Revenue is recognized when the significant risks and rewards of ownership of the equipments have been passed to the buyer. The time of transfer of and the amount is determined based on the arrangement between the parties involved.

In case of VAT collected on sales, exclusive method is followed, where sales and expenditure will not include VAT, VAT collected is disclosed under current liabilities and not routed through profit and loss account as mentioned in Guidance Note of State Value Added Tax by ICAI.

iii. Others

- Profit on sale of investment in mutual funds is recorded on transfer of title from the Company and is determined as the difference between the sales price and the then carrying value of the investment.
- Interest on the deployment of surplus funds is recognised using the time-proportion method, based on interest rates implicit in the transaction.
- Dividend and interest income are recognised when the right to receive the same is established.

d. Barter transactions

Barter transactions are recognised at the fair value of consideration received or paid. When the fair value of the transactions cannot be measured reliably, the revenue/expense is measured at the fair value of the goods/services provided/received adjusted by the amount of cash or cash equivalent transferred.

e. Fixed assets

i. Tangible assets

- Fixed assets are stated at the cost of acquisition less accumulated depreciation. The actual cost capitalized includes purchase price, and all other attributable costs of bringing the assets to working condition for intended use.
- Assets are capitalised on the date when they are ready for intended use. Set top Boxes are capitalized at the end of the month of activation.
- Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not ready for intended use at the balance sheet date, are disclosed as capital work in progress.

ii. Intangible assets

- Intangible assets acquired in business acquisitions are stated at fair value as determined by the management of the Company on the basis of valuation by expert valuers, less accumulated amortisation.

- Other intangible assets are stated at cost of acquisition less accumulated amortisation. The actual cost capitalized includes purchase price, and all other attributable costs of bringing the assets to working condition for intended use.

f. Depreciation and amortisation

Depreciation on fixed assets except leasehold improvements is provided on the straight-line method over their estimated useful lives, as determined by the management, at the rates which are equal to or higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation is charged on a pro-rata basis for assets purchased/sold during the period. Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

The management's estimate of the useful life of the various fixed assets is as follows:

Headend & distribution equipment	6 to 15 years
Set top boxes	8 years
Computers	6 years
Office & other equipment	3 to 10 years
Furniture & fixtures	6 years
Vehicles	6 years
Software	5 years

Leasehold improvements are amortised over the lower of the useful life or the period of the lease.

License fee for internet service is amortised over the period of license agreement.

Fixed assets acquired through business purchase are depreciated over the useful life of 5 years as estimated by an approved valuer.

Intangible assets comprising distribution network rights and goodwill are amortized on a straight line method over their estimated useful lives, determined by management to be 5 years.

g. Impairment of assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the profit and loss account.

h. Leases

i. Finance leases

Leases under which the company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

ii. Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Lease payments under operating leases are recognised as expenses in the profit and loss account on a straight line basis over the lease term.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

j. Investments

Trade investments are investments made to enhance the company's business interests. Investments are classified either as long term or current investments, based on management's intention at the time of purchase. Long-term investments are stated at cost less provision for other than temporary diminution in the carrying value, as determined separately for each investment. Current investments are stated at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

k. Foreign exchange transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transaction. Realised gains and losses on foreign exchange transactions settled during the period are recognised in the profit and loss account. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the rates prevailing on that date and resultant gains/losses on foreign exchange translations are recognised in the profit and loss account.

l. Taxation

Income tax comprises current tax, deferred tax and fringe benefit tax. Current tax is determined in accordance with the provisions of Income Tax Act, 1961. Advance taxes and provisions for current taxes are presented in the balance sheet after off - setting advance taxes paid and income tax provisions.

Deferred tax charge or credit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal, subject to consideration of prudence, in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognized unless there is a virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are reviewed for the appropriateness of their carrying values at each balance sheet date.

Minimum alternate tax (MAT) paid in accordance with Income Tax Act, 1961, which gives rise to future economic benefit in the form of adjustment from income tax liability, is recognised when it is certain that the company will be able to set off the same and adjusted from the current tax charge for that year.

Provision for fringe benefit tax (FBT) is made on the basis of the applicable FBT on the taxable value of employee benefits and specified expenses of the Company as prescribed under the Income Tax Act, 1961.

Provision for wealth tax is made based on tax liability computed after considering tax allowances and exemptions available in accordance with the provisions of the Wealth tax Act, 1957.

m. Employee benefits

i. Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include salaries, bonus and performance incentives.

ii. Long term employee benefits

- **Provident fund and other state plans**

  Company's contributions towards recognised Provident Fund, Employee State Insurance Fund and Employees Pension Scheme under defined contribution plans are recognised in the profit and loss account during the period in which the employee renders the related service.

- **Gratuity**

  The Company provides for gratuity, a defined benefit retirement plan. In accordance with 'The Payment of Gratuity Act, 1972', the plan provides for a lump sum payment to vested employees, at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's last drawn salary and tenure of employment with the Company.

- **Compensated absences**

  The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of unutilized accrued compensated absence and utilize it in future periods or receive cash compensation for the unutilized accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the service that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

  Liability with regard to compensated absences and gratuity is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial valuation is carried out using the projected unit credit method, which recognises 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 is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on the market yields on government securities as at the balance sheet date Actuarial gains/ losses are recognised immediately in the profit and loss account as income or expense.

n. Earnings per share

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extraordinary/ exceptional item. Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of equity shares outstanding during the period and dilutive equity equivalent shares outstanding at the period end, except where the results would be anti dilutive.

o. Segment information

i. Business segments

Based on similarity of activities, risks and reward structure, organisation structure and internal reporting systems, the Company operates in the distribution & placement of television channels and related services.

ii. Geographical segments

Secondary segmental reporting is performed on the basis of the geographical location of customers i.e. within India and overseas.

p. Provisions and contingencies

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

3. Secured loans

a. Cash credit facilities of Rs. 307.76 million as at 30 June, 2009 (As at 31 March, 2009 Rs. 353.15 million) are secured by:

i. First pari passu charge on current and future book debts of the Company.

ii. Second pari passu charge on all movable and immovable fixed assets of the Company.

b. The term loan of Rs.1,245.68 million as at 30 June, 2009 (As at 31 March, 2009 Rs.797.95 million) from bank is secured by:

i. First pari passu charge on all movable and immovable properties of the Company both present and future; :

ii. Second pari passu charge on all current assets of the Company;

c. Other loans from banks amounting to Rs.2.39 million as at 30 June, 2009 (As at 31 March, 2009 Rs.2.89 million) are secured by hypothecation of vehicles financed by them.

d. Further, the entire amount under cash credit and term loan facilities is secured by personal guarantee of Mr. Sameer Manchanda.

4. Capital commitments and contingent liabilities

a. Capital commitments

Estimated amount of contracts remaining to be executed on capital account (net of advances) Rs.42.05 million as at 30 June, 2009 [As at 31 March, 2009 Rs.121.01 million].

b. Contingent liabilities

i. Guarantees issued by bankers outstanding as at the end of the 30 June, 2009 amounting to Rs.21.36 million [31 March, 2009 Rs.21.36 million] on account of license for internet use issued by the Department of Telecommunications.

ii. Outstanding letters of credit as at 30 June, 2009 Rs. 97.78 million [As at 31 March, 2009 Rs.89.46 million].

5. Segment reporting

The company is engaged in the distribution & promotion of television channels and related services which is considered as the only reportable business segment. The Company's operations are based in

India. As the Company operates in a single business and geographical segment, the reporting requirements for primary and secondary segment disclosures prescribed by paragraphs 39 to 51 of Accounting Standard 17 - Segment Reporting, have not been provided in these financial statements.

6. Related Party Disclosures

I. List of related parties

a. Related parties where control exists

i. Subsidiaries held directly

1. Den Mahendra Satellite Private Limited (w.e.f. 27-Dec-07)
2. Den Mod Max Cable Network Private Limited (w.e.f. 27-Dec-07)
3. Den Krishna Cable TV Network Private Limited (w.e.f. 27-Dec-07)
4. Den Pawan Cable Network Private Limited (w.e.f. 27-Dec-07)
5. DEN BCN Suncity Network Private Limited (w.e.f. 27-Dec-07)
6. Den Harsh Mann Cable Network Private Limited (w.e.f. 1-Mar-08)
7. Den Classic Cable TV Services Private Limited (w.e.f. 1-May-08)
8. DEN Bindra Network Private Limited (w.e.f. 1-Jul-08)
9. DEN Montooshah Network Private Limited (w.e.f. 16-Jul-08)
10. DEN Ashu Cable Private Limited (w.e.f. 22-Aug-08)
11. DEN P.S.C. Network Private Limited (w.e.f. 11-Aug-08)
12. Dew Shree Network Private Limited (w.e.f. 26-Sep-07)
13. Shree Siddhivinayak Cable Network Private Limited (w.e.f. 1-Dec-07)
14. Drashti Cable Network Private Limited ((w.e.f. 1-Apr-08)
15. DEN MCN Cable Network Private Limited (w.e.f. 8-Apr-08)
16. Mahadev Den Network Private Limited (w.e.f. 1-Feb-08)
17. Mahadev Den Cable Network Private Limited (w.e.f. 1-Feb-08)
18. Mahadev Den Cable Net Private Limited (w.e.f. 1-Feb-08)
19. DEN Digital Cable Network Private Limited (w.e.f. 1-May-08)
20. Malayalam Telenet Private Limited (w.e.f. 22-Aug-08)
21. DEN Bellary City Cable Private Limited (w.e.f. 1-Jan-09)
22. DEN-Manoranjan Satellite Private Limited (w.e.f. 1-Mar-08)
23. DEN Supreme Satellite Vision Private Limited (w.e.f. 30-May-08)
24. DEN Nashik City Cable Network Private Limited (w.e.f. 26-Jun-08)
25. Radiant Satellite (India) Private Limited (w.e.f. 2-Apr-08)
26. Den Radiant Satelite Cable Network Private Limited (w.e.f. 2-Apr-08)
27. Den Mewar Rajdev Cable Network Private Limited (w.e.f. 2-Apr-08)
28. DEN RIS Cable Network Private Limited (w.e.f. 1-Jun-08)
29. DEN Sky Media Network Private Limited (w.e.f. 31-May-08)
30. Den Prince Network Private Limited (w.e.f. 1-Feb-08)
31. Den Varun Cable Network Private Limited (w.e.f. 7-Jan-08)
32. Den Crystal Vision Network Private Limited (w.e.f. 27-Dec-07)
33. Meerut Cable Network Private Limited (w.e.f. 1-Dec-07)
34. DEN Jai Ambey Vision Cable Private Limited (w.e.f. 5-Apr-08)
35. DEN Fateh Marketing Private Limited (w.e.f. 9-Apr-08)
36. Den Prayag Cable Networks Private Limited (w.e.f. 1-Feb-08)
37. Den Enjoy Cable Networks Private Limited (w.e.f. 2-Apr-08)

38. Den Maa Sharda Vision Cable Networks Private Limited (w.e.f. 1-Apr-08)
39. Den F K Cable TV Network Private Limited (w.e.f. 1-May-08)
40. Den Shiva Cable Network Private Limited (w.e.f. 1-May-08)
41. Den Pradeep Cable Network Private Limited (w.e.f. 1-Feb-08)
42. Den Satellite Cable TV Network Private Limited (w.e.f. 1-Apr-08)
43. Den Narmada Network Private Limited (w.e.f. 1-Sep-08)
44. Den Ambey Cable Networks Private Limited (w.e.f. 11-Sep-07)
45. Den Budaun Cable Network Private Limited (w.e.f. 1-Oct-08)
46. DEN Aman Entertainment Private Limited (w.e.f. 1-Oct-08)
47. Den Kashi Cable Network Private Limited (w.e.f. 1-Mar-08)
48. Den Futuristic Cable Networks Private Limited (w.e.f. 9-Oct-07)
49. Den Digital Entertainment Gujarat Private Limited (w.e.f. 31-May-08)
50. Den Digital Entertainment Banglore Private Limited (w.e.f. 31-May-08)
51. Den Entertainment Network Private Limited (w.e.f. 1-Sep-07)
52. Shine Cable Network Private Limited (w.e.f. 1-Dec-08)
53. Creative Cable Network (partnership firm) (w.e.f. 12-Oct-07)
54. Rajkot City Communication Private Limited (w.e.f. 10-Apr-09)
55. Den Elgee Cable Vision Private Limited (w.e.f. 03-Jun-09)
56. Den Malabar Cable Vision Private Limited (w.e.f. 30-Apr-09)

ii. Subsidiaries held indirectly

1. Den Nanak Communication Private Limited (w.e.f. 1-Mar-08)
2. DEN Saya Channel Network Private Limited (w.e.f. 30-Jun-08)
3. Den Ambey Citi Cable Network Private Limited (w.e.f. 1-Feb-08)
4. Den Enjoy Navaratan Network Private Limited (w.e.f. 2-Apr-08)
5. Den Ambey Jhansi Cable Network Private Limited (w.e.f. 1-Mar-09)
6. Den Deva Cable Network Private Limited (w.e.f. 1-Apr-08)
7. DEN Faction Communication System Private Limited (w.e.f. 1-Oct-08)
8. Den Ambey Farukabad Cable Network Private Limited (w.e.f. 1-Mar-09)

b. Jointly controlled entity

1. Star Den Media Services Private Limited

c. Entities under significant influence

1. Lucid Systems Private Limited
2. Setpro 18 Distribution Limited
3. Verve Engineering Private Limited

d. Key managerial personnel

1. Mr. Sameer Manchanda
2. Mr. Hemant Narang

II. Transactions/ outstanding balances with related parties during the period 30 June, 2009

Rs. in million

(Amounts in brackets indicate figures for the year ended 31 March, 2009)

Particulars	Subsidiaries held directly	Subsidiaries held indirectly	Jointly controlled entity	Entities under significant influence	Key management personnel	Grand total
a. Transactions during the period						
i. Income from operations						
Setpro18 Distribution Ltd.	-	-	-	78.65	-	78.65
	(-)	(-)	(-)	(333.40)	(-)	(333.40)
Star Den Media Services Pvt. Ltd.	-	-	143.51	-	-	143.51
	(-)	(-)	(357.39)	(-)	(-)	(357.39)
Others	71.87	1.98	-	-	-	73.85
	(389.98)	(13.41)	(-)	(-)	(-)	(403.39)
Total	**71.87**	**1.98**	**143.51**	**78.65**	**-**	**296.01**
	(389.98)	**(13.41)**	**(357.39)**	**(333.40)**	**(-)**	**(1,094.18)**
ii. Sale of equipment						
Den Enjoy Cable Networks Pvt. Ltd.	-	-	-	-	-	-
	(3.79)	(-)	(-)	(-)	(-)	(3.79)
Den Futuristic Cable Networks Pvt. Ltd.	-	-	-	-	-	-
	(4.58)	(-)	(-)	(-)	(-)	(4.58)
Den Mewar Rajdev Cable Network Pvt. Ltd.	-	-	-	-	-	-
	(1.72)	(-)	(-)	(-)	(-)	(1.72)
DewShree Network Pvt. Ltd.	-	-	-	-	-	-
	(2.10)	(-)	(-)	(-)	(-)	(2.10)
Others	-	-	-	-	-	-
	(4.22)	(0.08)	(-)	(-)	(-)	(4.30)
Total	-	-	-	-	-	-
	(16.41)	**(0.08)**	**(-)**	**(-)**	**(-)**	**(16.49)**
iii. Purchase of services						
Den Enjoy Cable Networks Pvt. Ltd.	31.62	-	-	-	-	31.62
	(142.28)	(-)	(-)	(-)	(-)	(142.28)
Star Den Media Services Pvt. Ltd.	-	-	36.56	-	-	36.56
	(-)	(-)	(178.66)	(-)	(-)	(178.66)
Others	108.43	12.37	-	-	1.05	121.85

	(375.20)	(26.06)	(-)	(-)	(2.88)	(404.14)
Total	**140.05**	**12.37**	**36.56**	**(-)**	**1.05**	**190.03**
	(517.48)	**(26.06)**	**(178.66)**	**(-)**	**(2.88)**	**(725.08)**

iv. Purchase of Fixed Assets

Den Ambey Cable Networks Pvt. Ltd.	-	-	-	-	-	-
	(2.28)	(-)	(-)	(-)	(-)	(2.28)
Total	**-**	-	-	-	-	**-**
	(2.28)	**(-)**	**(-)**	**(-)**	**(-)**	**(2.28)**

v. Reimbursement of expenses (received)

Den Crystal Vision Network Pvt Ltd	0.19	-	-	-	-	0.19
	(0.75)	(-)	(-)	(-)	(-)	(0.75)
Den Enjoy Navratan Network Pvt Ltd	-	0.58	-	-	-	0.58
		(1.73)	(-)			(1.73)
Den RIS Cable Network Pvt. Ltd	0.32	-	-	-	-	0.32
	(0.02)	(-)	(-)	(-)	(-)	(0.02)
Others	0.57	0.09	-	-	-	0.66
	(81.55)	(0.73)	(0.54)	(0.00)	-	(82.82)
Total	**1.08**	**0.67**	**-**	**-**	**-**	**1.75**
	(82.32)	**(2.46)**	**(0.54)**	**(0.00)**	**-**	**(85.32)**

vi. Reimbursement of expenses(paid)

Den Manoranjan Satellite Private Limited	0.30	-	-	-	-	0.30
	(1.26)	(-)	(-)	(-)	(-)	(1.26)
Others	-	-	-	-	-	-
	(11.18)	(-)	(0.80)	(-)	(-)	(11.98)
Total	**0.30**	(-)	**-**	**-**	-	**0.30**
	(12.44)	**(-)**	**(0.80)**	**(-)**	**(-)**	**(13.24)**

vii. Interest income

Den Kashi Cable Network Pvt.Ltd	0.55	-	-	-	-	0.55
	(2.04)	(-)	(-)	(-)	(-)	(2.04)
DEN Narmada Network Pvt. Ltd	0.15	-	-	-	-	0.15
	(0.16)	(-)	(-)	(-)	(-)	(0.16)
Den Mewar Rajdev CableNetwork Pvt. Ltd.	0.20	-	-	-	-	0.20
	(0.52)	(-)	(-)	(-)	(-)	(0.52)

Others	0.48	0.05	-	-	-	0.53
	(1.26)	(0.11)	(-)	(-)	(-)	(1.37)
Total	**1.38**	**0.05**	**-**	**-**	**-**	**1.43**
	(3.98)	**(0.11)**	**(-)**	**(-)**	**(-)**	**(4.09)**
viii. Investments during the period						
Den Elgee Cable Vision Pvt. Ltd.	3.93	-	-	-	-	3.93
	(-)	(-)	(-)	(-)	(-)	(-)
Den Malabar Cable Vision Pvt. Ltd.	8.00	-	-	-	-	8.00
	(-)	(-)	(-)	(-)	(-)	(-)
Den Sky Media Pvt. Ltd.	-	-	-	-	-	
	(86.70)	(-)	(-)	(-)	(-)	(86.70)
Den Futuristic Cable Networks Pvt. Ltd.	-	-	-	-	-	-
	(70.50)	(-)	(-)	(-)	(-)	(70.50)
Den Digital Cable Network Pvt. Ltd.	-	-	-	-	-	-
	(40.00)	(-)	(-)	(-)	(-)	(40.00)
Den Kashi Cable Network Pvt.Ltd	-	-	-	-	-	-
	(37.50)	(-)	(-)	(-)	(-)	(37.50)
Others	-	-	-	-	-	-
	(103.27)	(-)	(-)	(-)	(-)	(103.27)
Total	**11.93**	-	-	-	-	**11.93**
	(337.97)	**(-)**	**(-)**	**(-)**	**(-)**	**(337.97)**
ix. Loans given during the period						
Den Mewar Rajdev Cable Network Pvt Ltd	2.60	-	-	-	-	2.60
	(5.15)	(-)	(-)	(-)	(-)	(5.15)
DEN Narmada Network Pvt. Ltd	1.83	-	-	-	-	1.83
	(3.65)	(-)	(-)	(-)	(-)	(3.65)
Mahadev Den Network Pvt. Ltd-	3.00	-	-	-	-	3.00
	(0.80)	(-)	(-)	(-)	(-)	(0.80)
Den Sky Media Network Pvt Ltd	3.00	-	-	-	-	3.00
	(2.48)	(-)	(-)	(-)	(-)	(2.48)
Others	0.65	1.00	-	-	-	1.65
	(26.78)	(1.17)	(-)	(-)	(-)	(27.95)

Total	**11.08**	**1.00**	**-**	**-**	**-**	**12.08**
	(38.86)	**(1.17)**	**(-)**	**(-)**	**(-)**	**(40.03)**
x. Loans taken during the period						
Den Entertainment Network Pvt. Ltd.	-	-	-	-	-	-
	(16.90)	(-)	(-)	(-)	(-)	(16.90)
Total	**-**	**-**	**-**	**-**	**-**	**-**
	(16.90)	**(-)**	**(-)**		**(-)**	**(16.90)**
xi. Loans received back during the period						
DEN Enjoy Cable Network Pvt Ltd	2.55	-	-	-	-	2.55
	(0.50)	(-)	(-)	(-)	(-)	(0.50)
Others	-	-	-	-	-	-
	(9.54)	(-)	(-)	(-)	(-)	(9.54)
Total	**2.55**	**-**	**-**	**-**	**-**	**2.55**
	(10.04)	**(-)**	**(-)**	**(-)**	**(-)**	**(10.04)**
xii. Loans repaid during the period						
Den Entertainment Network Pvt. Ltd.	28.00	-	-	-	-	28.00
	(7.50)	(-)	(-)	(-)	(-)	(7.50)
Sameer Manchanda	-	-	-	-	-	-
	(-)	(-)	(-)	(-)	(50.00)	(50.00)
Total	**28.00**	**-**	**-**	**-**	**-**	**28.00**
	(7.50)	**(-)**	**(-)**	**(-)**	**(50.00)**	**(57.50)**
xiii. Advance paid during the period						
Star Den Media Services Pvt Ltd	-	-	25.00	-	-	25.00
	-	-	(-)	-	-	(-)
Total	**0**	**-**	**25.00**	**-**	**-**	**25.00**
	(-)	**(-)**	**(-)**	**(-)**	**(-)**	**(-)**
b. Outstanding balances at period end						
i. Debtors						
Setpro18 Distribution Ltd.	-	-	-	55.15	-	55.15
	(-)	(-)	(-)	(35.65)	(-)	(35.65)
Star Den Media Services Pvt. Ltd.	-	-	49.05	-	-	49.05
	(-)	(-)	(77.95)	(-)	(-)	(77.95)
Others	256.04	9.65	-	-	-	265.69
	(223.78)	(10.87)	(-)	(-)	(-)	(234.65)

Total	**256.04**	**9.65**	**49.05**	**55.15**	**(-)**	**369.89**
	(223.78)	**(10.87)**	**(77.95)**	**(35.65)**	**(-)**	**(348.25)**
ii. Unbilled revenue						
Setpro 18 Distribution Ltd	-	-	-	40.08	-	40.08
	(-)	(-)	(-)	(-)	(-)	(-)
Star Den Media Services Pvt. Ltd.	-	-	92.16	-	-	92.16
	(-)	(-)	(55.30)	(-)	(-)	(55.30)
Others	1.75	-	-	-	-	1.75
	(4.30)	(-)	(-)	(-)	(-)	(4.30)
Total	**1.75**	**-**	**92.16**	**40.08**	**-**	**133.99**
	(4.30)	**(-)**	**(55.30)**	**(-)**	**(-)**	**(59.60)**
iii. Creditors						
Star Den Media Services Pvt. Ltd.	-	-	34.82	-	-	34.82
	(-)	(-)	(49.55)	(-)	(-)	(49.55)
Den Enjoy Cable Networks Pvt. Ltd.	30.97	-	-	-	-	30.97
	(47.28)	(-)	(-)	(-)	(-)	(47.28)
Others	70.11	7.25	-	-	0.34	77.70
	(90.44)	(11.13)	(-)	(-)	(-)	(101.57)
Total	**101.08**	**7.25**	**34.82**	**-**	**0.34**	**143.49**
	(137.72)	**(11.13)**	**(49.55)**	**(-)**	**(-)**	**(198.40)**
iv. Investment						
Others	1,518.51	-	25.00	-	-	1,543.51
	(1,343.99)	(-)	(25.00)	(-)	(-)	(1,368.99)
Total	**1518.51**	**-**	**25.00**	**-**	**-**	**1543.51**
	(1,343.99)	**(-)**	**(25.00)**	**(-)**	**(-)**	**(1,368.99)**
v. Unsecured Loan						
Den Entertainment Network Pvt. Ltd.	27.00	-	-	-	-	27.00
	(55.00)	(-)	(-)	(-)	(-)	(55.00)
Total	**27.00**	**-**	**-**	**-**	**-**	**27.00**
	(55.00)	**(-)**	**(-)**	**(-)**	**(-)**	**(55.00)**
vi. Loans given (Dr)						
Den Kashi Cable Network Pvt. Ltd	16.94	-	-	-	-	16.94
	(16.94)	(-)	(-)	(-)	(-)	(16.94)

DEN Narmada Network Pvt. Ltd	5.47 (3.65)	- (-)	- (-)	- (-)	- (-)	5.47 (3.65)
Den Sky Media Network Pvt Ltd	5.48 (2.48)	- (-)	- (-)	- (-)	- (-)	5.48 (2.48)
Den Mewar Rajdev Cable Network Pvt. Ltd.	7.75 (5.15)	- (-)	- (-)	- (-)	- (-)	7.75 (5.15)
Others	12.30 (11.20)	2.08 (1.08)	- (-)	- (-)	- (-)	14.38 (12.28)
Total	**47.94** **(39.42)**	**2.08** **(1.08)**	- **(-)**	- **(-)**	- **(-)**	**50.02** **(40.50)**

vii. Share application money paid

Den Futuristic Cable Networks Pvt. Ltd.	4.70 (2.50)	- (-)	- (-)	- (-)	- (-)	4.70 (2.50)
Shine Cable Networks Pvt Ltd.	1.50 (-)	- (-)	- (-)	- (-)	- (-)	1.50 (-)
Total	**6.20** **(2.50)**	- **(-)**	- **(-)**	- **(-)**	- **(-)**	**6.20** **(2.50)**

viii. Advances given (Dr)

Den Mewar Rajdev Cable Network Pvt Ltd	9.26 (0.27)	- (-)	- (-)	- (-)	- (-)	9.26 (0.27)
Den Sky Media Network Pvt Ltd	10.63 (-)	- (-)	- (-)	- (-)	- (-)	10.63 (-)
Radiant Satellite India Pvt Ltd	4.50 (1.00)	- (-)	- (-)	- (-)	- (-)	4.50 (1.00)
Star Den Media Services Pvt Ltd	- (-)	- (-)	25.00 (-)	- (-)	- (-)	25.00 (-)
Others	13.24 (12.97)	1.76 (1.19)	0.01 (0.01)	- (-)	- (-)	15.01 (14.17)
Total	**37.63** **(14.24)**	**1.76** **(1.19)**	**25.01** **(0.01)**	**-** **(-)**	**-** **(-)**	**64.40** **(15.44)**

ix. Security deposits received

DEN BCN Suncity Network Pvt. Ltd.	0.10 (0.10)	- (-)	- (-)	- (-)	- (-)	0.10 (0.10)

Den Mahendra Satellite Pvt. Ltd.	0.12	-	-	-	-	0.12
	(0.12)	(-)	(-)	(-)	(-)	(0.12)
Den ModMax Cable Network Pvt. Ltd.	0.10	-	-	-	-	0.10
	(0.10)	(-)	(-)	(-)	(-)	(0.10)
Den Prayag Cable Networks Pvt. Ltd.	0.02	-	-	-	-	0.02
	(0.02)	(-)	(-)	(-)	(-)	(0.02)
Total	**0.34**	**-**	**-**	**-**	**-**	**0.34**
	(0.34)	**(-)**	**(-)**	**(-)**	**(-)**	**(0.34)**

x. Accrued expenses

DEN Enjoy Cable Network Pvt Ltd	7.78	-	-	-	-	7.78
	(-)	(-)	(-)	(-)	(-)	(-)
DEN Ambey Cable Network Pvt. Ltd.	5.32	-	-	-	-	5.32
	(-)	(-)	(-)	(-)	(-)	(-)
Star Den Media Services Pvt Ltd	-	-	5.35	-	-	5.35
	(-)	(-)	(-)	(-)	(-)	(-)
Others	25.87	5.98	-	-	-	31.85
	(0.83)	(-)	(-)	(-)	(-)	(0.83)
Total	**38.97**	**5.98**	**5.35**	**-**	**-**	**50.30**
	(0.83)	**(-)**	**(-)**	**(-)**	**(-)**	**(0.83)**

xi. Interest accrued on loans

Den Kashi Cable Network Pvt. Ltd.	2.25	-	-	-	-	2.25
	(2.04)	(-)	(-)	(-)	(-)	(2.04)
Den Mewar Rajdev Cable Network Pvt. Ltd.	0.60	-	-	-	-	0.60
	(0.52)	(-)	(-)	(-)	(-)	(0.52)
Others	1.88	0.05	-	-	-	1.93
	(1.42)	(-)	(-)	(-)	(-)	(1.42)
Total	**4.73**	**0.05**	**-**	**-**	**-**	**4.78**
	(3.98)	**(-)**	**(-)**	**(-)**	**(-)**	**(3.98)**

7. Deferred tax

a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing tax laws.

b. Break up of deferred taxes/ liabilities and reconciliation of current period deferred tax charge is as follows:

Rs. in million

	Balance as at 1 April, 2009	Credited/ (charged) to P&L account	Balance as at 31 March, 2009
Deferred tax liability			
Depreciation	(23.32)	(0.67)	(23.99)
Others	(0.14)	0.14	(-)
Total	**(23.46)**	**(0.53)**	**(23.99)**
Deferred tax assets*			
Employee benefits	4.05	0.65	4.70
Provision for doubtful debts	2.43	(0.15)	2.28
Others	-	0.01	0.01
Total	**6.48**	**0.51**	**6.99**
Deferred tax liability (Net)	**(16.98)**	**(0.02)**	**(17.01)**

**In the absence of virtual certainty with respect to realisation of the asset, deferred tax asset is not recognised on the carried forward loss of the current year.*

8. Lease commitments

a. Operating lease

The company has taken office premises and accommodation for its employee under cancellable operating lease agreements. The lease rental expense recognised in the profit and loss account for the period ended 30 June, 2009 is Rs. 22.28 million [Year ended 31 March, 2009 Rs. 85.07 million].

b. Finance lease

The company has acquired vehicles on finance leases. The total minimum lease payments and maturity profile of finance leases, the element of interest included in such payments, and the present value of the minimum lease payments as30 June, 2009 are as follows:

Rs. in million

Particulars	Not later than one year	Later than one year and not later than five years	Later than five years	Total
Total minimum lease payments outstanding	2.35 (2.35)	0.22 (0.80)	- (-)	2.57 (3.15)
Interest included in minimum lease payments	0.17 (0.24)	0.00 (0.02)	- (-)	0.17 (0.26)
Present value of minimum lease payments	2.17 (2.11)	0.22 (0.78)	- (-)	2.39 (2.89)

9. Investments

a. Subsidiary companies

During the period 30 June, 2009, the company has acquired majority control in certain companies through share subscription and share purchase agreements for a cash consideration of Rs. 174.52 million [During year ended 31 March, 2009 Rs. 779.71 million]. Balance consideration payable on account of share purchase agreements to the erstwhile shareholder at the period-end amounting to Rs. 310.00 [As at 31 March, 2009 Rs. 299.31 million] has been disclosed under sundry creditors. Out of such balance consideration, Rs. 199.21 million [As at 31 March, 2009 Rs. 164.98 million] will be discharged by way of subscription to shares of the company in the event of an initial public offering by the company.

The company has also advanced Rs. 349.28 million [During year ended 31 March, 2009 Rs.391.32 million] to acquire majority control in companies, the agreements for which have not been concluded prior to the period-ended 30 June, 2009. Such balances have been disclosed under loans and advances. Balance commitments on account of such agreements concluded / to be concluded after the period end amount to Rs. 1,355.36 million [as at 31 March, 2009 Rs. 1,465.38 million].

The following is the detail of purchase of shares and bonus shares received from subsidiary companies as on date:

S. No.	Name of company	No of shares purchased Nos./million	Amount Rs./million	Bonus shares Nos./million
i.Investment in equity shares				
1.	DEN Mahendra Satellite Pvt. Ltd.	6.66	3.01	26.64
2.	DEN Mod Max Cable Network Pvt. Ltd.	5.26	12.27	21.04
3.	DEN Krishna Cable TV Network Pvt. Ltd.	5.19	28.07	20.75
4.	DEN Pawan Cable Network Pvt. Ltd.	5.26	28.05	21.05
5.	DEN BCN Suncity Network Pvt. Ltd.	5.48	10.02	21.90
6.	DEN Harsh Mann Cable Network Pvt. Ltd.	5.51	3.32	22.05
7.	Den Classic Cable TV Services Pvt. Ltd.	5.94	2.65	23.75
8.	DEN Bindra Network Pvt. Ltd.	26.84	5.11	-
9.	DEN Montooshah Network Pvt. Ltd.	26.12	20.45	-
10.	DEN Ashu Cable Pvt. Ltd.	29.22	12.31	-
11.	DEN P.S.C. Network Pvt. Ltd.	38.91	9.14	-
12.	Dew Shree Network Pvt. Ltd.	40.50	121.75	-
13.	Shree Siddhivinayak Cable Network Pvt. Ltd.	25.50	25.77	-
14.	Drashti Cable Network Pvt. Ltd.	5.47	23.00	21.86
15.	DEN MCN Cable Network Pvt. Ltd.	56.06	33.97	-
16.	Mahadev Den Network Pvt. Ltd.	122.40	26.87	-
17.	Mahadev Den Cable Network Pvt. Ltd.	45.86	26.07	-
18.	Mahadev Den Cable Net Pvt. Ltd.	45.90	13.53	-
19.	DEN Digital Cable Network Pvt. Ltd.	6.03	132.83	24.11
20.	Malayalam Telenet Pvt. Ltd.	550.80	50.13	-
21.	DEN Bellary City Cable Pvt. Ltd.	28.93	36.84	-
22.	DEN-Manoranjan Satellite Pvt. Ltd.	0.52	127.81	2.04
23.	DEN Supreme Satellite Vision Pvt. Ltd.	30.45	25.56	-
24.	DEN Nashik City Cable Network Pvt. Ltd.	5.47	73.60	20.03
25.	Radiant Satellite (India) Pvt. Ltd.	97.50	58.65	-
26.	Den Radiant Satelite Cable Network Pvt. Ltd.	8.79	1.95	26.36
27.	Den Mewar Rajdev Cable Network Pvt. Ltd.	6.79	19.55	27.16
28.	DEN RIS Cable Network Pvt. Ltd.	12.06	5.41	36.19
29.	DEN Sky Media Network Pvt. Ltd.	91.00	123.83	-
30.	DEN Prince Network Pvt. Ltd.	6.85	3.00	20.54
31.	DEN Varun Cable Network Pvt. Ltd.	7.60	2.22	22.81
32.	Den Crystal Vision Network Pvt. Ltd.	5.83	8.18	23.32
33.	Meerut Cable Network Pvt. Ltd.	51.00	83.41	-
34.	DEN Jai Ambey Vision Cable Pvt. Ltd.	6.41	2.10	19.22
35.	DEN Fateh Marketing Pvt. Ltd.	25.50	10.23	-
36.	DEN Prayag Cable Networks Pvt. Ltd.	6.80	2.04	18.70
37.	DEN Enjoy Cable Networks Pvt. Ltd.	355.98	36.59	-

S. No.	Name of company	No of shares purchased Nos./million	Amount Rs./million	Bonus shares Nos./million
38.	DEN Maa Sharda Vision Cable Networks Pvt. Ltd.	10.41	6.00	20.82
39.	Den F K Cable TV Network Pvt. Ltd.	5.54	25.55	22.14
40.	DEN Shiva Cable Network Pvt. Ltd.	11.48	0.82	14.03
41.	DEN Pradeep Cable Network Pvt. Ltd.	6.41	1.50	19.22
42.	DEN Satellite Cable TV Network Pvt. Ltd.	6.25	5.34	25.01
43.	DEN Narmada Network Pvt. Ltd.	44.81	2.00	-
44.	Den Ambey Cable Networks Pvt. Ltd.	31.22	13.17	-
45.	DEN Budaun Cable Network Pvt. Ltd.	37.11	2.00	-
46.	DEN Aman Entertainment Pvt. Ltd.	30.53	4.12	-
47.	Den Kashi Cable Network Pvt. Ltd.	6.41	5.01	19.09
48.	Shine Cable Network Pvt. Ltd.	50.00	0.50	-
49.	Den Futuristic Cable Networks Pvt. Ltd.	714.95	70.60	-
50.	Den Entertainment Network Pvt. Ltd.	87.20	0.44	-
51.	DEN Digital Entertainment Banglore Pvt. Ltd.	50.00	0.50	-
52.	DEN Digital Entertainment Gujarat Pvt. Ltd.	50.00	0.50	-
53.	Star DEN Media Services Pvt. Ltd.	2,500.00	25.00	-
54.	Den Elgee Cable Vision Pvt. Ltd.	47.05	4.38	-
55.	Rajkot City Communication Pvt. Ltd.	5.10	98.43	-
56.	Den Malabar Cable Vision Pvt. Ltd.	30.63	26.89	-
ii.	**Investment in preference shares**			
1.	Den Kashi Cable Network Pvt. Ltd.	750.00	37.50	-
Total		**6,281.49**	**1,539.54**	**539.83**

b. Business purchase acquisitions

The company has acquired the cable network business of certain multi system operators for a consideration amounting to Rs. Nil [Year ended 31 March, 2009 Rs. 8.05 million].

The consideration has been apportioned on fair value basis as determined and reported by expert valuer. The details are as follows:

Particulars	Period ended 30.06.2009	Year ended 31.03.2009
		Rs. in million
a. Tangible fixed assets	NIL	2.18
b. Distribution network rights	NIL	5.26
c. Goodwill	NIL	0.61
Total	**NIL**	**8.05**

c. Mutual funds

The details of purchase and sales of investments in mutual fund during the period are as follows:

Rs. in million

(Amounts in brackets indicate figures for the year ended 31March, 2009)

S. No.	Mutual fund	Purchase*		Sales		Closing Balance	
		No. of units	Value	No. of units	Value	No. of units	Value
1	Reliance Liquid Plus Fund-Institutional Option - Growth Plan	-	-	-	-	-	-
		(93.62)	(103.75)	(93.62)	(103.75)		
2	Reliance Liquid Plus Fund-Institutional Option - Daily Dividend Plan	-	-	-	-	-	-
		(51.23)	(51.29)	(51.23)	(51.29)		
3	Reliance Monthly Interval Fund - Series I-Institutional Dividend Plan	-	-	-	-	-	-
		(-)	(-)	(5,114.25)	(51.19)		
4	Reliance Monthly Interval fund - Series II-Institutional Dividend plan	-	-	-	-	-	-
		(117.99)	(1.18)	(10,240.45)	(102.46)		
5	HSBC Liquid Plus-Institutional Plus-Growth	-	-	-	-	-	-
		(22,428.74)	(253.05)	(22,428.74)	(253.05)		
6	HSBC Liquid Plus-Institutional Plus-Daily Dividend	-	-	-	-	-	-
		(15.75)	(0.16)	(25,272.93)	(253.05)		
7	DSP Merrill Lynch Liquid Plus Institutional Plan Growth	-	-	-	-	-	-
		(46.14)	(52.85)	(46.14)	(52.85)		
8	DSP Merrill Lynch FMP - 3M-Series 3-Institutional Plan Growth	-	-	-	-	-	-
		(-)	(-)	(5,000.00)	(50.00)		
9	DSP Merrill Lynch Liquid Plus Institutional Plan - Daily Dividend	-	-	-	-	-	-
		-	-	(1.61)	(1.61)		
10	2031 / HDFC Cash Management Fund - Savings Plus Plan - Wholesale - Daily Dividend , Option : Reinvest	-	-	-	-	-	-
		(12.68)	(0.13)	(20,197.29)	(202.61)		
11	2032 / HDFC Cash Management Fund - Treasury Advantage Plan - Wholesale - Growth	2,592.64	50.01	2,592.64	50.27	-	-
		(17,277.06)	(312.63)	(17,277.06)	(312.63)		

Rs. in million

(Amounts in brackets indicate figures for the year ended 31March, 2009)

S. No.	Mutual fund	Purchase*		Sales		Closing Balance	
		No. of units	Value	No. of units	Value	No. of units	Value
12	B8861D BSL Interval Income - Instl-Monthly - Series 2 - Dividend - Payout	-	-	-	-	-	-
		(-)	(-)	(15,000.00)	(150.00)		
13	B886IG BSL Interval Income-Instl-Monthly - Series 2-Growth	-	-	-	-	-	-
		(14,554.63)	(150.00)	(14,554.63)	(150.00)		
14	B878G BSL Interval Income-Instl-Monthly - Series 1-Growth	-	-	-	-	-	-
		(956.30)	(10.00)	(956.30)	(10.00)		
15	Birla Sun Life Liquid Plus Install Growth	-	-	-	-	-	-
		(10,463.97)	(160.53)	(10,463.97)	(160.53)		
16	3005 / HDFC Cash Management Fund - Savings Plan - Growth	-	-	-	-	-	-
		(3,298.85)	(60.00)	(3,298.85)	(60.00)		
17	TFLG Tata Floater Fund – Growth	3,807.13	50.01	2,271.01	30.00	1,536.12	20.01
		(5,418.41)	(70.00)	(5,418.41)	(70.00)		
18	Kotak Floater Short Term - Growth	-	-	-	-	-	-
		(1,391.69)	(20.00)	(1,391.69)	(20.00)		
19	Kotak Liquid (Institutional) Growth	719.50	10.00	719.50	10.10	-	-
		(1,720.83)	(30.00)	(1,720.83)	(30.00)		
20	Kotak Floater Long Term - Growth (Purchase)	570.04	10.00	570.04	10.00	-	-
		(7,980.33)	(110.02)	(7,980.33)	(110.02)		
21	DSP BlackRock Money Manager Fund - Institutional Plan - Growth	44.23	50.00	44.23	50.01	-	-
		(87.37)	(102.85)	(87.37)	(102.85)		
22	DSP BlackRock Liquidity Fund - Regular Plan - Growth	473.13	10.00	473.13	10.01	-	-
		(954.39)	(20.00)	(954.39)	(20.00)		
23	DSP BlackRock Money Manager Fund - Regular Plan - Growth	40.33	50.01	40.33	50.19	-	-
		(16.56)	(20.00)	(16.56)	(20.00)		
24	LICMF Liquid Fund - Growth Plan	621.86	10.00	621.86	10.01	-	-
		(1,253.02)	(20.00)	(1,253.02)	(20.00)		
25	LICMF Income Plus Fund - Growth Plan	851.83	10.01	851.83	10.06	-	-
		(1,715.02)	(20.00)	(1,715.02)	(20.00)		

Rs. in million
(Amounts in brackets indicate figures for the year ended 31March, 2009)

S. No.	Mutual fund	Purchase*		Sales		Closing Balance	
		No. of units	Value	No. of units	Value	No. of units	Value
26	Kotak Flexi Debt Scheme - Growth	-	-	-	-	-	-
		(13,634.53)	(172.52)	(13,634.53)	(172.52)		
27	Kotak Flexi Debt Scheme - Daily Dividend	-	-	-	-	-	-
		(10.19)	(0.10)	(17,198.28)	(172.52)		
28	Birla Sun Life Cash Plus-Retail Growth	847.09	20.00	847.09	20.00	-	-
		(-)	(-)	(-)	(-)		
29	Birla Sun Life Saving Fund-Retail Growth	1,219.45	20.00	1,219.45	20.11	-	-
		(-)	(-)	(-)	(-)		
30	TLSG01 Tata Liquid Super High Inv. Fund Appreciation	30.63	50.00	30.63	50.01	-	-
		(-)	(-)	(-)	(-)		
31	M43 Fortis Overnight Institutional Growth	2,977.59	40.00	2,977.59	40.01	-	-
		(-)	(-)	(-)	(-)		
32	M17G Fortis money Plus Instituitional Growth	3,021.96	40.01	3,021.96	40.20	-	-
		(-)	(-)	(-)	(-)		
33	HDFC Liquid Fund-Growth	2,853.77	50.00	2,853.77	50.01	-	-
		(-)	(-)	(-)	(-)		

*****Purchases include reinvestment of dividend units

10. Dividend on cumulative preference shares

Provision for dividend on 0.001% cumulative preference shares (including corporate dividend tax) amounts to Rs.0.00 million for 30 June, 2009 (For the year ended 31 March, 2009 Rs.0.00 million).

11. Disclosures as per the Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

This has been determined on the basis of responses received from vendors on specific confirmation sought by the Company in this regard.

12. Disclosure pursuant to Accounting Standard 15 (Revised 2005) on 'Employee Benefits'

A. Defined contribution plans and state plans

The Company makes contribution toward the following defined contribution and state plans for qualifying employees:

a. Employees' Provident Fund (EPF)
b. Employees' State Insurance (ESI)
c. Employees' Pension Scheme (EPS)

During the period the company has recognized the following amounts in the Profit and Loss account:

		Rs. in million	
Particulars		**Period ended 30.06.2009**	**Year ended 31.03.2009**
a.	Employer’s contribution to EPF	2.57	9.04
b.	Employer’s contribution to ESI	0.13	0.40
c.	Employer’s contribution to EPS	0.71	2.54

The contribution payable by the Company is at the rates specified in the rules to the plans.

B. Defined benefit plan

Gratuity plan

The gratuity liability arises on retirement, withdrawal, resignation, and death of an employee. The aforesaid liability is calculated on the basis of 15 days salary (i.e. last drawn salary plus dearness allowance) for each completed year of service or part thereof in excess of 6 months, subject to a maximum of Rs. 350,000. Vesting occurs upon completion of 5 years of service.

The present value of the defined benefit obligation and the related current service cost are measured using the Projected Unit Credit method with actuarial valuations being carried out at each balance sheet date.

The following tables set out the status of the gratuity plan and amounts recognised in the Company’s financial statements as at 30 June, 2009.

i. Change in benefit obligations:

	Rs. in million	
Particulars	**Period ended 30.06.2009**	**Year ended 31.03.2009**
Present value of obligations* at the beginning of the year	5.26	0.70
Current service cost	1.13	4.17
Interest cost	0.09	0.05
Actuarial (gain)/loss on obligation	(0.09)	0.33
Benefits paid	-	-
Present value of obligations* at the balance sheet date	6.39	5.25

**Defined benefit obligations liability as at the balance sheet date is unfunded.*

ii. Expenses recognised in the profit and loss account:

	Rs. in million	
Particulars	**Period ended 30.06.2009**	**Year ended 31.03.2009**
Current Service cost	1.13	4.17
Interest cost	0.09	0.05
Actuarial (gain)/loss recognized	(0.09)	0.33
Net cost	1.13	4.55
Experience adjustments on plan liabilities (gain)/ loss	(0.09)	(0.01)

iii. Principal actuarial assumptions:

(A) Economic assumptions

	Particulars	Refer note below	Period ended 30.06.2009	Year ended 31.03.2009
a.	Discount rate (per annum)	**1**	7.00%	7.00%
b.	Estimated salary escalation rate (per annum)	**2**	7.00%	7.50%

(B) Demographic Assumptions

a.	Retirement age (years)	58	58
b.	Mortality Table	LIC 1994-96 (duly modified)	
c.	Withdrawal Rates		

Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Upto 30 years	3.00	3.00
From 31 years to 44 years	2.00	2.00
Above 44 years	1.00	1.00

Notes:

1. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

2. The salary growth rate takes account of inflation, seniority, promotion and other relevant factors on a long term basis.

13. Previous year's/period's figures have been regrouped/ reclassified, wherever necessary to conform to the presentation as at 30 June, 2009.

ANNEXURE V

STATEMENT SHOWING DETAILS OF SECURED AND UNSECURED LOANS OF DEN NETWORKS LIMITED
AND
DETAILS OF LOAN TAKEN AND ASSETS CHARGED AS SECURITIES

(Rs. in million)

PARTICULARS	AS AT 30.06.2009	RATE OF INTEREST as at 30th June, 2009	REPAYMENT TERMS	SECURITY
A. SECURED LOANS				
a. Loan from banks				
i. Cash credit				
Syndicate Bank	257.18	Prime Lending Rate (12.5%)	Payable on demand	First charge on all current and future assets of the Company ranking pari passu charge with other working capital lenders. Second charge on all movable and immovable fixed assets of the Company ranking pari passu charge with other working capital lenders.
Bank of Maharashtra	50.58	Prime Lending Rate (12.5%)	Payable on demand	First charge on all current assets of the Company ranking pari passu charge with other working capital lenders. Second charge on all movable and immovable fixed assets of the Company ranking pari passu charge with other working capital lenders.
Total cash credit	**307.76**			
ii. Term loans				
Syndicate Bank	239.94	Prime Lending Rate (12.5%)	60 monthly installment of Rs. 5.62 million each (cum interest) based on drawdown. The first installment is to be paid after 12 months from the first draw down	First charge on all existing and future movable and immovable fixed assets of the Company ranking pari passu charge with other working capital lenders. Second charge on all current assets of the Company ranking pari passu charge with other term loan lenders.

(Rs. in million)

PARTICULARS	AS AT 30.06.2009	RATE OF INTEREST as at 30th June, 2009	REPAYMENT TERMS	SECURITY
			and subsequent installments are to be paid on or before the same day of each month.	Personal guarantee of the Managing director of the Company.
Syndicate Bank	202.05	Prime Lending Rate (12.5%)	36 monthly installment of Rs. 5.55 million each based on drawdown. The first installment is to be paid after 12 months from the first draw down and subsequent installments are to be paid on or before the same day of each month.	First charge on all existing and future movable and immovable fixed assets of the Company ranking pari passu charge with other working capital lenders. Second charge on all current assets of the Company ranking pari passu charge with other term loan lenders. Personal guarantee of the Managing director of the Company.
Syndicate Bank	227.58	Prime Lending Rate (12.5%)	Loand sanctioned Rs. 550 million. Repayment in 20 Quarterly installment of Rs. 27.5 million each based on drawdown. The first installment is to be paid after 12 months from the first draw down and subsequent installments are to be paid on or before the same day of each quarter.	First charge on all existing and future movable and immovable fixed assets of the Company ranking pari passu charge with other working capital lenders. Second charge on all current assets of the Company ranking pari passu charge with other term loan lenders. Personal guarantee of the Managing director of the Company.

(Rs. in million)

PARTICULARS	AS AT 30.06.2009	RATE OF INTEREST as at 30th June, 2009	REPAYMENT TERMS	SECURITY
Bank of India	22.50	Prime Lending Rate (12.5%)	Loan Sanctioned Rs. 200 million. Repayment in 48 monthly installment of Rs. 4.17 million each based on drawdown. The first installment is to be paid after 12 months from the first draw down and subsequent installments are to be paid on or before the same day of each month.	First charge on all existing and future movable and immovable fixed assets of the Company ranking pari passu charge with other working capital lenders. Second charge on all current assets of the Company ranking pari passu charge with other term loan lenders. Personal guarantee of the Managing director of the Company.
Bank of India	200.00	Prime Lending Rate (12.5%)	8 Quarterly installment of Rs. 25.0 million each beginning May 2010.	First charge on all existing and future movable and immovable fixed assets of the Company ranking pari passu charge with other working capital lenders. Second charge on all current assets of the Company ranking pari passu charge with other term loan lenders. Personal guarantee of the Managing director of the Company.
Bank of Maharashtra	353.60	Prime Lending Rate (12.5%)	36 monthly installment of Rs. 9.72 million each based on drawdown. The first installment is to be paid after 12 months from the first draw down and subsequent installments are to be paid on or before the same day of each month.	First charge on the project assets of the Company ranking pari passu with the other term lenders for the projects. Further, the loan is to be collaterally additionally secured by way of pledge of shares of the Company held by the promoters. Personal guarantee of Managing Director of the Company.
Total term loans	**1,245.67**			
iii. Other loans	2.39	Various rates		Secured against hypothecation of vehicles

(Rs. in million)

PARTICULARS	AS AT 30.06.2009	RATE OF INTEREST as at 30th June, 2009	REPAYMENT TERMS	SECURITY
Total secured loans	**1,555.82**			

. **UNSECURED LOANS**

Short term loan from subsidiary	27.00	Interest Free	3 years from the date of provision of loan	
Total unsecured loans	**27.00**			

ANNEXURE VI

STATEMENT SHOWING AGEWISE ANALYSIS OF SUNDRY DEBTORS OF DEN NETWORKS LIMITED

(Rs. in million)

Particulars	**As on 30.06.2009**	**As on 31.03.2009**	**As on 31.03.2008**
More than 6 months (Unsecured)			
Considered good	186.32	139.63	-
Considered doubtful	4.16	4.16	-
Others debts (Unsecured)			
Considered good	515.50	457.54	152.18
Considered doubtful	2.54	2.54	2.99
Total (A)	708.52	603.88	155.17
Less: Provision for doubtful debts (B)	6.70	6.71	2.99
Total (A-B)	**701.82**	**597.17**	**152.18**

ANNEXURE VII

STATEMENT OF LOANS AND ADVANCES OF DEN NETWORKS LIMITED

(Rs. in million)

Particulars	As on 30.06.2009	As on 31.03.2009	As on 31.03.2008
Loans and Advances (Unsecured)			
Advances recoverable in cash or in kind or for value to be received (see note 1 below)			
Considered good	343.76	300.98	149.68
Considered doubtful	13.79	13.79	44.00
Less: Provision for doubtful advances	13.79	13.79	44.00
	343.76	**300.98**	**149.68**
Loans to			
- Subsidiaries	50.02	40.50	10.61
- Others	6.40	3.00	105.00
	56.42	**43.50**	**115.61**
Advance for investments	349.28	391.32	90.53
Balance with government authorities	48.35	57.62	42.64
Share application money paid pending allotment in subsidiaries	6.20	2.50	20.35
Income tax deducted at source	133.69	119.01	10.72
Total	**937.70**	**914.92**	**429.53**
1. Includes advances to			
Subsidiaries	44.15	19.41	55.81
Jointly controlled entity	25.01	-	-
Entities under Significant Influence		-	-
Key management personnel ('KMP') and relatives of KMP		-	-

ANNEXURE VIII: Fixed Assets

(Rs. in million)

Particulars	GROSS BLOCK As at 01.04.09	Additions	Sales/ Adjustment	As at 30.06.09	DEPRECIATION/AMORTISATION As at 01.04.09	Addition	Sales/ Adjustments	As at 30.06.09	NET BLOCK As at 01.04.09	As at 30.06.09
(A) Tangible assets										
Leasehold improvements	86.40	8.69	0.75	94.34	23.20	9.11	0.30	32.01	63.20	62.33
Plant and machinery										
- Headend and distribution equipments	648.48	70.56	0.86	718.18	44.24	18.48	0.05	62.67	604.24	655.51
- Set top boxes	421.79	57.42	-	479.21	21.35	13.71		35.06	400.45	444.15
- Computers	28.33	0.39	-	28.72	3.86	1.19	-	5.05	24.47	23.67
- Office & other equipments	73.74	3.80	-	77.54	7.89	2.08	-	9.97	65.85	67.57
Furniture and fixtures	7.38	0.19	-	7.57	2.50	0.30	-	2.80	4.88	4.77
Vehicles	15.89	0.23	-	16.12	3.20	0.65	-	3.85	12.69	12.27
(B) Intangible assets										
Goodwill	4.13	-	-	4.13	1.72	0.17	-	1.89	2.40	2.24
Distribution network rights	20.26	-	-	20.26	5.60	1.01	-	6.61	14.67	13.65
Software	9.48	1.40	-	10.88	1.00	0.51	-	1.51	8.47	9.37
License fee for internet service	2.00	-	-	2.00	0.42	0.10	-	0.52	1.58	1.48
Total	**1,317.88**	**142.68**	**1.61**	**1,458.95**	**114.98**	**47.31**	**0.35**	**161.94**	**1,202.90**	**1,297.01**
Previous period	**114.71**	**1,205.06**	**1.89**	**1,317.88**	**9.67**	**105.52**	**0.21**	**114.98**		
Capital work-in-progress (including capital advance)									**253.95**	**183.84**
Grand Total									**1,456.85**	**1,480.85**

(Rs. in million)

Particulars	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
	As at 01.04.08	**Additions**	**Sales/ Adjustments**	**As at 31.03.09**	**As at 01.04.08**	**Additions**	**Sales/ Adjustments**	**As at 31.03.09**	**As at 01.04.08**	**As at 31.03.09**
(A) Tangible assets										
Leasehold improvements	27.58	58.82	-	86.40	1.50	21.70	-	23.20	26.09	63.20
Plant and machinery										
- Headend and distribution equipments	28.38	620.97	0.87	648.48	2.09	42.26	0.10	44.24	26.30	604.24
- Set top boxes	-	421.79	-	421.79	-	21.35	-	21.35	-	400.45
- Computers	8.39	20.01	0.07	28.33	0.34	3.53	0.01	3.86	8.05	24.47
- Office & other equipments	12.43	62.26	0.95	73.73	1.35	6.64	0.10	7.89	11.08	65.85
Furniture and fixtures	4.07	3.31	-	7.38	0.87	1.62	-	2.50	3.20	4.88
Vehicles	13.33	2.57	-	15.89	0.76	2.44	-	3.20	12.56	12.69
(B) Intangible assets										
Goodwill	3.52	0.61	-	4.13	1.07	0.65	-	1.73	2.44	2.40
Distribution network rights	15.01	5.26	-	20.26	1.66	3.93	-	5.60	13.35	14.67
Software	-	9.47	-	9.47	-	1.00	-	1.00	-	8.47
License fee for internet service	2.00	-	-	2.00	0.02	0.40	-	0.42	1.98	1.58
Total	**114.71**	**1,205.06**	**1.89**	**1,317.88**	**9.67**	**105.52**	**0.21**	**114.98**	**105.04**	**1,202.90**
Previous period	**-**	**114.71**	**-**	**114.71**	**-**	**9.67**	**-**	**9.67**	**-**	**105.04**
Capital work-in-progress (including capital advance)									**361.33**	**253.95**
Grand Total									**466.37**	**1,456.85**

Annexure IX

STATEMENT OF OTHER INCOME OF DEN NETWORKS LIMITED

(Rs. in million)

Particulars	**Period Ended 30.06.2009**	**Year Ended 31.03.2009**	**Period Ended 31.03.2008**
Recurring income			
Interest income			
Fixed deposits	0.77	6.97	0.85
Others	1.53	5.40	2.25
Dividend on current investments (other than trade and unquoted)	-	2.76	2.58
Profit on sale of current investments (other than trade and unquoted)	0.95	9.84	11.86
	3.25	**24.97**	**17.54**
Non - recurring income			
Excess provisions written back	22.40	30.94	-
Miscellaneous income	1.70	8.67	-
	24.10	**39.61**	**-**
Total	**27.35**	**64.58**	**17.54**

ANNEXURE X

STATEMENT OF TAX SHELTER OF DEN NETWORKS LIMITED

(Rs. in million)

Particulars	**Period Ended 30.06.2009**	**Year Ended 31.03.2009**	**Period Ended 31.03.2008**
Net profit/(loss) before tax, as restated	(5.01)	(115.10)	(219.08)
Applicable income tax rates (including surcharge)	33.99%	33.99%	33.99%
Tax at Income Tax Rates	**(1.70)**	**(39.12)**	**(74.46)**
Adjustments			
a. Permanent differences:			
i) Dividend exempt from tax	-	(2.76)	(2.58)
ii) Capital expenditure debited to P&L Account	71.5	-	1.60
iii) Others	-	0.59	1.21
	71.5	**(2.17)**	**0.23**
b. Timing differences:			
i) Preliminary expenses written off	(0.00)	(0.01)	(0.01)
ii) Difference between book and tax depreciation	(1.97)	(61.14)	(4.21)
iii) Provision for debts and advances	(22.40)	(26.50)	46.99
iv) Provision for liability of contingent nature	-	133.02	-
v) Disallowance under 40(a) of Income Tax Act	-	(15.54)	24.26
vi) Relating to provision for retirement/employee benefits	1.92	10.18	1.73
vii) Others	-	0.05	0.03
	(22.45)	**40.06**	**68.79**
Total Adjustments	**49.05**	**37.89**	**69.02**
Tax liabilities /(savings)on normal rate income	**16.67**	**12.88**	**23.46**
Unabsorbed Losses / Depreciation Carried Forward	**(148.97)**	**(225.53)**	**(225.53)**
Total Taxation	-	-	-

Annexure XI

ACCOUNTING RATIOS OF DEN NETWORKS LIMITED

(Rs. in million)

	Particulars		**Period Ended 30.06.2009**	**Year Ended 31.03.2009**	**Period Ended 31.03.2008**
(1)	Adjusted net profit/(loss) after tax, as restated for Basic EPS	Rs. in million	(6.16)	(137.59)	(220.42)
(2)	Profit/(loss) attributable to equity shareholders	Rs. in million	(6.16)	(137.59)	(220.42)
(3)	Nominal value of equity shares	Rupees	10.00	10.00	10.00
(4)	Weighted average number of ordinary shares for :				
	(a) Basic EPS	Numbers	90,594,400	90,593,518	50,027,330
	(b) Diluted EPS	Numbers	103,955,761	101,597,599	50,147,886
(5)	Number of ordinary shares outstanding at the end of the period	Numbers	90,594,400	18,118,880	18,118,680
(6)	Net Worth	Rs. in million	2,177.92	2,185.19	1,930.78
(7)	Net Worth (excluding preference share capital)	Rs. in million	1,738.00	2,145.20	1,898.79
(8)	**Accounting Ratios**				
	(i) Earnings/(loss) per share				
	(a) Basic [(2) / (4)(a)]	Rupees	(0.07)	(1.52)	(4.41)
	(b) Diluted [(2) / (4)(b)]	Rupees	(0.07)	(1.52)	(4.41)
	(ii) Return on net worth [(1) / (6)]x 100		(0.28%)	(6.30%)	(11.42%)
	(iii) Return on net worth (excluding preference share capital) [(1) / (7)]x 100		(0.35%)	(6.41%)	(11.61%)
	(iv) Net asset value per share [(6) / (5)]	Rupees	24.04	120.60	106.56
	(v) Net asset value per share (excluding preference share capital) [(7) / (5)]	Rupees	19.18	118.40	104.80

1. The above ratios have been computed on the basis of the Statement of Assets and Liabilities, as restated and Statement of Profits and Losses, as restated. (Refer Annexure I and Annexure II)
2. Return on net worth represents adjusted net profit/(loss) after tax, as restated divided by adjusted net worth.
3. Net asset value per share is calculated as net worth at the end of each financial year/period divided by the number of ordinary shares outstanding at the end of each financial year/period.
4. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period, adjusted for the equity shares issued or bought back during the period multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days in a period.

Annexure XII

CAPITALISATION STATEMENT OF DEN NETWORKS LIMITED

(Rs. in million)

Particulars	**Pre-issue As on 30.06. 2009**	**Post Issue**
Long Term Debt	1,248.07	
Short Term Debt	334.76	
Total Debt	**1,582.83**	
Share Capital		
Equity Share Capital	905.95	
Preference Share Capital	439.92	
Reserves, as restated		
Securities Premium Account	1,196.22	
Profit and Loss Account	(364.16)	
Total Shareholders Funds	**2,177.93**	
Long-term Debt / Equity ratio	0.57	
Total Debt / Shareholders' funds	0.73	

1 The figures disclosed above are based on the Standalone Summary Statement of Assets and Liabilities, as restated of the company as at June 30, 2009 as restated

2 Short term debt represents debts which are due within twelve months from June 30, 2009.

3 Long term debt represents debt other than short term debt, as defined above.

4 Long Term Debt / Equity = Long Term Debt/ Shareholders' Funds

5 The corresponding post issue figures are not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished.

6 Since 30.6.2009 (which is the last date as of which audited financial information has been given in this document) equity share capital was increased from Rs. 905.94 million to Rs. 1,119.23 million due to:

a) Issue of fresh equity shares worth Rs. 39.47 million;

b) Issue of fresh equity shares worth Rs. 40.20 million to certain MSOs in part consideration for acquisition of equity interest in such MSOs as per the terms of the relevant share purchase, share subscription and shareholders’ agreement;

c) Conversion of the Cumulative Convertible Preference Shares into Equity Shares worth Rs. 133.61 million.

ANNEXURE XIII

STATEMENT OF DIVIDEND PAID/PROPOSED OF DEN NETWORKS LIMITED

(Rs. in million)

Particulars	Face Value (Rs. / Share)	As at 30.06.2009	As at 31.03.2009	As at 31.03.2008
Equity Share Capital	10	905.95	181.19	181.19
Dividend	-	-	-	-
Dividend Tax	-	-	-	-

AUDITOR'S REPORT

To,
The Board of Directors,
DEN Networks Limited
236, Okhla Industrial Estate, Phase III
New Delhi – 110 020,
India

Dear Sirs,

1. We have examined the attached consolidated financial information of DEN Networks Limited ('the Company') its subsidiaries, joint venture and partnership firm (the Company, its subsidiaries, joint venture and partnership firm constitute 'the Group'), as approved by the Board of Directors of the Company, prepared in terms of the requirements of paragraph B (1) of Part II of Schedule II to the Companies Act, 1956 ('the Act') and the Securities and Exchange Board of India ('SEBI') - (Issue of Capital and Disclosure Requirements) Regulations, 2009 (the SEBI ICDR Regulations) and pursuant to Section 11 of the Securities and Exchange Board of India Act, 1992 (the 'SEBI Act') and in terms of our engagement agreed upon with the Company in accordance with our engagement letter dated 3 August, 2009 in connection with the proposed initial public offering of equity shares ("IPO").

2. **Financial Information as per Audited Financial Statements**

We have examined the attached 'Consolidated Summary Statement of Assets and Liabilities, as restated' of the Group as at 30 June, 2009, 31 March, 2009 and 31 March, 2008 (Annexure I), the attached 'Consolidated Summary Statement of Profit and Losses, as restated' (Annexure II) and 'Consolidated Statement of Cash Flows' (Annexure III) of the Group for the period ended 30 June, 2009, year ended 31 March, 2009, and period ended 31 March, 2008 together referred to herein as 'Restated Consolidated Summary Statements'. These Restated Consolidated Summary Statements have been extracted by the management from the consolidated financial statements of the Group as at and for the period ended 30 June, 2009, year ended 31 March, 2009 and period ended 31 March, 2008 and have been approved by the Board of Directors for those respective periods.

The consolidated financial statements as at and for the period ended 30 June, 2009 and year ended 31 March, 2009, were audited by us and are subject to the following:

i. The consolidated financial statements as at and for the period ended 31 March, 2008 were audited by Price Waterhouse, Chartered Accountants.

ii. We did not audit the financial statements of certain subsidiaries and joint venture and partnership firm (the proportionate share), whose financial statements reflect as follows:

(Rs. in million)

Reporting Period	**Total Assets**	**Total Revenue**	**Net Cash Inflows/(Outflows)**
Period ended 30 June, 2009	2,613.11	1,518.31	610.66
Year ended 31 March, 2009	438.88	5,893.82	(4.14)

These financial statements and other financial information were audited by other auditors, whose reports were furnished to us by the management of the Group, and our opinion was based solely on the report of these other auditors.

3. Based on our examination of these Restated Consolidated Summary Statements and subject to our comments in paragraph 2 above, we state that:

i. The Restated Consolidated Summary Statements have to be read in conjunction with the 'Significant Accounting Policies and Notes to the Restated Consolidated Summary Statements' given in 'Annexure IV to this report.

ii. There are no changes in accounting policies which require adjustments to arrive at the Restated Consolidated Summary Statements.

iii. The restated profits/losses have been arrived at after making such adjustments and regroupings as in our opinion are appropriate in the year/period to which they relate;

iv. There are no extraordinary items that need to be disclosed separately in the Restated Consolidated Summary Statements.

v. There are no qualifications in the auditors' report on the consolidated financial statements that require adjustments to the Restated Consolidated Summary Statements except the following qualification included in note 1 (a) of Annexure IV,

Qualifications made in the main Auditors' Report for the three months period ended 30 June, 2009

Attention is invited to Note 1 of Schedule 16 wherein it is stated that the Company has not prepared a comparable balance sheet as at 30 June, 2008, the profit and loss account and the statement of cash flows for the three months period ended 30 June, 2008 as required in consonance with Accounting Standard 25 – Interim Financial Reporting as notified by the Companies (Accounting Standards) Rules 2006 due to the limited use of the financial statements for the proposed initial public offering of equity shares.

4. **Other Financial Information**

We have also examined the following financial information relating to the Group and as approved by the Board of Directors and annexed to this report:

a. Basis of Consolidation, Significant Accounting Policies as adopted by the Group and Notes to the Restated Consolidated Summary Statements (Annexure IV) as at 30 June, 2009;

b. Consolidated Details of Secured and Unsecured Loans as at 30 June, 2009, 31 March, 2009 and 31 March, 2008 (Annexure V)

c. Consolidated Details of Sundry Debtors as at 30 June, 2009, 31 March, 2009 and 31 March, 2008 (Annexure VI)

d. Consolidated Details of Loans and Advances as at 30 June, 2009, 31 March, 2009 and 31 March, 2008 (Annexure VII);

e. Consolidated Details of Fixed Assets as at 30 June, 2009, 31 March, 2009 and 31 March, 2008 (Annexure VIII);

f. Consolidated Details of Other Income for the period ended 30 June, 2009, year ended 31 March, 2009 and period ended 31 March, 2008 and (Annexure IX);

g. Consolidated Summary of Accounting Ratios relating to earnings per share, return on net worth and net asset value (Annexure X)

h. Consolidated Capitalisation Statement as at 30 June, 2009 (Annexure XI);

5. Based on our examination of the financial information of the Company attached to this report, we state that in our opinion, the 'Restated Consolidated Summary Statements' and 'Other Financial Information' mentioned above, as at and for the period ended 30 June, 2009, year ended 31 March, 2009 and period ended 31 March, 2008 have been prepared in accordance with paragraph B (1) of Part II of Schedule II of the Act the SEBI ICDR Regulations and the SEBI Act.

6. This report should not, in any way, be construed as a reissuance or re-dating of any of the previous audit reports nor should this be construed as a new opinion on any of the financial statements referred to herein.

7. This report is intended solely for use of the management and for inclusion in the Offer Documents, in connection with the proposed initial public offering of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

JITENDRA AGARWAL
Partner
(Membership No. 87104)

Gurgaon
15 October, 2009

ANNEXURE I

CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED OF DEN NETWORKS LIMITED

(Rs. in million)

Particulars		As on 30.06.2009	As on 31.03.2009	As on 31.03.2008
1.	**FIXED ASSETS**			
	Gross Block	1,871.21	1,709.52	174.39
	Less: Accumulated depreciation /amortization	236.70	171.57	11.85
	Net Block	1,634.51	1,537.95	162.54
	Capital work in progress	210.70	276.78	368.18
		1,845.21	**1,814.73**	**530.71**
2.	**GOODWILL ON CONSOLIDATION**	**1,284.02**	**1,153.70**	**477.17**
3.	**INVESTMENTS**	**20.01**	**0.01**	**981.86**
4.	**DEFERRED TAX ASSET**	**110.51**	**91.93**	**16.62**
5.	**CURRENT ASSETS, LOANS AND**			
	Cash and bank balances	1,038.79	510.56	337.67
	Unbilled revenue	120.32	33.10	4.80
	Sundry debtors	1,372.21	1,876.09	481.31
	Loans and advances	1,195.62	1,158.33	483.68
		3,726.94	**3,578.08**	**1,307.46**
6.	**LIABILITIES AND PROVISIONS**			
	Secured loans	1,556.38	1,154.93	106.77
	Unsecured loans	7.50	35.85	95.82
	Current liabilities	3,000.31	3,023.78	1,122,01
	Provisions	27.72	64.27	10.85
		4,591.91	**4,278.83**	**1,336.44**
7.	**MINORITY INTEREST**	**144.51**	**143.80**	**18.51**
8.	**DEFERRED TAX LIABILITIES**	**18.24**	**15.09**	**-**
9.	**NET WORTH (1+2+3+4+5-6-7-8)**	**2,232.03**	**2,200.73**	**1,959.86**
10.	**REPRESENTED BY**			
	Share Capital			
	- Equity Share Capital	905.94	181.19	181.19
	- Preference Share Capital	439.92	39.99	32.00
	Preference Share Capital issued by subsidiary	25.00	25.00	25.00
	Securities Premium Account	1,196.22	2,322.02	1,938.01
	Debit balance of Profit and Loss	(335.05)	(367.47)	(216.34)
	NET WORTH	**2,232.03**	**2,200.73**	**1,959.86**

Note:
The accompanying Significant Accounting Policies as adopted by the Company and Notes to the Consolidated Restated Summary Statements (Annexure IV) and Statement of Cash Flows, as restated (Annexure III) are an integral part of this statement.

ANNEXURE II

CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS, AS RESTATED OF DEN NETWORKS LIMITED

(Rs. in million)

Particulars	Period ended 30.06.2009	Year ended 31.03.2009	Period ended 31.03.2008
1. INCOME			
Income from operations	2,095.59	7,119.36	826.03
Sale of equipments	0.96	2.54	23.09
Other income	34.75	71.56	17.57
Gain on foreign exchange fluctuation	9.20	-	2.21
	2,140.50	**7,193.46**	**868.90**
2. EXPENDITURE			
Operational, administrative and other costs	1,805.65	6,557.66	923.55
Personnel cost	127.29	477.30	114.05
Cost of traded items	0.96	2.54	23.09
Loss on foreign exchange fluctuation	-	47.81	-
	1,933.90	**7,085.31**	**1060.69**
3. PROFIT/ (LOSS) BEFORE FINANCE COSTS, DEPRECIATION, AMORTISATION AND TAX	206.60	108.16	(191.79)
Finance costs	46.92	99.88	6.04
Depreciation and amortization	65.52	160.28	11.85
4. PROFIT/ LOSS BEFORE TAX	**94.16**	**(152.00)**	**(209.68)**
5. PROVISION FOR TAXES			
Fringe benefit tax	1.11	9.48	2.02
Income tax (including wealth tax)	49.12	70.67	20.02
Deferred tax	(15.50)	(60.09)	(16.27)
6. PROFIT/ LOSS AFTER TAX AND BEFORE MINORITY INTEREST	**59.43**	**(172.06)**	**(215.45)**
7. MINORITY INTEREST	27.01	(20.93)	0.89
8. PROFIT/ LOSS AFTER TAX AND MINORITY INTEREST	**32.42**	**(151.13)**	**(216.34)**
9. PROFIT/ LOSS BROUGHT FORWARD	(367.47)	(216.34)	-
10. APPROPRIATIONS			
Dividend on cumulative preference shares (See note 7 of Annexure IV))	0.00	0.00	-
11. PROFIT/LOSS CARRIED TO	**(335.05)**	**(367.47)**	**(216.34)**

Note:
The accompanying Significant Accounting Policies as adopted by the Company and Notes to the Consolidated Restated Summary Statements (Annexure IV) and Statement of Cash Flows, as restated (Annexure III) are an integral part of this statement.

Annexure III

CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS, AS RESTATED OF DEN NETWORKS LIMITED

(Rs. in million)

Particulars	**Period ended 30.06.2009**	**Year ended 31.03.2009**	**Period ended 31.03.2008**
A. Cash Flow from Operating Activities :			
Net Profit/ (loss) before tax	**94.17**	**(152.00)**	**(209.68)**
Adjustments for:			
Depreciation / Amortisation	65.51	160.28	11.85
Fixed assets/ capital work in progress written	0.39	6.76	-
Interest and finance charges	46.92	99.88	6.04
Loss/ (gain) on exchange rate fluctuation –	(6.67)	6.47	(2.67)
Provision for employee benefits	3.51	17.38	2.74
Doubtful debts and advances written	28.48	132.50	61.50
Interest income	(1.87)	(17.37)	(2.87)
Dividend on current investment	-	(2.76)	(2.58)
Profit from Sale of investment	(0.95)	(9.84)	(11.99)
Excess provisions written back	(27.62)	(30.94)	-
Operating Profit/(Loss) before Working Capital Changes	201.87	210.35	(147.65)
Adjustments for:			
Decrease/(Increase) in current assets	356.75	(1,982.48)	(752.76)
Increase/(Decrease) in current liabilities	(47.32)	2,025.16	1,012.25
Cash Generated From/ (Used in) Operations	511.30	253.04	111.84
Tax on operational income (including fringe	(109.07)	(175.20)	(44.24)
Net Cash Generated From/(Used in) Operating Activities	**402.23**	**77.84**	**67.60**
B. Cash flow from Investing Activities			
Increase in goodwill on consolidation	(119.62)	(676.54)	(477.17)
Investment in mutual funds and others (net)	(470.04)	(403.45)	(2,301.96)
Loan repaid by/(to) body corporate (net)	(3.17)	101.77	(105.00)
Advance given for investment	41.33	(303.11)	(92.02)
Interest income	1.16	17.37	0.18
Dividend on current investment	-	2.76	2.58
Sale of mutual fund Investment	450.98	1,395.14	1,332.09
Purchase of fixed assets (including capital	(96.39)	(1,319.79)	(444.48)
Net Cash Generated From/(Used in) Investing Activities	**(195.75)**	**(1,185.83)**	**(2,085.78)**
C. Cash Flow from Financing Activities			
Proceeds from issue of equity shares (net)	-	-	551.45
Proceeds from issue of preference share	-	400.00	1,599.75
Share Issue expenses	(1.11)	(8.00)	-
(Repayment)/Proceeds from short term borrowings from a director	(28.00)	(57.50)	89.10
(Repayment)/Proceeds from short term borrowings from others	(0.34)	(2.47)	6.72
Proceeds from working capital loan from bank	(45.77)	331.00	22.97
Proceeds from term loan from bank	447.72	719.26	78.82
Repayment of finance lease obligation	(0.50)	(2.09)	(0.75)
Interest Paid	(50.25)	(99.30)	(5.96)
Net cash from/ (used in) financing activities	**321.75**	**1,280.90**	**2,342.08**

(Rs. in million)

Particulars	Period ended 30.06.2009	Year ended 31.03.2009	Period ended 31.03.2008
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)	528.23	172.90	323.91
E. Cash & Cash Equivalents at the beginning of	510.56	337.67	-
F. Cash and Cash Equivalents acquired on		-	13.76
G. Cash and cash equivalents as at the end of the year (D+E+F)	**1,038.79**	**510.56**	**337.67**

Notes:

1. The above Cash flow statement has been prepared under the indirect method set out in AS-3 prescribed in Companies (Accounting Standards) Rules, 2006.
2. Figures in brackets indicate cash outflow.
3. Previous period figures have been regrouped and recast wherever necessary to conform to the current period classification.

ANNEXURE IV

Significant Accounting Policies as adopted by the Group and Notes to the Restated Consolidated Summary Statements

1. Significant accounting policies

a. Basis of preparation

The financial statements are prepared and presented under the historical cost convention, on the accrual basis of accounting and in accordance with the Generally Accepted Accounting Principles ("GAAP") in India, and comply with the accounting standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the relevant provisions of the Companies Act, 1956, as adopted consistently by the Company.

The Consolidated Summary Statement of Assets and Liabilities, as restated, the Consolidated Summary Statement of Profit and Loss, as restated and Consolidated Summary Statement of Cash Flows, as restated are herein referred to as 'Restated Consolidated Summary Statements'. The Restated Consolidated Summary Statements and the notes set out in this Annexure as at and for the period ended 30 June, 2009 represent the amounts for the period 1 April to 30 June, 2009, for the year ended 31 March, 2009 represent the amounts for the year 1 April, 2008 to 31 March, 2009 and for the period ended 31 March 2008 represent the amounts for the period 10 July, 2009 to 31 March 2008

The Company has not prepared a comparable balance sheet as at 30 June, 2008, the profit and loss account and the statement of cash flows for the three months period ended 30 June, 2008 as required in consonance with Accounting Standard 25 – Interim Financial Reporting as notified by the Companies (Accounting Standards) Rules 2006 due to the limited use of the financial statements for the proposed initial public offering of equity shares.

b. Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Parent, wholly owned and other subsidiaries, joint venture and partnership firm. All material inter company transactions, balances and unrealised surplus and deficit on transactions between group companies are eliminated. Consistency in adoption of accounting policies among all group companies is ensured to the extent practicable.

Goodwill has been recorded to the extent that the cost of acquisition, comprising purchase consideration and transaction costs, exceeds the parent's share in the book value of net assets in each acquired company.

Minority interest in the consolidated subsidiaries consists of the amount of the share of net assets attributable to the minority shareholders at the dates on which the investments are made by the Company in the subsidiary companies and further movement in their share in the net assets subsequent to the dates of investments.

c. Principles of consolidation

Subsidiary companies are those in which DEN, directly or indirectly, has an interest of more than one half of the voting power or otherwise has power to exercise control over the operations. Subsidiaries are consolidated as per Accounting Standard 21 issued by the Institute of Chartered Accountants of India from the date on which effective control is transferred to DEN until the date of cessation of the parent-subsidiary relationship.

Investment in business entities over which DEN exercises joint control has been accounted for using proportionate consolidation except where the control is considered to be temporary as per Accounting Standard 27 issued by the Institute of Chartered Accountants of India.

S.No.	Name of Company	Date of Incorporation	Date of becoming subsidiary	% Shareholding
1	DEN Digital Entertainment Gujarat Private Limited	7-Aug-07	31-May-08	100%
2	DEN Entertainment Network Private Limited	7-Jan-98	1-Sep-07	100%
3	DEN Digital Entertainment Banglore Private Limited	17-Sep-07	31-May-08	100%
4	DEN Futuristic Cable Networks Private Limited	9-Oct-07	9-Oct-07	100%
5	Shine Cable Network Private Limited	26-Sep-08	1-Dec-08	100%
6	DEN Ambey Farukabad Cable Network Private Limited (1)	6-Oct-08	1-Mar-09	100%
7	Dew Shree Network Private Limited	5-Jun-02	26-Sep-07	51%
8	DEN Ambey Cable Networks Private Limited	11-Sep-07	11-Sep-07	51%
9	Shree Siddhivinayak Cable Network Private Limited	3-Feb-06	1-Dec-07	51%
10	Meerut Cable Network Private Limited	4-Sep-03	1-Dec-07	51%
11	DEN Krishna Cable TV Network Private Limited	18-Dec-07	27-Dec-07	51%
12	DEN Pawan Cable Network Private Limited	17-Dec-07	27-Dec-07	51%
13	DEN Mahendra Satellite Private Limited	19-Dec-07	27-Dec-07	60%
14	DEN Mod Max Cable Network Private Limited	18-Dec-07	27-Dec-07	51%
15	DEN BCN Suncity Network Private Limited	17-Dec-07	27-Dec-07	51%
16	DEN Crystal Vision Network Private Limited	18-Dec-07	27-Dec-07	51%
17	DEN Varun Cable Network Private Limited	3-Jan-08	7-Jan-08	51%
18	DEN Enjoy Cable Networks Private Limited	17-Sep-07	2-Apr-08	51%
19	DEN Maa Sharda Vision Cable Networks Private Limited	16-Oct-07	1-Apr-08	51%
20	Den Prayag Cable Networks Private Limited	31-Aug-07	1-Feb-08	51%
21	DEN Pradeep Cable Network Private Limited	16-Jan-08	1-Feb-08	51%
22	Mahadev DEN Cable Network Private Limited	7-Jan-08	1-Feb-08	51%
23	Mahadev DEN Network Private Limited	7-Jan-08	1-Feb-08	51%
24	Mahadev DEN Cable Net Private Limited	7-Jan-08	1-Feb-08	51%
25	Den Prince Network Private Limited	18-Dec-07	1-Feb-08	51%
26	DEN Ambey Citi Cable Network Private Limited (1)	16-Oct-07	1-Feb-08	51%
27	Den Nanak Communication Private Limited (2)	30-Jan-08	1-Mar-08	51%
28	Den-Manoranjan Satellite Private Limited	18-Feb-00	1-Mar-08	51%
29	DEN Harsh Mann Cable Network Private Limited	19-Dec-07	1-Mar-08	51%
30	DEN Kashi Cable Network Private Limited	25-Oct-07	1-Mar-08	51%
31	DEN Satellite Cable TV Network Private Limited	19-Dec-07	1-Apr-08	51%
32	DEN Fateh Marketing Private Limited	14-Feb-07	9-Apr-08	51%
33	DEN Deva Cable Network Private Limited (1)	8-Jan-08	1-Apr-08	51%
34	Den MCN Cable Network Private Limited	2-Apr-08	8-Apr-08	51%
35	Radiant Satellite (India) Private Limited	27-Jul-06	2-Apr-08	65%
36	Den Radiant Satellite Cable Network Private Limited	28-Feb-08	2-Apr-08	65%
37	DEN Mewar Rajdev Cable Network Private Limited	29-Feb-08	2-Apr-08	65%
38	DEN Enjoy Navaratan Network Private Limited (3)	6-Feb-08	2-Apr-08	51%
39	DEN Jai Ambey Vision Cable Private Limited	2-Apr-08	5-Apr-08	51%
40	Den Digital Cable Network Private Limited	13-Feb-08	1-May-08	51%

S.No.	Name of Company	Date of Incorporation	Date of becoming subsidiary	% Shareholding
41	DEN Classic Cable TV Services Private Limited	10-Jan-08	1-May-08	51%
42	Den F K Cable TV Network Private Limited	25-Mar-08	1-May-08	51%
43	DEN Shiva Cable Network Private Limited	8-Apr-08	1-May-08	51%
44	Drashti Cable Network Private Limited	5-Feb-08	1-Apr-08	51%
45	DEN Supreme Satellite Vision Private Limited	22-Apr-08	30-May-08	51%
46	DEN Sky Media Network Private Limited	1-May-08	31-May-08	91%
47	DEN RIS Cable Network Private Limited	3-Jan-08	1-Jun-08	80%
48	DEN Nashik City Cable Network Private Limited	4-Jun-07	26-Jun-08	51%
49	DEN Saya Channel Network Private Limited (2)	15-May-08	30-Jun-08	51%
50	DEN Bindra Network Private Limited	13-Jun-08	1-Jul-08	51%
51	DEN Montooshah Network Private Limited	10-Jul-08	16-Jul-08	51%
52	Den P.S.C. Network Private Limited	17-Jul-08	11-Aug-08	76%
53	DEN Ashu Cable Private Limited	13-Aug-08	22-Aug-08	51%
54	Malayalam Telenet Private Limited	29-Jan-04	22-Aug-08	51%
55	DEN Narmada Network Private Limited	8-Apr-08	1-Sep-08	51%
56	DEN Faction Communication System Private Limited (2)	21-Apr-08	1-Oct-08	51%
57	DEN Aman Entertainment Private Limited	2-Sep-08	1-Oct-08	51%
58	DEN Budaun Cable Network Private Limited	2-Jul-08	1-Oct-08	51%
59	DEN Bellary City Cable Private Limited	8-Oct-08	1-Jan-09	51%
60	Rajkot City Communication Private Limited	3-Oct-06	10-Apr-09	51%
61	DEN Elgee Cable Vision Private Limited	6-Aug-08	3-Jun-09	51%
62	DEN Ambey Jhansi Cable Network Private Limited (1)	6-Oct-08	1-Mar-09	100%
63	Den Malabar Cable Vision Private Limited	9-Jul-08	30-Apr-09	51%

(1) Direct subsidiary of DEN Ambey Cable Networks Private Limited
(2) Direct subsidiary of DEN Futuristic Cable Networks Private Limited
(3) Direct subsidiary of DEN Enjoy Cable Networks Private Limited

d. Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the results of operations during the reporting period. Examples of such estimates include estimates of income taxes, future obligations under employment retirement benefit plans, provision for doubtful debts and advances and estimated useful life of tangible and intangible assets. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future periods.

e. Revenue recognition

i. Income from operations

- Income from services is recognised upon completion of services as per the terms of contracts with the customers. Period based services are accrued and recognised pro-rata over the contractual period. Service revenue comprises income from subscription, placement of channels, advertisement revenue and other services. It also comprises fees for rendering management, technical and consultancy services.

- Activation Fees on Set Top Boxes (STB) is recognized as revenue at the end of the month of activation of boxes, on issue of STBs to the customers.

- Revenue billed but not recognised at the end of the period has been disclosed as deferred revenue under current liabilities.

ii. Sale of equipment

Revenue is recognized when the significant risks and rewards of ownership of the equipments have been passed to the buyer. The time of transfer of and the amount is determined based on the arrangement between the parties involved.

In case of VAT collected on sales, exclusive method is followed, where sales and expenditure will not include VAT, VAT collected is disclosed under current liabilities and not routed through profit and loss account as mentioned in Guidance Note on State Value Added Tax by ICAI.

iii. Others

- Profit on sale of investment in mutual funds is recorded on transfer of title from the Company and is determined as the difference between the sales price and the then carrying value of the investment.

- Interest on the deployment of surplus funds is recognised using the time-proportion method, based on interest rates implicit in the transaction.

- Dividend and interest income are recognised when the right to receive the same is established.

f. Barter transactions

Barter transactions are recognised at the fair value of consideration received or paid. When the fair value of the transactions cannot be measured reliably, the revenue/expense is measured at the fair value of the goods/services provided/received adjusted by the amount of cash or cash equivalent transferred.

g. Fixed assets

iii. Tangible assets

- Fixed assets are stated at the cost of acquisition less accumulated depreciation. The actual cost capitalized includes purchase price, and all other attributable costs of bringing the assets to working condition for intended use.

- Assets are capitalised on the date when they are ready for intended use. Set top Boxes are capitalized at the end of the month of activation.

- Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not ready for intended use at the balance sheet date, are disclosed as capital work in progress.

iv. Intangible assets

- Intangible assets acquired in business acquisitions are stated at fair value as determined by the management of the Company on the basis of valuation by expert valuers, less accumulated amortisation.

- Other intangible assets are stated at cost of acquisition less accumulated amortisation. The actual cost capitalized includes purchase price, and all other attributable costs of bringing the assets to working condition for intended use.

h. Depreciation and amortisation

Depreciation on fixed assets except leasehold improvements is provided on the straight-line method over their estimated useful lives, as determined by the management, at the rates which are equal to or higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation is charged on a pro-rata basis for assets purchased/sold during the period. Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase.

The management's estimate of the useful life of the various fixed assets is as follows:

Headend and distribution equipment	6 to 15 years
Set top boxes	8 years
Building	61 years
Computers	5 to 6 years
Office & other equipment	3 to 10 years
Furniture & fixtures	5 to 6 years
Vehicles	6 years
Software	5 years

Leasehold improvements are amortised over the lower of the useful life or the period of the lease.

License fee for internet service is amortised over the period of license agreement.

Fixed Assets acquired through business purchase are depreciated over the useful life of 5 years as estimated by an approved valuer.

Intangible assets comprising distribution network rights, non compete fees and goodwill are amortised on a straight line method over their estimated useful lives, determined by management to be 5 years.

i. Impairment of assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the profit and loss account.

j. Leases

i. Finance leases

Leases under which the Company assumes substantially all the risks and rewards of ownership are classified as finance leases. Assets taken on finance lease are capitalised at the inception of the lease at the lower of the fair value or the present value of minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and interest cost, so as to obtain a constant periodic rate of interest on outstanding liability for each period.

ii. Operating leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset are classified as operating leases. Lease payments under operating leases are recognised as expenses in the profit and loss account on a straight line basis over the lease term.

k. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of cost of the asset. A qualifying asset is one that necessarily takes substantial period of time to get ready for intended use. Other borrowing costs are recognized as an expense in the period in which they are incurred.

l. Investments

Trade investments are investments made to enhance the company's business interests. Investments are classified either as long term or current investments, based on management's intention at the time of purchase. Long-term investments are stated at cost less provision for other than temporary diminution in the carrying value, as determined separately for each investment. Current investments are stated at the lower of cost or fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

m. Foreign exchange transactions

Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transaction. Realised gains and losses on foreign exchange transactions settled during the period are recognised in the profit and loss account. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the rates prevailing on that date and resultant gains/losses on foreign exchange translations are recognised in the profit and loss account.

n. Taxation

Income tax comprises current tax, deferred tax and fringe benefit tax. Current tax is determined in accordance with the provisions of Income Tax Act, 1961. Advance taxes and provisions for current taxes are presented in the balance sheet after off - setting advance taxes paid and income tax provisions.

Deferred tax charge or credit is recognised on timing differences being the difference between taxable income and accounting income that originate in one period and are capable of reversal, subject to consideration of prudence, in one or more subsequent periods. Deferred tax assets and liabilities are measured using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognized unless there is a virtual certainty that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are reviewed for the appropriateness of their carrying values at each balance sheet date.

Minimum alternate tax (MAT) paid in accordance with Income Tax Act, 1961, which gives rise to future economic benefit in the form of adjustment from income tax liability, is recognised when it is certain that the Company will be able to set off the same and adjusted from the current tax charge for that year.

Provision for fringe benefit tax (FBT) is made on the basis of the applicable FBT on the taxable value of employee benefits and specified expenses of the Company as prescribed under the Income Tax Act, 1961.

Provision for wealth tax is made based on tax liability computed after considering tax allowances and exemptions available in accordance with the provisions of the Wealth tax Act, 1957.

o. Employee benefits

iii. Short term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange of services rendered by employees is recognised during the period when the employee renders the services. These benefits include salaries, bonus and performance incentives.

iv. Long term employee benefits

- **Provident fund and other state plans**

Company's contributions towards recognised Provident Fund, Employee State Insurance Fund and Employees Pension Scheme under defined contribution plans are recognised in the profit and loss account during the period in which the employee renders the related service.

- **Gratuity**

The Company provides for gratuity, a defined benefit retirement plan. In accordance with 'The Payment of Gratuity Act, 1972', the plan provides for a lump sum payment to vested employees, at retirement, death, incapacitation, or termination of employment, of an amount based on the respective employee's last drawn salary and tenure of employment with the Company.

- **Compensated absences**

The employees of the Company are entitled to compensated absences. The employees can carry forward a portion of unutilized accrued compensated absence and utilize it in future periods or receive cash compensation for the unutilized accrued compensated absence. The Company records an obligation for compensated absences in the period in which the employee renders the service that increase this entitlement. The Company measures the expected cost of compensated absence as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the balance sheet date.

Liability with regard to compensated absences and gratuity is accrued based on actuarial valuations at the balance sheet date, carried out by an independent actuary. Actuarial valuation is carried out using the projected unit credit method, which recognises 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 is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation is based on the market yields on government securities as at the balance sheet date Actuarial gains/ losses are recognised immediately in the profit and loss account as income or expense.

p. Earnings per share

In determining earnings per share, the company considers the net profit after tax and includes the post tax effect of any extraordinary/ exceptional item. Basic earnings per share are computed using the weighted average number of equity shares outstanding during the period. Diluted earnings per share are computed using the weighted average number of equity shares outstanding during the period and dilutive equity equivalent shares outstanding at the period end, except where the results would be anti dilutive.

q. Provisions and contingencies

A provision is recognised when there is a present obligation as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and in respect of which reliable estimate can be made. A disclosure of a contingent liability is made when there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation in respect of which the likelihood of outflow of resources is remote, no provision or disclosure is made.

2. Capital commitments and contingent liabilities

a. Capital commitments

Estimated amount of unexecuted capital contracts not provided for (net of advances) Rs. 66.82 million as at 30 June, 2009 [As at 31 March, 2009 Rs. 148.29 million]

b. Contingent liabilities

iii. Guarantees issued by bankers outstanding as at the end of the period amounting to Rs. 21.36 million as at 30 June, 2009 [As at 31 March, 2009 Rs. 21.36 million] on account of license for internet use issued by the Department of Telecommunications.

iv. Outstanding letters of credit as at the end of 30 June, 2009 Rs. 97.80 million [As at 31 March, 2009 Rs. 89.46 million]

3. Related party disclosures

I. List of related parties

a. Key management personnel

1. Mr. Sameer Manchanda
2. Mr. Hemant Narang

b. Entities under significant influence

1. Lucid Systems Private Limited
2. Setpro 18 Distribution Limited
3. Verve Engineering Private Ltd.

II. Transactions/outstanding balances with related parties during the period 30 June, 2009

a. Transactions during the period

Rs. in million

Particulars	Key management personnel	Entities under significant influence	Grand total
Income from operations			
Setpro 18 Distribution Ltd.	-	78.65	78.65
	(-)	(333.40)	(333.40)
Purchase of services			
Hemant Narang	1.05	-	1.05
	(2.88)	(-)	(2.88)
Reimbursement of expenses (received)			
Lucid Systems Pvt. Ltd.	-	-	-
	(-)	(0.00)	(0.00)
Loans repaid during the period			
Sameer Manchanda	28.00	-	28.00
	(57.50)	(-)	(57.50)

b. Outstanding balances at 30 June, 2009

Rs. in million

Particulars	Key management	Entities under significant	Grand total

	Personnel	influence	
Debtor			
Setpro 18 Distribution Ltd.	-	55.15	55.15
	(-)	(35.65)	(35.65)
Unbilled revenue			
Setpro 18 Distribution Ltd.	-	40.08	40.08
	(-)	(-)	(-)
Creditor			
Hemant Narang	0.34	-	0.34
	(-)	(-)	(-)
Loans taken			
Sameer Manchanda	3.60	-	3.60
	(31.60)	(-)	(31.60)

Note: Amounts in brackets indicate figures for the year ended 31 March, 2009.

4. Deferred Tax

c. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing tax laws.

d. Break up of deferred tax assets as at 30 June, 2009 is as follows:

Rs. in million

Particulars	Balance as at 01.04.2009	Credited/ (charged) to P&L account	Acquired on business acquisition	Balance as at 30.06.2009
Deferred tax liability				
Depreciation	(4.42)	0.34	-	(4.08)
Others	(0.00)	(0.00)	0.00	(0.00)
Total	**(4.42)**	**0.34**	**-**	**(4.08)**
Deferred tax assets				
Employee benefits	2.53	0.42		2.95
Provision for doubtful debts	35.97	7.57		43.54
Business losses	22.43	0.74		23.17
Others	35.42	9.51		44.93
Total	**96.35**	**18.24**	**-**	**114.59**
Deferred tax assets (Net)	**91.93**	**18.58**	**-**	**110.51**

e. Break up of deferred tax liability of as at 30 June 2009 is as follows:

Rs. in million

Particulars	Balance as at 01.04.2009	Credited/ (charged) to P&L account	Acquired on business acquisition	Balance as at 30.06.2009
Deferred tax liability				

Particulars	Balance as at 01.04.2009	Credited/ (charged) to P&L account	Acquired on business acquisition	Balance as at 30.06.2009
Depreciation	(24.73)	(0.91)	(0.07)	(25.71)
Others	(0.14)	0.14	0.00	-
Total	**(24.87)**	**(0.77)**	**(0.07)**	**(25.71)**
Deferred tax assets				
Employee benefits	4.17	0.74	-	4.91
Provision for doubtful debts	2.43	0.06	-	2.49
Business losses	3.13	(2.98)	-	0.15
Others	0.05	(0.13)	-	(0.08)
Total	**9.78**	**(2.31)**	**-**	**7.47**
Deferred tax liability (Net)	**(15.09)**	**(3.08)**	**(0.07)**	**(18.24)**

5. Lease commitments

c. Operating lease

The Group has taken office premises and accommodation for its employee under operating lease agreements. The lease rental expense recognised in the profit and loss account for the period ended 30 June, 2009 is Rs. 29.98 million [Year ended 31 March, 2009 Rs. 112.48 million]. Future minimum lease payments and payment profile of non-cancellable operating leases are as follows:

Rs. in million

Particulars	As at 30.06.2009	As at 31.03.2009
Not later than one year	9.46	9.29
Later than one year but not later than five years	25.81	28.12
Later than five years	-	0.11
Total	**35.27**	**37.52**

d. Finance lease

The Group has acquired vehicles on finance leases. The total minimum lease payments and maturity profile of finance leases, the element of interest included in such payments, and the present value of the minimum lease payments as at 30 June, 2009are as follows:

Rs. in million

Particulars	Not later than one year	Later than one year and not later than five years	Later than five years	Total

Particulars	Not later than one year	Later than one year and not later than five years	Later than five years	Total
				Rs. in million
Total minimum lease payments outstanding	2.35 (2.35)	0.22 (0.80)	- (-)	2.57 (3.15)
Interest included in minimum lease payments	0.17 (0.24)	0.00 (0.02)	- (-)	0.17 (0.26)
Present value of minimum lease payments	2.18 (2.11)	0.22 (0.78)	- (-)	2.40 (2.89)

Note: Amounts in brackets indicate figures as at 31 March, 2009.

6. Acquisitions/investments

a. Acquisition of companies

During the period ended 30 June, 2009, the Group has acquired majority control in certain companies through share subscription and share purchase agreements for a cash consideration of Rs. 174.52 million [Year ended 31 March, 2009 Rs. 913.51 million]. The acquisition has resulted in goodwill on consolidation amounting to Rs. 130.31 million [Year ended 31 March, 2009 Rs. 676.54 million]. The details are as follows:

Particulars	Period ended 30.06.09	Year ended 31.03.09
	Rs. in million	
Opening Balance of Goodwill	**1,153.71**	**477.17**
Amounts paid	164.18	905.74
Direct cost relating to acquisition	10.33	7.77
Total purchase consideration paid	174.51	913.51
Value of net asset acquired	(44.20)	(236.97)
Goodwill generated	**130.31**	**676.54**
Closing Balance of Goodwill	**1,284.02**	**1,153.71**

Balance consideration payable on account of investments at the period-ended 30 June, 2009 amounting to Rs. 310.00 million [As at 31 March, 2009 Rs. 299.31 million] has been disclosed under Sundry creditors. Out of such balance consideration, Rs. 199.21 million [As at 31 March, 2009 Rs. 164.98 million] will be discharged by way of subscription to shares of the company in the event of an initial public offering by the Parent.

b. The company has also advanced Rs. 353.51 million [As at 31 March, 2009 Rs. 394.84 million] to acquire majority control in companies, the agreements for which have not been concluded prior to the period-ended 30 June, 2009. These have been disclosed under loans and advances. Balance commitments on account of such agreements concluded/to be concluded after the period-ended 30 June, 2009 amount to Rs. 1,357.50 million [As at 31 March, 2009 Rs. 1,467.52 million].

c. Business purchase acquisition

The Group has acquired the cable network business of certain multi system operators for a consideration amounting to Rs. Nil [Year ended 31 March, 2009 Rs 200.28 million]. The consideration has been apportioned on fair value basis as determined and reported by expert valuers. The details are as follows:

	Rs. in million	
Particulars	**Period ended 30.06.2009**	**Year ended 31.03.2009**
Tangible assets	-	74.98
Distribution network rights	-	116.99
Goodwill	-	8.32
Total	**-**	**200.29**

7. Dividend on cumulative preference shares

Provision for dividend on 0.001% cumulative preference shares (including corporate dividend tax) for the period ended 30 June, 2009 amounts to Rs. 0.00 million (Year ended 31 March, 2009 0.00 million)

8. Interest in joint venture

The aggregate amounts of assets, liabilities, income and expenditure to the extent of the interest of the Company in the joint venture are given hereunder:

		Rs. in million
Particulars	**Period ended 30.06.2009**	**Year ended 31.03.2009**
Revenue	1,258.54	4,074.91
Other income	4.75	48.31
Total	**1,263.29**	**4,123.22**
Personnel expenses	23.42	110.33
License cost	944.57	3,196.99
General & administrative expenses	254.63	775.04
Depreciation	0.55	1.55
Total	**1,223.17**	**4,083.91**
Profit before tax	**40.12**	**39.31**
Provision for tax	13.58	16.15
Net profit after tax	**26.54**	**23.16**

Particulars	**As at 30.06.2009**	**As at 31.03.2009**
Assets		
Fixed assets	8.97	8.95
Deferred tax asset	78.71	60.80
Sundry debtors	634.45	1,271.65
Cash and bank balance	711.06	126.29
Loans and advances	225.28	157.41
Liabilities		
Current Liabilities and Provisions	1,577.09	1,570.26

9. **Disclosure pursuant to Accounting Standard 15 (Revised 2005) on 'Employee Benefits'**

a. **Defined contribution plans and state plans**

The Company makes contribution toward the following defined contribution and state plans for qualifying employees:

I. Employees' Provident Fund (EPF)
II. Employees' State Insurance (ESI)
III. Employees' Pension Scheme (EPS)

During the period the Company has recognized the following amounts in the Profit and Loss account:

Rs. in million

Particulars	**Period ended 30.06.2009**	**Year ended 31.03.2009**
I. Employer's contribution to EPF	3.75	13.78
II. Employer's contribution to ESI	0.27	0.76
III. Employer's contribution to EPS	0.96	3.28

The contribution payable by the Company is at the rates specified in the rules to the plans

b. **Defined benefit plan**

Gratuity plan

The following tables set out the status of the gratuity plan and amounts recognised in the Group's financial statements as at 30 June, 2009.

i. **Change in benefit obligations:**

Rs. in million

Particulars	**Period ended 30.06.2009**	**Year ended 31.03.2009**
Present value of obligations as on 01.04.09	10.31	1.31
Current service cost	2.44	7.73
Interest cost	0.15	0.05
Actuarial (gain)/loss on obligation	(0.31)	1.53
Benefits paid	-	(0.32)
Present value of obligations as on 30.06.09	12.59	10.31

ii. **Expenses recognised in the profit and loss account:**

Rs. in million

Particulars	**Period ended 30.06.2009**	**Year ended 31.03.2009**
Current service cost	2.44	7.73
Interest cost	0.15	0.05
Actuarial (gain)/loss recognized	(0.31)	1.53
Net cost	2.28	9.31
Experience adjustments on plan liabilities (gain)/ loss	**(0.75)**	**(0.85)**

iii. **Principal actuarial assumptions:**

Particulars	Refer note below	Period ended 30.06.2009	Year ended 31.03.2009
(C) Economic Assumptions			
c. Discount rate (per annum)	**1**	7.00 -7.75%	7.00 -7.75%
d. Estimated salary escalation rate (per annum)	**2**	5.00 - 8.00%	5.00 - 8.00%
(D) Demographic Assumptions			
d. Retirement age (years)		58	58
e. Mortality Table		LIC 1994-96 (duly modified)	
f. Withdrawal Rates			
Ages		**Withdrawal Rate (%)**	**Withdrawal Rate (%)**
Upto 30 years		3%	3%
From 31 years to 44 years		2%	2%
Above 44 years		1%	1%

Notes:

3. The discount rate is generally based upon the market yields available on Government bonds at the accounting date with a term that matches that of the liabilities.

4. The salary growth rate takes account of inflation, seniority, promotion and other relevant factors on a long term basis

10. Minority interest

The break-up of the minority interest balance of Rs.144.50 million (As at 31 March, 2009 Rs.143.80 million) as at 30 June, 2009 is as follows:

Rs. in million

Particulars	Period ended 30.06.2009	Year ended 31.03.2009
Opening balance	143.79	18.51
Add/(less):Minority's share of accumulated profit/(loss)	8.58	131.51
Add/(less):Minority's share related to preference share premium	-	14.70
Add/(less):Share in profit/loss	27.01	(20.93)
Add/(less):Decrease in Minority's share due to acquisition by Parent Company	(34.88)	-
Closing balance	**144.50**	**143.79**

11. Secured loans

The secured loans of Rs. 1,556.38 million as at 30 June, 2009 (As at 31 March, 2009 Rs. 1,154.93 million) consist mainly of the loans taken by the parent company aggregating to Rs. 1,555.82 million as at 30 June, 2009 (As at 31 March, 2009 Rs. 1,154.00 million). The details of security of the same are:

e. Cash credit facilities of Rs. 307.76 million as at 30 June, 2009 (As at 31 March, 2009 Rs. 353.15 million) are secured by:

iii. First pari passu charge on current and future book debts of the Company.

iv. Second pari passu charge on all movable and immovable fixed assets of the Company.

f. The term loan of Rs. 1,245.68 million as at 30 June, 2009 (As at 31 March, 2009 Rs. 797.95 million) from bank is secured by:

iii. First pari passu charge on all movable and immovable properties of the Company both present and future;:

iv. Second pari passu charge on all current assets of the Company;

g. Other loans from banks amounting to Rs. 2.39 million as at 30 June, 2009 (As at 31 March, 2009 Rs. 2.89 million) are secured by hypothecation of vehicles financed by them.

h. Further, the entire amount under cash credit and term loan facilities is secured by personal guarantee of Mr. Sameer Manchanda.

12. Segment reporting

a. Business Segment

The Group is engaged in the distribution & promotion of television channels and related services which is considered as the only reportable segment.

b. Geographical Segment

Since the operations of the Group are mainly conducted in India, no geographical segmentation is required to be disclosed.

13. Previous year's/ period's figures have been regrouped/ reclassified, wherever necessary to conform to the presentation as at 30 June, 2009.

ANNEXURE V

CONSOLIDATED DETAILS OF SECURED AND UNSECURED LOANS

SECURED LOANS

(Rs. in million)

Particulars	As on 30.06.2009	As on 31.03.2009	As on 31.03.2008
Term loans	1,245.79	798.07	78.82
Cash credit accounts	308.19	353.97	22.96
Other loans	2.39	2.89	4.99
Total	**1,556.37**	**1,154.93**	**106.77**

UNSECURED LOAN

(Rs. in million)

Particulars	As on 30.06.2009	As on 31.03.2009	As on 31.03.2008
Short term loan from director	3.60	31.60	89.10
Others	3.90	4.25	6.72
Total	**7.50**	**35.85**	**95.82**

ANNEXURE VI

CONSOLIDATED DETAILS OF SUNDRY DEBTORS

(Rs. in million)

Particulars	As on 30.06.2009	As on 31.03.2009	As on 31.03.2008
Debts outstanding for more than 6 months (Unsecured)			
Considered good	191.16	183.89	8.96
Considered doubtful	98.79	89.62	3.54
Others			
Considered good	1,183.47	1,683.47	472.35
Considered doubtful	37.03	35.05	17.36
Subtotal (a)	1,510.45	1,992.03	502.21
Less: Provision for doubtful debts (b)	138.24	115.94	20.90
Total (a-b)	**1,372.21**	**1,876.09**	**481.31**

ANNEXURE VII

CONSOLIDATED DETAILS OF LOANS AND ADVANCES

(Rs. in million)

Particulars	**As on 30.06.2009**	**As on 31.03.2009**	**As on 31.03.2008**
Advances recoverable in cash or in kind or for value to be received			
Considered good	582.53	392.00	175.95
Considered doubtful	13.89	13.90	44.00
Less: Provision for doubtful advances	13.89	13.89	44.00
	582.53	392.01	175.95
Loans to others	6.40	3.23	105.00
Advance for investments (see note 6)	353.51	394.84	91.73
Balance with government authorities	86.80	220.64	94.36
Income tax deducted at source	166.39	147.60	16.64
Total	**1,195.63**	**1,158.32**	**483.68**

ANNEXURE VIII

CONSOLIDATED DETAIL OF FIXED ASSETS

(Rs. in million)

	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
Particulars	**As at 01.04.09**	**Additions**	**Sales/ Adjustment**	**As at 30.06.09**	**As at 01.04.09**	**Additions**	**Sales/ Adjustment**	**As at 30.06.09**	**As at 01.04.09**	**As at 30.06.09**
(A) Tangible assets										
Building	6.83	-	-	6.83	0.19	0.02	-	0.21	6.64	6.62
Leasehold improvements	96.15	8.71	0.75	104.11	24.50	9.53	0.30	33.73	71.65	70.38
Plant and machinery										
- Headend and distribution equipments	864.96	88.53	0.88	952.61	72.16	28.33	0.05	100.44	792.80	852.17
- Set top boxes	421.79	57.41	-	479.20	21.34	13.70	-	35.04	400.45	444.16
- Computers	38.88	2.23	-	41.11	5.42	1.78	-	7.20	33.46	33.91
- Office & other equipments	81.60	4.07	-	85.67	9.13	2.39	-	11.52	72.47	74.15
Furniture and fixtures	15.42	0.66	-	16.08	3.83	0.69	-	4.52	11.59	11.56
Vehicles	20.58	0.29	-	20.87	4.03	0.92	-	4.95	16.55	15.92
(B) Intangible assets										
Goodwill	13.13	-	-	13.13	3.46	0.97	-	4.43	9.67	8.70
Distribution network rights	136.62	-	-	136.62	25.85	6.46	0.03	32.28	110.77	104.34
Software	9.50	1.42	-	10.92	1.00	0.52	-	1.52	8.50	9.40
License fee for internet service	2.06	-	-	2.06	0.43	0.20	-	0.63	1.63	1.43
Non Compete Fees	2.00	-	-	2.00	0.23	-	-	0.23	1.77	1.77
Total	**1,709.52**	**163.32**	**1.63**	**1,871.21**	**171.57**	**65.51**	**0.38**	**236.70**	**1,537.95**	**1,634.51**
Previous period	**174.39**	**1,542.01**	**6.87**	**1,709.52**	**11.85**	**160.28**	**0.56**	**171.57**		
Capital work-in-progress (including capital advance)									**276.78**	**210.70**
Grand Total									**1,814.73**	**1,845.21**

	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET BLOCK	
Particulars	**As at 01.04.08**	**Additions**	**Sales/ Adjustments**	**As at 31.03.09**	**As at 01.04.08**	**Additions**	**Sales/ Adjustments**	**As at 31.03.09**	**As at 01.04.08**	**As at 31.03.09**
(A) Tangible assets										
Building	1.11	5.73	-	6.83	0.00	0.19	-	0.19	1.10	6.64
Leasehold improvements	28.08	68.56	0.49	96.15	1.52	23.00	0.03	24.50	26.55	71.65
Plant and machinery	-	-	-	-	-	-	-	-	-	-
- Headend and distribution equipments	75.29	794.56	4.90	864.96	3.45	69.07	0.36	72.16	71.84	792.80
- Set top boxes	-	421.79	-	421.79	-	21.35	-	21.35	-	400.45
- Computers	10.13	28.85	0.10	38.88	0.47	4.99	0.04	5.42	9.66	33.46
- Office & other equipments	13.55	69.44	1.38	81.61	1.47	7.80	0.14	9.13	12.08	72.48
Furniture and fixtures	6.03	9.39	0.01	15.42	1.04	2.80	-	3.83	4.99	11.59
Vehicles	13.77	6.81	-	20.58	0.85	3.18	-	4.03	12.92	16.55
(B) Intangible assets										
Goodwill	4.81	8.32	-	13.13	1.29	2.17	-	3.46	3.53	9.70
Distribution network rights	19.63	116.99	-	136.62	1.74	24.11	-	25.85	17.89	110.77
Software	-	9.51	-	9.51	-	1.00	-	1.00	-	8.50
License fee for internet service	2.00	0.06	-	2.06	0.02	0.41	-	0.43	1.98	1.63
Non Compete Fees	-	2.00	-	2.00	-	0.23	-	0.23	-	1.77
Total	**174.39**	**1,542.01**	**6.87**	**1,709.52**	**11.85**	**160.28**	**0.56**	**171.57**	**162.54**	**1,537.95**
Previous period	**-**	**174.39**	**-**	**174.39**	**-**	**11.85**	**-**	**11.85**		
Capital work-in-progress (including capital advance)									**368.18**	**276.78**
Grand Total									**530.72**	**1,814.73**

ANNEXURE IX

CONSOLIDATED DETAIL OF OTHER INCOME

(Rs. in million)

Particulars	**Period Ended 30.06.2009**	**Year Ended 31.03.2009**	**Period Ended 31.03.2008**
Recurring income			
Interest income			
Fixed deposits	1.73	16.07	0.88
Others	0.14	1.30	1.99
Dividend on current investments (other than trade and unquoted)	-	2.76	2.58
Profit on sale of current investments (other than trade and unquoted)	0.95	9.84	11.99
	2.82	**29.97**	**17.44**
Non - recurring income			
Excess provisions written back	27.62	30.94	-
Miscellaneous income	4.32	10.65	0.13
	31.94	**41.59**	**0.13**
Total	**34.76**	**71.56**	**17.57**

Annexure X

CONSOLIDATED STATEMENT OF ACCOUNTING RATIOS

(Rs. in million)

Particulars			**Period Ended 30.06.2009**	**Year Ended 31.03.2009**	**Period Ended 31.03.2008**
(1)	Adjusted net profit/(loss) after tax, as restated for Basic EPS	Rs. in million	32.43	(151.13)	(216.34)
(2)	Profit/(loss) attributable to equity shareholders	Rs. in million	32.43	(151.13)	(216.34)
(3)	Nominal value of equity shares	Rupees	10.00	10.00	10.00
(4)	Weighted average number of ordinary shares for :				
	(a) Basic EPS	Numbers	90,594,400	90,593,518	50,027,330
	(b) Diluted EPS	Numbers	103,955,761	101,597,599	50,147,886
(5)	Number of ordinary shares outstanding at the end of the period	Numbers	90,594,400	18,118,880	18,118,680
(6)	Net Worth	Rs. in million	2,232.03	2,200.73	1,959.86
(7)	Net Worth (excluding preference share capital)	Rs. in million	1,767.11	2,135.74	1,902.86
(8)	**Accounting Ratios**				
	(i) Earnings/(loss) per share				
	(a) Basic [(2) / (4)(a)]	Rupees	0.36	(1.67)	(4.32)
	(b) Diluted [(2) / (4)(b)]	Rupees	0.31	(1.67)	(4.32)
	(ii) Return on net worth [(1) / (6)]x 100		1.45%	(6.87%)	(11.04%)
	(iii) Return on net worth (excluding preference share capital) [(1) / (7)]x 100		1.84%	(7.08%)	(11.37%)
	(iv) Net asset value per share [(6) / (5)]	Rupees	24.64	121.46	108.17
	(v) Net asset value per share (excluding preference share capital) [(7) / (5)]		19.51	117.87	105.02

5. The above ratios have been computed on the basis of the Statement of Assets and Liabilities, as restated and Statement of Profits and Losses, as restated. (Refer Annexure I and Annexure II)
6. Return on net worth represents adjusted net profit/(loss) after tax, as restated divided by adjusted net worth.
7. Net asset value per share is calculated as net worth at the end of each financial year/period divided by the number of ordinary shares outstanding at the end of each financial year/period.

8. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the period, adjusted for the equity shares issued or bought back during the period multiplied by the time weighing factor. The time weighing factor is the number of days for which the specific shares are outstanding as a proportion of total number of days in a period.

Annexure XI

CONSOLIDATED CAPITALISATION STATEMENT

(Rs. in million)

Particulars	Pre-issue as on 30.06. 2009	Post Issue
Long Term Debt	1,248.18	
Short Term Debt	315.70	
Total Debt	**1,563.88**	
Share Capital		
Equity Share Capital	905.94	
Preference Share Capital	464.92	
Reserves, as restated		
Securities Premium Account	1,196.22	
Profit and Loss Account	(335.05)	
Total Shareholders' Funds	**2,232.03**	
Long-term Debt / Equity ratio	**0.56**	
Total Debt / Shareholders' funds	**0.70**	

Notes:

1. The figures disclosed above are based on the Consolidated Summary Statement of Assets and Liabilities of the company as at 30 June, 2009, as restated.
2. Short term debts represent debts which are due within twelve months from 30 June, 2009.
3. Long term debt represents debt other than short term debt, as defined above.
4. Long term debt / Equity = Long term debt/ Total shareholders' fund
5. The corresponding post issue figures are not determinable at this stage pending the completion of the Book Building Process and hence have not been furnished.
6. Since 30.6.2009 (which is the last date as of which audited financial information has been given in this document) equity share capital was increased from Rs. 905.94 million to Rs. 1,119.23 million due to:
   a) Issue of fresh equity shares worth Rs. 39.47 million;
   b) Issue of fresh equity shares worth Rs. 40.20 million to certain MSOs in part consideration for acquisition of equity interest in such MSOs as per the terms of the relevant share purchase, share subscription and shareholders' agreement;
   c) Conversion of the Cumulative Convertible Preference Shares into Equity Shares worth Rs. 133.61 million.

FINANCIAL INDEBTEDNESS

As of June 30, 2009, our Company had an aggregate of Rs. 1,556.37 million of outstanding secured loans and an aggregate of Rs. 7.50 million of outstanding unsecured loans. Set forth below is a brief summary of our financing arrangements.

A. Secured Loans

Sr. No.	Lender	Details	Nature of Facility	Interest	Repayment schedule
1.	Syndicate Bank	Sanction letter dated March 30, 2009	(i) Working capital limit enhanced to Rs. 350 million by way of a secured overdraft ("**SOD**") (ii) Term Loan of Rs. 550 million including Inland letter of credit ("**ILC**") /foreign letter of credit ("**FLC**")/ Documents against Acceptance / Documents against Presentation of Rs. 100 million (iii)ILC/FLC facility of Rs. 200 million reduced to Rs. 100 million	(i) secured overdraft and the term loan is at prime lending rate ("**PLR**") (ii) ILC/FLC/DA/DP is as per the ILC/FLC rules (iii) Bank guarantee is at rules prevalent for bank guarantees	ILC/FLC/DA/DP has to be repaid in 180 days. For term loan, there is a repayment holiday of one year, after which repayment is in 20 quarterly installments starting from May, 2010
2.	Syndicate Bank	Sanction letter dated August 21, 2008 and Composite Hypothecation Agreement dated August 25, 2008	Term loan of Rs. 100 million	PLR	The term loan is to be repaid in 36 equal installments starting from August, 2009
3.	Syndicate Bank	Sanction Letter dated August 4, 2008 and Composite Hypothecation Agreement dated August 7, 2008	Term loan of Rs. 100 million	PLR + 1%	The term loan is to be repaid in 36 equal installments starting from August 8, 2009
4.	Syndicate Bank	Sanction letter dated June 6, 2008 and Composite Hypothecation Agreement dated June 7, 2008	(i) ILC/FLC facility of Rs. 200 million	Interest on ILC/FLC is as per ILC/FLC rules	
5.	Syndicate Bank	Sanction letter dated January 30, 2008 and Composite Hypothecation Agreement dated February 2, 2008	(i)Working Capital Limits comprising of: (a) SOD of Rs. 150 million (b) Bank guarantee of Rs. 50 million (ii) Term loan of Rs. 250 million with a sub-limit of ILC/FLC facility up to Rs. 100 million	(i) SOD is at PLR (ii) Bank Guarantee is as applicable (iii)Term Loan is at PLR	For the Term Loan there is a repayment holiday of 12 months from the date of first drawal. The term of the loan is six years to be repaid in 60 equal monthly installments starting from March, 2009
6.	Bank of Maharashtra	Sanction Letter dated September 5, 2008, Composite Hypothecation Agreement dated September 25, 2008	Total term loan of Rs. 350 million through a term loan of Rs. 200 million and a term loan of Rs.150 million and working capital of Rs. 50 million	At BPLR or as charged by Syndicate Bank, whichever is higher.	Principal to be repaid in 12 quarterly installments starting after completion of one year from the date of first disbursement

Sr. No.	Lender	Details	Nature of Facility	Interest	Repayment schedule
		and Composite Hypothecation Agreement dated November 27, 2008.			starting from September, 2009
7.	Bank of India	Sanction Letter dated February 27, 2009	(i) Term Loan I of Rs. 200 million (ii) Term Loan II of Rs. 200 million (iii) Cash Credit Facilities of Rs.100 million	(i) Term Loan I- 0.5% over BPLR and a minimum 13% per annum at monthly rests (ii) Term Loan II- 0.5% over BPLR and a minimum 13% per annum at monthly rests (iii) Cash Credit Facilities- 0.5% over BPLR and a minimum 13% per annum at monthly rests	Term Loan I: 48 equal monthly installments nine months after first disbursement starting from February, 2010 (ii) Term Loan II: Repayment in three years with one year moratorium and repayment in quarterly installments starting from June 2010 (iii) Cash Credit: On demand

The foregoing loan facilities obtained by our Company have been secured by our Company by creating a first *pari passu* charge on its stock, book debts (existing and future), current assets, existing machinery, machinery bought or proposed to be bought under the aforementioned loan facilities. All the fixed assets of our Company have been charged as collateral security under these loan facilities. Further, Mr. Sameer Manchanda, our Promoter and Chairman has provided an unconditional and irrevocable personal guarantee to the lenders with respect to all the loans mentioned above.

The financing arrangements contain various restrictive covenants, including requirement to adhere to basic financial parameters, with regard to liquidity, indebtedness, security coverage and profitability as stipulated by the lenders. Additionally, under the said financing arrangements our Company has undertaken, among other things, not to do any of the following without the prior consent of the lenders, as may be applicable:

- Move any of the equipment and other machinery proposed to be purchased under the term loan component of the loan and the hypothecated goods to any other place.
- Create any charge, lien or encumbrance on any of all the machinery, equipments, and other items purchased from the loan amount and on the existing machinery and equipments and other securities created under the loan agreements and all sales and realizations and insurance proceeds thereof.
- Sell any of the hypothecated goods after prohibition in writing by the lenders.
- Not to open any other bank account or avail credit facility from any other bank/institution.
- Make any alterations in our constitution, controlling ownership, any documents in relation to the constitution of our Company, any material change in the management or in the nature of business or operations.
- Undertake guarantee obligations on behalf of any other company/firm/person;
- Personal guarantee of our Promoter, Mr. Sameer Manchanda;
- Declare dividend for any year, except out of the profits relating to that year, after meeting all the financial commitments to the lender and making all due and necessary provisions;

B. Unsecured Loans

Our Company has obtained an unsecured loan facility of Rs. 62.50 million from DEN Entertainment Network Private Limited, from two loan agreements dated December 1, 2007 and April 1, 2008, whereby DEN Entertainment Network Private Limited has given a loan (by way of an inter-corporate deposit) to our Company, without taking any security from our Company. Subsequently, the loan amount under the loan agreement dated April 25, 2008 has been repaid by the Company. The term of the loan agreement dated December 1, 2007 is three years commencing from the date of provision of the loan and cannot be recalled on demand. The loan period can be extended by mutual agreement, and no interest on the loan is being charged to our Company. As on June 30, 2009, the amount outstanding is Rs. 27.00 million.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS ON A CONSOLIDATED BASIS

*You should read the following discussion of our consolidated financial condition and results of operations together with our consolidated audited financial statements, as restated, as at and for the period ended March 31, 2008 , as at and for the year ended March 31, 2009 and as at and for the three month period ended June 30, 2009 including the schedules, annexures and notes thereto, and the report of our independent auditors thereon in the section titled "**Financial Statements – Auditor's Report on Restated Consolidated Financial Statements**" on page F44.*

Overview

We are one of the largest national cable television companies in India engaged in the distribution of analog and digital cable television services (*Source: MPA Report 2009*). Since our incorporation in July 2007, we have expanded our analog cable services to 77 cities across India. The *MPA Report 2009* estimates that our cable television services reach approximately 10 million homes and that we have 300,000 digital cable television subscribers as of December 2008. We launched our digital cable television services in February 2008 under the brand "Digitelly". We have since expanded our digital services to 37 cities in India and we plan to roll out digital cable television in all of the other cities in which we operate. We currently provide cable television services in the National Capital Region of Delhi and the states of Uttar Pradesh, Rajasthan, Maharashtra, Gujarat, Karnataka, Haryana, Madhya Pradesh and Kerala.

The focus of our growth strategy has been to acquire majority interests in MSOs. We acquire, aggregate and expand the businesses of existing MSOs to achieve economies of scale, deliver a standardised service and provide broadcasters a single-point connect with millions of subscribers. Since our Company's incorporation, we have acquired a majority interest in the businesses of 65 MSOs while simultaneously expanding our own proprietary infrastructure organically. We utilise LCOs to provide the "last mile" cable link to reach our subscribers.

The digitisation of our analog subscriber base is one of our key business strategies. Our digital platform enables us to enhance the television viewing experience of our subscribers. We currently offer up to 180 channels through our digital cable television service compared with up to 100 channels through our analog cable television service. Besides providing DVD quality picture and sound for the broadcast channels, our digital cable television service includes value-added services to our subscribers, such as an interactive electronic programme guide, programme reservations, "red button" initiatives, audio music channels, on-screen reminders, interactive games, interactive blogging and parental controls. We plan to commence offering our digital cable subscribers additional value-added services such as pay-per-view services, interactive educational programmes, personal video recording and mosaic viewing. Value-added services cannot be offered through an analog platform.

We operate between one and three own brand television channels from each of our head-ends, which are telecast exclusively on our cable distribution network. These channels primarily telecast films, music, devotional programmes or local events and news. We have the rights to telecast more than 4,000 films on our network.

We have obtained an all-India ISP license and have recently commenced a limited roll out of broadband internet services in select areas, which we intend to expand in all of the other cities in which we operate across India.

In January 2008, we entered into a 50:50 joint venture agreement with STAR with respect to STAR-DEN. STAR-DEN acts as a content aggregator and currently has the exclusive right to distribute 23 television channels, including the entire STAR group of channels, the entire Disney group of channels, select Network18 channels, the entire Times Group of channels and MGM, to providers of various television distribution platforms, such as cable television, DTH satellite television and IPTV, in India, Bhutan and Nepal. STAR-DEN has also entered into agreements with five channels in the STAR group to place those channels on those channels' preferred bandwith and signal with the various television distributors in India, Bhutan and Nepal.

For the period from July 10, 2007 to March 31, 2008, fiscal 2009 and the three month period ended June 30, 2009 our consolidated revenues were Rs. 868.90 million, Rs. 7,193.46 million and Rs. 2,140.50 million, respectively, and we made a consolidated loss after tax and minority interest of Rs. 216.34 million and Rs. 151.13 million and a consolidated profit after tax and minority interest of Rs. 32.42 million, respectively.

Note Regarding Presentation

Our fiscal year ends on March 31 of each year, so all references to fiscal 2009 are to the 12-month period ended March 31, 2009. Our Company was incorporated on July 10, 2007. References to the period ended March 31, 2008 relate to the period from July 10, 2007 to March 31, 2008. As the period ended March 31, 2008 was less than a full fiscal year, the results of operations and cash flows for that period are not directly comparable with fiscal 2009. In addition, we acquired our 50% joint venture interest in STAR-DEN in January 2008 and acquired majority interests in 22 MSOs in the period ended March 31, 2008. Since March 31, 2008, we have acquired a majority interest in the businesses of 43 additional MSOs. These acquisitions also meant that our results of operations for the period ended March 31, 2008 and fiscal 2009 are not directly comparable. For further details, see "***Our Subsidiaries***" on page 92.

Factors Affecting Our Results of Operations, Cash Flows and Financial Condition

Number of cable television subscribers

We deliver the television channels on our cable distribution network through LCOs, who provide the "last mile" cable link to the homes of our subscribers. Our revenues from cable television are based on the number of subscribers connected to an LCO. The number of subscribers we have is affected by:

- our geographic reach;
- our relationships with LCOs; and
- competition with other television distributors.

In respect of our analog subscribers, who constitute the overwhelming majority of our subscribers, we do not have the ability to independently determine the number of subscribers that any given LCO has and must instead rely on the information provided by the LCOs. As is typical in the industry, there are instances where the LCOs under-report the number of their subscribers to us.

Placement fees

We receive placement fees from television broadcasters to ensure that we will carry their channels on their preferred signal and frequency band. This is of particular relevance for analog cable transmission because only a limited number of channels can be transmitted and therefore, where the channel is placed on the frequency band can impact the viewership of the channel. Some frequencies therefore command a premium in the market and broadcasters are willing to pay us for placing their channels on these frequencies. Placement fees are generally negotiated and paid by broadcasters pursuant to placement agreements that are generally for a term of 12 months. The amount we receive for placement fees is dependent on the availability of preferred frequency bandwidth, the geographic regions we operate in and competition among television broadcasters for the preferred frequency band.

Digitisation

The digitisation of our analog subscriber base is one of our key business strategies. We seek to aggressively digitize our existing analog subscriber base and expect a substantial amount of our revenue growth to be derived from the conversion of our analog cable subscribers to become digital cable subscribers and the provision of paid-for value-added services to those subscribers. The conversion of analog cable subscribers will help to prevent the current industry-wide problem of LCOs under-reporting the number of subscribers. We intend to invest a substantial amount of money in digitizing our analog subscriber base, including, among other things, purchasing 717,500 set top boxes from the Net Proceeds of this Issue. For details, see "***Objects of the Issue – Details of the Objects – Invest in the development of our cable television infrastructure and services***" on page 38.

Acquisitions of majority interests in MSOs

The focus of our growth strategy has been to acquire majority interests in established MSOs to expand our geographic reach. We acquire, aggregate and expand the businesses of existing MSOs to achieve economies of scale, deliver a standardised service and provide broadcasters a single point connect with millions of subscribers. Since our Company's incorporation, we have acquired a majority interest in the businesses of 65 MSOs (three of which we acquired after June 30, 2009) while simultaneously expanding our own proprietary infrastructure organically. Almost all of the MSOs that we have acquired a majority interest in have made losses after tax primarily on account of expenses that are incurred to digitize the MSOs operations as well as investments to integrate and standardize the business and services provided by the MSOs. We intend to further expand our geographic reach by acquiring more majority interests in MSOs.

Operations of STAR-DEN

STAR-DEN, in its first full fiscal year of operations, contributed 51.23% of our total income in fiscal 2009 and 51.34% of our total income in the three months ended June 30, 2009. STAR-DEN earns revenue through (a) subscription fees received from various distribution platforms, such as cable television, DTH satellite television and IPTV, in India, Bhutan and Nepal and (b) placement fees received from five channels in the STAR group for placing those channels on their preferred bandwidth and signal with the various television distributors in India Bhutan and Nepal. STAR-DEN currently offers 23 channels as part of its bouquet. The number of television channels that STAR-DEN has the right to distribute and the demand for those channels will affect STAR-DEN's revenue as will the number of channels it earns placement fees from.

Our joint venture partner has the option to acquire an additional 1% interest in STAR-DEN from us, which is exercisable in a 30-day period once a year from January 2010 or if we are in default under the joint venture agreement with respect to STAR-DEN. The exercise of this option by STAR will give us the right to sell our entire interest in STAR-DEN to STAR. For more information, see "***History and Certain Corporate Matters — Our Joint Venture***" on page 87. If STAR exercises its right to acquire the additional 1% interest, STAR-DEN results will not be consolidated on a line by line basis, which would have a material adverse effect on our revenue. However, so long as we continue to hold at least 20% in STAR-DEN we would consolidate our share of the profit/loss of STAR-DEN as per the equity method of accounting, as an associate. If, however, our shareholding in STAR-DEN is reduced to below 20%, then STAR-DEN shall cease to be an associate which would have a material adverse impact on revenue and profitability. If STAR exercised its option on account of the fact that we were in default under the joint venture agreement and we sold our remaining 49% interest in STAR-DEN to STAR, the joint venture agreement provides that purchase price would be 20% less than fair market value, which would have a material adverse effect on our results of operations and financial condition.

The roll out of our broadband cable internet service

We have obtained an all-India internet service provider license and have recently commenced a limited roll out of broadband internet services in Bangalore, NCR of Delhi and Kanpur. Over time, we intend to expand our cable broadband internet services commercially to our subscribers through our existing network infrastructure. The technology we use to provide our broadband cable internet service does not require any significant network upgrades. Using this technique allows us to utilise the unused bandwidth on our network and on the LCOs' last mile connections and minimises capital costs and service roll out times. In this regard, we intend to use Rs. 250.00 million from the Net Proceeds of this Issue towards the development of broadband infrastructure and services. Our revenue from cable broadband internet services is dependent upon the number of subscribers to our service, which will be primarily affected by our geographic reach, our relationships with LCOs and competition from other providers of internet services. For details, see "***Objects of the Issue – Details of the Objects – Invest in the development of cable broadband infrastructure and services***" on page 38.

Content costs

Content costs are (a) the fees we pay to television broadcasters or content aggregators for the right to telecast the channels on our network and (b) the licence fees paid by STAR-DEN to various television broadcasters for which it has acquired distribution rights. If the number of pay television channels in India increases, our content costs will increase. In addition, if our subscriber base increases our content costs will increase. We intend to use up to Rs. 100.00 million from the Net Proceeds of this Issue in acquiring content and telecasting rights. For details, see "***Objects of the Issue – Details of the Objects – Invest in acquisition of content and broadcasting rights***" on page 39.

Other Factors

For a discussion of other factors that affect or could affect our results of operations, cash flows and financial condition, such as changes in government laws or regulations, see "***Risk Factors***" on page x.

Critical Accounting Policies

Our significant accounting policies are described in Annexure IV in the section titled "***Financial Statements – Auditor's Report on Restated Consolidated Financial Statements***" on page F44. Our management has evaluated the accounting policies used in the preparation of the Company's financial statements and related notes and believes those policies to be reasonable and appropriate. In applying accounting principles in accordance with Indian GAAP, the Company is required to make estimates and assumptions about future events that affect the amounts reported in our financial statements and the accompanying notes. Future events and their effects cannot be determined with absolute certainty. Therefore, our management must make estimates which require the exercise of judgment. Examples of such estimates include estimates of income taxes, future obligations under employment retirement benefit plans, provision for doubtful debts and advances and estimated useful life of tangible and intangible assets. Actual results could differ from these estimates, and any such differences may be material to the financial statements. Any revision to accounting estimates is recognised prospectively in the current and future periods.

We consider an accounting estimate to be critical if: (a) the accounting estimate requires us to make assumptions about matters that were highly uncertain at the time the accounting estimate was made, and (b) changes in the estimate that are reasonably likely to occur from period to period, or use of different estimates that we reasonably could have used in the current period, would have a material impact on our financial condition or results of operations.

There are other items within our financial statements that require estimation, but are not deemed critical as defined above. Changes in estimates used in these and other items could have a material impact on our financial statements.

We believe the following are our critical accounting policies:

Tangible Assets

Fixed assets are stated at the cost of acquisition less accumulated depreciation. The actual cost capitalized includes purchase price, and all other attributable costs of bringing the assets to working condition for intended use.

Assets are capitalised on the date when they are ready for intended use. Set top boxes are capitalized at the end of the month of activation.

Fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not ready for intended use at the balance sheet date, are disclosed as capital work in progress.

Intangible Assets

Intangible assets acquired in business acquisitions are stated at fair value as determined by the management of the Company on the basis of valuation by expert valuers, less accumulated amortisation.

Other intangible assets are stated at cost of acquisition less accumulated amortisation. The actual cost capitalized includes purchase price, and all other attributable costs of bringing the assets to working condition for intended use.

Depreciation/Amortisation

Depreciation on fixed assets except leasehold improvements is provided on the straight-line method over their estimated useful lives, as determined by our management, at the rates which are equal to or higher than the rates prescribed under Schedule XIV of the Companies Act. Depreciation is charged on a pro-rata basis for assets purchased/sold during the year. Assets costing less than Rs. 5,000 are fully depreciated in the year of purchase. Our management's estimate of the useful life of the various fixed assets is as follows:

Head-end and distribution equipment:	6 to 15 years
Set top boxes:	8 years

Computers:	5 to 6 years
Office and other equipment:	3 to 10 years
Furniture and fixtures:	5 to 6 years
Vehicles:	6 years
Software:	5 years

Leasehold improvements are amortised over the lower of the useful life or the period of the lease. The license fee for internet service is amortised over the period of the license agreement. Fixed Assets acquired through business purchases are depreciated over the useful life of five years as estimated by an approved valuer.

Intangible assets comprising distribution network rights and goodwill are amortised on a straight line method over their estimated useful lives, determined by management to be five years.

Impairment of Assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered an impairment loss. If any such indication exists, the recoverable amount of the assets is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-tax discount rate that reflects the current market assessments of time value of money and the risks specific to the asset.

Reversal of impairment loss is recognised immediately as income in the profit and loss account.

Results of Operations

Income

Our total income comprises our income from operations, income from sale of equipment, other income and gain on foreign exchange fluctuations. The following table shows our total income for the periods indicated in Rupees in millions and as a percentage of our total income:

(Rs. in million, except percentages)

Particulars	**Three month period ended June 30, 2009**	**Fiscal 2009**	**Period ended March 31, 2008**
Income from operations	2,095.59	7,119.36	826.03
% of total income	*97.90%*	*98.97%*	*95.07%*
Income from sale of equipment	0.96	2.54	23.09
% of total income	*0.04%*	*0.04%*	*2.66%*
Other income	34.75	71.56	17.57
% of total income	*1.62%*	*0.99%*	*2.02%*
Gain on foreign exchange fluctuations	9.20	-	2.21
% of total income	*0.43%*	-	*0.25%*
Total income	**2,140.50**	**7,193.46**	**868.90**

Income from Operations

Our income from operations comprises income from our cable television business and income from STAR-DEN's operations. Set forth below is a table showing our income from operations for the periods indicated:

(Rs. in million)

Particulars	Three month period ended June 30, 2009	Fiscal 2009	Period ended March 31, 2008
Income from our cable television business	999.70	3,442.98	354.09
Income from STAR-DEN's operations	1,095.89	3,676.38	471.94
Total income from operations	**2,095.59**	**7,119.36**	**826.03**

Income from our Cable Television Business

Subscription fees from cable television: We earn revenues from the delivery of cable television services. We initially agree a set monthly fee payable by the LCO but the agreed fee is subject to renegotiation during the term of the agreement. We recognise this revenue at the end of each month. We also receive revenue from the activation of set top boxes, which is recognized at the end of the month in which the set top box is activated.

Placement fees: We receive placement fees from certain television broadcasters to ensure that we will place their channels on their preferred signal and frequency band. We typically enter into placement contracts for a period of one year and we recognise placement revenue at the end of each month on a pro-rata basis.

Advertising revenue: Our advertising revenue relates to the our own brand television channels that are telecast exclusively on our cable distribution network. We earn revenues from our own brand television channels by selling advertising spots that are interspersed in our channels' regular programmes, by selling sponsorship rights to certain content and from stills, banner advertisements and screen crawlers that are displayed on the bottom of the television screen while regular content is broadcast. We recognise revenue from advertising when the advertisement is broadcast.

Subscription fees from cable broadband subscribers: We earn revenues from the delivery of cable broadband internet services. We recognise this revenue at the end of each month.

Fees from STAR-DEN: The joint venture agreement for STAR-DEN provides that our Company is to provide relevant expertise to STAR-DEN for a fee, which is recognised on a monthly basis (after inter-company eliminations).

Income from STAR-DEN's Operations

Income from STAR-DEN's operations is our 50% share in STAR-DEN's income from (a) subscription fees received from various distribution platforms, such as cable television, DTH satellite television and IPTV, in India, Bhutan and Nepal and (b) placement fees received from five channels in the STAR group for placing those channels on their preferred bandwidth and signal with the various television distributors in India, Bhutan and Nepal (after inter-company eliminations).

Income from Sale of Equipment

Our income from sale of equipment comprises the sale of spare equipment to MSOs.

Other Income

Our other income from operations comprises income from the following: (i) profit on the sale of investments in mutual funds; (ii) dividend on current investments; (iii) interest income on fixed deposits; (iv) interest income from other deposits; (v) provisions written back; and (vi) miscellaneous income.

Gain on Foreign Exchange Fluctuation

We import a significant portion of the equipments used in our business and as a result we are subject to foreign currency fluctuations in respect of purchases made in various foreign currencies. Transactions in foreign currencies are recorded at the exchange rates prevailing at the date of the transaction. Realised gains and losses on foreign exchange transactions settled during the year are recognised in the profit and loss account. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the rates prevailing on that date and resultant gains/losses on foreign exchange translations are recognised in the profit and loss account

Expenses

Our expenditure comprises operational cost, cost of traded items, personnel costs, administrative and other costs, loss on foreign exchange fluctuation, finance costs and depreciation and amortisation. The following table sets out our expenditure in Rupees in millions and as a percentage of our total income for the periods indicated:

(Rs. in million, except percentages)

Particulars	**Three month period ended June 30, 2009**	**Fiscal 2009**	**Period ended March 31, 2008**
Operational, administrative and other costs	1,805.65	6,557.66	923.55
% of total income	*84.36%*	*91.16%*	*106.29%*
Cost of traded items	0.96	2.54	23.09
% of total income	*0.04%*	*0.04%*	*2.66%*
Personnel costs	127.29	477.30	114.05
% of total income	*5.95%*	*6.64%*	*13.13%*
Loss on foreign exchange fluctuation	-	47.81	-
% of total income	-	*0.66%*	-
Finance costs	46.92	99.88	6.04
% of total income	*2.19%*	*1.39%*	*0.70%*
Depreciation and amortization	65.51	160.28	11.85
% of total income	*3.06%*	*2.23%*	*1.36%*
Total expenditure	**2,046.33**	**7,345.46**	**1,078.58**
% of total income	***95.60%***	***102.11%***	***124.13%***

Operational, administrative and other costs

Our operational, administrative and other costs comprise the following:

- Content costs, which are (a) the fees we pay to television broadcasters or content aggregators for the right to telecast the channels on our network and (b) the licence fees paid by STAR-DEN to various television broadcasters for which it has acquired distribution rights. We recognise content costs as an expense on a pro-rata monthly basis;

- Placement fees, which are part of the fees we receive from television broadcasters is the fee which we pay to certain distributors/companies in consideration for them managing the relationship with LCOs in a particular area;

- Distributor commission, which is the commission paid to distributors on our subscription and advertisement revenue in consideration for them managing the relationship with LCOs in a particular area, primarily the National Capital Region of Delhi;
- Rent and hire charges, which includes, lease expenses for our offices, control rooms and head-ends;
- Advertising, publicity and business promotion expenses;
- Repair and maintenance to plant and machinery and other items;
- Power and fuel costs;
- Consultancy, professional and legal charges;
- Travelling and conveyance expenses;
- Communication expenses, which includes lease line costs for our HFC network and telephone and internet expenses;
- Security charges;
- Insurance;
- Provision for doubtful debts/advances;
- Bad debts/advances written off;
- Fixed assets/capital work in progress written off;
- Other miscellaneous expenses; and
- Prior period expenses (net).

Personnel Costs

Our personnel costs comprise employee salaries, allowances and bonuses, contribution to employee's provident fund and other funds, and staff welfare expenses.

Cost of Traded Items

Our expenses for purchases of traded items relate to the cost of spare equipment sold to MSOs.

Loss on Foreign Exchange Fluctuation

For details, see "***Results of Operations – Income – Gain on Foreign Exchange Fluctuation***" above on page 254.

Finance Costs

Our finance costs consist primarily of interest on loans from banks, interest on vehicle finance leases obligations and bank charges and other costs.

Depreciation and Amortisation

Depreciation costs are the depreciation charges on our capital expenditure. Our capital expenditures include expenditure on: leasehold improvements for fitting out our leased premises; plant and machinery, such as head-end and distribution equipment; set top boxes; computers; furniture and fixtures; vehicles; and computer software.

Three month period ended June 30, 2009

Significant Events

The following significant events occurred during the three months ended June 30, 2009, and have had an impact on our revenue, expenses and results of operations for the period:

- Our consolidated financial results for fiscal 2009 incorporated the performance of 56 MSOs. 32 of these subsidiaries were acquired in fiscal 2009 and were operational for part of the year. All these 56 MSOs were operational for the full three months ended June 30, 2009.

- We acquired a majority interest in three MSOs, namely: DEN Elgee Cable Vision Private Limited; Rajkot City Communication Private Limited; and DEN Malabar Cable Vision Private Limited, for a total cost of Rs. 129.70 million.

Income

Our total income was Rs. 2,140.50 million for the three months ended June 30, 2009.

Income from Operations

Our income from operations was Rs. 2,095.59 million accounting for 97.90% of our total income for the three months ended June 30, 2009. Our income from operations comprised our income from our cable television business of Rs. 999.70 million and our income from STAR-DEN's operations of Rs. 1,095.89 million.

Sale of Equipment

Our revenue from sale of equipment was Rs. 0.96 million or 0.04% of our total income for the three months ended June 30, 2009. This is primarily due to a decrease in sales of equipment. We do not intend to undertake sales of spare equipment on a regular basis and we expect our revenue from sale of equipment to decrease over time.

Other Income

This was primarily due to the writing back of certain provisions for expenses of Rs. 27.62 million. These provisions mainly pertained to estimated placement fees payable to distributors for fiscal 2009, which estimate turned out to be in excess of the amount actually payable. This was also due to profit on the sale of certain current investments (other than trade and unquoted investments) of Rs. 0.95 million, interest income on fixed deposits of Rs. 1.73 million, which was primarily due to an increase in money kept in fixed deposits as security against letters of credit issued in connection with the import of capital equipment, and other interest income of Rs. 0.14 million. In addition, total other income included miscellaneous income of Rs. 4.32 million, which included income on procurement of DEPB (Duty Entitlement Passbook Scheme) licenses and sale of movie rights to MSOs.

Gain on Foreign Exchange Fluctuation

We recognised a gain of Rs. 9.20 million in exchange rate fluctuation in the three months ended June 30, 2009. Our gain on foreign exchange fluctuation accounted for 0.43% of our total income for the three months ended June 30, 2009.

Expenditure

Our total expenditure was Rs. 2,046.33 million in the three months ended June 30, 2009. As a percentage of total income, our total expenses were 95.60% of total income during the period

Operational, Administrative and Other Costs

Our operational, administrative and other costs were Rs. 1,805.65 million or 84.36% our total income for the three months ended June 30, 2009. Our operational, administrative and other costs comprised the following:

- content costs were Rs. 1,240.19 million or 57.94% of our total income for the three months ended June 30, 2009;

- placement fees were Rs. 134.34 million or 6.28% of our total income for the three months ended June 30, 2009;

- distribution commission was Rs. 18.73 million or 0.87% of our total income for the three months ended June 30, 2009;

- rent and hire charges were Rs. 30.68 million or 1.43% of our total income for the three months ended June 30, 2009;

- advertising, publicity and business promotion expenses were Rs. 104.20 million or 4.87% of our total income for the three months ended June 30, 2009.

- repair and maintenance to plant and machinery and other items were Rs. 29.03 million or 1.36% of our total income for the three months ended June 30, 2009;

- power and fuel costs were Rs. 15.19 million or 0.71% of our total income for the three months ended June 30, 2009;

- Consultancy, professional and legal charges were Rs. 87.38 million or 4.08% of our total income for the three months ended June 30, 2009;

- travelling and conveyance expenses were Rs. 20.29 million or 0.95% of our total income for the three months ended June 30, 2009;

- communication expenses were Rs. 22.99 million or 1.07% of our total income for the three months ended June 30, 2009;

- security charges were Rs. 2.97 million or 0.14% of our total income for the three months ended June 30, 2009;

- insurance costs were Rs. 2.47 million or 0.12% of our total income for the three months ended June 30, 2009;

- provision for doubtful debts/advances were Rs. 28.38 million or 1.33% of our total income for the three months ended June 30, 2009;

- bad debts/advances written off were Rs. 0.10 million for the three months ended June 30, 2009;

- fixed assets/capital work in progress written off were Rs. 0.39 million for the three months ended June 30, 2009;

- other miscellaneous expenses were Rs. 55.43 million or 2.59% of our total income for the three months ended June 30, 2009.

- Prior period expenses (net) were nil for the three months ended June 30, 2009.

Personnel Costs

Personnel costs were Rs. 127.29 million for the three months ended June 30, 2009. Personnel costs represented 5.95% of our total income for the three months ended June 30, 2009.

Cost of Traded Items

Costs of traded items were Rs. 0.96 million in the three months ended June 30, 2009, which represented 0.04% of our total income for the three months ended June 30, 2009.

Loss on Foreign Exchange Fluctuation

We had no loss attributable to foreign exchange fluctuation accounted during the three months ended June 30, 2009.

Profit/(loss) before finance costs, depreciation, amortization and taxation

Our profit before finance costs, depreciation, amortization and taxation was Rs. 206.60 million, which was 9.65% as a percentage of our total income for the three months ended June 30, 2009.

Finance Costs

Finance costs were Rs. 46.92 million for the three months ended June 30, 2009. This was primarily due to interest owed from secured loans from banks. Finance costs represented 2.19% of our total income for the three months ended June 30, 2009.

Depreciation and Amortisation

Our depreciation and amortisation costs were Rs. 65.51 million in the three months ended June 30, 2009, which represented 3.06% of our total income for the three months ended June 30, 2009.

Profit before Tax and Minority Interest

Principally for the reasons described above, our profit before tax and minority interest was Rs. 94.17 million, which represented 4.40% of our total income for the three months ended June 30, 2009.

Provision for Taxes

Our provision for taxation for the three months ended June 30, 2009 was Rs. 34.73 million. Our effective rate of taxation was 36.88% compared with the statutory rate of 33.99%.

Minority Interest

Minority interest was Rs. 27.01 million included in profit after tax of Rs. 59.44 million in the three months ended June 30, 2009.

Profit after Tax and Minority Interest

Principally for the reasons described above, our profit after tax and minority interest was Rs. 32.43 million for the three months ended June 30, 2009, which represented 1.51% of our total income for the three month period ended June 30, 2009.

Fiscal 2009 Compared with the Period Ended March 31, 2008

Significant Events

The following significant events occurred in fiscal 2009, each of which had an impact on our revenue, expenses and results of operations for the period:

- Our Company operated for a full year for the first time in fiscal 2009 due to the fact that our Company was only incorporated in July 2007.

- STAR-DEN operated for a full year for the first time in fiscal 2009 as it was only incorporated in January 2008. In addition, STAR-DEN also expanded its channel bouquet from 18 as at March 31, 2008 to 23 as at the end of March 31, 2009.

- We acquired a majority interest in 22 MSOs in the period ended March 31, 2008, which were consolidated for a full year for the first time in fiscal 2009.

- We acquired majority interests in an additional 32 MSOs in fiscal 2009.

Income

Our total income increased from Rs. 868.90 million in the period ended March 31, 2008 to Rs. 7,193.46 million in fiscal 2009. This increase was primarily the result of the expansion in our business operations due to the significant events discussed above.

Income from Operations

Our income from operations increased from Rs. 826.03 million in the period ended March 31, 2008 to Rs. 7,119.36 million in fiscal 2009. Our income from our cable television business was Rs. 3,442.98 million in fiscal 2009 compared with Rs. 354.09 million in the period ended March 31, 2008. Our income from STAR-DEN's operations was Rs. 3,676.38 million in fiscal 2009 compared with Rs. 471.94 million in the period ended March 31, 2008.

Sale of Equipment

Our revenue from sale of equipment decreased from Rs. 23.09 million in the period ended March 31, 2008 to Rs. 2.54 million in fiscal 2009. We do not intend to undertake sales of spare equipment on a regular basis and we expect our revenue from sale of equipment to decrease over time.

Other Income

Our other income increased from Rs. 17.56 million in the period ended March 31, 2008 to Rs. 71.56 million in fiscal 2009. This increase was primarily due the writing back in fiscal 2009 of Rs. 30.94 million in provisions for doubtful advances made in connection with proposed acquisitions of majority interests in MSOs, whereas we did not write back any provisions in the period ended March 31, 2008. This increase was also due to interest income on fixed deposits increasing from Rs. 0.88 million in the period ended March 31, 2008 to Rs. 16.07 million in fiscal 2009, which was primarily due to the increase in money kept in fixed deposits as security against letters of credit issued in connection with the import of capital equipment. In addition, the increase was also due to miscellaneous income increasing from Rs. 0.13 million in the period ended March 31, 2008 to Rs. 10.64 million in fiscal 2009, which includes income on procurement of DEPB (Duty Entitlement Passbook Scheme) licenses and sale of movie rights to MSOs.

Gain on Foreign Exchange Fluctuation

We recognised a gain of Rs. 2.21 million in exchange rate fluctuation in the period ended March 31, 2008 compared with nil such gain recognised in fiscal 2009.

Expenditure

Our total expenditure increased from with Rs. 1,078.58 million in the period ended March 31, 2008 to Rs. 7,345.46 million in fiscal 2009. This increase was primarily due to the significant events discussed above. As a percentage of total income, our total expenses decreased from 124.13% of total income in the period ended March 31, 2008 to 102.11% of total income in fiscal 2009.

Operational, Administrative and Other Costs

Our operational, administrative and other costs increased from Rs. 923.55 million in the period ended March 31, 2008 to Rs. 6,557.66 million in fiscal 2009. This increase was primarily due to:

- content costs increasing from Rs. 579.33 million in the period ended March 31, 2008 to Rs. 4,397.14 million in fiscal 2009;

- placement fees increasing from Rs. 33.57 million in the period ended March 31, 2008 to Rs. 514.86 million in fiscal 2009;

- advertisement, publicity and business promotion expenses increasing from Rs. 32.98 million in the period ended March 31, 2008 to Rs. 373.03 million in fiscal 2009;

- Consultancy, professional and legal charges increasing from Rs. 47.16 million in the period ended March 31, 2008 to Rs. 262.50 million in fiscal 2009; and

- Distributor commission increasing from Rs. 43.81 million in the period ended March 31, 2008 to Rs. 244.13 million in fiscal 2009.

Cost of Traded Items

Costs of traded items amounted to Rs. 2.54 million in fiscal 2009.

Personnel Costs

Personnel costs increased from Rs. 114.05 million to Rs. 477.30 million in fiscal 2009. This increase was primarily the result of the expansion in our business operations due to the significant events discussed above and also to a much lesser extent to a general increase in our employees' salaries.

Loss on Foreign Exchange Fluctuation

Losses on foreign exchange fluctuation were Rs. 47.81 million in fiscal 2009 compared with nil loss on foreign exchange fluctuation in the period ended March 31, 2008.

Profit/(loss) before finance costs, depreciation, amortization and taxation

Our profit before finance costs, depreciation, amortization and taxation was Rs. 108.16 million, or 1.50% of total income, for fiscal 2009 compared with a loss before finance costs, depreciation, amortization and taxation of Rs. 191.79 million, or 22.05% of total income, for the period ended March 31, 2008.

Finance Costs

Interest and finance charges increased from Rs. 6.04 million in the period ended March 31, 2008 to Rs. 99.88 million in fiscal 2009. This increase was primarily due to an increase in secured loans from banks, which increased from Rs. 106.76 million as at March 31, 2008 to Rs. 1,154.93 million as at March 31, 2009.

Depreciation and Amortisation

Our depreciation and amortisation costs increased from Rs. 11.85 million in the period ended March 31, 2008 to Rs. 160.28 million in fiscal 2009. This increase was due to an increase in fixed assets from Rs. 174.34 million as at March 31, 2008 to Rs. 1,709.52 million as at March 31, 2009.

Loss before Tax and Minority Interest

Our loss before tax and minority interest decreased from Rs. 209.68 million in the period ended March 31, 2008 to Rs. 152.00 million in fiscal 2009.

Provision for Taxes

Our provision for taxes increased from Rs. 5.77 million in the period ended March 31, 2008 to Rs. 20.06 million in fiscal 2009. This increase was primarily due to an increase in provision for taxes by STAR-DEN due to an increase in its profit before tax.

Minority Interest

Minority interest was Rs. 0.89 million included in loss after tax of Rs. 215.45 million in the period ended March 31, 2008 compared with Rs. (20.93) million included in loss after tax of Rs. 172.05 million in fiscal 2009.

Loss after Tax and Minority Interest

Our loss after tax and minority interest decreased from Rs. 216.34 million in the period ended March 31, 2008 to Rs. 151.13 million in fiscal 2009.

Liquidity and Capital Resources

We have funded our working capital requirements from our cash flow from operations and working capital loans from banks. We raise our invoices for all of our services on a monthly or quarterly basis depending on the terms of the agreement. Our payment terms range from 30 – 60 days.

We believe that our cash flow from operations, the net proceeds from the pre-IPO placement, the net proceeds of this Issue and our loans and borrowings will be sufficient to provide us with the funds for our working capital, capital expenditures and our planned investments for at least the next 12 months.

Cash Flows

Our cash flows in the three months ended June 30, 2009 were materially affected by the significant events discussed above under the heading "***Three Months Ended June 30, 2009 - Significant Events***" on page 257. Our cash flows in fiscal 2009 and the period ended March 31, 2008 were materially affected by the significant events discussed above under the heading "***Fiscal 2009 Compared with the Period Ended March 31, 2008 - Significant Events***" on page 259.

Set forth below is a table of consolidated cash flow statement data for the periods stated in the table.

(Rs. in million)

Particulars	Three months ended June 30, 2009	Year ended March 31, 2009	Period ended March 31, 2008
Net cash from/ (used in) operating activities	402.23	77.84	67.60
Net cash from/ (used in) investing activities	(195.75)	(1185.83)	(2,085.78)
Net cash from/ (used in) financing activities	321.75	1,280.90	2,342.08
Net increase/ (decrease) in cash and cash equivalents	528.23	172.90	323.91
Cash and cash equivalents at the beginning of the period	510.56	337.67	-
Cash and cash equivalents acquired on acquisition	-	-	13.76
Cash and cash equivalents as at the end of the period	1,038.79	510.56	337.67

Net Cash from Operating Activities

Net cash from operating activities in the three months ended June 30, 2009 was Rs. 402.23 million and our operating profit before working capital changes for that period was Rs. 201.87 million. The difference was attributable to a Rs. 356.75 million decrease in current assets, a Rs. 47.32 million decrease in current liabilities and Rs. 109.07 million in tax paid on operational income (including fringe benefit tax).

Net cash from operating activities in the year ended March 31, 2009 was Rs. 77.84 million and our operating profit before working capital changes for that period was Rs. 210.35 million. The difference was attributable to a Rs. 1,982.48 million increase in current assets, a Rs. 2,025.16 million increase in current liabilities and Rs. 175.20 million in tax paid on operational income (including fringe benefit tax).

Net cash from operating activities in the period ended March 31, 2008 was Rs. 67.60 million and our operating loss before working capital changes for that fiscal year was Rs. 147.65 million. The difference was attributable to a Rs. 752.76 million increase in current assets, a Rs. 1,012.25 million increase in current liabilities and Rs. 44.24 million tax paid on operational income (including fringe benefit tax).

Net Cash Used in Investing Activities

In the three months ended June 30, 2009, our net cash used in investing activities was Rs. 195.75 million. This mainly reflected Rs. 96.39 million used for the purchase of fixed assets (including capital advances), a Rs. 119.62 million increase in goodwill on consolidation of acquired MSOs, Rs. 470.04 million used to purchase interests in a mutual fund and a Rs. 3.17 million loan that was repaid to a body corporate, which were partially offset by Rs. 41.33 million in advances repaid, Rs. 1.16 million in interest received and Rs. 450.98 million received from the sale of mutual fund investments.

In the year ended March 31, 2009, our net cash used in investing activities was Rs. 1,185.83 million. This mainly reflected Rs. 1,319.79 million for the purchase of fixed assets (including capital advances), a Rs. 676.54 million increase in goodwill on consolidation of acquired MSOs, Rs. 403.45 million used to purchase mutual funds and Rs. 303.11 million in advances paid to MSOs in connection with entering into MoUs to acquire majority interests in them, which were partially offset by Rs. 1,395.14 million received from the sale of mutual fund investments and Rs. 101.77 million received on the repayment of a loan made to a body corporate.

In the period ended March 31, 2008, our net cash used in investing activities was Rs. 2,085.78 million. This mainly reflected Rs. 2,301.96 million used to purchase interests in mutual funds , a Rs. 477.17 million increase in goodwill on consolidation of acquired MSOs, the payment of Rs. 444.47 million for the purchase of fixed assets (including capital advances), Rs. 92.02 million in advances paid to MSOs in connection with entering into MoUs to acquire majority interests in them and a Rs. 105.00 million loan given to DLF Cable Network**,** which were partially offset by Rs. 1,332.09 million received from the sale of mutual fund investments.

Net Cash from Financing Activities

In the three months ended June 30, 2009, our net cash from financing activities was Rs. 321.75 million. This primarily reflected Rs. 447.72 million received from a bank term loan, offset to a certain extent by repayment of Rs. 28.00 million of a short-term loan made by a director and repayment of a Rs. 0.34 million loan, payment of Rs. 1.11 million in share issue expenses, repayment of Rs. 45.77 million to a bank in connection with a working capital loan, repayment of Rs. 0.50 million in finance lease obligations and payment of Rs. 50.25 million in interest.

In the year ended March 31, 2009, our net cash from financing activities was Rs. 1,280.90 million. This primarily reflected Rs. 719.26 million received from a bank term loan, Rs. 392.00 million in net proceeds from an issuance of preference shares in our Company, Rs. 331.00 million received from a working capital loan from a bank, offset to a certain extent by repayment of Rs. 57.50 million of a short-term loan made by a director and payment of Rs. 99.30 million in interest.

In the period ended March 31, 2008, our net cash flow from financing activities was Rs. 2,342.08 million. This primarily reflected Rs. 1,599.75 million in net proceeds from an issuance of preference share capital, Rs. 551.45 million in net proceeds from an issuance of equity share capital, Rs. 89.10 million in proceeds from short-term borrowings from a director, Rs. 78.82 million from proceeds from a bank term loan and Rs. 22.97 million received from a working capital loan from a bank.

Assets

Our assets in the three months ended June 30, 2009 were materially affected by the significant events discussed above under the heading "***Three Months Ended June 30, 2009 - Significant Events***" on page 257.Our assets increased significantly as at March 31, 2009 compared with March 31, 2008 primarily due to the significant events discussed above under the heading "***Fiscal 2009 Compared with the Period Ended March 31, 2008 - Significant Events***" on page 259.

(Rs. in million)

Particulars	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008
Fixed assets	1,845.21	1,814.73	530.71
Goodwill on consolidation	1,284.02	1,153.70	477.17
Investments	20.01	0.01	981.86
Deferred tax assets	110.51	91.93	16.62
Sundry debtors	1,372.21	1,876.09	481.31
Cash and bank balances	1,038.79	510.56	337.67
Unbilled revenue	120.32	33.10	4.80
Loans and advances	1,195.62	1,158.32	483.68
Total assets	**6,986.69**	**6,638.44**	**3,313.82**

Fixed Assets

Total fixed assets are (a) our gross block assets, which include tangible and intangible assets, after depreciation/amortisation (net block assets) and (b) our capital work in progress. Our net block assets were Rs. 1,634.51 million as at June 30, 2009, Rs. 1,537.95 million as at March 31, 2009 and Rs. 162.53 million as at March 31, 2008. Our net block tangible fixed assets were Rs. 1,508.86 million as at June 30, 2009, Rs. 1,405.61 million as at March 31, 2009 and Rs. 139.14 million as at March 31, 2008, primarily including:

- Head-end and distribution equipment (Rs. 852.17 million as at June 30, 2009 compared with Rs. 792.80 million as at March 31, 2009 and Rs. 71.84 million as at March 31, 2008);

- Set top boxes (Rs. 444.15 million as at June 30, 2009 compared with Rs. 400.45 million as at March 31, 2009 and nil as at March 31, 2008);

- Computers (Rs. 33.91 million as at June 30, 2009 compared with Rs. 33.46 million as at March 31, 2009 and Rs. 9.66 million as at March 31, 2008); and

- Office and other equipments (Rs. 74.16 million as at June 30, 2009 compared with Rs. 72.48 million as at March 31, 2009 and Rs. 12.08 million as at March 31, 2008).

Our intangible fixed assets were Rs. 125.65 million as at June 30, 2009, Rs. 132.34 million as at March 31, 2009 and Rs. 23.40 million as at March 31, 2008, primarily consisting of distribution network rights (Rs. 104.34 million as at June 30, 2009 compared with Rs. 110.77 million as at March 31, 2009 and Rs. 17.89 million as at March 31, 2008).

Capital works in progress comprises fixed assets under construction, advances paid towards acquisition of fixed assets and cost of assets not ready for intended use at the balance sheet date. Capital works in progress amounted to Rs. 210.70 million as at June 30, 2009, Rs. 276.78 million as at March 31, 2009 and Rs. 368.18 million as at March 31, 2008.

Goodwill on Consolidation

Our goodwill on consolidation was Rs. 1,284.02 million as at June 30, 2009, Rs. 1,153.70 million as at March 31, 2009 and Rs. 477.17 million as at March 31, 2008. This differences are attributable to the acquisition of majority control in certain companies. The details are as follows:

(Rs. in million)

Particulars	As at March 31, 2008	Additions During Fiscal 2009	As at March 31, 2009	Additions During the three months ended June 30, 2009	As at June 30, 2009
Goodwill	**477.17**		**1,153.70**		**1,284.02**
Amounts paid		905.74		164.18	
Direct cost relating to acquisition		7.77		10.34	
Total purchase consideration paid		913.51		174.52	
Value of net asset acquired		(236.97)		(44.20)	
Goodwill generated		**676.54**		**130.31**	

Investments

Our total investments were Rs. 20.01 million, Rs. 0.01 million and Rs. 981.86 million as at June 30, 2009, March 31, 2009 and March 31, 2008, respectively. As at June 30, 2009, our investments comprised units of unquoted mutual funds and government securities. As at March 31, 2009, our investments comprised government securities. As at March 31, 2008, our investments comprised investments in units of unquoted mutual funds. We undertake investment in units of mutual funds and government securities based on the amount of surplus cash we have.

Sundry Debtors

The sundry debtors were Rs. 1,372.21 million as at June 30, 2009, Rs. 1,876.09 million as March 31, 2009 and Rs. 481.31 million as at March 31, 2008.

(Rs. in million)

Particulars	**As at June 30, 2009**	**As at March 31, 2009**	**As at March 31, 2008**
Sundry Debtors:			
More than Six Months:			
- Considered Good	191.16	183.89	8.96
- Considered Doubtful	98.79	89.62	3.54
Others:			
- Considered Good	1,183.47	1,683.47	472.35
- Considered Doubtful	37.03	35.05	17.36
Less provision for doubtful debts	138.24	115.94	20.90
Total	**1,372.21**	**1,876.09**	**481.31**

The increase in sundry debtors was attributable to the fact that we operated for full year in fiscal 2009 as compared to 266 days in period ended March 31, 2008, as well as enhanced scale of operations of the Company in fiscal 2009 compared with the period ended March 31, 2009.

Loans and Advances

Our total loans and advances were Rs. 1,195.62 million as at June 30, 2009, Rs. 1,158.32 million as at March 31, 2009 and Rs. 483.68 million as at March 31, 2008. We also advanced Rs. 353.51 million to acquire majority control in certain companies, the agreements for which have not been concluded prior to June 30, 2009. These amounts have been disclosed under loans and advances. Balance commitments on account of such agreements concluded (or to be concluded after the period-end) amounted to Rs. 1,357.50 million.

Loans and advances include (i) advances recoverable in cash or in kind for value to be received, (ii) loans to a body corporate, (iii) advances to acquire majority control in MSOs, the agreements for which have not been concluded prior to period end, (iv) balances held with government authorities for ISP licenses, and (v) income tax deducted at source.

Cash and Bank Balances

Our cash and bank balances as at June 30, 2009, March 31, 2009 and March 31, 2008 were Rs. 1,038.79 million, Rs. 510.56 million and Rs. 337.67 million, respectively. Our cash and bank balances consist of (i) cash in hand, (ii) cheques in hand, (iii) balances with scheduled banks in current account, deposit account and margin money account and (iv) balances with non-scheduled banks in current account and in deposit account.

Unbilled Revenue

Our unbilled revenue as at June 30, 2009, March 31, 2009 and March 31, 2008 was Rs. 120.32 million, Rs. 33.10 million and Rs. 4.80 million, respectively. This increase in our unbilled revenues as at June 30, 2009 compared with March 31, 2009 was due to placement agreements with broadcasters which were under advance stages of negotiations as on June 30, 2009 but were executed subsequently with retrospective effect.

Liabilities

Our liabilities in the three months ended June 30, 2009 were materially affected by the significant events discussed above under the heading "***Three Months Ended June 30, 2009 - Significant Events***" on page 257. Our liabilities increased significantly as at March 31, 2009 compared with March 31, 2008, primarily due to the significant events discussed above under the heading "***Fiscal 2009 Compared with the Period Ended March 31, 2008 - Significant Events***" on page 259.

Current Liabilities and Provisions

Current liabilities consist of sundry creditors, book overdraft, security deposits received, advances from customers, revenue billed but not recognised (advance billing), deferred revenue, interest accrued but not due and other liabilities. Provisions comprise income tax, retirement benefits, fringe benefit tax, wealth tax and entertainment tax.

(Rs. in million)

	As at June 30, 2009	As at March 31, 2009	As at March 31, 2008
Current Liabilities:			
Sundry Creditors:			
Balance Consideration Payable on Investments	310.00(1)	299.31	253.34
Other	2,146.14	1,702.67	583.71
Book Overdraft	114.65	139.61	28.16
Security Deposits Received	23.09	134.87	1.85
Advances from customers	142.69	88.75	37.13
Advance Billing	76.50	129.10	63.36
Interest Accrued but Not Due on Loans	-	3.33	2.75
Other Liabilities	187.25	526.15	151.72
Total Current Liabilities	**3,000.31**	**3,023.78**	**1,122.01**
Provisions:			
Income Tax	3.32	42.55	6.45
Retirement Benefits:			
Gratuity	12.59	10.31	1.31
Compensated Absence/Leave Encashment	11.04	9.81	1.43
Fringe Benefit Tax	0.56	1.41	1.60
Wealth Tax	0.09	0.07	0.06
Entertainment tax	0.12	0.12	-
Total Provisions	**27.72**	**64.62**	**10.85**

(1) Rs. 199.21 million of balance consideration payable on account of investments will be discharged by way of subscription to shares of the Company in the event of an initial public offering by the Company.

The increase in sundry liabilities was attributable to the fact that the Company operated for full year in fiscal 2009 as compared to 266 days in period ended March 31, 2008, as well as the enhanced scale of operations of the Company in fiscal 2009 compared with the period ended March 31, 2008.

Total Indebtedness

As at June 30, 2009, we had secured loans of Rs. 1,556.38 million. Such secured loans consist mainly of cash credit facilities of Rs. 308.19 million, a term loan of Rs. 1,245.79 million and other loans from banks amounting to Rs. 2.39 million. The entire amount under the cash credit and term loan facilities is secured by charge on fixed and current assets of the Company and additionally by a personal guarantee of Mr. Sameer Manchanda. As at June 30, 2009, we had Rs. 7.50 million in unsecured loans.

The following table sets forth our repayment obligations under the terms of our Rs. 1,245.79 million long term indebtedness outstanding as at June 30, 2009:

(Rs. in million)

Indebtedness	Fiscal 2010	Fiscal 2011	Fiscal 2012	After Fiscal 2012
Long Term Indebtedness	151.49	443.78	494.52	156.00

Capital Commitments, Contingent Liabilities and Litigation

As at June 30, 2009, we have obtained bank guarantees amounting to Rs. 21.36 million on account of a license for internet use issued by the Department of Telecommunications and letters of credit amounting to Rs. 97.80

million. Commitment on account of unexecuted capital contracts not provided for (net of advances) in our financial statements amounted to Rs. 66.82 million as at June 30, 2009. We have not recognised any contingent liability on account of any litigation against us as at June 30, 2009.

Quantitative and Qualitative Disclosure about Market Risk

Interest Rate Risk

As at June 30, 2009, we had Rs. 1,563.88 million of debt outstanding, out of which Rs. 1,553.98 million is at a floating rate debt, which exposed us to market risk as a result of changes in interest rates. We undertake debt obligations primarily to support our working capital needs, capital expenditure and acquisitions. Upward fluctuations in interest rates increase the cost of debt and interest cost of outstanding variable rate borrowings. We do not currently use any derivative instruments to modify the nature of our debt so as to manage our interest rate risk.

Foreign Exchange Risk

We enter into agreements to purchase fixed assets such as digital head-ends and set top boxes, the contractual prices for which are often denominated in US dollars, GBP or Euros, which exposes us to a the risk of the foreign currency appreciating between the time we place our order and the time we pay for it.

We have not used foreign currency forward contracts to hedge our risks associated with foreign currency fluctuations relating to certain firm commitments and forecasted transactions. Our foreign currency exposure not hedged by a derivative instrument or otherwise as at June 30, 2009 is as follows:

Currency	Payable (in millions)	Rs. Equivalent (in millions)
USD	1.68	79.27

Significant Developments after June 30, 2009 that May Affect the Future of our Operations

Since June 30, 2009, the following significant events have occurred. We anticipate that each of these events will have an impact on our financial condition and results of operations in future fiscal years:

- On July 22, 2009, we issued 13,361,361 Equity Shares at a premium pursuant to the conversion of outstanding CCPS.

- On July 29, 2009, we issued 3,947,368 Equity Shares at a price of Rs. 190 per Equity Share to EMSAF Mauritius, aggregating to Rs. 750.00 million. Further. on the same date we issued 4,019,606 Equity Shares at a price of Rs. 190 per Equity Share to shareholders of some of our subsidiaries/MSOs in consideration of the acquisition of equity interest in such subsidiaries/ MSOs.

- We acquired a majority interest in eight MSOs, namely: Amogh Broadband Services Private Limited, DEN Infoking Channels Entertainers Private Limited, Galaxy DEN Media & Entertainment Private Limited, DEN UCN Network India Private Limited, Bali DEN Cable Network, Mahavir DEN Entertainment Private Limited, Star Channel DEN Network Private Limited and Fortune (Baroda) Network Private Limited for a total cost of Rs. 823.75 million.

Unusual or infrequent events or transactions

Except as disclosed in the Red Herring Prospectus, to our knowledge there have been no unusual or infrequent events or transactions that have taken place since our incorporation.

Significant economic changes that materially affected or are likely to affect income from continuing operations

Except as disclosed in the Red Herring Prospectus, to our knowledge there have been no significant economic changes that materially affected or are likely to affect income from continuing operations.

Known trends or uncertainties that have had or are expected to have a material adverse impact on sales, revenue or income from continuing operations

Our business has been impacted and we expect will continue to be impacted by the trends identified in this section, and the uncertainties described in "***Risk Factors***" on page x. To our knowledge, except as we have described in this Red Herring Prospectus, there are no other known factors, which we expect to have a material adverse impact on our revenues or income from continuing operations.

Future changes in relationship between costs and revenues, in case of events such as future increase in labour or material costs or prices that will cause a material change are known

Except as described in this section and in "***Risk Factors***" and "***Our Business***" on pages x and 67, respectively, to the best of our knowledge, there is no future relationship between expenditure and income that will have a material adverse impact on the operations and finances of our Company.

Extent to which material increases in net sales or revenue are due to increased sale volume, introduction of new products or services or increased sales prices

The extent to which material increases in net sales or revenue are due to increased sale volume, introduction of new products or services or increased sales prices is discussed in this section above.

Significant regulatory changes that materially affected or are likely to affect income from continuing operations

Except as described in "***Regulations and Policies***" on page 78, there have been no significant regulatory changes that have materially affected or are likely to affect our income from continuing operations.

Status of any publicly announced new products or business segment

We have obtained an all-India internet service provider license and have recently commenced a limited roll out of our broadband internet services to our cable television subscribers in Bangalore, National Capital Region of Delhi and Kanpur. Over time, we intend to expand our broadband internet services to our cable television subscribers, although we have no fixed time for doing so. In addition, we intend to continue to roll out additional value added services as part of our digital cable packages. These offerings are further described in "***Our Business***" on page 67.

The extent to which our business is seasonal

Our revenue is not subject to changes due to seasonal conditions to any material extent.

Any significant dependence on a single or few suppliers or customers

Except to the extent discussed in "***Our Business***" on page 67 and "***Risk Factors***" on page x, we are not dependent on a single or few suppliers or customers.

Competitive conditions

For a discussion of the competitive conditions in which we operate, see "***Our Business – Competition***" on page 75, "***Risk Factors - The television distribution industry is highly competitive, which affects our ability to attract and retain subscribers***" on page xiii and "***Risk Factors - We face risks relating to competition for the leisure and entertainment time of audiences, which has intensified in part due to advances in technology***" on page xiii.

SECTION VI - LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated below there are no outstanding litigations, suits, criminal or civil prosecutions, proceedings or tax liabilities against our Company, Subsidiaries, Director, Promoters, or Group Entities and there are no defaults, non payment or overdue of statutory dues, over-dues to banks or financial institutions, rollover/re-scheduling of loans or any other liability, dues payable to holders of any debentures, bonds and fixed deposits and arrears of preference shares of our Company defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic, civil or any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company. Further, our Company, our Subsidiaries, our Directors or our Promoters or Group Entities have not been declared as willful defaulter by RBI, have not been debarred from dealing in securities and / or accessing the capital markets by SEBI and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, Subsidiaries, our Promoters, Group Entities or our Directors, that may have a material adverse effect on our business or financial position, nor, so far as we are aware, are there any such proceedings pending or threatened.

Our Company has not made any provision for the liabilities that may arise due to litigation by / against our Company.

I. Litigation involving our Company

(a) ***Cases filed against our Company***

Tata Teleservices Limited has filed a petition no. 15 of 2009 on February 21, 2009 against MCIT, MIB, our Company, TRAI, Siti Cable Network Limited, Indusland Media & Communication Limited, Karol Bagh Network Private Limited, Gujarat Telelink Private Limited, Prakash Cable Centre, Kolkata Cable Network, In Cable, The Pooja Cable, M/s Jay Amba Cable Network, M/s Nelson Communication Limited and Yadav Cable before the TDSAT under section 14(a)(i) and section 14A(1) of the TRAI Act. Tata Teleservices Limited has contended that the actions of cable operators including the use of poor quality amplifiers, interfere with the frequency allocated to Tata Teleservices Limited leading to interference with its telecommunication system leading to the contravention of section 10 of the Cable Television Networks (Regulation) Act, 1995. Tata Teleservices Limited has also contended that there is failure on the part of DoT to manage the spectrum allocated to various licensees. Tata Teleservices Limited has impleaded our Company and certain other MSOs as parties to this proceeding due to alleged poor quality amplifiers use by such parties. Tata Teleservices has prayed before the TDSAT to direct MCIT, MIB and TRAI to ensure unrestricted and interference free enjoyment of the spectrum allocated to it and to direct MCIT and MIB to cancel the license and registration of our Company and other MSOs and ensure that the amplifiers do not interfere in the telecommunication spectrum allocated to Tata Teleservices Limited. Tata Teleservices has also prayed before TDSAT to issue interim orders, *inter alia*, to restrain our Company from violating section 10 of the Cable television Network (Regulation) Act, 1995. The matter is currently pending and the next date of hearing is on December 1, 2009.

(b) ***Cases filed by our Company***

Criminal Cases

1. Our Company filed a police complaint dated November 20, 2008 seeking the arrest of Mr. Alok Kumar Gupta, Mr. Sandeep Galiyan and Mr. Prakashveer (partners of Shine Cable Network) and Mr. Sandeep Galiyan, Mr. Jitender Gupta (partners of Premium Enterprises) on the grounds that the accused had misrepresented the facts on the basis of which our Company had entered into a business transfer agreement, dated October 31, 2007, with the accused persons. Pursuant to the business transfer agreement, our Company had paid Rs. 2.5 million to the accused persons for the acquisition of the entire business of the partnership firm. However, subsequently, our Company was informed that the set top boxes were not in the name of Shine Cable Network and Premium Enterprises. Our Company has sought the arrest of the accused and the recovery of the consideration paid by our Company. The complaint has been forwarded to the Joint Commissioner of Police, who is yet to register the first information report in the matter. The complaint is currently pending before the Metroplitan Magistrate.

2. Our Company filed a complaint against Mr. Anil Kumar and Ms. Kusum Lata Sharma before the Additional Chief Metropolitan Magistrate, New Delhi, on September 27, 2008, regarding dishonour of a

cheque. Mr. Anil Kumar and Ms. Kusum Lata Sharma are the proprietors of a cable business firm and had issued a cheque for Rs. 21,348 as part payment to our Company for the feed charges which was dishonoured. Our Company issued a notice to the accused demanding a payment of the aforementioned amount. Upon non-receipt of the payment, our Company filed the complaint before the Additional Chief Metropolitan Magistrate. The matter is listed for hearing on November 14, 2009.

3. Our Company filed a complaint (No. 3597/1 of 2008) before the Additional Chief Metropolitan Magistrate against Mr. Sanjay Karalkar, proprietor of Crystal Internet Online Services regarding dishonour of cheques. Our Company had entered into a MoU pursuant to which Mr. Sanjay Karalkar agreed to sell a 51% stake of Crystal Internet Online Services to our Company. Our Company paid Rs. 8 million as part consideration for the acquisition. Subsequently, the MoU was terminated and our Company sought a refund of the said amount in pursuance of which Mr. Sanjay Karalkar issued two cheques to our Company for Rs. 3.30 million and Rs. 4.70 million respectively. However, both the cheques were dishonoured and our Company on May 29, 2008 issued a notice to Mr. Sanjay Karalkar demanding the payment of the outstanding amount. On non-receipt of the payment from Mr. Sanjay Karalkar, our Company filed the said complaint. The Additional Chief Metropolitan Magistrate on April 8, 2009 issued a bailable arrest warrant was in the name of Mr. Sanjay Karalkar seeking his appearance. The next date of hearing is February 6, 2010.

Civil Cases

1. Our Company filed petition (No. 200 (C) of 2008) against Multi Vision Network ("**MVN**") on September 12, 2008, before the Telecom Disputes Settlement and Appellate Tribunal ("**TDSAT**"), claiming an amount of Rs. 4.47 million on account of deficiency of services. Our Company had entered into a business affiliation agreement with MVN on October 1, 2007, pursuant to which MVN was to avail of signal feed from our Company and to re-transmit the signals to our end subscribers/customers. Our Company has claimed that MVN has been irregular in making its payments and has not correctly disclosed its subscriber base. Our Company has claimed Rs. 4.47 million and interest at the rate of 18% per annum thereon and has in the interim sought, *inter alia for,* (i) payment of 50% of outstanding amount being, Rs. 2.23 million; (ii) MVN to be restrained from alienating its rights and interests in the cable network and business; (iii) MVN to be restrained from switching over to other cable television service providers and to pay Rs. 4.47 million before receiving signal feed from any other cable television service provider; and (iv) restraining any other cable television service providers from providing signal feed to MVN. MVN filed a written submission on November 4, 2008, stating that our Company should compensate MVN for the losses suffered by it and has prayed for dismissal of the suit. The matter is currently pending.

2. Our Company has filed petition no. 160(C) of 2009 against Channel Plus on July 27, 2009, before the TDSAT, seeking restoration of signals to our Company which were disconnected by Channel Plus. The matter is currently pending and the next date of hearing is October 20, 2009.

II. Litigation involving our Subsidiaries

Except as disclosed below, none of our Subsidiaries have any outstanding litigations pending against them.

a) Cases filed against our Subsidiaries

Notice issued

1. A notice bearing number 1495/MK/2009-2010 has been issued by the local Magistrate to DEN Maa Sharda on July 14, 2009 levying Rs. 121,560 as entertainment tax on account of the amendment to the UP. Entertainment Tax Act. Pursuant to the amendment, the proprietor of a cable service control room shall be liable to pay tax, irrespective of whether he collects it directly from the person making the payment for admission or indirectly through an associate or a franchise.

2. A notice bearing number 213/MK/2009-2010 has been issued by the local Magistrate to DEN Enjoy Navaratan on July 13, 2009 to pay entertainment tax on account of the amendment to the UP. Entertainment Tax Act. Pursuant to the amendment, the proprietor of a cable service control room shall be liable to pay tax, irrespective of whether he collects it directly from the person making the payment for admission or indirectly through an associate or a franchise.

3. A notice bearing number 553/MK/2009-2010 has been issued by the local Magistrate to Fateh Marketing on September 11, 2009 to pay entertainment tax on account of the amendment to the UP. Entertainment Tax Act. Pursuant to the amendment, the proprietor of a cable service control room shall be liable to pay tax, irrespective of whether he collects it directly from the person making the payment for admission or indirectly through an associate or a franchise.

4. A showcause notice bearing number 149/MK/2009-2010 has been issued by the local Magistrate to DEN Ambey Cable on August 20, 2009 stating that the number of cable operators under DEN Ambey Cable and the fees collected by DEN Ambey Cable have not been duly maintained by the company. The matter is currently pending.

5. A notice bearing number 273/MK/2009-2010 has been issued by the local Magistrate to DEN Ambey Cable on July 17, 2009 to pay entertainment tax on account of the amendment to the UP. Entertainment Tax Act. Pursuant to the amendment, the proprietor of a cable service control room shall be liable to pay tax, irrespective of whether he collects it directly from the person making the payment for admission or indirectly through an associate or a franchise.

6. A notice bearing number 324/MK/2009-2010 has been issued by the local Magistrate to Meerut Cable on July 14, 2009 to pay entertainment tax on account of the amendment to the UP. Entertainment Tax Act. Pursuant to the amendment, the proprietor of a cable service control room shall be liable to pay tax, irrespective of whether he collects it directly from the person making the payment for admission or indirectly through an associate or a franchise.

7. A notice bearing number 207/MK/2009-2010 has been issued by the local Magistrate to DEN Ambey Cable on July 16, 2009 stating that the number of cable operators under DEN Ambey Cable and the fees collected by DEN Ambey Cable have not been duly maintained by the company. The matter is currently pending.

Cases filed by our Subsidiaries

1. *FK Cable*

FK Cable filed a complaint against RY Buildcon Private Limited before the Additional Metropolitan Magistrate, New Delhi, with respect to the dishonour of cheque amounting to Rs. 1 million. FK Cable had issued a notice to RY Buildcon Private Limited seeking payment of Rs. 1 million along with an interest payment of 24% per annum, within 15 days of the receipt of the notice. As RY Buildcon Private Limited failed to make the payment within the stipulated time period, the said complaint was filed. The next day of hearing of this complaint is October 26, 2009.

2. *Amogh Broadband*

Amogh Boadband has filed a petition no. 17 (C) of 2009 against M/s Basaveshwara Nagar Cable Network Private Limited on January 13, 2009, before TDSAT under section 14 read with section 14A of the TRAI Act. Amogh Broadban has filed this petition on account of default on the part of M/s Basaveshwara Nagar Cable Network Private Limited to make payment for (a) cable TV feed charges, and (b) charges for set top boxes, to Amogh Broadband, aggregating to Rs. 4,435,991 along with interest at the rate of 18% per annum for the period of default. Amogh Broadband has also prayed for an interim ex-parte order to be passed by TDSAT to direct M/s Basaveshwara Nagar Cable Network Private Limited to make an ad-hoc payment of Rs. 2,217,995. The matter is currently pending and the next date of hearing is November 16, 2009.

III. Litigation involving STAR-DEN

Except as disclosed below, STAR-DEN does not have any outstanding litigations pending.

a) Cases filed against STAR-DEN

1. Dish TV India Limited ("**Dish**") and Wire and Wireless (India) Limited ("**WWL**") have filed a petition dated September 19, 2008 (no. 206 (C) of 2008) before the TDSAT against STAR-DEN. Dish and WWL have contended that STAR-DEN has been withholding its content for distribution through HITS platform in violation of the regulations issued by TRAI. Dish and WWL have sought to direct STAR-

DEN to issue decoders/viewing cards to enable Dish and WWL to receive signals of television channels through HITS platform in both CAS and non-CAS areas at the rates of Rs. 5 per pay channel per subscriber per month on a-la-carte basis. TDSAT by a consent order dated October 21, 2008 directed STAR-DEN to supply its channels on bouquet a-la-carte basis at DTH RIO terms and rates, and to supply activated decoders to Dish and WWL before October 23, 2008. The TDSAT has recorded that signals are being supplied without prejudice to rights and contention of the parties. The next date of hearing in the matter is November 3, 2009.

2. Mr. Rahul Pundit (the "**Complainant**") has filed a consumer case (No. 288/2008) on September 15, 2009 before the District Consumer Forum, Haridwar, against his cable operator and STAR-DEN seeking reconnection of signals. STAR-DEN has moved an application dated November 25, 2008 challenging the maintainability of the said consumer complaint. The said application was rejected by an order dated February 6, 2009 and the District Consumer Forum has directed STAR-DEN to reconnect signals to Complainant's cable operator. STAR-DEN has subsequently filed a Revision Petition No. 03 of 2009 before the State Commission, Uttarakhand at Dehradun on February 10, 2009 challenging the order dated February 06, 2009. The State Commission has stayed the proceedings by its order dated February 10, 2009 and the next date of hearing is November 19, 2009.

3. M/s Sun Star Cable Network, Bulandshahar, Uttar Pradesh ("**Sun Star**") has filed an civil suit (No. 934 of 2006) on October 6, 2006, before the Civil Judge (Senior Division), Bulandshahar, Uttar Pradesh against STAR India Private Limited ("**SIPL**"), seeking a permanent injunction against SIPL from disconnecting the signals being provided to Sun Star. The Civil Judge passed an ex-parte order dated October 27, 2006 directing SIPL to continue providing signals pending adjudication of the civil suit. SIPL moved an application for rejection of plaint under Order 7 Rule 11 of the Code of Civil Procedure, 1908, which was dismissed on August 30, 2008. Thereafter, Sun Star moved an application for impleadment of STAR-DEN as a contesting defendant as STAR-DEN is the distributor of STAR channels in India and the same was allowed on November 11, 2008. STAR-DEN has filed an application for rejection of plaint under Order 7 Rule 11 of the Code of Civil Procedure, 1908 on July 13, 2009. The next date of hearing is November 21, 2009.

4. M/s Rachit Cable Network, Bulandshahar, Uttar Pradesh ("**Rachit Cable**") has filed a civil suit (No. 985 of 2006) on October 19, 2006, before the Civil Judge (Senior Division), Bulandshahar, Uttar Pradesh against SIPL, seeking a permanent injunction against SIPL from disconnecting the signals being provided to Rachit Cable. The Civil Judge passed an ex-parte order dated October 27, 2006 directing SIPL to continue providing signals pending adjudication of the civil suit. SIPL moved an application for rejection of plaint under Order 7 Rule 11 of the Code of Civil Procedure, 1908 which was dismissed on August 30, 2008. Thereafter, Rachit Cable moved an application for impleadment of STAR-DEN as a contesting defendant as STAR-DEN is distributing STAR channels in India and the same was allowed on November 11, 2008. STAR-DEN has filed an application for rejection of plaint under Order 7 Rule 11 of the Code of Civil Procedure, 1908 on July 13, 2009. The next date of hearing is November 21, 2009.

5. Hathway Cable and Datacom Private Limited ("**Hathway**") and Star Vision Cable Network ("**Star Vision**") have filed a petition bearing no. 189 (C) of 2008 before TDSAT under section 14A of the TRAI Act, 1997 read with section 14(a)(ii) of the TRAI Act dated September 5, 2008 against STAR-DEN. Hathway and Star Vision have filed this petition against public notice issued by STAR DEN in the newspaper 'Dainik Jagran' in Lucknow on August 20, 2008, which alleged unauthorized retransmission of signals by Hathway and Star Vision and threatened to disconnect the television signals to Hathway and Star Vision for the same reason. Hathway has taken over the entire business and operations of Star Vision pursuant to an asset transfer agreement dated February 26, 2008. Hathway has contended that retransmission of signals is carried out on the basis of a subscription agreement dated June 28, 2008, executed between the Hathway and STAR DEN, for the entire city of Lucknow. Hathway and Star Vision have prayed before the TDSAT to declare the said public notice illegal, null and void and/or restraint STAR DEN from disconnecting the signals of television channels distributed by it for the area of Lucknow, to Hthway and Star Vision. Hathway and Star Vision have also made an interim application to that extent. STAR DEN has given a reply to the petition on September 26, 2008. By an interim order dated September 8, 2008, TDSAT directed STAR DEN not to act in pursuance of the public notice dated August 20, 2008 subject to Hathway and Star Vision restricting their operations to Viram Khand, Gomti Nagar, Lucknow. The matter is currently pending.

6. Fashion Cable, Sirsa ("**Fashion**") has filed a petition dated May 15, 2008 (no. 100 (C) of 2008) before TDSAT against STAR-DEN. Fashion has filed this petition against a public notice issued by STAR-DEN in a newspaper on April 1, 2008 threatening disconnection of television signals to Fashion on the ground of non-signing of a subscription agreement. Fashion has made a prayer before the TDSAT to declare the public notice dated April 1, 2008 as illegal and void and to restrain STAR-DEN from, in any manner, disconnecting or deactivating or disturbing the television signals to Fashion. TDSAT issued an interim order dated May 19, 2008 directing STAR-DEN not to act in pursuance of the public notice dated May 1, 2008, subject to Fashion continuing to pay as before. STAR-DEN has filed its reply to the petition. The matter is currently pending.

7. WWL, Noida has filed a petition (no. 251 (C) of 2008) on November 27, 2008 before the TDSAT against the public notice issued by STAR-DEN dated November 11, 2008 threatening to discontinue television signals to its network in Noida on the grounds of non-payment of outstanding dues. WWL has sought to set aside the letter dated November 8, 2008 and the public notice dated November 11, 2008 and to restrain STAR-DEN from, in any manner, disconnecting or deactivating or disturbing the television signals to WWL. The TDSAT by an interim order dated November 28, 2008 directed WWL to pay to STAR-DEN a sum of Rs. 2,179,038 within one week from November 28, 2008 and also to pay the amount due or the month of November 2008 by December 12, 2008, as per the subscription agreement between the parties. Subject to compliance of this condition by WWL, the application of the letter dated November 8, 2008 and the public notice dated November 11, 2008, issued by STAR-DEN, was stayed. STAR-DEN has not filed a reply yet. The next date of hearing in this matter is currently pending and the next date of hearing is October 26, 2009.

8. Federation of Hotel and Restaurant Association of India ("**FHRAI**") and D. Connaught Prominent Hotels Limited ("**DCPHL**") have filed an appeal (Appeal No. 18(C) of 2006) before TDSAT, against TRAI, Star India Private Limited, SET Discovery Private Limited, Zee Turner Limited and ESPN Software Private Limited on December 21, 2006. The appeal has been filed against the impugned Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff (First Amendment) Order, 2006 (7 of 2006) dated November 21, 2006 and the Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Seventh Amendment) Order, 2006 (8 of 2006) dated November 21, 2006. FHRAI and DCPHL have contended that the impugned tariff order amendments are arbitrary and unreasonable. FHRAI and DCPHL have prayed before TDSAT that the two impugned tariff order amendments issued by TRAI be set aside and to declare and direct that all subscribers, commercial or ordinary subscribers shall be subject to the same ceiling fixed by the TRAI in its tariff notification dated August 31, 2006 in respect of CAS areas and October 1, 2004 in respect of non-CAS areas, subject to applicable increases in accordance with TRAI regulations. FHRAI and DCPHL have also prayed for interim relief for an ex-parte stay of the operation of the impugned tariff order amendments dated November 21, 2006. The TDSAT by an interim order dated August 27, 2008, substituted STAR-DEN was in the matter in place of STAR as STAR contended that STAR-DEN has been appointed as the authorized distributor of Star channels. The matter is currently pending.

9. Hotel Association of India ("**HAI**") and East India Hotels Limited ("**EIH**") have filed an appeal (Appeal No. 17(C) of 2006) before TDSAT, against TRAI on December 21, 2006. The appeal has been filed against the impugned Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff (First Amendment) Order, 2006 (7 of 2006) dated November 21, 2006 and the Telecommunication (Broadcasting and Cable) Services (Second) Tariff (Seventh Amendment) Order, 2006 (8 of 2006) dated November 21, 2006. HAI and EIH have contended that the impugned tariff order amendments are arbitrary and unreasonable. HAI and EIH have prayed before TDSAT that the two impugned tariff order amendments issued by TRAI be set aside HAI and EIH have also prayed for interim relief for an ex-parte stay of the operation of the impugned tariff order amendments dated November 21, 2006. The TDSAT by an interim order dated January 15, 2007, has included STAR, Novex Communications Private Limited, Zee Turner Limited, ESPN Software India Private Limited and SET Discovery Private Limited as respondents in the present matter. Further, by an interim order dated August 27, 2008, STAR-DEN was substituted in the matter in place of STAR as STAR-DEN has been appointed as the authorized distributor of Star channels. The matter is currently pending.

10. M/s Friends Cables ("**Friends Cables**"), an MSO operating in Coimbatore, Tamil Nadu, has filed a petition bearing no. 129 (C) of 2009 against STAR-DEN on May 23, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. Friends Cables has alleged non-activation of the signals of certain television channels, namely, 'Vijay TV', 'Star Movies' and 'National

Geographic' by STAR-DEN, thereby violating the subscription agreement entered into between Friends Cables and STAR-DEN in December 2006. Friends Cables has prayed before TDSAT to direct STAR-DEN to restore the supply of signals of the said channels and to renew the subscription agreement between the parties on mutually agreeable commercial terms for provision of the said channels. STAR-DEN has filed a reply on September 14, 2009. The matter is currently pending and the next date of hearing is October 26, 2009.

11. Wire and Wireless (India) Limited ("**WWIL**"), an MSO, has filed a petition bearing no. 192 (C) of 2009 against STAR-DEN and SIPL on September 8, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. WWIL has filed the case against a letter issued by STAR-DEN to WWIL dated August 19, 2009 and public notice dated August 20, 2009 threatening discontinuation of supply of television channels to WWIL on the grounds of unauthorized retransmission of signals of certain Star channels to certain cable operators and in certain areas in Kanpur without obtaining the prior permission of STAR-DEN. WWIL has further alleged breach of the subscription agreement entered between WWIL and STAR-DEN in June 2008. WWIL has prayed before TDSAT to direct STAR-DEN to withdraw the letter dated August 19, 2009 and the public notice dated August 20, 2009 and to honour the subscription agreement entered between the parties. The matter is currently pending.

12. Digicable, an MSO, has filed a petition bearing no. 174 (C) of 2009 against STAR-DEN on August 7, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. Digicable has filed the case alleging non-supply of television channels and necessary hardware in the city of Jodhpur by STAR-DEN on the grounds of non-payment of dues amounting to Rs. 82,398,349. Digicable has prayed before TDSAT to direct STAR-DEN to supply the necessary hardware to receive the signals of television channels and to enter into a subscription agreement on reasonable and non-discriminatory terms. The matter is currently pending.

13. Digicable Network (India) Private Limited ("**Digicable**"), an MSO, has filed a petition bearing no. 175 (C) of 2009 against STAR-DEN on August 7, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. Digicable has filed the case alleging non-supply of television channels and necessary hardware in the city of Sri Ganga Nagar in Rajasthan by STAR-DEN on the grounds of non-payment of dues amounting to Rs. 82,398,349. Digicable has prayed before TDSAT to direct STAR-DEN to supply the necessary hardware to receive the signals of television channels and to enter into a subscription agreement on reasonable and non-discriminatory terms. The matter is currently pending.

14. WWIL, an MSO, has filed a petition bearing no. 164 (C) of 2009 against SIPL and STAR-DEN on July 30, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. WWIL has filed the case against SIPL and STAR-DEN non-supply of signals of certain television channels to WWIL, namely, 'Star Plus', 'Star Gold', 'Star Movies', 'Star World', 'Vijay TV', 'NGC', 'Fox History & Entertainment', 'Channel V', 'Star One', 'The Disney Channel', 'Toon Disney', 'Hungama', 'Times Now', 'Zoom', 'CNBC TV18', 'CNBC Awaaz', 'CNN-IBN' and 'MGM' in the region of Varanasi in Uttar Pradesh. WWIL has prayed before TDSAT to direct STAR-DEN to supply the signals of the said channels. The TDSAT by its interim order dated August 12, 2009 has directed the parties to conduct a joint survey and in the meanwhile, subject to a payment of Rs. 2.10 million being made by WWIL, STAR-DEN has been directed to provide the signals of the said channels to WWIL. The matter is currently pending.

15. Digicable, an MSO, has filed a petition bearing no. 179 (C) of 2009 against STAR-DEN on August 22, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. Digicable has filed the case alleging non-supply of television channels and necessary hardware in the city of Lucknow in Uttar Pradesh by STAR-DEN. Digicable has prayed before TDSAT to direct STAR-DEN to supply the necessary hardware to receive the signals of television channels and to enter into a subscription agreement on reasonable and non-discriminatory terms. The matter is currently pending.

16. Digicable, an MSO, has filed a petition bearing no. 180 (C) of 2009 against STAR-DEN on August 22, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. Digicable has filed the case alleging non-supply of television channels and necessary hardware in the city of Varanasi in Uttar Pradesh by STAR-DEN. Digicable has prayed before TDSAT to direct STAR-DEN to supply

the necessary hardware to receive the signals of television channels and to enter into a subscription agreement on reasonable and non-discriminatory terms. The matter is currently pending.

17. Digicable, an MSO, has filed a petition bearing no. 181 (C) of 2009 against STAR-DEN on August 22, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. Digicable has filed the case alleging non-supply of television channels and necessary hardware in the city of Gorakhpur in Uttar Pradesh by STAR-DEN. Digicable has prayed before TDSAT to direct STAR-DEN to supply the necessary hardware to receive the signals of television channels and to enter into a subscription agreement on reasonable and non-discriminatory terms. The matter is currently pending.

18. Digicable, an MSO, has filed a petition bearing no. 182 (C) of 2009 against STAR-DEN on August 22, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. Digicable has filed the case alleging non-supply of television channels and necessary hardware in the city of Johanpur in Uttar Pradesh by STAR-DEN. Digicable has prayed before TDSAT to direct STAR-DEN to supply the necessary hardware to receive the signals of television channels and to enter into a subscription agreement on reasonable and non-discriminatory terms. The matter is currently pending.

19. Sikka Star Satellites, a cable operator in Lucknow, has filed a petition bearing no. 163 (C) of 2009 against STAR-DEN, M/s Universal Cable TV Network, Lucknow Entertainment Network Systems Private Limited, M/s Mamta Cable Network and M/s Hathway Cable & Datacom Private Limited on July 27, 2009 alleging non-provision of signals of television channels from STAR-DEN and M/s Universal Cable TV Network. Sikkas Star Satellites has prayed before TDSAT to direct STAR-DEN or any distributor of its network to supply the necessary hardware to receive the signals of television channels. The matter is currently pending.

20. M/s Vision Digital Cable ("**Vision Digital**"), an MSO, has filed a petition bearing no. 81 (C) of 2009 against STAR-DEN and M/s Blue Chip Systems on April 15, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. Vision Digital has filed the case alleging non-supply of television channels and necessary hardware in the city of Vijaywada by STAR-DEN. Vision Digital has prayed before TDSAT to direct STAR-DEN to supply the necessary hardware to receive the signals of television channels and to enter into a subscription agreement on reasonable and non-discriminatory terms. STAR-DEN has filed a reply on August 12, 2009. The matter is currently pending.

21. Mahesh Channel, an MSO operating in the region of Hoshangabad, has filed a petition bearing no. 152 (C) of 2009 against STAR-DEN on July 1, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. Mahesh Channel has filed the case alleging that it has been charged on the basis of higher subscriber base and on a non-discriminatory basis compared with other MSOs operating in Hoshangabad and for disconnection of television channels to Mahesh Channel by STAR-DEN. Mahesh Channel has prayed before TDSAT to direct STAR-DEN to provide the signals of television channels. The matter is currently pending and the next date of hearing is October 21, 2009.

22. Digicable, an MSO, has filed a petition bearing no. 121 (C) of 2009 against STAR-DEN on May 22, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. Digicable has filed the case alleging non-supply of television channels and necessary hardware in the city of Kanpur in Uttar Pradesh by STAR-DEN. Digicable has prayed before TDSAT to direct STAR-DEN to supply the necessary hardware to receive the signals of television channels and to enter into a subscription agreement on reasonable and non-discriminatory terms. The matter is currently pending and the next date of hearing is October 22, 2009.

23. M/s Nirman Builders & Associates Private Limited ("**Nirman**"), an MSO, has filed a petition bearing no. 157 (C) of 2009 against STAR-DEN on July 15, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. Nirman has filed the case alleging non-supply of television channels in the city of Guwahati in Assam by STAR-DEN. Nirman has prayed before TDSAT to direct STAR-DEN to supply the necessary hardware to receive the signals of television channels and to enter into a subscription agreement on reasonable and non-discriminatory terms. The matter is currently pending and the next date of hearing is October 23, 2009.

24. Digicable, an MSO, has filed a petition bearing no. 185 (C) of 2009 against STAR-DEN on August 27, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. Digicable has filed the case against discontinuation of television channels in the city of Surat in Gujarat by STAR-

DEN. Digicable has prayed before TDSAT to direct STAR-DEN to restrain from discontinuing the signals of television channels and to enter into a subscription agreement on reasonable and non-discriminatory terms. The matter is currently pending and the next date of hearing is November 5, 2009.

25. Digicable, an MSO, has filed a petition bearing no. 186 (C) of 2009 against STAR-DEN on August 27, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. Digicable has filed the case against discontinuation of television channels in the city of Baroda in Gujarat by STAR-DEN. Digicable has prayed before TDSAT to direct STAR-DEN to restrain from discontinuing the signals of television channels and to enter into a subscription agreement on reasonable and non-discriminatory terms. The matter is currently pending and the next date of hearing is November 5, 2009.

26. M/s Variety Entertainment Private Limited ("**VEPL**"), an MSO, has filed a petition bearing no. 177 (C) of 2009 against STAR-DEN on August 20, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. VEPL has filed the case against non-provision of signals of certain television channel, namely, 'Star Plus', 'Star Gold' and 'Star Movies' by STAR-DEN on the grounds of under-declaration of subscriber base by VEPL and thereby violating regulations 3.1 and 3.2 of the Telecommunication (Broadcasting and Cable Services Interconnection) Regulations, 2004. VEPL has prayed before TDSAT to direct STAR-DEN to provide the signals of the said television channels and to enter into a subscription agreement on non-discriminatory terms. The matter is currently pending and the next date of hearing is October 29, 2009.

27. Shree Balaji Cable TV Network ("**Balaji**"), an MSO, has filed a petition bearing no. 204 (C) of 2009 against STAR-DEN and M/s ICC Network, the authorized distributor of STAR-DEN, on September 29, 2009 before the TDSAT under section 14 read with section 14A of the TRAI Act, 1997. Balaji has filed the case against discontinuation of television channels in the city of Pune by STAR-DEN and M/s ICC Network. Balaji has prayed before TDSAT to direct STAR-DEN and M/s ICC Network to restrain from discontinuing the signals of television channels or to enter into a subscription agreement for the year 2009. The matter is currently pending.

b) Cases filed by STAR-DEN

1. STAR through STAR-DEN has filed a petition (no. 245 (C) of 2008) dated October 31, 2008 against Siti Cable Network Limited ("**Siti**") and WWL, before TDSAT on the ground that WWL is liable to pay it Rs 20.04 million as on January 31, 2008 for the television signals distributed by STAR-DEN to WWL. Further, STAR-DEN has also sought to issue directions to Siti and WWL to pay future interest at the rate of 21% with effect from February 1, 2008 till the date of actual realization of dues and to secure the entire amount of Rs. 20.04 million by depositing it with STAR-DEN or TDSAT or by furnishing bank guarantee for the same. In the interim STAR-DEN has sought payment of the outstanding subscription amounting to Rs. 8.87 million for 2006. The matter is currently pending.

2. STAR-DEN has filed a revision petition (No. 03 of 2009) on February 10, 2009 before the State Commission, Uttarakhand at Dehradun challenging the order of the District Consumer Forum at Haridwar dated February 06, 2009 passed in a consumer case (No. 288/2008), pursuant to which STAR-DEN was directed to provide signals to Mr. Rahul Pundit's cable operator M/s New Star Cable Network, Adarsh Nagar, Haridwar. The State Commission has stayed the proceedings by its order dated February 10, 2009 and the next date of hearing is November 19, 2009.

3. STAR-DEN filed a special leave petition (no. SLP (C) CC NOS. 5578-5580 of 2009) dated April 23, 2009 before the Supreme Court against TRAI, ETC Punjabi, Zee Turner Limited, Shiromani Gurudwara Prabandhak Committee, Tata Sky Limited and Mr. Gurinder Singh. The petition is against orders dated August 21, 2008 and December 9, 2008, passed by the High Court of Punjab and Haryana, whereby the High Court of Punjab and Haryana directed TRAI to fix tariffs in relation to DTH content pricing. STAR-DEN was not a party before the proceedings in the High Court of Punjab and Haryana. STAR-DEN has contended that the orders passed by the High Court of Punjab and Haryana were outside its scope and jurisdiction as the TDSAT is the competent authority to pass any such orders. STAR-DEN has also made an application for interim relief to stay the operation of the aforementioned orders. The Supreme Court by an order dated May 4, 2009 admitted the special leave petition and has

allowed TRAI to proceed with the consultation paper uninfluenced by the views expressed by the High Court of Punjab and Haryana. The matter is currently pending.

IV. Litigation/Proceedings involving our Directors

Except as disclosed below and as disclosed under "**Litigation involving Promoters and Group Entities"** none of our Directors have any outstanding litigations pending against them.

Mr. Raghav Bahl

Criminal Cases

Dr. Ajay Agarwal has filed a criminal defamation suit (No.793/2009) on July 7, 2008 before the District Court, Ghaziabad against Mr. Rajdeep Sardesai, Mr. Ashutosh, Mr. Raghav Bahl, Mr. Jamshed Khan, Mr. Arunodaya Mukherji, Ms. Niti Tandon, Mr. Sanjay Ray Chaudhuri, Mr. Haresh Chawla and Mr. Sameer Manchanda in relation to the broadcast of a programme on IBN7, a television channel, where Dr. Ajay Agarwal was accused of being involved in illegal amputation of limbs. Mr. Rajdeep Sardesai, Mr. Ashutosh, Mr. Raghav Bahl, Mr. Jamshed Khan, Mr. Arunodaya Mukherji, Ms. Niti Tandon, Mr. Sanjay Ray Chaudhuri, Mr. Haresh Chawla and Mr. Sameer Manchanda were summoned to appear in this case vide order dated August 1, 2008. Mr. Rajdeep Sardesai, Mr. Ashutosh, Mr. Raghav Bahl, Mr. Jamshed Khan, Mr. Arunodaya Mukherji, Ms. Niti Tandon, Mr. Sanjay Ray Chaudhuri, Mr. Haresh Chawla and Mr. Sameer Manchanda have filed a criminal revision petition (No. 62/2009) on April 9, 2009 before the court of the Session Judge, Ghaziabad praying that the order of summons be recalled and that the criminal defamation suit be dismissed. The matter is currently pending.

Civil Cases

Mr. Victor Fernandes and others ("**plaintiffs**") have on August 25, 2006 filed a suit (No. 2709 of 2006) as derivative action on behalf of e-Eighteen.com Private Limited ("EEL") before the Bombay High Court against Mr. Raghav Bahl, Television Eighteen India Limited and other Network18 group companies. The plaintiffs are minority shareholders of EEL and have alleged that Mr. Raghav Bahl, Television Eighteen Limited, ICICI Global Opportunities Fund and EEL had entered into a subscription cum shareholders agreement dated September 12, 2000 pursuant to which Mr. Raghav Bahl and Television Eighteen India Limited had inter alia undertaken that any expansion, development or evolution of the activities of the EEL and the group companies or any opportunity offered to the promoters of Television Eighteen India Limited shall only be pursued or taken up through EEL or its wholly owned subsidiary. The plaintiffs have alleged that Mr. Raghav Bahl and Television Eighteen India Limited have promoted and developed various businesses through various entities which should have under the aforesaid agreement rightfully been undertaken by EEL or its wholly owned subsidiaries. The plaintiffs have alleged that by not doing so Mr. Raghav Bahl and Television Eighteen India Limited have caused monetary loss to EEL as well as to the plaintiffs. For the purposes of court fee and jurisdiction, the plaintiffs have valued their suit at Rs. 301.41 million and Rs. 9.9 million respectively and have inter alia prayed that Mr. Raghav Bahl, ibn18 and others be ordered to transfer to EEL all their businesses, activities and ventures along with all assets and intellectual property. The plaintiffs on September 18, 2006 had filed a notice of motion seeking interim relief. A reply has been filed with the Bombay High Court on November 14, 2006. The matter is currently pending. The notice of motion was dismissed on August 8, 2008 against which the plaintiff has filed an appeal before the division bench of the Bombay High Court. The appeal came up for hearing and the same was admitted. The next date of hearing is awaited.

Income Tax

Assessment Year 1991-1992 to 2001-2002 (Block Period)

The Income Tax Department ("**IT Department**") has through an assessment order dated October 31, 2005 held that tax of Rs. 17.99 million was due to be paid by Mr. Bahl. Pursuant to the appeal filed by Mr. Bahl before the Income Tax Appellate Tribunal ("**ITAT**") on August 7, 2006, the demand was reduced to Rs 5.16 million vide order dated June 14, 2006. Separately, the IT Department has levied a penalty of Rs. 10.73 million under Section 158BFA(2) of the I.T. Act. The notice of demand for the aforesaid amount has been issued by the IT Department. Mr. Bahl filed an appeal before the Commissioner of Income Tax Appeals, New Delhi ("**CIT (Appeals**)"). The penalty has been reduced to Rs. 53,461.00 by the CIT (Appeals) by an order passed on November 30, 2006 and the matter is pending.

Assessment Year 2004-2005

The IT Department has through an assessment order dated July 22, 2006 concluded that Mr. Bahl is liable to pay tax and pursuant thereto a notice of demand for Rs. 1.66 million and notice in relation to penalty proceedings Section 274 read with Section 271 of the I.T. Act have been issued. Mr. Bahl has filed an appeal before the CIT (Appeals) and the matter is pending adjudication.

Assessment Year 2005-2006

The I.T. Department has pursuant to an assessment order dated October 16, 2006 concluded that Mr. Bahl is liable to pay tax and pursuant thereto a notice of demand for Rs. 0.41 million and notice in relation to penalty proceedings under Section 274 read with Section 271 of the IT Act have been issued. Mr. Bahl has filed an appeal before the CIT (Appeals) on December 15, 2006 and the matter is pending adjudication.

Legal Notices

1. Mr. Raghav Bahl, Mr. Sameer Manchanda, Mr. Haresh Chawla, Mr. Rajdeep Sardesai, and Mr. B. Sai Kumar received a notice from Agarwal Brother Co. of Lawyers & Kartik Trade Mark Company, Advocates & Legal Consultants, dated June 30, 2009 on behalf of their client Mr. Ramjan Khan alleging infringement of copyright of the motion picture 'Ye Hai Shyam Ka Darbar' by the telecast of the alleged infringing work 'Mahabharat ke Mhabir' by IBN7, a television channel. Mr. Ramjan Khan has demanded a Rs. 2 million as damages.

2. Mr. Raghav Bahl, Mr. Sameer Manchanda, Mr. Haresh Chawla, Mr. Rajdeep Sardesai, and Mr. B. Sai Kumar from received a notice from Agarwal Brother Co. of Lawyers & Kartik Trade Mark Company, Advocates & Legal Consultants, dated May 22, 2008 on behalf of their client Subham Audio Video Private Limited alleging infringement of copyright and trademark of the works 'Tirth Yatra Char Dham Ki', 'Gatha Char Dham Ki' and 'Om Mangalam Jaap' by IBN7, a television channel. IBN7 has filed a reply dated June 30, 3008 denying all such allegations.

Details of past penalties imposed on our Company or any of our Directors

None of our Directors have any past penalties imposed against them.

V. Litigation involving our Promoters and Group Entities

Except as disclosed below, our Promoters and Group Entities do not have any outstanding litigations pending against them.

1. Mr. Sameer Manchanda

Except the criminal case as disclosed under "***Litigation/Proceedings involving our Directors – Mr. Raghav Bahl***" on page 277, and as disclosed below, there are no other litigation involving Mr. Sameer Manchanda.

The I.T. Department has levied a penalty of Rs. 0.40 million against Mr. Manchanda by an order dated March 5, 2009 under Section 271 (1)(c) of the Income Tax Act. Mr. Manchanda has filed an appeal against the said order before the CIT(Appeals), New Delhi. The matter is currently pending.

There are no pending litigations, defaults, etc. in respect of companies/ firms/ ventures with which the Promoters were associated in the past but are no longer associated. There are no cases involving any of the Promoters or the Group Entities which involve a violation of any statutory regulations, criminal offence. Further, there are no pending proceedings initiated for economic offences against the Promoters or companies promoted by the Promoters.

2. Setpro18 Distribution Limited

Setpro received a legal notice dated August 21, 2009 from Digicable Networks (India) Private Limited alleging that Setpro has not discharged a payment obligation of Rs. 1.24 million pursuant to an agreement of services dated August 11, 2008 entered into between Setpro and Digicable Networks (India) Private Limited. The notice has asked Setpro to discharge the payment obligation.

Details of past penalties imposed on our Promoters or individuals and the Group Entities

There have been no instances in the past of any penalties that have been imposed on our Promoter by any statutory authorities.

Details of violations of securities laws or willful defaults by our Company, Directors and Promoters

Our Company, Promoters and Directors have further confirmed that they have not been declared as willful defaulters by the RBI or any other Governmental authority and, as disclosed above in this section in relation to lawsuits, there are no violations of securities laws committed by them in the past or are pending against them.

Amount owed to Small Scale Industries

Our Company does not owe any small scale industries any amount exceeding Rs. 100,000.

MATERIAL DEVELOPMENTS

Except as stated in the "***Management's Discussion and Analysis of Financial Condition and Results of Operations On a Consolidated Basis***" on page 249 in the opinion of our Board, there have not arisen, since the date of the last financial statements disclosed in this Red Herring Prospectus, any circumstances that materially or adversely affect or are likely to affect our profitability taken as a whole or the value of its consolidated assets or our ability to pay material liabilities within the next 12 months.

GOVERNMENT AND OTHER APPROVALS

We have received the necessary consents, licenses, permissions and approvals from the Government and various governmental agencies required for our present business and except as disclosed in this Red Herring Prospectus no further approvals are required for carrying on our present business.

The main objects clause of the Memorandum of Association and objects incidental to the main objects enable our Company to undertake its existing activities.

I. Approvals for the Issue

We have received the following approvals relating to the Issue:

(a) The Board of Directors has pursuant to resolution passed at its meeting held on July 7, 2009 authorized the Issue.
(b) The shareholders have pursuant to resolution passed at their meeting held on July 29, 209 authorized the Issue.
(c) In-principle approval from the NSE dated Octoer 5, 2009.
(d) In-principle approval from the BSE dated Octoer 5, 2009.
(f) Approval dated January 15, 2009 from the FIPB permitting eligible foreign investors to subscribe to the Equity Shares of our Company to the prescribed limit of 49%.

II. Operating Licenses

A. *Cable Television Approvals*

Detailed below are the cable television registrations obtained by our Company under the Cable Television Rules:

S. No.	Area*	Date of Issue	Certificate number	Validity
1.	Pitampura and adjoining areas, New Delhi	September 17, 2009	1208	Valid for a period of 12 months
2.	Sanjay Nagar and adjoining areas, New Delhi	September 17, 2009	1209	Valid for a period of 12 months
3.	Karala and adjoining areas	May 27, 2009	1324	Valid for a period of 12 months
4.	Old Rajinder Nagar, New Delhi	September 24, 2009	NDHO/ Cable/ 300/2008-09	Valid for a period of 12 months
5.	Shahadra, Delhi	September 1, 2009	JM/CTV-353/08	Valid for a period of 12 months
6.	Acharya Niketan, Mayur Vihar, New Delhi	September 15, 2009	KN/C-TNW/521/08	Valid for a period of 12 months
7.	Baljit Nagar, New Delhi	September 17, 2008	NDHO/301/2008-09	Valid for a period of 12 months. Applied for renewal on October 8, 2009
8.	Asaf Ali Road, New Delhi	September 20, 2008	CTVJIP/42/08-09	Valid for a period of 12 months. Applied for renewal on October 8, 2009
9.	Ashok Vihar, Phase I and adjoining areas, Delhi	September 24, 2009	1210	Valid for a period of 12 months
10.	236, Okhla Industrial Estate, Phase III, New Delhi	September 21, 2009	LR/CT-699/2008-2009	Valid for a period of 12 months
11.	Sector 16 A, Faridabad, Haryana	September 29, 2009	CTN/FBD/532	Valid for a period of 12 months
12.	Shipra Sun City, Ghaziabad, Uttar Pradesh	October 15, 2008	GBD/362/07	Valid for a period of 12 months with effect from October 11, 2008 to October 10, 2009. Applied for renewal on October 9, 2009
13.	Khera and adjoining area	November 19, 2008	1222	Valid for a period of 12 months

S. No.	Area*	Date of Issue	Certificate number	Validity
				with effect from November 30, 2008 to November 29, 2009
14.	304, 3rd floor, Friends tower plot number 6, Commercial Complex, Jawalahari Market Vihar, New Delhi	November 20, 2008	1275	Valid for a period of 12 months with effect from December 11, 2008 to December 10, 2009
15.	Pitampura, Delhi	November 19, 2008	1224	Valid for a period of 12 months with effect from November 30, 2008
16.	Shalimar Bagh, Delhi	November 27, 2008	1223	Valid for a period of 12 months
17.	Sushant Lok-I, DLF, Gurgaon, Uttar Pradesh	December 16, 2008	346/A	Valid for a period of 12 months with effect from September 14, 2009 to September 13, 2010
18.	Sehame Desma Road, Ghaziabad, Uttar Pradesh	December 16, 2008	GBD/374/07	Valid for a period of 12 months
19.	Dharuhera, Haryana	December 16, 2008	369	Valid for a period of 12 months
20.	Dwarka and the adjoining areas, New Delhi	January 29, 2009	NIEHPO/COL/158	Valid for a period of 12 months with effect from February 9, 2009 to February 8, 2010
21.	Kamla Nagar, New Delhi	January 24, 2009	G2/501/Cable TV/547/08-09	Valid for a period of 12 months with effect from January 15, 2009 to February 14, 2010
22.	Mayapuri and adjoining areas of New Delhi	January 29, 2009	NIEHPO/COL.160	Valid for a period of 12 months with effect from February 11, 2009 to February 10, 2010
23.	V-447, Vijay Park, Maujpur, Yamuna Vihar Road, Shahdara, Delhi	February 7, 2009	JM/CTV-366/09	Valid for a period of 12 months with effect from February 1, 2009 to January 31, 2010
24.	D-177, Sector 10, Noida, Uttar Pradesh	February 10, 2009	79	Valid for a period of 12 months with effect from February 10, 2009 to February 9, 2010
25.	Naraina and the adjoining areas, New Delhi	January 29, 2009	NIEHPO/COL/161	Valid for a period of 12 months from February 11, 2009 to February 10, 2010
26.	Krishna Nagar, Delhi	April 9, 2009	KN/CTNW/489/08	Valid for a period of 12 months
27.	A-5, 3rd Floor, Main Road Mayur Vihar, Patparganj, Delhi	April 9, 2009	KN/CTNW/494/09	Valid for a period of 12 months with effect from April 15, 2009 to April 14, 2010
28.	Omen Plaza, Shalimar Plaza, Extension II, Sahibabad Ghaziabad, Uttar Pradesh	April 13, 2009	GDB/402/08	Valid for a period of 12 months with effect from May 21, 2009 to May 20, 2010
29.	Plot no. 12, Sagar Galaxy, commercial complex, Mayur Vihar, Phase III, New Delhi	May 22, 2009	KN/CTNW/497/08	Valid for a period of 12 months with effect from May 22, 2009 to May 21, 2010
30.	Karol Bagh, New Delhi	February 24, 2009	NDHO/Cable/307/2008-09	Valid for a period of 12 months from February 9, 2009 to February 8, 2010
31.	1st , 2nd and 3rd floor, Central Market Road, Ambedkar Road,	April 16, 2009	GBD/447/09	Valid for a period of 12 months
32.	C-31, 3rd floor, Central Janakpuri, New Delhi	September 24, 2009	1259	Valid for a period of 12 months
33.	D-177, sector 10, Noida, Uttar Pradesh	February 10, 2009	79	Valid for a period of 12 months

**The certificate for the cable television registration is valid only for the stated premises and is not transferrable.*

Conditional Access System

The MIB on August 25, 2008 granted an approval bearing no. (9/04 2008- BP&L) to our Company to operate in the CAS notified areas of Delhi and Mumbai as an MSO. The approval is for valid for a period of 10 years. Some of the important conditions of the approval are as follows:

(i) The approval is not transferable;

(ii) Our Company cannot carry the signals of a broadcaster against whom any regulatory body, tribunal or court have found the following – (a) refusal of access on a non-discriminatory basis to another MSO/Cable operator/DTH operator contrary to the rules/regulations of competent authority, and (b) violation of the provisions of any law relating to competition, including the Competition Act, 2002;

(iii) Our Company cannot carry, or include in its cable services, any satellite television channel, which has not been registered with the Government of India for being down linked and received for being viewed within the territory of India;

(iv) Our Company cannot enter into any exclusive contract of distribution of television channels; and

(v) Our Company has to inform immediately of changes in the majority share holding or partnership or ownership of its organization or the board of directors, and any changes in its Registered Office, contact address and telephone number.

B. Approval for Providing Internet Services

Our Company has entered into a license agreement dated February 6, 2008 with the DoT, pursuant to which the DoT has granted our Company a non-exclusive license for a period of 15 years to set up and operate internet services (including internet access and internet telephony) all over India. Under the agreement, our Company has paid a one time non-refundable fee of Rs. 2 million, prior to signing the agreement and is required to pay an annual license fee at the rate of 6% of adjusted gross revenue, subject to a minimum of Rs. 0.5 million. The agreement further provides that in case of any delay in the payment of license fee, an interest of 2% above the prime lending rate of the State Bank of India, shall be levied. Under the said agreement, our Company cannot, without the prior written consent of the DoT assign or transfer the license to any third party. The agreement also stipulates the execution of a performance bank guarantee and a financial bank guarantee by our Company in favour of the DoT. Our Company is under an obligation to renew both the guarantees atleast one month prior to their expiry. Any failure to do so, will entitle the DoT to encash both the guarantees.

Our Company has been granted the license dated October 12, 2007 as an infrastructure provider category -I to establish and maintain assets such as dark fibres, duct spaces and towers for the purpose of leasing/renting and selling the same to a person involved in similar activities in India. The registration certificate number is 174/2007. For further details see "***Regulations and Policies***" on page 78.

C. Labour Related Approvals

1. Letter dated December 14, 2007 issued by the Regional Office, Employees State Insurance Corporation, Rajendra Place New Delhi granting our Company registration number 11-30102830-1001 under the Employee State Insurance Act, 1948 with effect from October 1, 2007.

2. Letter dated October 24, 2007 issued by the Employees' Provident Fund Organisation, Sub-Regional Office, New Delhi granting our Company registration number DL/936036 under the Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

3. Our Company has also obtained the registrations under the Shops and Establishment Act of various states as applicable.

D. Tax related approvals

Income tax and service tax approvals

(i) Permanent account number of our Company under the Income Tax Act, 1961, is AACCD6420E;

(ii) The Tax Deduction and Collection Account Number of our Company is DELD09915D;

(iii) Our Company has been allotted a service tax code number AACCD6420EST002 by the office of the Deputy Commissioner Service Tax allotted on February 20, 2008.

Value Added Tax, Central Sales Tax Act and Export related Approvals

(i) Our Company has been granted a registration number 07280335162, under the under the Delhi Value Added Tax Act, 2004 by the Department of Value Added Tax, New Delhi on November 20, 2007;

(ii) The Department of Trade and Taxes, New Delhi, has registered the Company and allotted TAN No. 07093002427 on December 18, 2007;

(iii) Our Company has been issued a certificate of importer-exporter code bearing IEC No. 0507041097 by the Government of India, Ministry of Commerce, on August 27, 2007;

(iv) Our Company has been granted a registration number 0965000454 under the Uttar Pradesh Value Added Tax Act, 2007 issued by the Department of Commercial Taxes, Uttar Pradesh;

(v) Our Company has been granted a registration number 24222703745 under the Gujarat Value Added Tax Act, 2003 issued by the Commercial Tax Department, Gujarat;

(vi) Our Company has been granted a registration number 29280784394 under the Karnataka Value Added Tax Act, 2003 issued by the Commercial Tax Department, Karnataka;

(vii) Our Company has been allotted a central sales tax taxpayers identification number 2711061106C with effect from January 29, 2008 under the Central Sales Tax Act, 1956, and a value added tax taxpayer's identification number 2711061106V with effect from January 29, 2008, under the Maharashtra Value Added Tax Act, 2002;

(viii) Our Company has been allotted two separate registrations by the District Collectorate for operation of cable television network of the Company under the Gujarat Entertainments Tax (Exhibition by Means of Cable Television and Antennae) Rules, 1993, with respect to our offices situated in Surat and Baroda; and

(ix) The Commissioner of Excise and Entertainment and Luxury Tax, by letter No. F 9(West)/ETO/Cable/07-08/803, dated April 28, 2008, has granted permission for operation of cable television network of our Company, under section 8(2) of the Delhi Entertainments and Betting Tax Act, 1996.

E. Trademarks

Our Company has applied to the Registrar of Trademarks, New Delhi for the registrations of the following trademarks, which are currently pending:

Name	Date of Application	Application number
EXCITE	February 12, 2008	1652803
CINETIME	February 12, 2008	1652804
Digitelly	February 12, 2008	1652805
DEN	February 12, 2008	1652806

Pending Registration

1. Our Company had applied for registration under Haryana Value Added Tax Act, 2003 on December 17, 2007. The approval is pending.

2. Our Company has filed an application dated October 30, 2008 for registration under the Contract Labour (Regulation and Abolition) Act, 1980. The approval is pending

III. Approvals in relation to our Subsidiaries

Detailed below are the cable television registrations obtained by our subsidiaries under the Cable Television Rules:

S. No.	Name of Subsidiary	Area	Date of Issue	Certificate number	Validity
1.	DEN-Manoranjan Satellite Private Limited	Yamunanagar, Pune, Maharashtra	January 17, 2009	PNHO/CTVA/LRS/179/2009-2010	Valid for a period of 12 months
2.	DEN Krishna Cable Networks Private Limited	Lakshmi Nagar, Delhi	February 1, 2009	KN/CTMW/478/08	Valid for a period of 12 months
3.	DEN Harsh Mann Cable Network Private Limited	Alipur, Delhi	December 29, 2008	1235	Valid for a period of 12 months
4.	DEN Classic Cable TV Services Private Limited	Pitampura and adjoining area of Delhi	February 16, 2009	1247	Valid for a period of 12 months
5.	DEN Mahendra Satellite Private Limited	Mayapuri and the adjoining areas of Delhi	February 11, 2009	NIEHPO/COL-159	Valid for a period of 12 months
6.	DEN Pawan Cable Network Private Limited	Narela, Delhi	December 29, 2008	1236	Valid for a period of 12 months
7.	DEN Fateh Marketing Private Limited	Bareilly, Uttar Pradesh	April 1, 2009	721	Valid for a period of 12 months
8.	DEN Prince Network Private Limited	Hathras, Uttar Pradesh	February 1, 2009	16	Valid for a period of 12 months
9.	DEN Montooshah Network Private Limited	Sant Nagar, Tilak Nagar Extension, New Delhi	November 18, 2008	1343	Valid for a period of 12 months
10.	DEN Bindra Network Private Limited	Kali Bari Marg, New Delhi	August 13, 2009	NDHO/Cable/314/2008-09	Valid for a period of 12 months
11.	DEN Shiva Cable Network Private Limited	G.T. Road, Mughalsarai, Uttar Pradesh	July 7, 2009	115	Valid for a period of 12 months
12.	DEN Radiant Satelite Cable Network Private Limited	Bahadur Residency, Tonk, Rajasthan.	May 21, 2009	64	Valid for a period of 12 months
13.	Radiant Satelite (India) Private Limited	G-247, Road No. 5, I.P.I.A, Kota, Rajasthan	October 3, 2008	152	Valid for a period of 12 months. Applied for renewal on October 5, 2009
14.	DEN Mod Max Cable Networks Private Limited	Indirapuram, Ghaziabad, Uttar Pradesh	December 16, 2008	GBD/380/07	Valid for a period 12 months
15.	DEN Jai Ambey Vision Cable Private Limited	Hathras, Uttar Pradesh	April 1, 2009	31	Valid for a period of 12 months
16.	DEN BCN Suncity Network Private Limited	Shipra Suncity, Indirapuram, Ghaziabad, Uttar Pradesh	December 16, 2008	GBD/381/107	Valid for a period 12 months
17.	DEN Crystal Vision Network Private Limited	Sahibabad, Delhi	December 16, 2008	GBD/ 379/07	Valid for a period of 12 months
18.	Meerut Cable Network Private Limited	Nirja Vatika City Plaza, Meerut, Uttar Pradesh	July 12, 2009	MTO83	Valid for a period 12 months
19.	DEN Ashu Cable Private Limited	Khera and adjoining areas, Delhi	November 19, 2008	1342	Valid for a period of 12 months

S. No.	Name of Subsidiary	Area	Date of Issue	Certificate number	Validity
20.	DEN Futuristic Cable Networks Private Limited	Palwal, Faridabad, Haryana	August 20, 2009	CTN/F3n/549.	Valid for a period of 12 months
21.	DEN P.S.C. Network Private Limited	Sant Nagar Extension, Tilak Nagar, New Delhi	November 17, 2008	1352	Valid for a period of 12 months
22.	DEN RIS Cable Network Private Limited	7-141, RIICO Industrial Area, Jaipur, Jaipur, Rajasthan	July 28, 2009	SNRHO/JP City/360/2008-09 and SNRHO/JP City 361/2008-09	Valid for a period of 12 months
23.	Shree Sidhivinayak Cable Network Private Limited	302/304, Param Complex, Dandid, Vadodara, Gujarat	January 11, 2009	LII/060/VDRHO	Valid for a period of 12 months
24.	DEN MCN Network Private Limited	24, Maruti Apartments, Karelibay, Vadodara, Gujarat	October 14, 2008	LII/064/08/VDR HO	Valid for a period of 12 months. Applied for renewal
25.	DEN Nashik City Cable Network Private Limited	1st floor, Mayur Plaza, opposite Kandabatata Bhawan, Dwarka, Nashik, Maharashtra	July 25, 2009	591	Valid for a period of 12 months
26.	DEN Saya Channel Network Private Limited	89, Jaiswal Tower, Model Town, Yamuna Nagar, Haryana	January 3, 2009	YNR/CTN/366	Valid for a period of 12 months
27.	DEN Faction Communication Private Limited	House No. 1808, Shastri Colony, Sonepat, Haryana	November 12, 2008	281	Valid for a period of 12 months
28.	DEN Supreme Satellite Vision Private Limited	Prabhat Centre, Sector I, CBD, Panvel, Maharashtra	January 29, 2009	615	Valid for a period of 12 months
29.	DEN Bellary City Cable Private Limited	2nd floor, Ennoble House, Bellary, Karnataka	January 30, 2009	2	Valid for a period of 12 months
30.	Malayalam Telenet Private Limited	3rd floor, Parappaillil Building, Pananpilly Nagar, Cochin, Kerala	April 21, 2008	EK323	Valid for a period of 24 months with effect from April 21, 2008 to April 20, 2010
31.	DEN Narmada Network Private Limited	Jabalpur, Madhya Pradesh	July 10, 2009	525	Valid for a period of 12 months
32.	DEN FK Cable Television Network Private Limited	Moradabad, Uttar Pradesh	June 5, 2009	MRO/172/dt 7/0608	Valid for a period of 12 months
33.	DEN Budaun Cable Network Private Limited	Pathik Chowk, Budaun, Uttar Pradesh	November 25, 2008	27	Valid for a period of 12 months
34.	DEN Sky Media Network Private Limited	Jaipur, Rajasthan	June 7, 2009	JP/GPO-356/2008-09	Valid for a period of 12 months

S. No.	Name of Subsidiary	Area	Date of Issue	Certificate number	Validity
35.	DEN Ambey Jhansi Cable Network Private Limited	Jhansi, Uttar Pradesh	January 22, 2009	CTV/Ji 258/08-09	Valid for a period of 12 months
36.	DEN Aman Entertainment Private Limited	Sambhal, Delhi	October 20, 2008	MRD/184	Valid for a period of 12 months
37.	DEN Ambey Citi Cable Network Private Limited	555, Moti Nagar, Unnao, Uttar Pradesh	November 20, 2007	01/2007-008	Valid till December 17, 2009
38.	DEN Ambey Farukabad Cable Network Private Limited	Cantt, Farukabad	January 28, 2009	FTG- 67	Valid for a period of 12 months
39.	DEN Digital Cable Network Private Limited	Galeria Market, Gurgaon, Haryana	April 22, 2009	362	Valid for a period of 12 months
40.	DEN Nanak Communication Private Limited	Sonepat, Haryana	March 17, 2009	258	Valid for a period of 12 months
41.	DEN Ambey Cable Network Private Limited	Mecrobert Ganj, Kanpur, Uttar Pradesh	September 23, 2009	Misc-II/CTY/08//KPHO2007-08	Valid for a period of 12 months
42.	DEN Ambey Citi Cable Network Private Limited	Moti Nagar, Unnao, Uttar Pradesh	April 13, 2009	01/2007-08	Valid for a period of 12 months
43.	DEN Deva Cable Network Private Limited	Mishra Colony, Shuklaganj, Uttar Pradesh	March 7, 2009	3/07-08	Valid for a period of 12 months
44.	DEN Enjoy Cable Networks Private Limited	Lucknow, Uttar Pradesh	March 9, 2009	LKO GPO/87/2009	Valid for a period of 12 months
45.	DEN Pradeep Cable Network Private Limited	Kotla Road, Firozabad, Uttar Pradesh	February 18, 2009	C005	Valid for a period of 12 months
46.	DEN Satellite Cable TV Network Private Limited	Ahmed Nagar, Aligarh, Uttar Pradesh	January 31, 2009	17H 086415 T019	Valid for a period of 12 months
47.	DEN Kashi Cable Network Private Limited	Varanasi, Uttar Pradesh	May 13, 2009	108	Valid for a period of 12 months
48.	DEN Varun Cable Network Private Limited	Manik Chowk, Aligarh, Uttar Pradesh	February 28, 2009	305 0f/01/03/08	Valid for a period of 12 months.
49.	DEN Prayag Cable Network Private Limited	Panschilla Colony, Nawab Yousaf Road, Allahabad, Uttar Pradesh	April 15, 2009	67/07-08	Valid for a period of 12 months
50.	DEN Enjoy Navaratan Network Private Limited	Golghar, Gorakhpur, Uttar Pradesh	April 8, 2009	156	Valid for a period of 12 months
51.	DEN Mewar Rajdev Cable Network Private Limited	Udaipur, Rajasthan	April 30, 2009	CTV/142/08	Valid for a period of 12 months
52.	DEN Maa Sharda Vision Cable Networks Private Limited	Jaunpur, Uttar Pradesh	April 9, 2009	1456	Valid for a period of 12 months
53.	Drashti Cable Network Private	Surat, Gujarat	April 1, 2009	FTG/DCN/38	Valid for a period of 12 months

S. No.	Name of Subsidiary	Area	Date of Issue	Certificate number	Validity
	Limited				
54.	Mahadev DEN Network Private Limited	Bhattar, Surat, Gujarat	February 27, 2009	Receipt No. 51	Valid for a period of 12 months
55.	Mahadev DEN Cable Network Private Limited	Amroli, Surat, Gujarat	March 12, 2009	Receipt No. 23	Valid for a period of 12 months
56.	Mahadev DEN Cable Net Private Limited	Amroli, Surat, Gujarat	February 27, 2009	Receipt No. 52	Valid for a period of 12 months
57.	Rajkot City Communication Private Limited	Gheekanta Road, Rajkot, Gujarat	November 15, 2008	L2-3/II/69/08	Valid for a period of 12 months
58.	Fortune (Baroda) Network Private Limited	Yesh Apartment, Manjalpuri, Vadodara, Gujarat	January 6, 2009	105	Valid for a period of 12 months
59.	DEN Elgee Cable Vision Private Limited	Kunnukara, Chengamanad, Paravur, Kodungallur, Puthenvelikkara , Kerala	June 24, 2009	ALUVA HO -683101	Valid for a period of 12 months
60.	DEN Infoking Channel Entertainers Private Limited	BDA, Industrial Site no.7, near MTR Foods, BSK II, Bangalore	November 29, 2008	329	Valid for a period of 12 months
61.	Amogh Broadband Services Private Limited	Rajaji Nagar, Bangalore	May 8, 2009	354	Valid for a period of 12 months
62.	Dew Shree Network Private Limited	Surat, Gujarat	March 30, 2009	Receipt No. 22	Valid for a period of 12 months
63.	Galaxy DEN Media and Entertainment Private Limited	Jamnagar, Gujarat	October 3, 2009	44	Valid for a period of 12 months
64.	DEN UCN Network India Private Limited	Udupi, Karnataka	September 24, 2009	93	Valid for a period of 12 months
65.	DEN Malabar Cable Vision Private Limited	Pallakad, Kerala	August 6, 2009	280	Valid for a period of 12 months
66.	Bali DEN Cable Network Private Limited	Sahibabad, New Delhi	September 8, 2009	GBD/162/03	Valid for a period of 12 months
67.	Mahavir DEN Entertainment Private Limited	Lucknow, Uttar Pradesh	August 25, 2009	LKO GPO/49/2009	Valid for a period of 12 months
68.	Star Channel DEN Networks Private Limited	Banda, Uttar Pradesh	February 24, 2009	165	Valid for a period of 12 months

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

Our Board of Directors has, pursuant to a resolution passed at its meeting held on July 7, 2009 authorized the Issue.

Our shareholders have, pursuant to a resolution dated July 29, 2009 under section 81(1A) of the Companies Act, authorized the Issue.

The FIPB in its letter dated January 15, 2009 has granted approval to eligible foreign investors to subscribe to the equity shares of our Company to the prescribed limit of 49%.

Prohibition by SEBI, RBI or governmental authorities

Our Company, Promoters, Promoter Group, Directors, Subsidiaries, Group Entities 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 our Directors are involved in as promoters or directors.

Neither our Company, our Promoters or their relatives (as defined in the Companies Act), Group Entities, 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

The Company is 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 per cent. 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 per cent. shall come from the appraisers and the issuer undertakes to allot at least ten per cent. 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)(i) of the ICDR Regulations and at least 60% of the Net Issue is proposed to be Allotted to QIBs (in order to comply with the requirements of Rule 19(2)(b) of the SCRR) and in the event we fail to do so, the full subscription monies shall be refunded to the Bidders.

- We are complying with the second proviso to Regulation 43(2)(c) of the ICDR Regulations and Non-Institutional Bidders and Retail Individual Bidders will be allocated not less than 10% and 30% of the Net Issue 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 shall be Rs. 2,100 million which is more than the minimum requirement of Rs. 10 crore, i.e., Rs. 100 million.

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. Further, the Issue is subject to the fulfillment of the following conditions as required by Rule 19(2)(b) SCRR:

- A minimum 2,000,000 Equity Shares (excluding reservations, firm allotments and promoters contribution) are offered to the public;

- The Issue size, which is the Issue Price multiplied by the number of Equity Shares offered to the public, is a minimum of Rs. 1,000 million; and

- The Issue is made through the Book Building Process with allocation of 60% of the Net Issue size to QIBs as specified by SEBI.

Disclaimer Clause

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS 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 DRAFT RED HERRING PROSPECTUS. THE GLOBAL CO-ORDINATOR AND BOOK RUNNING LEAD MANAGER, BEING DEUTSCHE EQUITIES INDIA PRIVATE LIMITED AND CO-BOOK RUNNING LEAD MANAGER, BEING ANTIQUE CAPITAL MARKETS PRIVATE LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AS IN FORCE FOR THE TIME BEING. AS THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE GLOBAL CO-ORDINATOR AND BOOK RUNNING LEAD MANAGER AND CO-BOOK RUNNING LEAD MANAGER ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY DISCHARGES ITS RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE GLOBAL CO-ORDINATOR AND BOOK RUNNING LEAD MANAGER, DUETSCHE EQUITIES INDIA PRIVATE LIMITED AND CO-BOOK RUNNING LEAD MANAGER, ANTIQUE CAPITAL MARKETS PRIVATE LIMITED HAVE FURNISHED TO SEBI A DUE DILIGENCE CERTIFICATE

DATED AUGUST 6, 2009 IN COMPLIANCE WITH SEBI (MERCHANT BANKERS) REGULATIONS, 1992 WHICH READS AS FOLLOWS:

"(I) WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS ETC. AND OTHER MATERIALS, MORE PARTICULARLY REFERRED TO IN THE ANNEXURE HERETO, IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.

(II) ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PROJECTED PROFITABILITY, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS MENTIONED IN THE ANNEXURE AND OTHER PAPERS FURNISHED BY THE COMPANY, WE CONFIRM THAT:

A) THE DRAFT RED HERRING PROSPECTUS FORWARDED TO SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

B) ALL THE LEGAL REQUIREMENTS CONNECTED WITH THE SAID ISSUE AS ALSO THE GUIDELINES, INSTRUCTIONS, ETC. ISSUED BY THE SEBI, THE 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 SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 AND OTHER APPLICABLE LEGAL REQUIREMENTS.

(III) WE CONFIRM THAT BESIDE OURSELVES, AND EXCEPT AS DISCLOSED IN THIS DRAFT RED HERRING PROSPECTUS, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.*

(IV) WE HAVE SATISFIED OURSELVES ABOUT THE WORTH OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.

(V) WE CERTIFY THAT WRITTEN CONSENT FROM SHAREHOLDERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR SECURITIES AS PART OF PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN AND THE SECURITIES PROPOSED TO FORM PART OF THE PROMOTERS CONTRIBUTION SUBJECT TO LOCK-IN, WILL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.

(VI) WE CERTIFY THAT CLAUSE 4.6 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000, WHICH RELATES TO SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE CLAUSE HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.

(VII) WE UNDERTAKE THAT CLAUSES 4.9.1, 4.9.2, 4.9.3 AND 4.9.4 OF THE SEBI (DISCLOSURE AND INVESTOR PROTECTION) GUIDELINES, 2000 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION AND SUBSCRIPTION FROM ALL FIRM ALLOTTEES WOULD 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 SEBI. WE

FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE- NOT APPLICABLE.

(VIII) WHERE THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION IS NOT APPLICABLE TO THE COMPANY, WE CERTIFY THE REQUIREMENTS OF PROMOTERS' CONTRIBUTION UNDER CLAUSE 4.10 {SUB-CLAUSE (A), (B) OR (C), AS MAY BE APPLICABLE} ARE NOT APPLICABLE TO THE COMPANY – NOT APPLICABLE.

(IX) WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.

(X) 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 SECTION 73(3) OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE DRAFT REDF HERRING PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE COMPANY SPECIFICALLY CONTAINS THIS CONDITION - NOTED FOR COMPLIANCE.

(XI) WE CERTIFY THAT NO PAYMENT IN THE NATURE OF DISCOUNT, COMMISSION, ALLOWANCE OR OTHERWISE SHALL BE MADE BY THE COMPANY OR THE PROMOTERS, DIRECTLY OR INDIRECTLY, TO ANY PERSON WHO RECEIVES SECURITIES BY WAY OF FIRM ALLOTMENT IN THE ISSUE – NOT APPLICABLE.

(XII) WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE – NOT APPLICABLE AS THE ISSUE SIZE IS MORE THAN RS. 10 CRORE, HENCE UNDER SECTION 68B OF THE COMPANIES ACT, 1956, THE EQUITY SHARES ARE TO BE ISSUED IN DEMAT MODE ONLY.

(XIII) WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT PROSPECTUS:

(A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY AND

(B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY THE SEBI FROM TIME TO TIME."

*****PLEASE NOTE THAT, HOWEVER,

- THAT THE SEBI REGISTRATION OF TWO OF THE BANKERS TO THE ISSUE, ICICI BANK LIMITED AND DEUTSCHE BANK AG, WAS VALID UP TO OCTOBER 31, 2009 AND OCTOBER 31, 2009, RESPECTIVELY. THE APPLICATION FOR THE RENEWAL OF THE CERTIFICATE OF REGISTRATION IN THE PRESCRIBED MANNER HAS BEEN MADE BY ICICI BANK LIMITED AND DEUTSCHE BANK AG ON JULY 17, 2009 AND JUNE 30, 2009, RESPECTIVELY, THREE MONTHS BEFORE THE EXPIRY OF THE PERIOD OF CERTIFICATE AS REQUIRED UNDER REGULATION 9(1) OF THE SEBI (MERCHANT BANKERS) REGULATIONS, 1992. THE APPROVAL OF SEBI IN THIS REGARD IS PRESENTLY AWAITED.

- THAT THE CERTIFICATE OF REGISTRATION GRANTED TO KARVY COMPUTERSHARE PRIVATE LIMITED, THE REGISTRAR TO THE ISSUE, TO ACT AS CATEGORY 1 REGISTRAR

AND SHARE TRANSFER AGENT HAS EXPIRED ON JULY 31, 2009. KARVY COMPUTERSHARE PRIVATE LIMITED HAS APPLIED, FOR RENEWAL OF SUCH REGISTRATION, TO SEBI ON APRIL 30, 2009.

The filing of the Red Herring Prospectus does not, however, absolve the Company from any liabilities under Section 63 or Section 68 of the Companies Act or from the requirement of obtaining such statutory and other clearances as may be required for the purpose of the Issue. SEBI further reserves the right to take up at any point of time, with the BRLMs and any irregularities or lapses in the Red Herring Prospectus.

Disclaimer from our Company, the GCBRLM and the CBRLM

Our Company, our Directors, the GCBRLM and the CBRLM accept no responsibility for statements made otherwise than in this Red Herring Prospectus or in the advertisements or any other material issued by or at our instance and anyone placing reliance on any other source of information, including our web site www.digitelly.in would be doing so at his or her own risk.

The GCBRLM and CBRLM accept no responsibility, save to the limited extent as provided in the Memorandum of Understanding entered into among the GCBRLM, the CBRLM and our Company dated August 5, 2009 and the Underwriting Agreement to be entered into between the Underwriters and our Company.

All information shall be made available by us and the GCBRLM and the CBRLM 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 including at road show presentations, in research or sales reports, at bidding centers or elsewhere.

Our Company, the GCBRLM, CBRLM and the Underwriters shall not be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

The GCBRLM, CBRLM and their respective associates and affiliates may engage in transactions with, and perform services for, our Company and our group companies, affiliates or associates in the ordinary course of business and have engaged, or may in future engage, in commercial banking and investment banking transactions with our Company and our group companies, affiliates or associates for which they have received, and may in future receive, compensation.

Investors that Bid in the Issue will be required to confirm and will be deemed to have represented to our Company and the Underwriters and their respective directors, officers, agents, affiliates and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company and will not offer, sell, pledge or transfer the Equity Shares of our Company to any person who is not eligible under applicable laws, rules, regulations, guidelines and approvals to acquire Equity Shares of our Company. Our Company, the Underwriters and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire Equity Shares of our Company.

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 not minors, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorized to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorized under their constitution to hold and invest in shares, permitted insurance companies and pension funds) and to FIIs and Eligible NRIs. This Red Herring Prospectus does not, however, constitute an invitation to purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Issue will be subject to the jurisdiction of appropriate court(s) in New Delhi, 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 Red Herring Prospectus has been filed with SEBI for observations. Accordingly, our Company's Equity Shares, represented thereby may not be offered or sold, directly or indirectly, and this Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in our Company's affairs from the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States (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. The Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Disclaimer Clause of the BSE

Bombay Stock Exchange Limited ("**BSE**") has given vide its letter dated October 5, 2009 permission to our Company to use BSE's name in this offer document as one of the stock exchanges on which our Company's securities are proposed to be listed. BSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to our Company. BSE does not in any manner:

(i) warrant, certify or enorse the correctness or completeness of any of the contents of this offer document; or

(ii) warrant that our Company's securities will be listed or will continue to be listed on the BSE; or

(iii) take any responsibility for the financial or other soundness of our Company, its promoters, its management or any scheme or project of our Company;

and it should not for any reason be deemed or construed that this offer document has been cleared or approved by BSE. Every person who desires to apply for or otherwise acquires any securities of our Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim gainst BSE 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 the NSE

As required, a copy of this offer document has been submitted to National Stock Exchange of India Limited ("**NSE**"). NSE has given vide its letter ref.: NSE/LIST/119857-N dated October 5, 2009 permission to the Issuer to use NSE's name in this offer document as one of the stok exchanges on which this Issuer's securities are proposed to be listed. NSE has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to the Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has ben cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that the Issuer's securities will be listed or will continue to be listed on NSE; nor does it take any responsibility for the financial or other soundness of the Issuer, its promoters, its management or any scheme or project of the Issuer.

Every person who desires to apply for or otherwise acquire any securities of the Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against NSE 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 any other reason whatsoever.

Filing

A copy of the Draft Red Herring Prospectus has been filed with SEBI at Corporation Finance Department, SEBI Bhavan, Plot No. C4-A, G Block, 3rd Floor, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 60 of the Companies Act would be delivered for registration with RoC at the Office of the Registrar of Companies, National Capital Territory of Delhi and Haryana at 4th Floor, IFCI Tower, 61, Nehru Place, New-Delhi- 110019, India.

Listing

Applications will be made to the Stock Exchanges for permission to deal in and for an official quotation of our Equity Shares. BSE will be the Designated Stock Exchange with which the basis of Allotment will be finalized for the Issue.

If the permission to deal in and for an official quotation of our Equity Shares is not granted by either of the Stock Exchanges mentioned above we will forthwith repay, without interest, all moneys received from the applicants in pursuance of this Red Herring Prospectus. If such money is not repaid within eight days after the Company becomes liable to repay it, i.e. from the date of refusal or within 15 days from the Bid Closing Date, whichever is earlier, then our Company shall, on and from expiry of eight days, be liable to repay the money, with interest at the rate of 15% per annum on application money, as prescribed under Section 73 of the Companies Act.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges mentioned above are taken within seven working days of finalization of the basis of Allotment for the Issue.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68A of the Companies Act, which is reproduced below:

"*Any person who:*

- *(a) makes 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

Consents in writing of: (a) the Directors, the Company Secretary and Compliance Officer, the Auditors, Bankers to the Company and Bankers to the Issue; and (b) GCBRLM, the CBRLM and Syndicate Member, Escrow Collection Bankers, Registrar to the Issue and the legal advisors, to act in their respective capacities, have been obtained and would be filed along with a copy of the Red Herring Prospectus with the RoC, as required under Sections 60 and 60B of the Companies Act and such consents have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

The Auditors, Deloitte Haskins & Sells, Chartered Accountants have given their written consent to the inclusion of their report in the form and context in which it appears in "***Financial Statements***" on page F1 and of their report relating to tax benefits accruing to our Company in the form and context in which it appears in "***Statement of Tax Benefits***" on page 45 and such consent and report have not been withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

ICRA, the agency engaged by us for the purpose of obtaining IPO grading in respect of this Issue, will give its written consent to the inclusion of its report in the form and context in which it will appear in the Red Herring Prospectus and such consent and report will not be withdrawn up to the time of delivery of the Red Herring Prospectus and the Prospectus with the RoC and Designated Stock Exchange.

Expert Opinion

Except the report of ICRA in respect of the IPO grading of this Issue which will be appended with the Red Herring Prospectus and as otherwise stated in this Red Herring Prospectus, we have not obtained any expert opinions.

Expenses of the Issue

The total expenses of the Issue are estimated to be approximately Rs. [●] million. The expenses of this Issue include, among others, underwriting and management fees, selling commission, printing and distribution expenses, legal fees, statutory advertisement expenses and listing fees. All expenses with respect to the Issue, shall be borne by our Company.

The estimated Issue expenses are as under:

(Amount in Rs. million)

S.No.	Activity Expense	Amount (Rs. millions)	Percentage of Total Issue Expenses	Percentage of Total Issue Size
1.	Lead management fees*			
2.	Underwriting and selling commission*(including commission to SCSBs for ASBA Applications *)	[●]	[●]	[●]
3.	Registrar's fees*	[●]	[●]	[●]
4.	Advertisement and marketing expenses*	[●]	[●]	[●]
5.	Printing and distribution expenses*	[●]	[●]	[●]
6.	IPO drading expenses*	[●]	[●]	[●]
7.	Advisors*	[●]	[●]	[●]
8.	Bankers to the Issue*	[●]	[●]	[●]
9.	Others (SEBI filing fees, bidding software expenses, depository charges, listing fees, etc.) *	[●]	[●]	[●]

** Will be completed after finalization of the Issue Price*

Fees Payable to the GCBRLM, the CBRLM and the Syndicate Member

The total fees payable to the GCBRLM, CBRLM and the Syndicate Member (including underwriting commission and selling commission) will be as per their respective engagement letters with the GCBRLM and the CBRLM issued by our Company, a copy of which is available for inspection at our Registered Office.

Fees Payable to the Registrar to the Issue

The fees payable by us to the Registrar to the Issue for processing of application, data entry, printing of CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated July 29, 2009 between us and the Registrar to the Issue, a copy of which is available for inspection at our Registered Office.

The Registrar to the Issue will be reimbursed for all out of pocket expenses including cost of stationery, postage, stamp duty, and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable them to make refunds or send Allotment advice by registered post/speed post/under certificate of posting.

Underwriting Commission, Brokerage and Selling Commission

Since this is the initial public issue of our Company, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure public subscription for any of our Equity Shares since our incorporation.

Particulars Regarding Public or Rights Issues during the Last Five Years

Our Company has not made any previous rights and public issues in India or abroad in the five years preceding the date of this Red Herring Prospectus.

Previous Issues of Shares Otherwise than for Cash

Except as stated in the "***Capital Structure***" on page 27, our Company has not made any previous issues of Equity Shares for consideration otherwise than for cash.

Capital Issues in the last three years by Companies under the same management

Our Company, Subsidiaries and our Group Entities have not made any public or rights issue during the last three years.

Promise v/s Performance

Neither our Company nor any Group Entities have made any previous rights and public issues under the ICDR Regulations.

Outstanding Debentures or Bond Issues or Preference Shares

Our Company has no outstanding debentures or bonds or preference shares, as of the date of this Red Herring Prospectus.

Stock Market Data of our Equity Shares

This being an initial public offer of the Equity Shares of our Company, the Equity Shares of our Company are not listed on any stock exchange and hence no stock market data is available.

Mechanism for Redressal of Investor Grievances

The Memorandum of Understanding between the Registrar to the Issue and our Company provides for retention of records with the Registrar to the Issue for a period of three years from the last date of dispatch of the letters of Allotment, or refund orders, demat credit or where refunds are being made electronically, giving of refund instructions to the clearing system, to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the bank branch or collection centre where the application was submitted.

All grievances relating to the ASBA process may be addressed to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Disposal of Investor Grievances by our Company

We estimate that the average time required by us or the Registrar to the Issue for the redressal of routine investor grievances will be seven business days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, we will seek to redress these complaints as expeditiously as possible.

We have also appointed Mr. Jatin Mahajan, as the Compliance Officer for this Issue and he may be contacted in case of any pre-Issue or post Issue related problems, at the following address:

DEN Networks Limited
236, Okhla Industrial Estate
Phase –III
New Delhi- 110 020, India

Tel: +(91 11) 4052 2225
Fax: +(91 11) 4052 2223
Email: ipo@denonline.in
Website: www.digitelly.in

Change in Auditors

The following are the changes in our auditors since our incorporation:

Name of Auditor	Date of Appointment	Date of Cessation	Reasons for change
M/s Naresh K. Gupta	July 30, 2007	April 4, 2008	Resignation
Price Waterhouse, Chartered Accountants	April 20, 2008	March 16, 2009	Resignation
Deloitte Haskins & Sells, Chartered Accountants	March 16, 2009	-	Appointment

Capitalization of Reserves or Profits

We have not capitalized our reserves or profits since our incorporation, except in relation to the bonus issuances as stated in "***Capital Structure***" on page 27.

Revaluation of Assets

There has been no revaluation of assets of our Company since our incorporation.

SECTION VII - ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued are subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association, the terms of the Red Herring Prospectus and the Prospectus, the Bid cum Application Form, the Revision Form, the CAN and other terms and conditions as may be incorporated in the Allotment advices and other documents/ certificates that may be executed in respect of the Issue. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, Government of India, Stock Exchanges, Registrar of Companies, RBI, FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

Our Board of Directors has, pursuant to a resolution passed at its meeting held on July 7, 2009 authorized the Issue.

Our shareholders have, pursuant to a resolution dated July 29, 2009 under section 81(1A) of the Companies Act, authorized the Issue.

The FIPB by its letter dated January 15, 2009 has granted approval to eligible foreign investors to subscribe to the Equity Shares of our Company to the prescribed limit of 49%.

Ranking of Equity Shares

The Equity Shares being offered shall be subject to the provisions of our Memorandum of Association and Articles of Association and shall rank pari-passu with the existing Equity Shares of our Company including rights in respect of dividends. The Allottees in receipt of Allotment of Equity Shares under this Issue will be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, please refer to **"*Main Provisions of the Articles of Association*"** on page 348.

Mode of Payment of Dividends

We shall pay dividends to our shareholders as per the provisions of the Companies Act.

Face Value and Issue Price

The face value of the Equity Shares is Rs. 10 each and the Issue Price is Rs. [●] per Equity Share. The Anchor Investor Issue Price is Rs. [●] per Equity Shares. At any given point of time there shall be only one denomination for the Equity Shares. The Floor Price is Rs. [●] per Equity Share and the Cap Price is Rs. [●] per Equity Share. The Price Band and the minimum Bid lot will be decided by the Company in consultation with the GCBRLM and CBRLM and advertised at least two (2) working days prior to the Bid Opening Date.

Rights of the Equity Shareholder

Subject to applicable laws, the equity shareholders shall have the following rights:

- Right to receive dividends, 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, subject to any statutory and other preferential claims being satisfied;
- Right of free transferability of their Equity Shares; and

- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreement executed with the Stock Exchanges, and our Memorandum of Association and Articles of Association.

For a detailed description of the main provisions of our Articles of Association relating to voting rights, dividends, forfeiture and lien and/or consolidation/splitting, see "***Main Provisions of Our Articles of Association***" on page 348.

Market Lot and Trading Lot

In terms of Section 68B of the Companies Act, the Equity Shares shall be Allotted only in dematerialized form. As per existing ICDR Regulations, the trading of our Equity Shares shall only be in dematerialized form. Since trading of our Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Issue will be only in electronic form in multiples of [●] Equity Shares, subject to a minimum Allotment of [•] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of any Equity Shares, they shall be deemed to hold the same as joint-tenants with benefits of survivorship.

Nomination Facility to 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 Allotted, 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.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue 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 holder of 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 90 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 form, there is no need to make a separate nomination with our Company. Nominations registered with respective DP of the applicant would prevail. If the investors want to change their nomination, they are requested to inform their respective depository participant.

Application by Eligible NRIs / FIIs registered with SEBI and FVCIs registered with SEBI

It is to be distinctly understood that there is no reservation for Eligible NRIs or FIIs registered with SEBI or FVCIs registered with SEBI. Such Eligible NRIs, FIIs registered with SEBI or FVCIs registered with SEBI will be treated on the same basis as other categories for the purpose of allocation.

Bidding Period

Bidders may submit their Bids only in the Bidding Period. The Bid Opening Date is October 28, 2009 and the Bid Closing Date is October 30, 2009. Provided that Anchor Investors may submit their Bid on the Anchor Investor Bidding Date.

Minimum Subscription

If our Company does not receive the minimum subscription of 90% of the Issue including the Employee Reservation Portion and devolvement of Underwriters within 60 days from the Bid Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest prescribed under Section 73 of the Companies Act.

Further in terms of Rule 19(2)(b) of the SCRR, if atleast 60% of the Net Issue cannot be allocated to QIBs, then all the application money shall be refunded forthwith.

Further in terms of Regulation 26(4) of the ICDR Regulations, our Company shall ensure that the number of prospective allottees to whom Equity Shares will be allotted will not be less than 1,000.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in New Delhi.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Equity Shares have not been and will not be registered under the US Securities Act of 1933, as amended (the "Securities Act"), and may not be offered or sold within the United States (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. The Equity Shares are being offered and sold only outside the United States in offshore transactions in compliance with Regulation S under the Securities Act and the applicable laws of the jurisdictions where those offers and sales occur.

Arrangement for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restriction on Transfer of Shares

Except for lock-in of the pre-Issue Equity Shares and Promoters minimum constribution in the Issue as detailed in the section ***"Capital Structure"*** on page 27 and as provided in our Articles. See "***Main Provisions of our Articles of Association***" on page 348, there are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting.

Option to receive Equity Shares in Dematerialised Form

Investors should note that Allotment of Equity Shares to all successful Bidders will only be in the dematerialized 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.

ISSUE STRUCTURE

The present Issue of up to 20,000,000 Equity Shares of Rs. 10 each, at a price of Rs. [●] for cash aggregating Rs. [•] million is being made through the 100% Book Building Process. The Issue comprises a Net Issue of 19,750,000 Equity Shares to the public and a reservation for the Eligible Employees of 250,000 Equity Shares. Our Company is considering a Pre-IPO Placement of up to 5,000,000 Equity Shares with certain investors. If the Pre-IPO Placement is completed the Net Issue size offered to the public would be reduced to the extent of such Pre-IPO Placement, subject to a minimum Net Issue size of 10% of the post Issue paid-up equity capital.

	Eligible Employees	**QIBs***	**Non-Institutional Bidders**	**Retail Individual Bidders**
Number of Equity Shares* *	Up to 250,000 Equity Shares	At least 11,850,000 Equity Shares	Not less than 1,975,000 Equity Shares available for allocation or Issue Size less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 5,925,000 Equity Shares available for allocation or Issue Size less allocation to QIB Bidders and Non-Institutional Bidders.
Percentage of Issue Size available for Allotment/allocation***	Up to 1.25% of the Issue	At least 60% of the Net Issue shall be allocated to QIBs However, not less than 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only.	Not less than 10% of the Net Issue available for allocation or the Issue less allocation to QIB Bidders and Retail Individual Bidders.	Not less than 30% of the Net Issue available for allocation or the Issue less allocation to QIB Bidders and Non-Institutional Bidders.
Basis of Allotment/Allocation if respective category is oversubscribed	Proportionate	Proportionate as follows: (a) 414,750 Equity Shares shall be allocated on a proportionate basis to Mutual Funds; and (b) 7,880,250 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	[●] Equity Shares and in multiples of [●] Equity Shares	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares.	Such number of Equity Shares that the Bid Amount exceeds Rs. 100,000 and in multiples of [●] Equity Shares.	[●] Equity Shares and in multiples of [●] Equity Shares.
Maximum Bid	Such number of Equity Shares in multiples of [●] Equity Shares so that the Bid does not exceed the Employee Reservation Portion and subject to the maximum bid by	Such number of Equity Shares not exceeding the Net Issue, subject to applicable limits.	Such number of Equity Shares not exceeding the Net Issue subject to applicable limits.	Such number of Equity Shares whereby the Bid Amount does not exceed Rs. 100,000.

	Eligible Employees	QIBs*	Non-Institutional Bidders	Retail Individual Bidders
	each Eligible Employee in this portion being Rs.[●] million			
Mode of Allotment	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.	Compulsorily in dematerialized form.
Trading Lot	One Equity Share	One Equity Share	One Equity Share	One Equity Share
Who can Apply ****	Eligible Employees	Public financial institutions as specified in Section 4A of the Companies Act, FIIs registered with SEBI, other than FIIs sub-accounts who are foreign companies or foreign individuals, scheduled commercial banks, mutual funds registered with SEBI, multilateral and bilateral development financial institutions, venture capital funds registered with SEBI, foreign venture capital investors registered with SEBI, state industrial development corporations, insurance companies registered with Insurance Regulatory and Development Authority, provident funds (subject to applicable law) with minimum corpus of Rs. 250 million and pension funds with minimum corpus of Rs. 250 million and the National Investment Fund set up by resolution F. No. 2/3/2005-DD-II dated November 23, 2005 of Government of India published in the Gazette of India	NRIs, Resident Indian individuals, HUF (in the name of Karta), companies, corporate bodies, scientific institutions societies and trusts.	Individuals (including HUFs, NRIs) applying for Equity Shares such that the Bid Amount does not exceed Rs. 100,000 in value.
Terms of Payment	Margin Amount shall be payable at	QIB Margin Amount shall be	Margin Amount shall be payable at	Margin Amount shall be payable at the time of

	Eligible Employees	QIBs*	Non-Institutional Bidders	Retail Individual Bidders
	the time of submission of Bid cum Application Form to the Syndicate Member.	payable at the time of submission of Bid cum Application Form to the GCBRLM and CBRLM.	the time of submission of Bid cum Application Form to the Syndicate Member.	submission of Bid cum Application Form to the Syndicate Member#
Margin Amount	Full Bid Amount on bidding	At least 10% of Bid Amount*****	Full Bid Amount on bidding	Full Bid Amount on bidding

* *Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price in accordance with the ICDR Regulations. At least one-third of the Anchor Investor Portion shall be available for allocation to Mutual Funds only. Allocation to Anchor Investors shall be on a discretionary basis subject to minimum number of two Anchor Investors An Anchor Investor shall make a minimum Bid of such number of Equity Shares that the Bid Amount is atleast Rs. 100 million. Further, Anchor Investors shall pay the Anchor Investor Margin Amount at the time of submission of Bid cum Application Form to the GCBRLM and CBRLM and the balance within the Pay-in Date which shall be a date no later than two days of the Bid Closing Date.*

** *In terms of Rule 19 (2) (b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be Allotted to QIBs on a proportionate basis. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the GCBRLM, CBRLM and the Designated Stock Exchange.*

*** *Any under-subscription in Equity Shares, if any, reserved for Eligible Employees would be included in the Net Issue and allocated in accordance with the description in "**Issue Procedure-Basis of Allotment**" on page 329. The unsubscribed portion, if any, in the Net Issue except the QIB Portion shall be allowed to be met with spill over to the extent of such under subscription from the Employee Reservation Portion.*

**** *In case the Bid cum Application Form is submitted in joint names, the Bidders should ensure that the demat 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.*

***** *After the Bid Closing Date, depending on the level of subscription, additional Margin Amount, if any, may be called for from the QIB Bidders.*

\# *In case of ASBA Bidders, the SCSB shall be authorised to block such funds in the bank account of the ASBA Bidder that are specified in the ASBA Bid cum Application Form.*

Withdrawal of the Issue

Our Company in consultation with the GCBRLM and the CBRLM, reserves the right not to proceed with the Issue at anytime after the Bid Opening Date, but before the Allotment, without assigning any reason therefor. Notwithstanding the foregoing, the Issue is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for only after Allotment and within seven working days of finalization of Basis of Allotment and (ii) the final RoC approval of the Prospectus after it is filed with the Stock Exchanges.

Letters of Allotment or Refund Orders

Our Company shall facilitate and shall give credit to the beneficiary account with depository participants within two working days of finalization of the basis of Allotment of Equity Shares. Our Company shall dispatch refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and will 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 15 days of the Bid Closing Date.

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 ICDR Regulations, our Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid Closing Date;

- Dispatch of refund orders will be done within 15 days from the Bid Closing Date or if, in a case where the refund or portion thereof is made in electronic manner, the refund instructions will be given to the clearing system; and

- Our Company shall pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, 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 15 day time prescribed above.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Refunds will be made through any of the modes as described in the Red Herring Prospectus and bank charges, if any, for encashing cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Bidding Programme

BID OPENS ON	**OCTOBER 28, 2009**
BID CLOSES ON	**OCTOBER 30, 2009**

**Anchor Investors shall submit their Bid one day prior to the Bid Opening Date.*

Bids and any revision in Bids will be accepted **only between 10 a.m. and 3 p.m**. (Indian Standard Time) during the Bidding Period as mentioned above at the bidding centers mentioned in the Bid cum Application Form **except that on the Bid Closing Date, Bids excluding ASBA Bids shall be accepted only between 10 a.m. and 1 p.m.** (Indian Standard Time) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders; and (ii) 5.00 p.m. or until such time as permitted by the Stock Exchanges in case of Bids by Retail Individual Bidders and Eligible Employees where the Bid Amount is up to Rs. 100,000. Due to limitation of time available for uploading the Bids on the Bid Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid Closing Date and, in any case, no later than 1.00 p.m (Indian Standard Time) on the Bid Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid Closing Date, as is typically experienced in IPOs, 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 in the Issue. If such Bids are not uploaded, the Company, the GCBRLM, the CBRLM and the Syndicate Member shall not be responsible. Bids will be accepted only on Business Days, i.e. Monday to Friday (excluding any public holiday).

On the Bid Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received by Retail Individual Bidders and Eligible Employees, after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms as stated herein and reported by the GCBRLM and the CBRLM to the Stock Exchanges within half an hour of such closure.

Our Company reserves the right to revise the Price Band during the Bidding Period in accordance with the ICDR Regulations in consultation with the GCBRLM and CBRLM. The Cap Price shall not be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the original floor price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bidding Period will be extended for three additional Business Days after revision of Price Band subject to the Bidding Period not exceeding 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the web site of the GCBRLM, the CBRLM and at the terminals of the members of the Syndicate.

ISSUE PROCEDURE

Book Building Procedure

In terms of Rule 19 (2) (b) of the SCRR, this is an Issue for less than 25% of the post–Issue capital, therefore, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Net Issue shall be Allotted to QIBs on a proportionate basis. Provided that, our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Issue Price on a discretionary basis. If at least 60% of the Net Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the Net Issue will be available for allocation on a proportionate basis to Non-Institutional Bidders and Retail Individual Bidders, respectively subject to valid Bids being received at or above the Issue Price. Under-subscription, if any, in any category, except the QIB Portion, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company, in consultation with the GCBRLM, CBRLM and the Designated Stock Exchange.

In addition, up to 1.25% of the Issue shall be made available for allocation on a proportionate basis to the Eligible Employees, subject to valid Bids being received at or above the Issue Price.

Bidders are required to submit their Bids through the Syndicate. In case of QIB Bidders, our Company in consultation with the GCBRLM and the CBRLM may reject Bids at the time of acceptance of Bid cum Application Form provided that the reasons for rejecting the same shall be provided to such Bidder in writing. Provided that, our Company in consultation with the GCBRLM and the CBRLM, reserves the right to reject any Bid procured from Anchor Investors without assigning any reason thereof. In case of Non-Institutional Bidders, Retail Individual Bidders and Bids under the Employee Reservation Portion, our Company would have a right to reject the Bids only on technical grounds.

Investors should note that Allotment of Equity Shares to all successful Bidders will only be in the dematerialized 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 only use 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 the Red Herring Prospectus. The Bidder shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the Bid cum Application Form to a member of the Syndicate, the Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the Bid cum Application Form as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the Bidder.

The prescribed colour of the Bid cum Application Form for various categories is as follows:

Category	Colour of Bid cum Application Form
Resident Indian, NRIs applying on a non repatriation basis, excluding Anchor Investors	White
Non-Residents, Eligible NRIs, FVCIs, FIIs on a repatriation basis, excluding Anchor Investors	Blue
Eligible Employees in the Employee Reservation Portion	Pink
Anchor Investors	White
ASBA Bidders	White

ASBA Bidders shall submit an ASBA Bid cum Application Form either in physical or electronic form 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. The ASBA Bidders can only provide one Bid in the ASBA Bid cum Application Form at Cut-off Price. Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form.

Upon completing and submitting the ASBA Bid cum Application Form for ASBA Bidders to the SCSB, the ASBA Bidder is deemed to have authorised our Company to make the necessary changes in the Red Herring Prospectus and the ASBA as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

Who can Bid?

- Indian nationals resident in India who are majors, or in the names of their minor children as natural/legal guardians 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;
- Companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in the equity shares;
- Eligible NRIs on a repatriation basis or a non-repatriation basis subject to applicable laws. NRI's other than Eligible NRI's are not eligible to participate in this Issue;
- Mutual Funds registered with SEBI;
- Indian Financial Institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to RBI regulations and the ICDR Regulations and regulations, as applicable);
- Venture Capital Funds registered with SEBI;
- Foreign Venture Capital Investors registered with SEBI;
- State Industrial Development Corporations;
- Trusts/societies registered under the Societies Registration Act, 1860, as amended, or under any other law relating to Trusts/societies and who are authorised under their constitution to hold and invest in equity shares;
- FIIs and sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or a foreign individual;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporate or foreign individuals, only under the Non Institutional Bidders Category.
- Scientific and/or Industrial Research Organisations authorised to invest in equity shares;
- Insurance companies registered with Insurance Regulatory and Development Authority, India;
- Provident Funds with minimum corpus of Rs. 250 million and who are authorized under their constitution to hold and invest in equity shares;
- Pension Funds with minimum corpus of Rs. 250 million and who are authorised under their constitution to hold and invest in equity shares;
- National investment fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of Government of India published in the Gazette of India;
- Multilateral and Bilateral Development Financial Institutions; and
- Eligible Employees.

Note: As per existing regulations, OCBs cannot participate in the Issue.

Participation by associates of GCBRLM, CBRLM and the Syndicate Member

The GCBRLM, CBRLM and the 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 GCBRLM, CBRLM and the Syndicate Member are entitled to subscribe for Equity Shares in the Issue, including in the Net 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 their clients.

Provided that neither the GCBRLMs, CRBLM, the Syndicate Member nor their associates or affiliates shall be allowed to subscribe to the Anchor Investor Portion in any manner except towards fulfilling their underwriting obligations.

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.

Bids by Mutual Funds

Under the ICDR Regulations, at least one-third of the Anchor Investor Portion, i.e. 1,185,000 Equity Shares will be available for allocation to Mutual Funds only on a discretionary basis and 5% of the Net QIB Portion, i.e. 414,750 Equity Shares have been specifically reserved for mutual funds on a proportionate basis. An eligible Bid by a Mutual Fund in the Mutual Fund Portion shall first be considered for allocation proportionately in the Mutual Fund Portion. In the event that the demand in the Mutual Fund Portion is greater than 414,750 Equity Shares, allocation shall be made to Mutual Funds proportionately, to the extent of the Mutual Fund Portion. The remaining demand by the Mutual Funds shall, as part of the aggregate demand by QIBs, be available for allocation proportionately out of the remainder of the Net QIB Portion, after excluding the allocation in the Mutual Fund Portion.

As per 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 in index funds or sector or industry specific funds. No mutual fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

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.

Bids by Eligible NRIs

Eligible NRIs are required to comply with the following:

1. Bid cum application forms (blue in colour) have been made available for NRIs at our Registered Office, members of the Syndicate and the Registrar to the Issue.

2. Eligible NRI may please note that only such applications as are accompanied by payment in free foreign exchange shall be considered for Allotment. The NRIs who intend to make payment through Non-Resident Ordinary (NRO) accounts shall use the form meant for Resident Indians (White in colour).

3. In accordance with the ICDR Regulations, NRIs cannot subscribe to this Issue under the ASBA process.

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 13,192 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 49% of our total issued capital. The FIPB by its letter dated January 15, 2009 has granted approval to eligible foreign investors to subscribe to the Equity Shares of our Company to the prescribed limit of 49%.

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 sub-account 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 GCBRLM, CBRLM 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) Regulations, 1996 and the SEBI (Foreign Venture Capital Investor) Regulations, 2000 prescribe investment restrictions on venture capital funds and foreign venture capital investors respectively registered with SEBI. Accordingly, the holding in any company by any individual venture capital fund or foreign venture capital investor registered with SEBI should not exceed 25% of the corpus of the venture capital fund/ foreign venture capital investor. However, venture capital funds or foreign venture capital investors may invest not more than 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. Our Company and the GCBRLM, the CBRLM 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 do not exceed the applicable investment limits under laws or regulations or maximum number of Equity Shares that can be held by them under applicable laws.

Maximum and Minimum Bid Size

(a) **For Retail Individual Bidders:** The Bid must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Share thereafter, so as to ensure that the Bid Amount 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 cut-off option, the Bid would be considered for allocation under the Non-Institutional Portion. The option to Bid at Cut-off Price is an option given to the Retail Individual Bidders indicating their agreement to Bid and purchase at the Issue Price as determined at the end of the Book Building Process.

(b) **For Other Bidders (Non-Institutional Bidders and QIBs bidding in the QIB Portion):** 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 [•] Equity Shares thereafter. 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 applicable laws. **Under existing ICDR Regulations, a QIB Bidder bidding in the Net QIB Portion cannot withdraw its Bid after the Bid Closing Date and is required to pay the QIB Margin Amount upon submission of Bid.**

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 QIBs are not allowed to Bid at 'Cut-off'.

(c) **For Bidders in the Employee Reservation Portion:** The Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares therafter. Bidders in Employee Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may Bid at the Cut-off Price. The Allotment in the Employee Reservation Portion will be on a proportionate basis. However the maximum Bid by an Eligible Employee cannot exceed Rs. [●] million.

(d) **For Bidders in the Anchor Investor Portion:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount is atleast Rs. 100 million and in multiples of [•] Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion.

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 Bidders:

(a) The Red Herring Prospectus will be filed by the Company with the RoC at least three days before the Bid Opening Date.

(b) The members of the Syndicate will circulate copies of the Bid cum Application Form to potential investors, and at the request of potential investors, copies of the Red Herring Prospectus.

(c) Our Company, the GCBRLM, the CBRLM shall declare the Bid Opening Date and Bid Closing Date at the time of filing of the Red Herring Prospectus with the RoC and the same shall also be published in two newspapers (one in English and one in Hindi, which is also the regional newspaper).

(d) The Members of the Syndicate shall accept Bids from the Bidder during the Bidding Period in accordance with the terms of the Syndicate Agreement. Provided that the GCBRLM and the CBRLM shall accept the Bids from the Anchor Investors only on the Anchor Investor Bidding Date.

(e) Any investor (who is eligible to invest in our Equity Shares) who would like to obtain the Red Herring Prospectus and/ or the Bid cum Application Form can obtain the same from our Registered Office or from any of the members of the Syndicate.

(f) Eligible investors who are interested in subscribing for the Equity Shares should approach any of the GCBRLM, the CBRLM or the Syndicate Member or their authorised agent(s) to register their Bids.

(g) The Bids should be submitted on the prescribed Bid cum Application Form only. Bid cum Application Forms should bear the stamp of the members of the Syndicate. Bid cum Application Forms, which do not bear the stamp of the members of the Syndicate, will be rejected.

Method and Process of Bidding

(a) Our Company, GCBRLM and the CBRLM shall declare the Bid Opening Date, Bid Closing Date and Price Band at the time of filing the Red Herring Prospectus with RoC and also publish the same in two widely circulated national newspapers (one each in English and Hindi newspaper). This advertisement, subject to the provisions of Section 66 of the Companies Act shall be in the format prescribed in the ICDR Regulations.

(b) The GCBRLM and CBRLM shall accept Bids from the Anchor Investors on the Anchor Investor Bid Date, i.e. one day prior to the Bid Opening Date. Investors, except Anchor Investors who are interested in subscribing to the Equity Shares should approach any of the members of the Syndicate or their authorised agents to register their Bids, during the Bidding Period. The Members of the Syndicate shall accept Bids from the all the other Bidders and shall have the right to vet the Bids, during the Bidding Period in accordance with the terms of the Syndicate Agreement and Red Herring Prospectus.

(c) The Bidding Period shall be for a minimum of three working days and not exceeding ten working days. In case the Price Band is revised, the revised Price Band and the Bidding Period will be published in an English national newspaper and a Hindi national newspaper, both with wide circulation and the Bidding Period may be extended, if required, by an additional three days, subject to the total Bidding Period not exceeding 10 days.

(d) Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices (for details see "***Bids at Different Price Levels***" below, 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/Allotment and the rest of the Bid(s), irrespective of the Bid Amount, will become automatically invalid.

(e) The Bidder cannot Bid on another Bid cum Application Form after Bids on one Bid cum Application Form have been submitted to any member of the Syndicate. Submission of a second Bid cum Application Form to either the same or to another member of the Syndicate will be treated as multiple Bids and is 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 Bidder can revise the Bid through the Revision Form, the procedure for which is detailed in the "***Build up of the Book and Revision of Bids***" on page 313. Provided that Bids submitted by a QIB in the Anchor Investor Portion and in the Net QIB Portion will not be considered as Multiple Bids.

(f) Except in relation to the Bids received from the Anchor Investors, the Members of the Syndicate 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.

(g) Along with the Bid cum Application Form, all Bidders will make payment in the manner described under the paragraph titled "***Terms of Payment and Payment into the Escrow Account(s)***" on page 311.

Bids at Different Price Levels

(a) The Price Band has been fixed at Rs. [•] to Rs. [•] per Equity Share of Rs. 10 each, Rs. [•] being the Floor Price and Rs. [•] being the Cap Price. The Bidders can Bid at any price with in the Price Band, in multiples of Rs. [●]

(b) Our Company in consultation with the GCBRLM and the CBRLM reserves the right to revise the Price Band, during the Bidding Period, in accordance with ICDR Regulations. The Cap Price cannot be more than 20% of the Floor Price. Subject to compliance with the immediately preceding sentence, the Floor Price can move up or down to the extent of 20% of the Floor Price disclosed in the Red Herring Prospectus.

(c) In case of revision in the Price Band, the Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bidding Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a public notice in two widely circulated newspapers, one each in English and Hindi, and also by indicating the change on the websites of the GCBRLM, the CBRLM and at the terminals of the Syndicate Member.

(d) Our Company in consultation with the GCBRLM and the CBRLM can finalise the Issue Price and Anchor Investor Issue Price within the Price Band in accordance with this clause, without the prior approval of or intimation to the Bidders.

(e) 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 and Eligible Employees in the Employee

Reservation Portion applying for a maximum Bid in any of the bidding options not exceeding Rs. 100,000 may Bid at Cut-off Price. However, bidding at Cut-off Price is prohibited for QIB or Non-Institutional Bidders and such Bids from QIBs and Non-Institutional Bidders shall be rejected.

(f) Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion 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 and Eligible Employees in the Employee Reservation Portion bidding at Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Account(s). In the event the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion who Bid at Cut-off Price (i.e., the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the Retail Individual Bidders and Eligible Employees in the Employee Reservation who Bid at Cut-off Price shall receive the refund of the excess amounts from the Escrow Account(s).

(g) In case of an upward revision in the Price Band announced as above, Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion who had Bid at Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the revised Cap Price (such that the total amount i.e., original Bid Amount plus additional payment does not exceed Rs. 100,000 for Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion bidding at the Cut-off Price, if the Bidder wants to continue to Bid at Cut-off Price), with the Syndicate Member to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs. 100,000 for Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion bidding at the Cut-off Price 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 Price prior to revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that the no additional payment would be required from the Bidder and the Bidder is deemed to have approved such revised Bid at Cut-off Price.

(h) In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders and Eligible Employees in the Employee Reservation Portion 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(s).

(i) In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain [●] 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.

(j) When a Bidder revised his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. It is the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.

Terms of Payment and Payment into the Escrow Account(s)

Each Bidder, other than Anchor Investors, shall provide the applicable Margin Amount, with the submission of the Bid cum Application Form by drawing a cheque or demand draft for the maximum amount of the Bid in favour of the Escrow Account(s) of the Escrow Collection Bank(s) (for details see the "***Issue Procedure-Payment Instructions***" on page 323, and submit the same to the member of the Syndicate to whom the Bid is being submitted. Bid cum Application Forms accompanied by cash/stock invest/money order shall not be accepted. The Bidder may also provide the applicable Margin Amount by way of an electronic transfer of funds through the RTGS mechanism. Each QIB shall provide its Margin Amount only to the Syndicate. The Margin Amount based on the Bid Amount has to be paid at the time of the submission of the Bid cum Application form

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Bank(s), which will hold such monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account(s), as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker(s) to the Issue. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. No later than 15 days from the Bid Closing Date, the Escrow Collection Bank(s) shall dispatch all refund amounts payable to unsuccessful Bidders and also the excess amount paid on bidding, if any, after adjustment for Allotment to the Bidders.

Each category of Bidders i.e., Anchor Investors, QIB Bidders, Non-Institutional Bidders, Retail Individual Bidders and Eligible Employees would be required to pay their applicable Margin Amount at the time of the submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the "***Issue Structure***" on page 301. Where the Margin Amount applicable to the Bidder is less than 100% of the Bid Amount, any difference between the amount payable by the Bidder for Equity Shares transferred at the Isue Price and the Margin Amount paid at the time of Bidding, shall be payable by the Bidder no later than the Pay-in-Date. If the payment is not made favouring the Escrow Account(s) within the time stipulated above, the Bid of the Bidder is liable to be cancelled. However, if the applicable Margin Amount for Bidders is 100%, the full amount of payment has to be made at the time of submission of the Bid cum Application Form.

Where the Bidder has been allocated lesser number of Equity Shares than he or she had Bid for, the excess amount paid on bidding, if any, after adjustment for allocation/ transfer, will be refunded to such Bidder within 15 days from the Bid Closing Date, failing which our Company shall pay interest at 15% per annum for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

(a) The Members of the Syndicate will register the Bids received, except Bids received from Anchor Investors, using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity in each city, where the Stock Exchanges are located in India and where such Bids are being accepted.

(b) The Stock Exchanges will offer a screen-based facility for registering such Bids for the Issue. This facility will be available on the terminals of the Members of the Syndicate and their authorised agents during the Bidding Period. The Syndicate Member can also set up facilities for off-line electronic registration of Bids subject to the condition that it will subsequently upload the off-line data file into the on-line facilities for book building on a half hourly basis.

(c) On the Bid Closing Date, the Members of the Syndicate shall upload the Bids till such time as may be permitted by the Stock Exchanges. This information will be available with the GCBRLM and the CBRLM on a regular basis. Bidders are cautioned that a high inflow of bids typically experienced on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that could not uploaded will not be considered for allocation. Bids will only be accepted on working days, i.e., Monday to Friday (excluding any public holiday).

(d) The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres and the website of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available at the bidding centers and at the websites of each of the Stock Exchanges during the Bidding Period.

(e) 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 investor. Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the Depositary 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, Eligible NRI, FII, or Mutual Fund, QIBs, Eligible Employee etc.

- Numbers of Equity Shares Bid for.

- Bid Amount.

- Bid cum Application Form number.

- Whether Margin Amount has been paid upon submission of Bid cum Application Form.

- Depository Participant Identification Number and Client Identification Number of the beneficiary account of the Bidder.

(f) A system generated TRS will be given to the Bidder as a 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.** The registration of the Bid by the member of the Syndicate does not guarantee that the Equity Shares shall be allocated/ Allotted either by the members of the Syndicate or our Company**.**

(g) Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

(h) In the case of QIB Bidders in the Net QIB Portion, members of the Syndicate also have the right to accept the Bid or reject it. 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 and Eligible Employees bidding in the Employee Reservation Portion, Bids would not be rejected except on the technical grounds listed in the "***Issue Procedure-Grounds for Technical Rejections***" on page 326.

(i) The permission given by the Stock Exchanges 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, and/or the GCBRLM and the CBRLM are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, our Promoters, our management or any scheme or project of our Company.

(j) It is also to be distinctly understood that the approval given by the Stock Exchanges should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the 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 BSE and NSE.

(k) Only Bids that are uploaded on the online IPO system of the NSE and BSE shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the BRLMs based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Build Up of the Book and Revision of Bids

(a) Bids registered by various Bidders, except Anchor Investors, through the Members of the Syndicate shall be electronically transmitted to the Stock Exchanges mainframe on a regular basis.

(b) The book gets built up at various price levels. This information will be available with the GCBRLM and the CBRLM on a regular basis.

(c) During the Bidding 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.

(d) 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 his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still fill the details of the other two options that are not being revised, in the Revision Form. The members of the Syndicate will not accept incomplete or inaccurate Revision Forms.

(e) The Bidder can make this revision any number of times during the Bidding Period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom he or she had placed the original Bid. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only in such Revision Form or copies thereof.

(f) 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. The excess amount, if any, resulting from downward revision of the Bid would be returned to the Bidder at the time of refund in accordance with the terms of this Red Herring Prospectus. In case of QIB Bidders in the Net QIB Portion, the members of the Syndicate shall collect the payment in the form of cheque or demand draft for the incremental amount in the QIB Margin Amount, 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.

(g) When a Bidder revises his or her Bid, he or she shall surrender the earlier TRS and get a revised TRS from the members of the Syndicate. **It is the responsibility of the Bidder to request for and obtain the revised TRS, which will act as proof of his or her having revised the previous Bid.**

(h) Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/ Allotment. In case of discrepancy of data between the BSE or the NSE and the members of the Syndicate, the decision of the GCBRLM and the CBRLM based on the physical records of Bid Application Forms shall be final and binding on all concerned.

Price Discovery and Allocation

(a) After the Bid Closing Date, the GCBRLM and the CBRLM will analyse the demand generated at various price levels.

(b) Our Company in consultation with the GCBRLM and the CBRLM, shall finalise the Anchor Investor Issue Price and Issue Price.

(c) Allocation to Anchor Investors shall be at the discretion of the Company in consultation with the GCBRLM and CBRLM, subject to compliance with ICDR Regulations. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion.

(d) Under-subscription, if any, in the Non-Institutional Portion and Retail Portion would be met with spill over from any other category at the sole discretion of our Company and in consultation with the GCBRLM and the CBRLM. Any unsubscribed portion in the Employee Reservation Portion shall be added to the Net Issue to the public. However, if the aggregate demand by Mutual Funds in the Mutual Fund Portion is less than 414,750 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the Net QIB Portion and be Allotted proportionately to the QIB Bidders. In the event that the aggregate demand in the QIB Portion has been met, under subscription, if any, would be allowed to be met with spill-over from any other category or combination of categories at the discretion of our Company in consultation with the GCBRLM, the CBRLM and the Designated Stock Exchange. If at least 60% of the Net Issue is not Alloted to QIBs, the entire subscription monies shall be refunded.

(e) The Allocation under the Employee Reservation Portion shall be on a proportionate basis, in the manner specified under the ICDR Regulations and the Red Herring Prospectus, subject to valid Bids being received at or above the Issue Price, and is approved by the Designated Stock Exchange.

(f) Any unsubscribed portion in the Employee Reservation Portion shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation portion subject to the Net Issue constituting a minimum of 10% of the post Issue equity capital of the Company.

(g) Allocation to Eligible NRIs, FIIs, foreign venture capital funds registered with SEBI applying on repatriation basis will be subject to applicable law and the terms and conditions stipulated by the FIPB and RBI, while granting permission for Allotment of Equity Shares to them in this Issue.

(h) The GCBRLM and the CBRLM, in consultation with the Company shall notify the members of the Syndicate of the Issue Price and Anchor Investor Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

(i) If the Issue Price is higher than the Anchor Investor Issue Price, the additional amount shall be paid by the Anchor Investors. However, if the Issue Price is lower than the Anchor Investor Issue Price, the difference shall not be payable to the Anchor Investors.

(j) Our Company reserves the right to cancel the Issue any time after the Bid Opening Date, but before the Allotment, without assigning any reasons whatsoever. In terms of the ICDR Regulations, QIB Bidders bidding in the Net QIB Portion shall not be allowed to withdraw their Bid after the Bid Closing Date. Further Anchor Investors shall not be allowed to withdraw their Bid after the Anchor Investor Bidding Date.

(k) Our Company in consultation with the GCBRLM and the CBRLM, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids by QIBs bidding in the Net QIB Portion, if any will be made at the time of submission of Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. Provided that, our Company, in consultation with GCBRLM and CBRLM, reserves the right to reject any Bid received from Anchor Investors without assigning any reason therefore.

(l) The Allotment details shall be put on the website of the Registrar to the Issue.

Signing of Underwriting Agreement and RoC Filing

(a) Our Company, the GCBRLM, the CBRLM and the Syndicate Member shall enter into an Underwriting Agreement on finalisation of the Issue Price and allocation(s) /Allotment to the Bidders.

(b) After signing the Underwriting Agreement, the updated Red Herring Prospectus will be filed by the Company with RoC , which then would be termed 'Prospectus'. The Prospectus would have details of the Issue Price, Anchor Investor Issue Price, Issue size, underwriting arrangements and would be complete in all material respects.

(c) We will file a copy of the Prospectus with the RoC in terms of Sections 56, 60 and 60B of the Companies Act.

Announcement of pre-Issue Advertisement

Subject to Section 66 of the Companies Act, our Company shall after receiving final observations, if any, on this Red Herring Prospectus from SEBI, publish an advertisement, in the from prescribed by the ICDR Regulations in two widely circulated newspapers (in English and Hindi, which is also the regional newspaper).

Advertisement regarding Issue Price and Prospectus

Our Company will issue a statutory advertisement in a widely circulated English national newspaper and Hindi national newspaper (which is also the regional newspaper) after the filing of the Prospectus with the RoC. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the GCBRLM, the CBRLM, or Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated/ Allotted Equity Shares in the Issue. The approval of the basis of Allotment by the Designated Stock Exchange for QIB Bidders in the Net QIB Portion may be done simultaneously with or prior to the approval of the basis of Allotment for the Retail and Non-Institutional Bidders and Bids from Eligible Employees bidding in the Employee Reservation Portion. However, investors should note that our Company shall ensure that the date of Allotment of the Equity Shares to all investors in this Issue shall be done on the same date. For Anchor Investors, see "***Notice to Anchor Investors: Allotment/Reconciliation and Revised CANs"***

(b) The GCBRLM, the CBRLM or the Syndicate Member would dispatch a CAN to their 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 or Anchor Investor Issue Price, as may be applicable, for all the Equity Shares allocated to such Bidder. QIB Bidders (including Anchor Investors) who have not paid the entire Bid Amount into the Escrow Account(s) at the time of bidding shall pay in full the amount payable into the Escrow Account(s) by the Pay-in Date specified in the CAN.

(c) Bidders who have been allocated Equity Shares and who have already paid the Bid Amount into the Escrow Account(s) at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of his or her cheque or demand draft paid into the Escrow Account(s). The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for the Allotment to such Bidder.

(d) The Issuance of CAN is subject to "***Notice to Anchor Investors: Allotment Reconciliation and Revised CANs***" and "***Notice to QIBs: Allotment Reconciliation and Revised CANs***" as set forth below

Notice to Anchor Investors: Allotment Reconciliation and revised CANs

After the Anchor Investor Bidding Date, a physical book will be prepared by the Registrar on the basis of Bid cum Application Forms received in the Anchor Investor Portion. Based on the physical book and at the discretion of the Company, GCBRLM and CBRLM, select Anchor Investors may be sent a CAN, within two working days of the Anchor Investor Bidding Date, indicating the number of Equity Shares that may be allocated to them. The provisional CAN shall constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the Anchor Investor to pay the entire Issue Price for all the Equity Shares allocated to such Anchor Investor. This provisional CAN and the final allocation is subject to (a) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue, (b) the Issue Price being finalized at a price not higher than the higher than the Anchor Investor Issue Price, and (c) allotment by the Board of Directors. Subject to ICDR Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt of funds, cancellation of cheques, cheque bouncing, incorrect details, among other things, and these rejected applications will be reflected in the reconciliation and basis of Allotment as approved by the Designated Stock Exchange. In such instances or in the event the Issue Price is fixed higher that the Anchor Investor Issue Price, a revised CAN may be sent to Anchor Investors, price of the Equity Shares in such revised CAN may be different from that specified in the earlier CAN. Anchor Investors 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 or price of Equity Shares, which shall in no event be later than two days after the Bid Closing Date. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Notice to QIBs bidding in the Net QIB Portion: Allotment/Transfer Reconciliation and Revised CAN

After the Bid Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE systems. This shall be followed by a physical book prepared by the Registrar on the basis of the Bid cum Application Form received. Based on the electronic book or the Physical book as the case may be, QIBs bidding in the Net QIB Portion may be sent a CAN, within two working days of the Bid Closing Date, indicating the number of Equity Shares that may be allocated to them. This provisional CAN and the final allocation and is subject to (a) the basis of final Allotment, which will be approved by the Designated Stock Exchange and reflected in the reconciled book prepared by the Registrar, (b) physical application being valid in all respects along with stipulated documents being received by the Registrar to the Issue, and (c) allotment by the Board of Directors. Subject to ICDR 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 bidding in the Net QIB Portion, and the allocation of Equity Shares in such revised CAN may be different from that specified in the earlier CAN. QIBs bidding in the Net QIB Portion 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 shall 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. Any revised CAN, if issued, will supersede in entirety the earlier CAN.

Designated Date and Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid Closing Date. After the funds are transferred from the Escrow Account(s) to the Public Issue Account on the Designated Date, our Company will ensure the credit to the successful Bidders depository account within two working days of the date of Allotment.

(b) In accordance with the ICDR Regulations, Equity Shares will be issued, transferred and Allotment shall be made only in the dematerialised form to the Allottees. Allottees will have the option to re-materialise the Equity Shares, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

Investors are advised to instruct their Depository Participant to accept the Equity Shares that may be allocated/ Allotted to them pursuant to this Issue.

General Instructions

Do's:

(a) Check if you are eligible to apply;

(b) Ensure that you have Bid within the Price Band;

(c) Read all the instructions carefully and complete the Resident Bid cum Application Form (white in colour) or Non-Resident Bid cum Application Form (blue in colour), the Employee Bid cum application Form (pink in colour) or the Anchor Investor Bid cum Application Form (white in colour) as the case may be;

(d) Ensure that the details about Depository Participant and Beneficiary Account are correct as Allotment of Equity Shares will be in the dematerialized form only;

(e) Ensure that the Bids are submitted at the bidding centres only on forms bearing the stamp of a member of the Syndicate;

(f) Ensure that you have been given a TRS for all your Bid options;

(g) Submit revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(h) Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, each of the Bidders should mention their Permanent Account Number (PAN) allotted under the I.T. Act.;

(i) Ensure that the Demographic Details (as defined below) are updated, true and correct in all respects;

(j) 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. In case 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.

Don'ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid/revise Bid Amount to 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;

(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 only;

(f) Do not Bid at Cut-off Price (for QIB Bidders, Non-Institutional Bidders and Eligible Employees bidding in the Employee Reservation Portion for Bid amount in excess of Rs. 100,000);

(g) Do not fill up the Bid cum Application Form such that the Equity Shares Bid 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;

(h) Do not submit the Bid without the applicable Margin Amount;

(i) Do not Bid for amount exceeding Rs. 100,000 in case of a Bid by Retail Individual Bidders; and

(j) **Do not submit the GIR number instead of the PAN as the Bid is liable to be rejected on this ground.**

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 or the Registered Office of the Company or the Registrar to the Issue.

Bids and Revisions of Bids

Bids and revisions of Bids must be:

(a) Made only in the prescribed Bid cum Application Form or Revision Form, as applicable (white for Resident Indians and Eligible NRIs applying on a non-repatriation basis, blue colour for NRIs, FVCIs and FIIs applying on a repatriation basis, pink colour for Bidders under Employee Reservation portion, white for ASBS Bidders and white for Anchor Investors.

(b) Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

(c) For Retail Individual Bidders (including Eligible NRIs) the Bid must be for a minimum of [•] Equity Shares and in multiples of [•] thereafter subject to a maximum Bid Amount of 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 Cut-off option, the Bid would be considered for allocation under the Non-Institutional Bidders portion. The Cut-off option is an option given only to the Retail Individual Bidders indicating their agreement to Bid and purchase at the final Issue Price as determined at the end of the Book Building Process.

(d) For Non-Institutional Bidders and QIB Bidders bidding in the Net QIB Portion (including Eligible NRIs), Bids must be for a minimum of such number of Equity Shares that the Bid Amount exceeds or equal to Rs. 100,000 and in multiples of [•] Equity Shares thereafter. Anchor Investors must ensure that Bids must make a minimum Bid of such number of Equity Shares that the Bid Amount is at least Rs. 1,000 million. 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 or regulations. Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid Date and QIBs bidding in the Net QIB Portion canot withdraw their Bid after the Bid Closing Date.

(e) Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis shall be in the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

(f) 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 QIBs are not allowed to Bid at Cut off Price.

(g) For Employee Reservation Category, the Bid must be for a minimum of [•] Equity Shares in multiple of [●] thereafter.

(h) In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

(i) 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.

Bids by Eligible Employees

For the purpose of the Employee Reservation Portion, Eligible Employee means all or any of the following:

(a) a permanent employee of our Company or our Subsidiaries as on date of filing of Red Herring Prospectus with the RoC working in India as on the date of submission of the Bid cum Application Form.

(b) a Director of our Company and/ or our Subsidiaries, whether a whole time Director except any Promoters or members of the Group Entities, part time Director or otherwise as on date of filing of Red Herring Prospectus and based and present in India as on the date of submission of the Bid cum Application Form.

Bids under Employee Reservation Portion by Eligible Employees shall be:

- Made only in the prescribed Bid cum Application Form or Revision Form (i.e. pink colour form).
- Only Eligible Employees (as defined above) would be eligible to apply in this Issue under the Employee Reservation Portion.
- Eligible Employees, as defined above, should mention the Employee Number at the relevant place in the Bid cum Application Form.
- The sole/ first Bidder shall be the Eligible Employee as defined above.
- Bids by Eligible Employees will have to Bid like any other Bidder. Only those Bids, which are received at or above the Issue Price, would be considered for allocation under this category.
- The Bids must be for a minimum of [•] Equity Shares and in multiples of [•] Equity Shares thereafter. The Allotment in the Employee Reservation portion will be on a proportional basis.
- Eligible Employees who Bid for Equity Shares of or for a value of not more than Rs. 100,000 in any of the bidding options can apply at Cut-off Price. This facility is not available to other Eligible Employees whose Bid Amount in any of the bidding options exceeds Rs. 100,000.
- The maximum Bid under Employee Reservation Portion by an Employee cannot exceed [•] Equity Shares.
- Bids by Eligible Employees can also be made in the "Net Issue" portion and such Bids shall not be treated as multiple Bids.
- If the aggregate demand in this category is less than or equal to [•] Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand. Any unsubscribed portion in the Employee Reservation Portion shall be added to the Net Issue to the public. In case of under-subscription in the Net Issue, spill over to the extent of under-subscription shall be permitted from the Employee Reservation portion.
- If the aggregate demand in this category is greater than 250,000 Equity Shares at or above the Issue

Price, the allocation shall be made on a proportionate basis. For the method of proportionate basis of allocation, see "***Issue Procedure - Basis of Allotment***" on page 329.

Bids by Anchor Investors

The Company may consider participation by Anchor Investors in the QIB Portion for up to 3,555,000 Equity Shares in accordance with the applicable ICDR Regulations. Only QIBs as defined in Regulation 2 (zd) of the ICDR Regulations and not otherwise excluded pursuant to Schedule XI (10) (k) of the ICDR Regulations are eligible to invest. The QIB Portion shall be reduced in proportion to the allocation under the Anchor Investor Portion. In the event of under-subscription in the Anchor Investor Portion, the balance Equity Shares shall be added to the Net QIB Portion. In accordance with the ICDR Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

(a) Anchor Investors Bid cum Application Form have been made available for Anchor Investor Portion at our Registered Office, members of the Syndicate and the Registrar to the Issue.

(b) The Bid must be for a minimum of such number of Equity Shares so that the Bid Amount exceeds Rs. 100 million and in multiples of [●] Equity Shares thereafter. A Bid cannot be submitted for more than 30% of the QIB Portion.

(c) One-third of the Anchor Investor Portion shall be reserved for allocation to domestic mutual funds.

(d) The Bidding for Anchor Investors shall open one day before the Bid Opening Date and shall be completed on the same day.

(e) The Company, in consultation with the GCBRLM and CBRLM, shall finalise Allocation to the Anchor Investors on a discretionary basis, subject to compliance with requirements regarding minimum number of Allottees.

(f) The number of Equity Shares allocated to Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the GCBRLM and CBRLM before the Bid Opening Date.

(g) Anchor Investors shall pay Anchor Investor Margin Amount representing 25% on the Bid Amount at the time of submission of the Bid. Any difference between the amount payable by the Anchor Investor for Equity Shares allocated and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Anchor Investor within two days of the Bid Closing Date.

(h) In case the Issue Price is greater than the Anchor Investor Issue Price, the additional amount being the difference between the Issue Price and the Anchor Investor Issue Price shall be paid by the Anchor Investors by the Pay-in-Date. In the event the Issue Price is lower than the Anchor Investor Issue Price, the Allotment to Anchor Investors shall be at the higher price i.e. the Anchor Investor Issue Price.

(i) The Equity Shares allotted in the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment in the Issue.

(j) None of GCBRLM, the CBRLM nor any person related to the GCBRLM, CBRLM, Promoters, Promoter Group shall participate in the Anchor Investor Portion.

(k) Bids made by QIBs under both the Anchor Investor Portion and the Net QIB Portion shall not be considered as multiple Bids.

(l) The payment instruments for payment into the Escrow Account should be drawn in favour of:

- In case of Resident Anchor Investors: "DEN – Escrow Account – Anchor Investor"
- In case of Non-Resident Anchor Investors: "DEN – Escrow Account – Anchor Investor - NR"

The minimum number of Allotees in the Anchor Investor Portion shall not be less than:

(a) two, where the allocation under Anchor Investor Portion is up to Rs. 2,500 million; and
(b) five, where the allocation under Anchor Investor Portion is more than Rs. 2,500 million.

Additional details, if any, regarding participation in the Issue under the Anchor Investor Portion shall be disclosed in the advertisement for the Price Band which shall be taken out by the Company in a national English and Hindi newspaper at least two working days prior to the Bid Opening Date.

The Red Herring Prospectus, in so far as it relates to terms of the Issue should be read in conjunction with the aforestated paragraphs, to the extent applicable.

Bidder's Bank Details

Bidders should note that on the basis of 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 demographic details including address, Bidders bank account details, MICR code 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, ECS, NEFT and RTGS) to the Bidders. 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 at the Bidders sole risk and neither the GCBRLM, the CBRLM nor the Registrar to the Issue nor the Escrow Collection Banks nor our Company shall have any responsibility and undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details in the Bid cum Application Form.

Bidders Depository Account Details

IT IS MANDATORY FOR ALL THE BIDDERS TO GET THEIR EQUITY SHARES IN DEMATERIALISED FORM. ALL BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE BID CUM APPLICATION FORM. INVESTORS MUST 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, IT SHOULD BE ENSURED 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.

These Demographic Details would be used for all correspondence with the Bidders including mailing of the refund orders/CANs/Allocation Advice and printing of Bank particulars on the refund order or making refunds electronically and the Demographic Details given by Bidders in the Bid cum Application Form would not be used for any other purpose by the Registrar to the Issue. Hence the Bidders are advised to update their Demographic Details as provided to the DP and ensure they are true and correct.

By signing the Bid cum Application Form, the Bidder would be deemed to have authorised the depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders (where refunds are not being made electronically)/Allocation Advice/CANs would be mailed at 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 the same 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 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 Bidders sole risk and neither our Company, Escrow Collection Bank(s) nor the GCBRLM, the CBRLM shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay. In case of refunds through electronic modes as detailed in the Red Herring Prospectus, Bidders may note that refunds may get delayed if bank particulars obtained from the Depository Participant are incorrect.

In case no corresponding record is available with the Depositories, which 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's identity, then such Bids are liable to be rejected.

Our Company in its absolute discretion, reserve the right to permit the holder of the power of attorney to request the Registrar that for the purpose of printing particulars on the refund order and mailing of the refund order/CANs/allocation advice, the Demographic Details given on the Bid cum Application Form should be used (and not those obtained from the Depository of the Bidder). In such cases, the Registrar shall use Demographic Details as given in the Bid cum Application Form instead of those obtained from the depositories.

Bids by Non Residents, NRIs, FIIs and Foreign Venture Capital Funds registered with SEBI on a repatriation basis

Bids and revision to Bids must be made:

1. On the Bid cum Application Form or the Revision Form, as applicable (blue in colour), and completed in full in BLOCK LETTERS in ENGLISH in accordance with the instructions contained therein.

2. In a single name or joint names (not more than three).

3. Eligible NRIs for a Bid Amount of up to Rs. 100,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount of more than Rs. 100,000 would be considered under Non-Institutional Portion for the purposes of allocation; by other eligible Non Resident Bidders for a minimum of such number of Equity Shares and in multiples of [•] thereafter that the Bid Amount exceeds Rs. 100,000.

For further details, please refer to the "***Issue Procedure - Maximum and Minimum Bid Size***" on page 308.

In the names of individuals, or in the names of FIIs but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only 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 US 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 in the Bid cum Application Form. Our Company will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

Our Company has received all relevant approvals for the Issue of Equity Shares to Eligible NRIs, FIIs, foreign venture capital investors registered with SEBI and multilateral and bilateral development financial institutions and other Eligible NRIs. As per the RBI regulations, OCBs are not permitted to participate in the Issue.

There is no reservation for Non Residents, NRIs, FIIs and foreign venture capital funds and all Non Residents, NRI, FII and foreign venture capital funds applicants will be treated on the same basis with other categories for the purpose of allocation.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, 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 along 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 case of Bids made pursuant to a power of attorney by FIIs, FVCIs 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 their SEBI registration certificate must be lodged along 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 case of Bids made pursuant to a power of attorney by Mutual Funds, 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 their SEBI registration certificate must be lodged along 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 case of Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by Insurance Regulatory and Development Authority must be lodged along 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 case of Bids made by provident funds with minimum corpus of Rs. 250 million (subject to applicable law) and pension funds with minimum corpus of Rs. 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be lodged along 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 thereof.

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, the GCBRLM and the CBRLM may deem fit.

Payment Instructions

Escrow Mechanism

Our Company and the members of the Syndicate shall open Escrow Account(s) with the Escrow Collection Bank(s) for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation/Allotment in the Issue.

The Escrow Collection Banks will act in terms of the Red Herring Prospectus and the Escrow Agreement. The Escrow Collection Bank(s), for and on behalf of the Bidders, shall maintain the monies in the Escrow Account. The Escrow Collection Bank(s) 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 Bank(s) shall transfer the funds equivalent to the size of the Issue from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account and Refund Account as per the terms of the Escrow Agreement. The balance amount after transfer to the Public Issue Account shall be held for the benefit of the Bidders who are entitled to refunds. Payments of refund to the Bidders shall also be made from the Refund Account are 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 members of the Syndicate, the Escrow Collection Bank(s) and the Registrar to the Issue to facilitate collections from the Bidders.

Payment into Escrow Account(s)

Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation/Allotment as per the following terms:

1. The Bidders for whom the applicable Margin Amount is equal to 100%, shall, with the submission of the Bid cum Application Form, draw a payment instrument for the Bid Amount in favour of the Escrow Account(s) and submit the same to the members of the Syndicate.

2. In case of QIBs (including Anchor Investors) bidding in the QIB Portion, where the margin is less than 100% of the Bid Amount, the balance amount shall be paid by the Bidders into the Escrow Account(s) within the period specified in the CAN. If the payment is not made in favour of the Escrow Acoount within the stipulated time, the Bid is liable to be rejected. For Anchor Investors, see also "***Payment Instructions for Anchor Investors***" below.

3. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    - In case of QIB Bidders: **"**Escrow Account– DEN Public Issue – QIB – R"

- In case of non-resident QIB Bidders: **“**Escrow Account– DEN Public Issue – QIB– NR”
- In case of Resident Bidders: **“**Escrow Account– DEN Public Issue”
- In case of Non Resident Bidders: “Escrow Account – DEN Public Issue – NR”
- In case of Eligible Employees- “Escrow Account – DEN Public Issue – Employees”
- In case of Resident Anchor Investors: “Escrow Account – DEN Public Issue -Anchor Investor”
- In case of Non-Resident Anchor Investors: “DEN – Escrow Account – DEN Public Issue Anchor Investor - NR”

4. In case of Bids by NRIs applying on 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 Non-Resident External (NRE) Accounts or Foreign Currency Non-Resident (FCNR) Accounts, maintained with banks authorised 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 Non-Resident Bidder bidding on a repatriation basis. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to NRE Account or FCNR Account maintained with banks authorised to deal in foreign exchange in India.

5. In case of Bids by FIIs, or FVCIs the payment should be made out of funds held in Special Rupee Account along with documentary evidence in support of the remittance. Payment by drafts should be accompanied by bank certificate confirming that the draft has been issued by debiting to Special Rupee Account.

6. Where a Bidder has been allocated/ Allotted 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.

7. The monies deposited in the Escrow Account(s) will be held for the benefit of the Bidders till the Designated Date.

8. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Account(s) as per the terms of the Escrow Agreement into the Public Issue Account with the Bankers to the Issue.

9. On the Designated Date and no later than 15 days from the Bid Closing Date, the Escrow Collection Bank shall also refund all amounts payable to unsuccessful Bidders and also the excess amount paid on Bidding, if any, after adjusting for allocation/Allotment to the Bidders.

10. 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.

11. Bidders are advised to mention the number of application form on the reverse of the cheque / demand draft to avoid misuse of instruments submitted along with the Bid cum Application Form.

12. In case clear funds are not available in the Escrow Accounts as per final certificates from the Escrow Collection Banks, such Bids are liable to be rejected.

Payment Instructions for Anchor Investors

1. Anchor Investors shall provide the Anchor Investor Margin Amount, i.e. at least 25% of the Bid

Amount along with the submission of the Bid cum Application Form by drawing a cheque or demand draft for the Bid Amount in favour of the Escrow Account of the Escrow Collection Bank(s) and submit the same to the member of the Syndicate to whom the Bid cum Application Form is being submitted. Bid cum Application Forms accompanied by cash shall not be accepted.

2. Company in consultation with the GCBRLM and the CBRLM in their absolute discretion, shall decide the list of Anchor Investors to whom the provisional CAN or CAN shall be sent, pursuant to which the details of the Equity Shares allocated to them and the details of the amounts payable for allotment of such Equity Shares in their respective names shall be notified to such QIBs.

3. Any difference between the amount payable by the Anchor Investor for Equity Shares allocated/ Allotted and the Anchor Investor Margin Amount paid at the time of Bidding, shall be payable by the Bidder within two days of the Bid Closing Date. If the payment is not made favouring the Escrow Account within the time stipulated above, the Bid of the Anchor Investor is liable to be cancelled.

4. The payment instruments for payment into the Escrow Account should be drawn in favour of:

    - In case of Resident Anchor Investors: "Escrow Account – DEN Public Issue- Anchor Investor"
    - In case of Non-Resident Anchor Investor: "Escrow Account – DEN Public Issue- Anchor Investor – NR"

Payment by Stockinvest

In 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. Hence, payment through stockinvest would 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.

No separate receipts shall be issued for the money payable on the submission of Bid cum Application Form or Revision Form. 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.

Other Instructions

Joint Bids in the case of Individuals

Bids may be made in single or joint names (not more than three). In the 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 communications 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 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. Bids by Eligible Employees can be made also in the "Net Issue to the Public" and such Bids shall not be treated as multiple Bids. Anchor Investors can Bid under the Anchor Investor Portion and also in the QIB Portion and such Bids shall not be treated as multiple Bids.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories. 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 would serve as a multiple master.

2. In this master, a check will be carried out for the same PAN. In cases where the PAN is different, the same will be deleted from this master.

3. The Registrar will obtain, from the depositories, details of the applicant's address based on the DP ID and Beneficiary Account Number provided in the Bid-cum-Application Form and create an address master.

4. The addresses of all the applications in the multiple master will be strung from the address master. This involves putting the addresses in a single line after deleting non-alpha and non-numeric characters i.e. commas, full stops, hash etc. Sometimes, the name, the first line of address and pin code will be converted into a string for each application received and a photo match will be carried out amongst all the applications processed. A print-out of the addresses will be taken to check for common names. The applications with same name and same address will be treated as multiple applications.

5. The applications will be scrutinised for DP ID and Beneficiary Account Numbers. In case applications bear the same DP ID and Beneficiary Account Numbers, these will be treated as multiple applications.

6. Subsequent to the aforesaid procedures, a print out of the multiple master will be taken and the applications physically verified to tally signatures as also father's/ husband's names. On completion of this, the applications will be identified as multiple applications.

Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

Permanent Account Number or PAN

Except for Bids on behalf of the Central or State Government and the officials appointed by the courts, 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")

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, 2005 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.

Right to Reject Bids

In case of QIB Bidders bidding in the Net QIB Portion, our Company in consultation with the GCBRLM and the CBRLM may reject Bids provided that the reasons for rejecting the same shall be provided to such Bidder in writing. Provided further that, our Company in consultation with the GCBRLM and CBRLM, reserve the right to reject any Bid received from Anchor Investors without assigning any reasons therefore. In case of Non-Institutional Bidders, Retail Individual Bidders and Bids by Eligible Employees bidding in the Employee Reservation Portion, our Company has a right to reject Bids based on technical grounds. Consequent refunds shall be made through any of the modes described in the Red Herring Prospectus and will be sent to the Bidder's address at the Bidder's risk.

Grounds for Technical Rejections

Bidders are advised to note that Bids are liable to be rejected *inter alia* on the following technical grounds:

1. Amount paid does not tally with the amount payable for the highest value of Equity Shares Bid for;

2. Age of First Bidder not given;

3. 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;

4. Bid by persons not competent to contract under the Indian Contract Act, 1872 including minors, insane persons;

5. PAN not stated or GIR number stated instead (except for Bids on behalf of the Central or State Government and the officials appointed by the courts);

6. Bids for lower number of Equity Shares than specified for that category of investors;

7. Bids at a price less than the Floor Price;

8. Bids at a price more than the Cap Price;

9. Bids at Cut off Price by Non-Institutional Bidders, QIB Bidders and Eligible Employees bidding in the Employee Reservation Portion exceeding Rs. 100,000;

10. Bids for number of Equity Shares which are not in multiples of [•];

11. Category not ticked;

12. Multiple Bids as described in this Red Herring Prospectus;

13. In case of Bid under power of attorney or by limited companies, corporate, trust etc., relevant documents are not submitted;

14. Bids accompanied by Stockinvest/money order/postal order/cash;

15. Signature of sole and/or joint Bidders missing;

16. Bid cum Application Forms does not have the stamp of the GCBRLM, the CBRLM or the Syndicate Member's;

17. Bid cum Application Forms does not have Bidder's depository account details or the details given are incomplete;

18. Bid cum Application Forms are not delivered by the Bidders within the time prescribed as per the Bid cum Application Forms, Bid Opening Date advertisement and the Red Herring Prospectus and as per the instructions in the Red Herring Prospectus and the Bid cum Application Forms;

19. 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 Depositary Participant's identity (DP ID) and the beneficiary's account number;

20. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;

21. Bids by QIBs not submitted through the Syndicate;

22. Bids by OCBs;

23. Bids by persons in the Employee Reservation Portion not qualifying as Eligible Employees;

24. Bids by persons in the United States;

25. Bids where clear funds are not available in the Escrow Accounts as per the final certificate from the Escrow Collection Banks;

26. Bids not uploaded in the Book would be rejected;

27. Bids or revision thereof by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs. 100,000 uploaded after 5.00 P.M. on the Bid Closing Date;

28. Bank account details for the refund not given;

29. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

30. Bids by persons who are not eligible to acquire Equity Shares of the Company in terms of all applicable laws, rules, regulations, guidelines and approvals;

31. Bids that do not comply with the securities laws of their respective jurisdictions; and

32. Bids by any persons outside India if not in compliance with applicable foreign and Indian laws.

Equity Shares in Dematerialised Form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Allotment of Equity Shares in this Issue shall be only in a de-materialised form, (i.e., not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode).

In this context, two agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

a) Agreement dated November 7, 2008 with NSDL, our Company and the Registrar to the Issue;

b) Agreement dated November 21, 2008 with CDSL, our Company and the Registrar to the Issue.

All Bidders can seek Allotment only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

a) A Bidder applying for Equity Shares must have at least one beneficiary account with either of the Depository Participants of either NSDL or CDSL prior to making the Bid.

b) 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.

c) Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

d) Names in the Bid cum Application Form or Revision Form should be identical to those appearing in the account details in the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details in the Depository.

e) 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.

f) 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.

g) Equity Shares in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. The Stock Exchanges where our Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

h) The trading of the Equity Shares of our Company would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

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, Bid cum Application Form number, Bidders Depository Account Details, number of Equity Shares applied for, date of Bid form, name and address of the member of the Syndicate where the Bid was submitted and cheque or draft number and issuing bank thereof.

Investors can contact the Compliance Officer or the Registrar to the Issue in case of any pre-Issue or post-Issue related problems such as non-receipt of letters of Allotment, credit of transferred shares in the respective beneficiary accounts, refunds, etc.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 68 A of the Companies Act, which is reproduced below:

"Any person who:

(a) makes 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."

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 category. The Allotment to all the successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional 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 aggregate demand in this category is less than or equal to 5,925,000 Equity Shares at or above the Issue Price, full Allotment shall be made to the Retail Individual Bidders to the extent of their valid Bids.
- If the aggregate demand in this category is greater than 5,925,000 Equity Shares at or above the Issue Price, the Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment, 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 category. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.
- The Issue size less Allotment to QIBs and Retail Portion shall be available for Allotment 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 aggregate demand in this category is less than or equal to 1,975,000 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 aggregate demand in this category is greater than 1,975,000 Equity Shares at or above the Issue Price, Allotment shall be made on a proportionate basis up to a minimum of [•] Equity Shares. For the method of proportionate basis of Allotment refer below.

C. For Employee Reservation Portion

- Bids received from the Eligible Employees at or above the Issue Price shall be grouped together to determine the total demand under this category. The allocation to all the successful Eligible Employees will be made at the Issue Price.

- If the aggregate demand in this category is less than or equal to 250,000 Equity Shares at or above the Issue Price, full allocation shall be made to the Eligible Employees to the extent of their demand.

- If the aggregate demand in this category is greater than 250,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis up to a minimum of [•] Equity Shares and in multiple of [•] Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

- Only Eligible Employees eligible to apply under Employee Reservation Portion.

D. For QIBs in the Net QIB Portion

- Bids received from the QIB Bidders bidding in the Net QIB Portion, at or above the Issue Price, shall be grouped together to determine the total demand under this portion. The Allotment to all the QIB Bidders will be made at the Issue Price.

- The Net QIB Portion shall be available for Allotment to QIB Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- Allotment shall be undertaken in the following manner:

  (a) In the first instance allocation to Mutual Funds for 5% of the Net QIB Portion shall be determined as follows:

  (i) In the event that Mutual Fund Bids exceeds 5% of the Net QIB Portion, allocation to Mutual Funds shall be done on a proportionate basis for 5% of the Net QIB Portion.

  (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the Net 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 for Allotment to all QIB Bidders as set out in (b) below;

  (b) In the second instance Allotment to all QIBs shall be determined as follows:

  (i) In the event that the oversubscription in the Net QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis for up to 95% of the Net 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 Net QIB Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

- The aggregate allocation to QIB Bidders shall be at least 11,850,000 Equity Shares. The method of proportionate basis of allotment is stated below.

E. For Anchor Investors

Allocation of Equity Shares to Anchor Investors at the Anchor Investor Issue Price will be at the discretion of the Company, in consultation with the GCBRLM and CBRLM, subject to compliance with the following requirements:

(i) not more than 30% of the QIB Portion will be allocated to Anchor Investors.
(ii) at least one-third of the Anchor Investor Portion shall be available for allocation to Mutual Funds only.
(iii) Allocation to a minimum number of two Anchor Investors.

The number of Equity Shares Allotted to Anchor Investors and the Anchor Investor Issue Price, shall be made available in the public domain by the GCBRLM and the CBRLM before the Bid Opening Date

Illustration of Allotment to QIBs and Mutual Funds ("MF") in the Net QIB Portion

Issue Details

Sr. No.	Particulars	Issue details
1	Issue size	200 million Equity Shares
2	Allocation to QIB (60%)	120 million Equity Shares
	Of which:	
	a. Reservation to MF (5%)	6 million Equity Shares
	b. Balance for all QIBs including MFs	114 million Equity Shares
3	No. of QIB applicants	10
4	No. of shares applied for	500 million Equity Shares

B. Details of QIB Bids

S. No	Type of QIB bidders#	No. of Equity Shares bid for (in millions)
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 6 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
(I)	**(II)**	**(III)**	**(IV)**	**(V)**

Type of QIB bidders	Shares bid for	Allocation of 6 million Equity Shares to MF proportionately (please see note 2 below)	Allocation of balance 114 million Equity Shares to QIBs proportionately (please see note 4 below)	Aggregate allocation to MFs
A1	50	0	11.40	0
A2	20	0	4.5	0
A3	130	0	29.6	0
A4	50	0	11.4	0
A5	50	0	11.4	0
MF1	40	1.2	9.1	10.3
MF2	40	1.2	9.1	10.3
MF3	80	2.4	18.2	20.6
MF4	20	0.6	4.5	5.2
MF5	20	0.6	4.5	5.2
	500	**6**	**114**	**51.6**

Please note:

1. The illustration presumes compliance with the requirements specified in this Red Herring Prospectus in "***Issue Structure***" on page 301.
2. Out of 114 million equity shares allocated to QIBs, 6 million (i.e. 5%) will be allocated on proportionate basis among 5 mutual fund applicants who applied for 200 shares in QIB category.
3. The balance 95 million equity shares (i.e. 100 - 5 (available for mutual funds)) will be allocated on proportionate basis among 10 QIB applicants 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 114 million equity shares to QIBs proportionately" in the above illustration are arrived as under:
   - For QIBs other than mutual funds (A1 to A5)= No. of shares bid for (i.e. in column II) X 114 / 494
   - 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 114/494
   - The numerator and denominator for arriving at allocation of 114 million shares to the 10 QIBs are reduced by 6 million shares, which have already been allotted to mutual funds in the manner specified in column III of the table above.

Basis of Allotment

Except in relation to Anchor Investors, in the event of the Issue being over-subscribed, our 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 GCBRLM, the CBRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalized in a fair and proper manner.

Except in relation to Anchor Investors, 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 [•] Equity Shares per Bidder, the allotment shall be made as follows:

- Each successful Bidder shall be Allotted a minimum of [•] Equity Shares; and
- 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.

e) If the proportionate Allotment to a Bidder is a number that is more than [•] but is not a multiple of one (which is the marketable lot), the decimal would be rounded off to the higher whole number if that number is 0.5 or higher. If that number is lower than 0.5, it would be rounded off to the lower whole number. All Bidders in such categories would be Allotted Equity Shares 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 Alotment 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.

g) Subject to valid Bids being received, Allotment of Equity Shares to Anchor Investors will be at the discretion of the Company, in consultation with the GCBRLM and CBRLM.

Payment of Refund

Bidders must note that on the basis of name of the Bidders, Depository Participant's name, DP ID, Beneficiary Account number provided by them in the Bid-cum-Application Form, the Registrar will obtain, from the Depositories, the Bidders' address, bank account details, including the nine digit Magnetic Ink Character Recognition ("**MICR**") code as appearing on a cheque leaf. Hence Bidders are adviced 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 of refund order or refunds through electronic transfer of funds, as applicable, and any such delay shall be at the Bidders' sole risk and neither our Company, the Registrar, Escrow Collection Bank(s), Bankers to the Issue nor the GCBRLM or the CBRLM shall be liable to compensate the Bidders for any losses caused to the Bidder due to any such delay or liable to pay any interest for such delay.

Mode of making refunds

The payment of refund, if any, would be done through various modes in the following order of preference:

1. ECS – Payment of refund would be done through ECS for applicants having an account at any of the following 68 centers. This mode of payment of refunds would be subject to availability of complete bank account details including the MICR code as appearing on a cheque leaf, from the Depositories. The payment of refunds is mandatory for applicants having a bank account at any of the abovementioned 68 centers, except where the applicant, being eligible, opts to receive refund through Direct Credit, NEFT or RTGS.

2. Direct Credit – Applicants having bank accounts with the Refund Banker(s), in this case being, ICICI Bank Limited shall be eligible to receive refunds through direct credit. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company.

3. NEFT (National Electronic Fund Transfer) – Payment of refund shall be undertaken through NEFT wherever the applicants' bank branch is NEFT enabled and has been assigned the Indian Financial

System Code (IFSC), which can be linked to a Magnetic Ink Character Recognition (MICR) code of that particular bank branch. IFSC Code will be obtained from the website of RBI as on a date prior to the date of payment of refund, duly mapped with MICR code. 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. The process flow in respect of refunds by way of NEFT is at an evolving stage and hence use of NEFT is subject to operational feasibility, cost and process efficiency and the past experience of the Registrars to the Issue. In the event that NEFT is not operationally feasible, the payment of refunds would be made through any one of the other modes as discussed in this section.

4. RTGS – Applicants having a bank account at any of the abovementioned 15 centres and whose refund amount exceeds Rs. 1 million, have the option to receive refund through RTGS. Such eligible applicants who indicate their preference to receive refund through RTGS are required to provide the IFSC code in the Bid-cum-application Form. In the event the same is not provided, refund shall be made through ECS. Charges, if any, levied by the Refund Bank(s) for the same would be borne by our Company. Charges, if any, levied by the applicant's bank receiving the credit would be borne by the Bidder.

5. For all other applicants, including those who have not updated their bank particulars with the MICR code, the refund orders will be dispatched under certificate of posting for value up to Rs. 1,500 and through Speed Post/ Registered Post for refund orders of Rs. 1,500 and above. Such 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 centers will be payable by the Bidders.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY

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 working days of date of Basis of Allotment of Equity Shares.

In case of applicants who receive refunds through ECS, direct credit or RTGS, the refund instructions will be given to the clearing system within 15 days from the Bid Closing Date. A suitable communication shall be sent to the Bidders receiving refunds through this mode within 15 days of Bid 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 seven working days of the Basis of Allotment of Equity Shares.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the ICDR Regulations, Our Company further undertakes that:

- Allotment of Equity Shares shall be made only in dematerialized form within 15 (fifteen) days of the Bid Closing Date;

- 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 15 (fifteen) days of the Bid Closing Date would be ensured; and

Our Company shall pay interest at 15% per annum for any delay beyond the 15 day 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 15 day time prescribed above as per the guidelines issued by the Government of India, Ministry of Finance pursuant to their letter No. F/8/S/79 dated July 31, 1983, as amended by their letter No. F/14/SE/85 dated September 27, 1985, addressed to the stock exchanges, and as further modified by SEBI's Clarification XXI dated October 27, 1997, with respect to the ICDR Regulations.

Letters of Allotment or Refund Orders

Our Company shall give credit to the beneficiary account with depository participants within two working days of finalization of the basis of Allotment of Equity Shares, and shall dispatch refund orders, if any, of value up to Rs. 1,500, by "Under Certificate of Posting", and will 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 15 days of the Bid Closing Date. Applicants residing at sixty eight centers where clearing houses are managed by the RBI, will get refunds through ECS subject to adequate details being available in the demographic details received from the depositories, except where applicant is otherwise disclosed as eligible to get refunds through direct credit and RTGS.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the ICDR Regulations, our Company further undertakes that:

- Allotment of Equity Shares will be made only in dematerialized form within 15 days from the Bid Closing Date;

- Dispatch of refunds will be done within 15 days from the Bid Closing Date; and

- They will pay interest at 15% per annum (for any delay beyond the 15 day time period as mentioned above), if allotment is not made, refund instruction are not given and/or demat credits are not made to investors within the 15 day time prescribed above.

Our Company will provide adequate funds required for dispatch of refunds orders or Allotment advice to the Registrar to the Issue.

Refunds will be made through any of the modes described above and bank charges, if any, for encashing cheques, pay orders or demand drafts at other centers will be payable by the Bidders.

Interest in case of delay in dispatch of Allotment letters/refund orders

We agree that Allotment of securities offered to the public shall be made not later than 15 days from the Bid Closing Date. We further agree that we shall pay interest at 15% per annum if the Allotment letters/refund orders have not been dispatched to the applicants 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 within 15 days from the Bid Closing Date.

In case of revision in the Price Band, the Bidding Period will be extended for three additional days after revision of Price Band. Any revision in the Price Band and the revised Bid Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the web site of the GCBRLM, the CBRLM and at the terminals of the Syndicate.

UTILIZATION OF ISSUE PROCEEDS

The Board of Directors declares that:

- All monies received out of this Issue shall be transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 73 of the Companies Act;

- Details of all monies utilized out of the Issue shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;

- Details of all unutilised monies out of the Issue, if any, shall be disclosed under an appropriate separate head in the balance sheet of our Company indicating the form in which such unutilized monies have been invested.

UNDERTAKINGS BY OUR COMPANY

Our Company undertakes the following:

- that no further issue of Equity Shares shall be made until 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 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 seven working days of finalisation of the basis of Allotment;

- that the complaints received in respect of this Issue shall be attended to expeditiously. Our Company has authorised our Company Secretary as the Compliance Officer to redress all complaints, if any, of the investors participating in this Issue;

- that the funds required for making refunds or dispatch of Allotment advice by registered post or speed post shall be made available to the Registrar to the Issue;

- that the certificates of the securities/ refund orders to the eligible non-resident Indians or FIIs shall be despatched within specified time;

- that the refund instruction shall be given or Allotment advice to the successful Bidders shall be dispatched within specified time;

- that where the refunds are effected through the electronic transfer of funds, suitable communication shall be sent to the applicants within 15 days of closure of the Issue giving details of the bank where refunds shall be credited along with the amount and expected date of electronic credit of the refund;

- 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; and

- That we shall pay interest of 15% per annum (for any delay beyond 15 days) if allotment has not been made and refund orders have not been dispatched within aforesaid dates.

ISSUE PROCEDURE FOR ASBA BIDDERS

This section is for the information of investors proposing to subscribe to the Issue through the ASBA process. Our Company, the GCBRLM and the CBRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Red Herring Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Bid cum Application Form is correctly filled up, as described in this section.

The list of banks that have been notified by SEBI to act as SCSB for the ASBA Process are provided on http://www.sebi.gov.in/pmd/scsb.pdf. For details on designated branches of SCSBs collecting the ASBA Bid cum Application Form, please refer the above mentioned SEBI link.

ASBA Process

A Resident Retail Individual Investor shall submit his Bid through an ASBA Bid cum Application Form, either in physical or electronic mode, to the SCSB with whom the bank account of the ASBA Bidder or bank account utilised by the ASBA Bidder ("**ASBA Account**") is maintained. The SCSB shall block an amount equal to the Bid Amount in the bank account specified in the ASBA Bid cum Application Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the Bid. The Bid Amount shall remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against the allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until withdrawal/rejection of the ASBA Bid, as the case may be. The ASBA data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. 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 bank accounts and for transferring the amount allocable to the successful ASBA 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 GCBRLM and the CBRLM.

ASBA Bid cum Application Form

ASBA Bidders shall use the ASBA Bid cum Application Form bearing the stamp of the Syndicate Member and/or the Designated Branch of SCSB, as the case may be, for the purpose of making a Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Bid cum Application form at the Designated Branch of the SCSB. In case of application in electronic form, the ASBA Bidder shall submit the ASBA Bid cum Application Form either through the internet banking facility available with the SCSB, or such other electronically enabled mechanism for bidding and blocking funds in the ASBA Account held with SCSB, and accordingly registering such Bids. The ASBA Bidders can submit only one Bid option in the ASBA Bid cum Application Form which shall be at Cut-off Price.

Upon the allocation of Equity Shares, dispatch of the CAN, and filing of the Prospectus with the RoC, the ASBA Bid cum Application Form shall be considered as the Application Form. Upon completing and submitting the ASBA Bid cum Application Form to the Designated Branch of the SCSB, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the Red Herring Prospectus as would be required for filing the Prospectus with the RoC and as would be required by RoC after such filing, without prior or subsequent notice of such changes to the ASBA Bidder.

The prescribed colour of the ASBA Bid cum Application Form shall be white.

Who can Bid?

In accordance with the ICDR Regulations, only Resident Retail Individual Investor can submit their application through ASBA process to bid for the Equity Shares of our Company.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter. The maximum ASBA Bid cannot exceed [●] Equity Shares in order to ensure that the total Bid Amount blocked in respect of the ASBA Bidder does not exceed Rs. 1,00,000. The ASBA Bidders shall Bid only at the Cut-off Price indicating their agreement to Bid and purchase Equity Shares at the final Issue Price as determined at the end of the Book Building Process.

Information for the ASBA Bidders:

a. The GCBRLM and the CBRLM shall ensure that adequate arrangements are made to circulate copies of the Red Herring Prospectus and ASBA Bid cum Application Form to the SCSBs and the SCSBs will then make available such copies to investors applying under the ASBA process. Additionally, the GCBRLM and the CBRLM shall ensure that the SCSBs are provided with soft copies of the abridged prospectus and the ASBA Bid cum Application Form and that the same are made available on the websites of the SCSBs.

b. ASBA Bidders, under the ASBA process, who would like to obtain the Red Herring Prospectus and/or the ASBA Bid cum Application Form can obtain the same from the Designated Branches of the SCSBs or the GCBRLM or the CBRLM. ASBA Bidders can also obtain a copy of the abridged prospectus and/or the ASBA Bid cum Application Form in electronic form on the websites of the SCSBs.

c. The Bids should be submitted on the prescribed ASBA Bid cum Application Form if applied in physical mode. SCSBs may provide the electronic mode of Bidding either through an internet enabled bidding and banking facility or such other secured, electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors.

d. ASBA Bid cum Application Forms should bear the stamp of the Syndicate Member and/or Designated Branch of the SCSB. ASBA Bid cum Application Forms which do not bear the stamp will be rejected.

e. ASBA Bidders shall bid for Equity Shares only at the Cut-off Price, with a single bid option as to the number of Equity Shares.

f. 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.

g. 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.

h. ASBA Bidders shall correctly mention their DP ID and Client ID in the ASBA Bid cum Application Form. For the purpose of evaluating the validity of Bids, the demographic details of ASBA Bidders shall be derived from the DP ID and Client ID mentioned in the ASBA Bid cum Application Form.

i. ASBA Bidders shall not be allowed to revise their Bid and shall not bid under any reserved category.

Method and Process of Bidding

a. ASBA Bidders are required to submit their Bids, either in physical or electronic mode. ASBA Bidders submitting their Bids in physical mode should approach the Designated Branches of the SCSBs. ASBA Bidders submitting their Bids in electronic form shall submit their Bids either using the internet enabled bidding and banking facility of the SCSBs or such other electronically enabled mechanism for bidding and blocking funds in the accounts of the respective eligible investors, and accordingly registering such Bids. Every Designated Branch of the SCSB shall accept Bids from all such investors who hold accounts with them and desire to place Bids through them. Such SCSBs shall have the right to vet the Bids, subject to the terms of the ICDR Regulations and Red Herring Prospectus.

b. The Designated Branches of the SCSBs shall give an acknowledgment specifying the application number to the ASBA Bidders as a proof of acceptance of the ASBA Bid cum Application Form. Such acknowledgment does not in any manner guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

c. Each ASBA Bid cum Application Form will give the ASBA Bidder only one option to bid for the Equity Shares at the Cut-off Price i.e. at the Cap Price of the Price Band and specify the demand (i.e. the number of Equity Shares bid for) in such option. After determination of the Issue Price, the number of Equity Shares bid for by the ASBA Bidder at the Cut-off Price will be considered for allocation along with the non-ASBA Retail Bidders who have bid for Equity Shares at or above the Issue Price or at Cut-off Price.

d. 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.

e. 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.

f. 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. The Designated Branch shall thereafter enter the Bid details from the prescribed ASBA Bid cum Application Form, if submitted in physical mode, or the Bid information submitted through the electronic mode made available by the SCSBs, as the case may be, into the electronic bidding system of the Stock Exchanges and generate a Transaction Registration Slip ("**TRS**"). The TRS shall be furnished to the ASBA Bidder on request.

g. 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 after bidding on one ASBA Bid cum Application Form, either in physical or electronic mode, has been submitted to the Designated Branches of SCSBs or uploaded by the ASBA Bidder, as the case may be. Submission of a second

ASBA Bid cum Application Form or a non-ASBA Bid cum Application Form to either the same or to another Designated Branch of the SCSB 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. **ASBA Bidders are cautioned that Bids for Equity Shares made in the Issue through the ASBA Bid cum Application Form cannot be revised.**

Bidding

a. The Price Band and the minimum Bid lot will be decided by the Company in consultation with the GCBRLM and CBRLM and advertised at least two (2) working days prior to the Bid Opening Date. The ASBA Bidders can submit only one Bid in the ASBA Bid cum Application Form, that is, at Cut-off Price with single option as to the number of Equity Shares.

b. In accordance with the ICDR Regulations, our Company reserves the right to revise the Price Band during the Bidding Period. 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.

c. In case of revision in the Price Band, the Bid/Issue Period will be extended for three additional days after revision of Price Band subject to a maximum of 10 working days. Any revision in the Price Band and the revised Bid/Issue Period, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a public notice in two national newspapers (one each in English and Hindi) and a regional newspaper and also by indicating the change on the websites of the GCBRLM, the CBRLM, SCSBs and at the terminals of the members of the Syndicate.

d. Our Company in consultation with the GCBRLM and the CBRLM can finalise the Issue Price within the Price Band in accordance with this clause, without the prior approval of, or intimation to, the ASBA Bidders.

e. ASBA Bidders agree that they shall purchase the Equity Shares at any price within the Price Band. In the event the Bid Amount is higher than the subscription amount payable (i.e. the total number of Equity Shares allocated in the Issue multiplied by the Issue Price), the ASBA Account shall be unblocked to the extent to such excess of Bid Amount over the subscription amount payable.

f. In case of an upward revision in the Price Band, announced as above, the number of Equity Shares bid for shall be adjusted downwards (to the previous multiple lot) for the purpose of allotment, such that no additional amount is required to be blocked in the bank account of the ASBA Bidder and the ASBA Bidder is deemed to have approved such revised Bid at Cut-off Price.

Mode of Payment

Upon submission of an ASBA Bid cum Application Form with the SCSB, whether in physical or electronic mode, each ASBA Bidder shall be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount, in the bank account maintained with the SCSB.

Bid Amounts paid in cash, by money order or by postal order or by stockinvest, or ASBA Bid cum Application Form accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the SCSB bank accounts, shall not be accepted.

After verifying that 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 till the Designated Date. On the Designated Date, the SCSBs shall transfer the amounts allocable to the ASBA Bidders from the respective ASBA Account, in terms of the ICDR Regulations, into the Public Issue Account. The balance amount, if any against the said Bid in the ASBA Accounts shall then be unblocked by the SCSBs on the basis of the instructions issued in this regard by the Registrar to the Issue.

The entire Bid Amount, as per the Bid cum Application Form submitted by the respective ASBA Bidders, would be required to be blocked in the respective ASBA Accounts from the time of the submission of the ASBA Bid cum Application Form, whether in physical or electronic mode, until finalisation of the Basis of Allotment in the Issue and consequent transfer of the Bid Amount against allocated shares to the Public Issue Account, or until withdrawal/failure of the Issue or until rejection of the ASBA Bid, as the case may be.

Electronic registration of Bids by SCSBs

a. In case of ASBA Bid cum Application Forms, whether in physical or electronic mode, the Designated Branch of the SCSBs will register the Bids using the online facilities of the Stock Exchanges. SCSB shall not upload any ASBA Application Form in the electronic bidding system of the Stock Exchange(s) unless

   (i) it has received the ASBA in a physical or electronic form; and

   (ii) it has blocked the application money in the bank account specified in the ASBA or has systems to ensure that electronic ASBAs are accepted in the system only after blocking of application money in the relevant bank account opened with it.

b. The Stock Exchanges offer a screen-based facility for registering Bids for the Issue which will be available on the terminals of Designated Branches during the Bid/Issue Period. The Designated Branches can also set up facilities for offline electronic registration of Bids subject to the condition that they will subsequently upload the offline data file into the online facilities for book building on a regular basis. On the Bid/Issue Closing Date, the Designated Branches of the SCSBs shall upload the Bids till such time as may be permitted by the Stock Exchanges. ASBA Bidders are cautioned that high inflow of bids typically received on the last day of the bidding may lead to some Bids received on the last day not being uploaded due to lack of sufficient uploading time, and such bids that are not uploaded may not be considered for allocation.

c. The aggregate demand and price for Bids registered on the electronic facilities of the Stock Exchanges will be displayed online at all the Designated Branches of the SCSBs and on the websites of the Stock Exchanges. A graphical representation of consolidated demand and price would be made available at all the Designated Branches of the SCSBs during the Bidding Period.

d. At the time of registering each Bid, the Designated Branches of the SCSBs shall enter the information pertaining to the investor into the online system, including the following details:

   - Name of the Bidder(s);
   - Application Number;
   - Permanent Account Number;
   - Number of Equity Shares Bid for;
   - Depository Participant identification no.; and
   - Client identification No. of the Bidder's beneficiary account.

   In case of electronic ASBA, the ASBA Bidder shall himself fill in all the above mentioned details, except the application number which shall be system generated. The SCSBs shall thereafter upload all the abovementioned details in the electronic bidding system provided by the Stock Exchange(s).

e. A system generated TRS will be given to the ASBA Bidder upon request as proof of the registration of the Bid. **It is the ASBA Bidder's responsibility to obtain the TRS from the Designated Branches of the SCSBs.** The registration of the Bid by the Designated Branch of the SCSB does not guarantee that the Equity Shares bid for shall be Allocated to the ASBA Bidders.

f. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

g. It is to be distinctly understood that the permission given by the Stock Exchanges 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 GCBRLM or the CBRLM or the Designated Branches of the SCSBs are cleared or approved by the Stock Exchanges; 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, our management or any scheme or project of our Company.

h. It is also to be distinctly understood that the approval given by the Stock Exchanges should not in any way be deemed or construed that this Red Herring Prospectus has been cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Red Herring Prospectus; nor does it warrant that our Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

i. The SCSB may reject the ASBA Bid upon receipt of ASBA Bid cum Application Form, if the bank account maintained with the SCSB as mentioned in the ASBA Bid cum Application Form does not have sufficient funds equivalent to the Bid Amount. Subsequent to the acceptance of the Bid by the Designated Branch, our Company would have a right to reject the Bids only on technical grounds.

j. Only Bids that are uploaded on the online IPO system of the Stock Exchanges shall be considered for allocation/Allotment. In case of discrepancy of data between the BSE or NSE and the Designated Branches of the SCSBs, the decision of the Registrar, in consultation with the GCBRLM, the CBRLM, our Company and the Designated Stock Exchange, based on the physical records of the ASBA Bid cum Application Forms shall be final and binding on all concerned.

Build up of the book and revision of Bids

a. Bids registered through the Designated Branches of the SCSBs shall be electronically transmitted to the BSE or the NSE mainframe on a regular basis.

b. The book gets built up at various price levels. This information will be available with the GCBRLM, the CBRLM, the Stock Exchanges and the Designated Branches of the SCSBs on a regular basis.

c. ASBA Bidders shall not revise their Bids.

d. The SCSBs shall provide aggregate information about the numbers of ASBA Bid cum Application Forms uploaded, total number of Equity Shares and total amount blocked against the uploaded ASBA Bid cum Application Form and other information pertaining to the ASBA Bidders. The Registrar to the Issue shall reconcile the electronic data received from the Stock Exchanges and the information received from the SCSBs. In the event of any error or discrepancy, the Registrar to the Issue shall inform the SCSB of the same. The SCSB shall be responsible to provide the rectified data within the time stipulated by the Registrar to the Issue. Further the decision of the Registrar to the Issue in consultation with the GCBRLM, the CBRLM, our Company and the Designated Stock Exchange, in this regard shall be final and binding.

e. Only Bids that are uploaded on the online IPO system of the BSE and NSE shall be considered for allocation/ Allotment.

Price Discovery and Allocation

After the Bid losing Date, the GCBRLM and the CBRLM shall aggregate the demand generated under the ASBA process and which details are provided to them by the Registrar to the Issue with the Retail Individual Investor applied under the non ASBA process to determine the demand generated at different price levels. For further details, refer to the "***Issue Procedure - Price Discovery and Allocation***" on page 314.

Signing of Underwriting Agreement and RoC Filing

(a) We, the GCBRLM, the CBRLM and the Syndicate Member shall enter into an Underwriting Agreement upon finalisation of the Issue Price.

(b) After signing the Underwriting Agreement, we shall update and file the updated Red Herring Prospectus with the RoC, which then would be termed the 'Prospectus'. The Prospectus would contain details of the Issue Price, Anchor Investor Issue Price and Issue size.

Advertisement regarding Issue Price and Prospectus

After filing of the Prospectus with the RoC, a statutory advertisement will be issued by our Company in a widely circulated English national newspaper and a Hindi national newspaper of wide circulation. This advertisement, in addition to the information that has to be set out in the statutory advertisement, shall indicate the Issue Price and Anchor Investor Issue Price. Any material updates between the date of Red Herring Prospectus and the date of Prospectus will be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar to the Issue shall send to the Controlling Branches of the SCSBs, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue. Investors should note that our Company shall endeavour to ensure that the demat credit of Equity Shares pursuant to Allotment shall be made on the same date to all investors in this Issue; and

(b) The ASBA Bidders shall directly receive the CAN from the Registrar. The dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the ASBA Bidder.

Unblocking of ASBA Account

On the basis of instructions from the Registrar to the Issue, the SCSBs shall transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and shall unblock excess amount, if any in the ASBA Account. However, the Bid Amount may be unblocked in the ASBA Account prior to receipt of intimation from the Registrar to the Issue by the Controlling Branch of the SCSB regarding finalisation of the Basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or rejection of the ASBA Bid, as the case may be.

Allotment of Equity Shares

(a) Our Company will ensure that the Allotment of Equity Shares is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the bank account of the ASBA Bidders to the Public Issue Account on the Designated Date, to the extent applicable, our Company would ensure the credit of the Allotted Equity Shares to the depository accounts of all successful ASBA Bidders' within two working days from the date of Allotment.

(b) As per the ICDR Regulations, **Equity Shares will be issued, transferred and allotted** only **in the dematerialised form to the Allottees**. Allottees will have the option to re-materialise the Equity Shares so Allotted, if they so desire, as per the provisions of the Companies Act and the Depositories Act.

GENERAL INSTRUCTIONS

Do's:

a. Check if you are a Resident Retail Individual Investor and eligible to Bid under ASBA process.

b. Ensure that you use the ASBA Bid cum Application Form specified for the purposes of ASBA process.

c. Read all the instructions carefully and complete the ASBA Bid cum Application Form (if the Bid is submitted in physical mode, the prescribed ASBA Bid cum Application Form is white in colour).

d. Ensure that your Bid is at the Cut-off Price.

e. Ensure that you have mentioned only one Bid option with respect to the number of equity shares in the ASBA Bid cum Application Form.

f. Ensure that the details of your Depository Participant and beneficiary account are correct and that your beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

g. Ensure that your Bid is submitted at a Designated Branch of an SCSB, with a branch of which the ASBA Bidder or a person whose bank account will be utilized by the ASBA Bidder for bidding has a bank account and not to the Bankers to the Issue/Collecting Banks (assuming that such Collecting Bank is not a SCSB), to our Company or Registrar or Lead Manager to the Issue.

h. Ensure that the ASBA Bid cum Application Form is signed by the account holder in case the applicant is not the account holder.

i. Ensure that you have mentioned the correct bank account No. in the ASBA Bid cum Application Form.

j. Ensure that you have funds equal to the number of Equity Shares Bid for at Cut-off Price available in your bank account maintained with the SCSB before submitting the ASBA Bid cum Application Form to the respective Designated Branch of the SCSB.

k. Ensure that you have correctly checked the authorisation box in the ASBA Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for the Designated Branch to block funds equivalent to the Bid Amount mentioned in the ASBA Bid cum Application Form in your ASBA Account maintained with a branch of the concerned SCSB.

l. Ensure that you receive an acknowledgement from the Designated Branch of the concerned SCSB for the submission of your ASBA Bid cum Application Form.

m. Ensure that you have mentioned your Permanent Account Number ("**PAN**") allotted under the I.T. Act.

n. Ensure that the name(s) and PAN(s) given in the ASBA Bid cum Application Form is exactly the same as the name(s) and PAN(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA Bid 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 ASBA Bid cum Application Form.

o Ensure that the Demographic Details are updated, true and correct, in all respects.

Don'ts:

a. Do not submit an ASBA Bid if you are not a Resident Retail Individual Investor.

b. Do not submit an ASBA Bid if you are applying under any reserved category.

c. Do not revise your Bid.

d. Do not Bid for lower than the minimum Bid size.

e. Do not Bid on another ASBA or non-ASBA Bid cum Application Form after you have submitted a Bid to a Designated Branch of the SCSB.

f. Payment of Bid Amounts in any mode other than blocked amounts in the bank accounts maintained by SCSBs, shall not be accepted under the ASBA process.

g. Do not send your physical ASBA Bid cum Application Form by post; instead submit the same to a Designated Branch of the SCSB only.

h. Do not fill up the ASBA Bid cum Application Form such that the bid amount against the number of Equity Shares Bid for exceeds Rs. 1,00,000.

i. Do not submit the GIR number instead of the PAN.

j. Do not instruct your respective banksto release the funds blocked in the bank account under the ASBA process.

Bids by ASBA Bidders must be:

a. Made only in the prescribed ASBA Bid cum Application Form, which is white in colour if submitted in physical mode, or electronic mode.

b. In single name or in joint names (not more than three, and in the same order as their Depository Participant details).

c. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein, in the ASBA Bid cum Application Form.

d. The Bids must be for a minimum of [●] Equity Shares and in multiples of [●] Equity Shares thereafter subject to a maximum of [●] Equity Shares such that the Bid Amount does not exceed Rs. 1,00,000.

e. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule in the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

ASBA Bidder's depository account and bank details

ALL ASBA BIDDERS SHALL RECEIVE THE EQUITY SHARES ALLOTTED TO THEM IN DEMATERIALISED FORM. ALL ASBA BIDDERS SHOULD MENTION THEIR DEPOSITORY PARTICIPANT'S NAME, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER, BENEFICIARY ACCOUNT NUMBER AND PERMANENT ACCOUNT NUMBER IN THE ASBA BID CUM APPLICATION FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. ADDITIONALLY, THE PERMANENT ACCOUNT NUMBER IN THE ASBA BID CUM APPLICATION FORM SHOULD BE EXACTLY THE SAME AS PROVIDED WHILE DEPOSITORY ACCOUNT. IN CASE THE ASBA 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 ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR IN THE ASBA BID CUM APPLICATION FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, PAN, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address, ("Demographic Details"). Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA Bid cum Application Form.

As these Demographic Details would be used for all correspondence with the ASBA Bidders they are advised to update their Demographic Details as provided to their Depository Participants.

By signing the ASBA Bid cum Application Form, the ASBA Bidder is deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

CAN/Allocation advice and letters intimating unblocking of bank account of the respective ASBA Bidder would be mailed at the address of the ASBA Bidder as per the Demographic Details received from the Depositories. ASBA Bidders may note that delivery of CAN/Allocation advice or letters intimating unblocking of bank account may be delayed if the same once sent to the address obtained from the Depositories are returned undelivered. Note that any such delay shall be at the sole risk of the ASBA Bidders and neither of the Designated Branches of the SCSBs, the members of the Syndicate, or our Company shall be liable to compensate the ASBA Bidder for any losses caused to the ASBA Bidder due to any such delay or be liable to pay any interest for such delay.

In case no corresponding record is available with the Depositories that match three parameters, namely, names of the ASBA Bidders (including the order of names of joint holders), the DP ID and the beneficiary account number, then such Bids are liable to be rejected.

ASBA Bidders are required to ensure that the beneficiary account is activated, as Equity Shares will be Allotted in dematerialised form only.

Payment mechanism under ASBA

The ASBA Bidders shall specify the bank account number in the ASBA Bid cum Application Form and the SCSB shall block an amount equivalent to the application money in the bank account specified in the Bid cum Application Form. The SCSB 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 the Issue to unblock the Bid Amount.

In the event of withdrawal or rejection of Bid cum Application Form or for unsuccessful Bid cum Application Forms, the Registrar to the Issue shall give instructions to the Controlling Branch of the SCSB to unblock the application money in the relevant bank account. 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.

ASBA Bids under Power of Attorney

In case of ASBA Bids made pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Bid cum Application Form. Failing this, our Company, in consultation with the GCBRLM and the CBRLM, reserves the right to reject such ASBA Bids.

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 ASBA Bid cum Application Form, subject to such terms and conditions that we, in consultation with the GCBRLM and the CBRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form during the Bid/Issue Period, the ASBA Bidder shall submit the withdrawal request to the SCSB, which shall do the necessary, including deletion of details of the withdrawn ASBA from the electronic bidding system of the Stock Exchange(s) and unblocking of funds in the relevant bank account.

In case an ASBA Bidder wants to withdraw the ASBA Bid cum Application Form after the Bid Closing date, the ASBA Bidder shall submit the withdrawal request to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file. The instruction for and unblocking of funds in the relevant bank account, in such withdrawals, shall be forwarded by the Registrar to the Issue to the SCSB on finalization of the Basis of Allotment.

Joint ASBA Bids

ASBA Bids may be made in single or joint names (not more than three). In case of joint ASBA Bids, all communication will be addressed to the first Bidder and will be dispatched to his address.

Multiple ASBA Bids

An ASBA Bidder should submit only one Bid for the total number of Equity Shares desired. 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 described in "***Issue Procedure - Multiple Bids***" on page 325.

Permanent Account Number

For details, see "***Permanent Account Number or PAN***" on page 326.

Right to Reject 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 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.

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA Bid cum Application Form does not match with one available in the depository's database, such ASBA Bid shall be rejected by the Registrar to the Issue.

GROUNDS FOR TECHNICAL REJECTIONS UNDER THE ASBA PROCESS

In addition to the grounds listed under "***Grounds for Technical Rejection***" on page 326, applications under the ASBA process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Application on plain paper or on split form;
2. Amount mentioned in the ASBA Bid cum Application Form does not tally with the amount payable for the value of Equity Shares Bid for;
3. Bids at a price other than at the Cut-off Price;
4. Age of first Bidder not given;
5. Bid made by categories of investors other than Resident Retail Individual Investors;
6. Bids by persons not competent to contract under the Indian Contract Act, 1872, including minors and persons of unsound mind;
7. PAN not stated, or GIR number furnished instead of PAN. See "***Issue Procedure - Permanent Account Number or PAN***" on page 326;
8. Bids for number of Equity Shares, which are not in multiples of [•];
9. Authorisation for blocking funds in the ASBA Bidder's bank account not ticked or provided;
10. Multiple Bids as defined in this Red Herring Prospectus;
11. In case of Bid under power of attorney, relevant documents are not submitted;
12. ASBA Bids accompanied by stockinvest/money order/postal order/cash;
13. Signature of sole and/or joint Bidders missing in case of ASBA Bid cum Application Forms submitted in physical mode;
14. ASBA Bid cum Application Form does not have the stamp of the SCSB and/or a member of the Syndicate;
15. ASBA Bid cum Application Form does not have the Bidder's depository account details;
16. ASBA Bid cum Application Form is not delivered, either in physical or electronic form, by the Bidder within the time prescribed and as per the instructions provided in the ASBA Bid cum Application Form and the Red Herring Prospectus;
17. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Bid cum Application Form at the time of blocking such Bid Amount in the ASBA Account;
18. 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 DP ID and the beneficiary account number; and
19. If the ASBA Bid in the Issue is revised.

Bidders are advised that ASBA Bids not uploaded in the electronic book of the Stock Exchanges, due to any of the grounds mentioned above, would be rejected.

COMMUNICATIONS

All future communication in connection with ASBA Bids made in this Issue should be addressed to the Registrar to the Issue quoting the full name of the sole or First ASBA Bidder, ASBA Bid cum Application Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Bid cum Application Form, name and address of the Designated Branch of the SCSB where the ASBA Bid was submitted, bank account number in which the amount equivalent to the Bid amount was blocked and a copy of the acknowledgement slip. The Registrar to the Issue shall obtain the required information from the SCSBs for addressing any clarifications or grievances. The SCSB shall be responsible for any damage or liability resulting from any errors, fraud or willful negligence on the part of any employee of the concerned SCSB, including its Designated Branches and the branches where the ASBA Accounts are held. The Company, the GCBRLM,

CBRLM, the Syndicate Members and the Registrar accept no responsibility for errors, omissions, commissions or any acts of SCSB's including any defaults in complying with its obligations under applicable ICDR Regulations.

ASBA Investors can contact the Compliance Officer, the Designated Branch of the SCSB where the ASBA Bid cum Application Form was submitted, or the Registrar to the Issue in case of any pre- or post-Issue related problems such as non-receipt of credit of Allotted Equity Shares in the respective beneficiary accounts, unblocking of excess Bid Amount, etc.

Disposal of Investor Grievances

All grievances relating to the ASBA process may be addressed to the Registrar to the Issue, with a copy to the SCSB, giving full details such as name, address of the applicant, number of Equity Shares applied for, Bid Amount blocked on application, bank account number and the Designated Branch or the collection centre of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidders.

Impersonation

For details, see "***Issue Procedure - Impersonation***" on page 329.

DISPOSAL OF APPLICATIONS AND APPLICATION MONEYS AND INTEREST IN CASE OF DELAY IN INSTRUCTIONS TO SCSBs BY THE REGISTRAR TO THE ISSUE

In accordance with the Companies Act, the requirements of the Stock Exchanges and ICDR Regulations, we undertake that:

- Allotment and transfer shall be made only in dematerialised form within 15 days from the Bid/Issue Closing Date;
- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made within 15 days from the Bid/Issue Closing Date; and
- We shall pay interest at 15% per annum for any delay beyond the 15 day period mentioned above, if Allotment is not made, instructions for unblocking of ASBA Bidder's Bank Account are not dispatched and/or demat credits are not made to investors within the 15 day period prescribed above.

Basis of Allocation

Bids received from ASBA Bidders will be considered at par with Bids received from non-ASBA Bidders. The basis of allocation to such valid ASBA and non-ASBA Bidders will be that applicable to Retail Individual Bidders. For details, see "***Issue Procedure- Basis of Allotment***" on page 329.

Method of Proportionate basis of allocation in the Issue

ASBA Bidders, along with non-ASBA Bidders, will be categorized as Retail Individual Bidders. No preference shall be given vis-à-vis ASBA and non-ASBA Bidders.

Undertaking by our Company

In addition to our undertakings described under "***Issue Procedure- Undertaking by our Company***", with respect to the ASBA Bidders, we undertake that adequate arrangement shall be made to collect all ASBA Bid cum Application Forms and to consider ASBA Bidders similar to other Bidders while finalizing the basis of allocation.

Utilisation of Issue Proceeds

Our Board has provided certain certifications with respect to the utilization of Issue Proceeds. For details, see ***"Issue Procedure - Utilization of Issue Proceeds***" on page 335.

SECTION VIII - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

Share Capital

3. The Authorised Share Capital of the Company shall be such amount and be divided into such Shares as may, from time to time, be provided in clause V of Memorandum of Association with power to subdivide consolidate and increase and with power from time to time, to issue any Shares of the original capital with and subject to any preferential, qualified or special rights, privileges or conditions as may be, thought fit, and upon the subdivision of Shares to apportion the right to participate in profits, in any manner as between the Shares resulting from sub-division. The minimum paid-up Share Capital of the Company shall be Rs. 5,00,000 (Rupees Five Lacs only).

Redeemable Preference Shares

4 The Company shall have power to issue Preference Shares, carrying right to redemption out of profits which would otherwise be available for dividend, or out of the proceeds of a fresh issue of Shares made for the purpose of such redemption, or liable to be redeemed at the option of the Company, and the Board may subject to the provisions of Section 80 of the Act, exercise such power in such manner as it thinks fit.

Shares at the disposal of the Directors

5. Subject to the provisions of Section 81 of the Act and these Articles the Shares in the capital of the Company for the time being shall be under the control of the Directors who may issue, allot or otherwise dispose of the same or any of them to such Person, in such proportion and on such terms and conditions and either at a premium or at par or (subject to the compliance with the provision of section 79 of the Act) at a discount and at such time as they may from time to time think fit and with sanction of the Company in the General Meeting to give to any Person or Persons the option or right to call for any Shares either at par or premium during such time and for such consideration as the Directors think fit, and may issue and allot Shares in the capital of the Company on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business and any Shares which may so be allotted may be issued as fully paid up Shares and if so issued, shall be deemed to be fully paid Shares. Provided that option or right to call of Shares shall not be given to any Person or Persons without the sanction of the Company in the General Meeting.

Further Issue of Shares

6.1) 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, it is proposed to increase the subscribed capital of the Company by allotment of further Shares either out of the unissued capital or out of the increased share capital then :

(a) Such further Shares shall be offered to the Persons who, at the date of the offer, are holders of the Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date ;

(b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than 30 days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;

(c) The offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the Shares offered to him or any of them in favour of any other Person and the notice referred to in sub-clause (b) shall contain a statement of this right. Provided that the Directors may decline, without assigning any reason to allot any Shares to any person in whose favour any member may renounce the Shares offered to him,

(d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.

Notwithstanding anything contained in sub-clause (1) the further Shares aforesaid may be offered to any Persons (whether or not those Persons include the Persons referred to in clause (a) of sub-clause (1) hereof) in any manner whatsoever.

(a) If a special resolution to that effect is passed by the Company in General Meeting, or

(b) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that General Meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in Person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.

(3) Nothing in sub-clause (c) of (1) hereof shall be deemed:

(a) To extend the time within which the offer should be accepted; or
(b) To authorize any Person to exercise the right of renunciation for a second time, on the ground that the Person in whose favour the renunciation was first made has declined to take the Shares comprised in the renunciation.

(4) Nothing in this Article shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option attached to the Debentures issued or loans raised by the Company:

(a) To convert such Debentures or loans into Shares in the Company; or
(b) To subscribe for Shares in the Company (whether such option is conferred in these Articles or otherwise).

Provided that the terms of issue of such Debentures or the terms of such loans include a term providing for such option and such term:

(a) Either has been approved by the Central Government before the issue of Debentures or the raising of the loans or is in conformity with Rules, if any, made by that Government in this behalf; and
(b) In the case of Debentures or loans or other than Debentures issued to, or loans obtained from the Government or any institution specified by the Central Government in this behalf, has also been approved by the special resolution passed by the Company in General Meeting before the issue of the loans.

Issue of Shares at a discount

7. Subject to the provisions of the Act it shall be lawful for the Company to issue at a discount, Shares of a class already issued.

UNDERWRITING AND BROKERAGE

Commission for placing Shares

8. The Company may, subject to the provisions of Section 76 and other, applicable provisions (if any) of the Act or any law or regulation applicable at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any Shares or Debentures of the Company. The commission may be satisfied by the payment of cash, the allotment of fully or partly paid Shares or Debentures or-partly in the one way and partly in the other.

Brokerage

9. The Company may pay a reasonable sum of brokerage, subject to the ceiling prescribed under the Act.

Trusts not recognize

10. Subject to section 187 C of the Act, the Company shall be entitled to treat the registered holder of any Shares as the absolute owner thereof and accordingly shall not, except as ordered by a Court of competent jurisdiction or as by law required, be bound to recognize any trust, benami or equitable or other claim to or interest in such shares or any fractional part of a share whether or not it shall have express or other notice thereof.

CERTIFICATE

Certificate

11. The certificate of title to Shares shall be issued under the Seal of the Company.

Limitation of time for issue of certificates

12. Every member shall be entitled, without payment to one or more certificates in marketable lots, for all the Shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may determine) to several certificates, each for one or more of such Shares and the Company shall complete and have ready for delivery such certificates within three months from the date of allotment, unless the conditions of issue thereof otherwise provide, or within one month of the receipt of application of registration of transfer, transmission, sub-division, consolidation or renewal of any of its Shares as the case may be. Every certificate of Shares shall be under the Seal of the Company and shall specify the number and distinctive numbers of Shares in respect of which it is issued and amount paid-up thereon and shall be in such form as the Directors may prescribe and approve, provided that in respect of a Share or Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of Shares to one or several joint holders shall be a sufficient delivery to all such holder.

Issue of new certificate in place of one defaced, lost or destroyed

13 (1) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate be lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deem adequate, being given, a new certificate in lieu thereof; shall be given to the party entitled to such lost or destroyed certificate. Every certificate under the Article shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rs.2/- for each certificate) as the Directors shall prescribe. Provided that no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above the Directors shall comply with such rules or regulation or requirements of any stock exchange or the rules made under the Act or rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable thereof in this behalf.

The provision of this Article shall mutatis mutandis apply to Debentures of the Company.

(2) No fee shall be charged for sub-division and consolidation of share and debenture certificates and for sub-division of letters of allotment and split. consolidation, renewal and pucca transfer receipts into denominations corresponding to the market units of trading, for sub-division of renounceable letters of rights; for issue of new certificate 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 for issue of new certificates in replacement of those that are torn, defaced, lost or destroyed, and for sub-division and consolidation of share and debenture certificates and for sub-division of letter of allotment and split, consolidation, renewal and pucca transfer receipts into denominations other than those fixed for the market units of trading.

DEMATERIALISATION

Dematerialisation of securities

14(1) Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialise or rematerialise its Shares, Debentures and other securities (both present and future) held by it with the Depository and to offer its Shares, Debentures and other securities for subscription in a dematerialised form pursuant to the Depositories Act and the rules framed thereunder, if any.

(2) Every Person subscribing to securities offered by the Company shall have the option to receive security certificates or to hold the securities with a Depository. Such a Person who is the beneficial owner of the securities can at any time opt out of a Depository, if permitted by the law, in respect of any security in the manner provided by the Depositories Act, and the Company shall, in the manner and within the time prescribed issue to the beneficial owner the required certificate of securities.

(3) If a Person opts to hold his security with a Depository, the Company shall intimate such Depository the details of allotment of the security, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the security.

Securities in Depositories to be in fungible form

15 All securities held by a Depository shall be dematerialised and be in fungible form. Nothing contained in Sections 153, 153A, 187B, 187C and 372A of the Act shall apply to Depository in respect of the securities held by it on behalf of the beneficial owners

Rights of Depositories and beneficial owners

16(1) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the registered owner for the purposes of effecting transfer of ownership of security on behalf of the beneficial owner.

(2) Save as otherwise provided in Article 16 (1) above, the Depository as the registered owner of the securities shall not have any voting rights or any other rights in respect of the securities held by it.

(3) Every Person holding securities of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be a Member of the Company. The beneficial owner of securities shall be entitled to all the rights and benefits and be subject to all the liabilities in respect of his securities, which are held by a Depository.

Service of documents

17. Notwithstanding anything in the Act or these Articles to the contrary, where securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

Transfer of Securities

18. Nothing contained in the Act or these Articles shall apply to a transfer of securities effected by a transferor and transferee both of whom are entered as beneficial owners in the records of Depository.

Allotment of Securities Dealt with in a Depository

19(1) Notwithstanding anything in the Act or these Articles, where securities are dealt with by a Depository, the Company shall intimate the details thereof to the Depository immediately on allotment of such securities.

Distinctive Numbers of Securities held in a Depository

(2) Nothing contained in the Act or these Articles regarding the necessity of having distinctive numbers for securities issued by the Company shall apply to securities held with a Depository.

Register and Index of Beneficial Owners

(3) The register and index of beneficial owners by a Depository under the Depositories Act shall be deemed to be the register and index of members and security holders for the purposes of these Articles.

JOINT HOLDERS OF SHARES

Fee on sub-division of Shares issue of new certificates etc.

20. Where two or more persons are registered as the holders of any Share they shall be deemed to hold the same as joint-tenants with benefit of survivorship subject to provisions following and to the other provisions of these Articles relating to joint holders:

Maximum Number

(a) The Company shall not be bound to register more than three persons as the joint-holder of any share.

Liability several as well as joint

(b) The joint-holders of a share shall be liable severally as well as jointly in respect of all payments which ought to be made in respect of such Shares.

Survivors of joint holders only recognized

(c) On the death of any one of such joint-holders the survivor or survivors shall be the only person recognised by the Company as having any title to or interest in such share but the Board may deem require such evidence of death as it may deem fit.

Delivery of certificates.

(d) Only the person whose name stands first in the Register as one of the -holders of any share shall be entitled to delivery of the certificate relating to such Share.

CALLS

Calls

21. The Directors may, from time to time, subject to the terms on which any Shares may have been issued, make such calls as they think fit upon the members In respect of all moneys unpaid on the Shares held by them respectively and not by the conditions of allotment' thereto made payable at fixed times, and each member 'shall pay the amount of every call so made on him to the persons and at the times and places appointed by the Directors. A call maybe made payable by installments.

When call deemed to have been made

22. That the option or right to call of Shares shall not be given to any person except with the sanction of the Company in a General Meeting.

Notice to call

23. Not less than 30 (thirty) days notice of any call shall be given specifying the time and place of payment and to whom such call shall be paid.

Amount payable

24. If by the terms of issue of any Share or otherwise, the whole or part of the amount of issue price thereof is made payable at any fixed time or by installments at fixed times, every such amount of issue price or installment thereof shall be payable as if it was a call duly made by the Directors and of which due notice had been given and all the provisions herein contained in respect of calls shall apply to such amount or issue price or installments accordingly.

Interest to be charged on non-payment of call

25. If the sum payable in respect of any call or installment be not paid on or before the day appointed for the payment thereof, the person from whom the call or installment is due shall pay interest at the rate of 12 (Twelve) per cent per annum, from the day appointed for the payment thereof to the actual payment or at such other rate as the Directors may determine but they shall have power to waive the payment thereof wholly or in part.

Evidence in actions by Company against shareholders

26. On the trial or hearing of any action or suit brought by the Company against any member or his representative to recover any debt or money claimed to be due to the Company in respect of his Shares, it shall be sufficient to prove that the name of the defendant is, or was, when the claim arose, on the Register of the Company as a holder, or one of the holders of the number of Shares in respect of which such claim is made, that the resolution making the call is duly recorded in the minute book and that the amount claimed is not entered as paid in the books of the Company, and it shall not be necessary to prove the appointment of the Directors who made any call nor that a quorum of Directors was present at the meeting at which any call was made nor that such meeting was duly convened or constituted, nor any other matter whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.

Payment of calls in advance

27. The Board may, if it thinks fit, receive from any member willing to advance the same, all or any part of the money due upon the Shares held by him beyond the sums actually called for, and upon the money so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of call then made, upon the share in respect of which such advance has been made, the Company may pay interest at such rate not exceeding, unless the Company In general meeting shall otherwise direct, 6 (Six) per cent per annum as the member paying such sum as advance and the Board agree upon. Money so paid In excess of the amount of call shall not rank for dividends or confer a right to participate in profits. The Board may at any time repay the amount so advanced upon giving such member not less than three months notice in writing.

FORFEITURE AND LIEN

Notice may be given for calls or installment not paid

28. If any member fails to pay any call or installment on or before the day appointed for the payment of the same, the Directors may at any time thereafter, during such time as the call or installment remains unpaid, serve notice on such member requiring him to pay the same together with any interest that may have accrued and expenses, that may have been incurred by the Company by reasons of such non-payment.

Form of notice

29. The notice shall name a day (not being less than 30 (Thirty) days from the date of the notice) and a place or places on and at which such call or installment and such interest end expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place or places appointed, the Shares in respect of which such call was made or installment is payable will be liable to be forfeited.

30. If the requirement of any such notice as aforesaid be not complied with, any Shares in respect which such notice has been given may, at any time thereafter before payment of all calls or installments, Interest and expenses due in respect thereof, be forfeited by a resolution of the Board of Directors to that effect. Such forfeiture shall Include all dividends declared in respect of the forfeited share not actually paid before the forfeiture. Neither the receipt by the Company of a portion of any money which shall, from time to time, be due from any member of the Company in respect of his Shares, either by way of principal or interest, nor any indulgency 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 share as herein provided.

Notice after forfeiture

31. When any Shares shall have been so forfeited, a notice of the forfeiture shall be given to the member in whose name it stood immediately prior to the forfeiture and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register but no forfeiture shall be in any manner invalidated by any Omission or neglect to give such notice or to make such entry as aforesaid.

Forfeited share to become property of the Company

32. Any share so forfeited shall be deemed to be the property of the Company and the Directors may sell, re-allot or otherwise dispose off the same in such manner as they think fit.

Power to annual forfeiture

33. The Directors may at any time before any share so forfeited shall not be sold, re-allotted or otherwise disposed off, annul the forfeiture thereof upon such conditions as they think lit.

Arrears to be paid notwithstanding forfeiture

34. Any member whose Shares have been forfeited shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest and the expenses, owing upon or in respect of such Shares, at the time of all installments, interest and the forfeiture together with interest thereupon, from the time of the forfeiture until payment at 12(Twelve)per cent per annum or such other rate as the Directors may determine and the Directors may enforce the payment thereof without any deduction or allowance for the value of Shares at the time of forfeiture but shall not be under any obligation to do so.

Effect of forfeiture

35. 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.

Evidence of forfeiture

36. A duly verified declaration in writing that the declarant is a Director of the Company and that certain Shares in the Company have been duly forfeited on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the Shares and the receipt of the Company for the consideration, if any, given for the Shares on the sale or disposition thereof, shall constitute a written title to such Shares.

Company lien on Shares/Debentures

37a. The Company shall have a first and paramount lien upon all the Shares / Debentures (other than fully paid-up Shares / Debentures) 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/Debentures and no equitable interest in any Share shall be created upon the footing and condition that this Article will have full effect, and such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares / Debentures. Unless otherwise agreed the registration of a transfer of Shares / Debentures shall operate as a waiver of the Company's lien if any, on such Shares / Debentures. The Directors may at any time declare any Shared/Debentures wholly or in part to be exempt from the provisions of this clause.

. 37b. That a common form of transfer shall be used.

Intention as to enforcing lien by sale

38. For the purpose of enforcing such lien, the Directors may sell the Shares subject thereto in such manner as they think fit, but no sale shall be made until such period as aforesaid shall have elapsed and until notice in writing of the intention to sell shall have been served, on such member, his committee, curator bonus or other 'person recognised by the Company as entitled to represent such member and default shall have been made by him or them in the payment of me sum payable as aforesaid for thirty days after such notice. The net proceeds of any such sale shall be applied in or towards satisfaction of such part of the amount in respect of which the lien exists as is presently payable by such member, and the residual be paid to such member, his executors, administrators or other representatives or persons so recognised as aforesaid

Validity of Shares

39. Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers herein before given, the Directors 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 after his name has been entered in the Register in respect of such Shares his title to such Shares shall not be affected by any irregularity or invalidity in the proceedings in reference to such forfeiture, sale or disposition, nor impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

Power to issue new certificate

40. Where any Shares under the powers in that behalf herein contained are sold by the Directors and the certificate thereof has not been delivered to the Company by the former holder of the said Shares the Directors may issue new certificate in lieu of certificate not so delivered.

RIGHTS AND OBLIGATIONS OF THE INVESTORS

IPO

41. The IPO Price will not be less than the Reference Price based on which the Conversion Price is determined.

If prior to the filing of the RHP, the Company and the Investors agree that the Reference Price at that stage is likely to be higher than the Reference Price based on which the Conversion Price was determined, the Company shall have the right to require the Investors to, subject to compliance with applicable laws, transfer to such Promoter Group as may be agreed by the Shareholders such number of additional Equity Shares based on the difference between the such revised Reference Price and the Reference Price based on which the Conversion Price was determined. Provided that the Company shall ensure that the IPO Price is not less than such revised Reference Price

Provided further that, any such transfer of Equity Shares by the Investors to the Promoter Group shall be completed prior to the Company filing the RHP with the relevant Registrar of Companies.

IPO after the Limiting Date

42. The Shareholders agree that if the Company is unable to complete the IPO on or before the Limiting Date in a manner consistent with Article 41, then :

(a) The Company may proceed with its IPO, within the validity of the SEBI observations on the DRHP and subject to other applicable laws, provided that the Reference Price at that stage (such price "**Adjusted Reference Price I**") is atleast a price that yields the Investors (i) an IRR of 17% to the Adjusted Reference Price I calculated from the date of respective payment made by each Investor to the Company up to a date approximately three months prior to the date of allotment of Equity Shares pursuant to the IPO; or (ii) a flat discount of 15% to the Adjusted Reference Price I, which ever more beneficial to the Investors. Provided that the Company shall ensure that the IPO will be completed within three months from the approximate date determined in accordance with this Article 42 (a).

Additionally, the Shareholders agree that if prior to the filing of the RHP the Company and the Investors agree that the Reference Price at that stage is likely to be higher than the Adjusted Reference Price I, the Company shall have the right to require the Investors to, subject to compliance with applicable laws, transfer to such Promoter Group as may be agreed by the Shareholders such number of additional Equity Shares based on the difference between such revised Reference Price and Adjusted Reference Price I. The Shareholders agree that any such transfer of Equity Shares by the Investors to the Promoter Group shall be completed prior to the Company filing the RHP with the relevant Registrar of Companies. Provided that the Company shall ensure that the IPO Price is not less than such revised Reference Price.

(b) In the event the Company is unable to comply with Article 42(a)above, the Company shall withdraw the DRHP already filed with the SEBI. Prior to the re-filing of the DRHP with the SEBI, if the Shareholders agree that:

i. the Reference Price at that stage (such price the "**Adjusted Reference Price II**") is such that it yields the Investor (i) an IRR lower than 17% to such Adjusted Reference Price II, calculated from the date of respective payment made by each Investor to the Company up to a date approximately two months after the re-filing of the DRHP, or (ii) discount less than 15% to the Adjusted Reference Price II, whichever is more prejudicial to the Investors the Company shall issue to the Investors such number of additional Equity Shares so as to ensure that the Investors receive atleast (i) an IRR of 17% to the Adjusted Reference Price II calculated from the date of respective payment made by each Investor to the Company up to a date approximately two months after re-filing of the DRHP; or (ii) a flat discount of 15% to the Adjusted Reference Price II, whichever is more beneficial to the Investors. The Company may at its option decide to, subject to applicable law, issue or cause the transfer of such additional Equity Shares as part of a bonus issue or any other cashless method that the Company may deem appropriate in this regard.

ii. the Reference Price at that stage (such price the "**Adjusted Reference Price III**") is such that it yields the Investor (i) an IRR more than 17% to such Adjusted Reference Price III, calculated from the date of respective payment made by each Investor to the Company up to a date approximately two months after the re-filing of the DRHP, or (ii) discount more than 15% to the Adjusted Reference Price III, whichever is more beneficial to the Investors, the Company may proceed to re-file its DRHP without the consent of the Investors.

Provided that the Company shall ensure that the IPO Price will not be less than the Adjusted Reference Price II or Adjusted Reference Price III as may be applicable and that the IPO will be completed within three months from the approximate date determined in accordance with Article 42 (b)(i) and (ii) as may be applicable, for the re-filing of the DRHP.

Provided that the Shareholders agree that if prior to the filing of the RHP, the Company and the Investors, agree that the Reference Price at that stage is likely to be higher than the Adjusted Reference Price II, or the Adjusted Reference Price III, as may be applicable, the Company shall have the right to require the Investors to, subject to compliance with applicable laws, transfer to such Promoter Group as may be agreed by the Shareholders such number of additional Equity Shares based on the difference between such revised Reference Price and Adjusted Reference Price II or the Adjusted Reference Price III, as may be applicable. Provided that the Company shall ensure that the IPO Price is not less than such revised Reference Price.

43. The Shareholders agree that if the Company is unable to complete the IPO, in accordance with the terms of these Articles, by December 31, 2010, the Company will, subject to applicable law, issue or cause the transfer to the Investors such number of additional Equity Shares through a bonus issue or any other cashless method that the Company may deem appropriate in this regard so as to yield the Investors an IRR of 25% on the Fair Market Value calculated from the date of respective payment made by each Investor to the Company, up to a date 15 days from the date of determination of Fair Market Value.

Provided that the Company subsequently proposes to launch an IPO, and if the price determined in accordance with this Article 43 above does not provide a minimum IRR of 17% to the Reference Price at that stage, calculated from the date of respective payment made by each Investor to the Company, upto a date approximately two months after filing /re-filing of the DRHP, the Company will issue such number of additional Equity Shares so as to provide a minimum IRR of 17% to such Reference Price, prior to the filing/re-filing of the DRHP.

Provided further that, the Company shall ensure that the IPO Price shall not be less than the Reference Price and that the IPO will be completed within three months from the approximate date determined in accordance with this Article for the filing/ re-filing of the DRHP.

44. The Equity Shares allotted to the Investors, will rank pari passu in all respects and identical with the then existing Shares of the Company, with reference to all rights and benefits, including but not limited to voting rights, dividends, stock splits, bonus and/or rights issuance and all other provisions provided for in the these Articles and so on, provided that such Shares allotted to the Investor upon conversion of the Investor Shares shall be entitled to pro rata dividend for the period of holding during the Financial Year in which such Shares are allotted to the Investor.

TRANSFER AND TRANSMISSION OF SHARES

Pre Emptive Rights

45.(1) Subject to the these Articles, if the Company issues any further Securities, at any point of time, then the Company shall offer such number of Securities forming part of such new offering to the existing Shareholders, pro-rata to their existing shareholding, provided that this shall not apply in relation to issue of Securities pursuant to ESOPS approved by the Board or entities/persons engaged in cable television distribution and networking business including Multi Service Operator, Local Cable Operator and distributor of the Business.

(2) Prior to the IPO, the Company undertakes that no Person shall acquire by Transfer of any Securities of the Company without adhering to the terms and conditions of these Articles by executing a Deed of Adherence, provided that this shall not apply in relation to Transfer to Affiliates, issue of Securities pursuant to ESOPS approved by the Board or entities/persons engaged in cable television distribution

and networking business including Multi Service Operator, Local Cable Operator and distributor of the Business.

(3) Subject to the Company giving prior written intimation to the Investor, the Company shall be permitted to make any fresh issue of capital on preferential basis, at terms which are less favourable and a price per Security which is higher than those offered to the Investor as reflected in these Articles.

(4) The Shareholders have agreed that without the prior written consent of the Investor, the Company shall not make any fresh issue of capital on preferential basis, at terms more favourable or a price per Security which is lower than those offered to the Investor as reflected in these Articles. If any fresh issue is made at terms more favourable than those made to the Investor is permitted by the Investor:

(i) in case the terms favourable are with respect to the price per Security, the Investor shall be suitably compensated by the Promoter Group in a manner that the entry valuation for the Investor becomes equal to the new valuation by using appropriate mechanism permitted within the regulatory framework, and this could be achieved by way of issue or transfer of corresponding number of relevant Securities at no cost to or consideration from the Investor; and

(ii) in case the terms favourable are with respect to rights granted to the prospective investor, the Investor shall be entitled to such favourable terms by entering into a fresh agreement with the Shareholders hereto and the prospective investor.

Prohibition on transfer of Shares

46. The Investor shall not for a period of one (1) year from the Closing Date (as defined in the Amended and Restated Shareholders Agreement), Transfer the Investor Shares in any manner whatsoever. Provided that the restriction on transfer envisaged in this Article 46 and Article 47 , shall not apply where the Investor proposes to Transfer the Investor Shares to its Affiliates or where the Promoter Group proposes to Transfer the Promoter Group Shares inter se or to his Affiliates in accordance with Article 50.

Pre- IPO Restrictions

47.(1) The Investor Shares shall except for the restrictions specified in Article 46, 53 and 54, be transferable by the Investor only to any bonafide, well recognized financial investor and would not be subject to any liens, provided that the Investor shall not, directly or indirectly, transfer Investor Shares to any third party known or identified to the Investor as a person directly or indirectly engaged in any media business.

(2) The special rights granted in respect of the Investor Shares under these Articles, shall accrue to the transferee of the Investor Shares, upon Transfer by the Investor prior to the IPO of the Investor Shares only if (i) the Investor sells all (and not part) of the Investor Shares to any bonafide, well recognized financial investor and (ii) such financial investor has executed a Deed of Adherence agreeing to abide by the terms and conditions of these Articles.

(3) The Pre-IPO Restrictions set out in this Article shall not be applicable in case the Company and/or the Promoters fail to achieve the IPO within a period of 39 months from the Closing Date.

Pledge of the Investor Shares

48. The Investor shall, under no circumstances, be obliged or bound to provide any pledge over the Investor Shares held by it in the Company or to provide any security or to guarantee the obligations of the Company or to provide any other undertakings, letters of comfort or other assurances or support.

49. Subject to applicable Law, that the Investor shall not be designated as a “promoter” nor shall any declaration or statement be made, either directly or indirectly, in filings with regulatory or Governmental authorities, offer documents or otherwise, with a view to ensure that restrictions under the Guidelines applicable to the Promoter Group do not apply to the Investor, who is purely a financial investor in, and not a promoter of, the Company.

Permitted Transfers

50. Notwithstanding anything contained in these Articles, each Shareholder may freely Transfer any Securities held by it to any of its Affiliates, provided that a Shareholder shall not Transfer any

Securities to such transferee unless such transferee agrees to abide by the terms of these Articles and execute a Deed of Adherence.

Right of First Refusal

51. Subject to Article 55 (i), in case, at any time prior to the IPO Date, the Promoter Group ("**Selling Shareholder**"), wishes to Transfer any right or interest in whole or part of the Securities held by it in excess of 615,000 Equity Shares ("**Sale Shares**") to a Person (other than his Affiliates, or pursuant to ESOPS approved by the Board or to entities/persons engaged in cable television distribution and networking business including Multi Service Operator, Local Cable Operator and distributor of the Business) ("**Third Party Purchaser**"), he shall be required to first offer the Sale Shares to the Investor ("**Other Shareholder**") in accordance with the provisions of this Article 51 and Article 52.

Procedure for the transfer of Promoter Group Shares

52.(1) The offer for the Transfer of any right or interest in the Sale Shares by the Selling Shareholder must be made at a given price ("**Sale Price**") and on given terms ("**Sale Terms**"). The Selling Shareholder shall intimate his willingness to sell the Sale Shares to the Other Shareholder in writing by sending a notice of offer ("**Notice of Offer**") containing all details, including the (i) Sale Price, (ii) the Sale Terms; (iii) number of Sale Shares proposed to be Transferred; (iv) identity and material particulars regarding the Third Party Purchaser.

(2) Within 30 (thirty) days from the date of receipt of the Notice of Offer, the Other Shareholder shall exercise either of the following options:

(i) Option 1 – Right to purchase the Sale Shares

(1) accept or reject the offer and shall (upon accepting the offer) within a further period of 30 (thirty) days complete the purchase of the Sale Shares, either itself or through its Affiliates. If the Other Shareholder fails to notify its acceptance or rejection of the offer within the aforementioned period of 30 (thirty) days, then it shall be deemed to have rejected the offer; and

(2) The Selling Shareholder may, Transfer any right or interest in the Sale Shares to the Third Party Purchaser, provided that such Transfer of any right or interest in the Sale Shares to any Third Party Purchaser shall not be made upon terms more favorable than the Sale Terms and unless the Third Party Purchaser has executed a Deed of Adherence agreeing to abide by the terms and conditions of these Articles. The sale to the Third Party Purchaser shall be completed within a period of thirty (30) days, failing which the Selling Shareholder would have to follow the procedure prescribed above again.

(ii) Option 2 – Right to Tag Along

(1) have tag along rights on the entire shareholding of the Investor, exercisable at its sole discretion, to participate in such Transfer to such Person ("Tag Along Rights") and be entitled to exercise its Tag Along Rights and offer the Investor Shares held by the Investor ("Tag Along Shares") in whole or in part;

(1) If the Tag Along Rights are exercised, The Transfer of the Sale Shares to the Third Party Purchaser shall be conditional upon such Third Party Purchaser acquiring the Tag Along Shares offered by the Investor in exercise of its Tag Along Rights on terms no less favourable than those offered by such Third Party Purchaser to the Promoter Group and the Investor/its Affiliates shall be paid the same price per Tag Along Share and the sale shall be effected on the same terms and conditions as are received by the Promoter Group.

(2) The Promoter Group shall not complete the sale of any of its Sale Shares unless the Third Party Purchaser has also purchased the Tag Along Shares.

(3) Further, at the time of exercise of such Tag Along Rights by the Investor, the Investor shall have the option of converting into Shares any convertible Securities of the Company held by it and also tag along those Shares.

(4) In the event the Investor does not exercise its aforementioned right of first refusal or does not opt to exercise its Tag Along Rights, the Promoter Group shall be free to sell the Sale Shares to the Person

which shall be completed within a period of thirty (30) days, failing which the Selling Shareholder would have to follow the procedure prescribed above again.

3. In the event the Investor does not exercise the rights prescribed under Article 52 (1) and(2), the Promoter Group shall be free to sell the Sale Shares to the Person which shall be completed within a period of 30 days, failing which the Selling Shareholder would have to follow the procedure prescribed in this Article 52

Pre-IPO – Right of first offer for Investor Shares

53. If the Investor proposes to Transfer, in whole or a part of the Investor Shares ("First Offer Shares") to any bonafide, well recognized financial investor, the Investor shall be required to first offer the First Offer Shares to the Promoter Group in accordance with the provisions of Article 54.

Pre IPO- Procedure for the transfer of Investor Shares

54.(a) Upon the Investor making an offer to the Promoter Group and intimating his willingness to sell the First Offer Shares by a notice in writing ("First Offer Notice"), the Promoter Group shall make an offer to the Investor for the First Offer Shares, with a given price ("First Offer Price") within 14 (fourteen) days of the receipt of First Offer Notice.

(b) If the Promoter Group fails to notify its First Offer Price within 14 (fourteen) days, then the Investor shall have the right to complete the Transfer of the First Offer Shares to any third party within 45 (forty five) days and the Shareholders agree that in such case, the Promoter Group shall not have any further right of matching such price for the First Offer Shares.

(c) If the Promoter Group notify the First Offer Price, the Investor shall within a period of 45 (forty five) days either:

(i) accept the Promoter Group offer and Transfer the First Offer Shares to the Promoter Group at the First Offer Price and the Shareholders shall complete the Transfer of the First Offer Shares; or

(ii) at its option:

A. procure a price for the First Offer Shares which is in excess of 20% over the First Offer Price from a third party and complete the Transfer of the First Offer Shares to such third party and the Shareholders agree that in such case, the Promoter Group shall not have any further right of matching such price for the First Offer Shares;

B. procure a price for the First Offer Shares which is not in excess of 20% over the First Offer Price, and make an offer to the Promoter Group intimating his willingness to sell the First Offer Shares at such excess over the First Offer Price ("Revised Offer Price") and in case the Promoter Group fails to accept the second offer of the Investor within 7 (seven) days for the Revised Offer Price, the Investor shall have the right to complete the Transfer of the First Offer Shares to such third party at the Revised Offer Price and the Shareholders agree that in such case, the Promoter Group shall not have any further right of matching such price for the First Offer Shares.

Promoters Undertakings

55.(i) The Promoter Group shall not divest their shareholding in the Company in excess of the 615,000 Shares until such time that the event as prescribed under Article 192 occurs, without the prior written consent of the Investor.

(ii) The Promoter Group shall not undertake any business similar or identical to the Business of the Company.

(iii) The Promoter Group covenants on a best efforts basis to provide to the Investor an exit from the Company as follows:

(a) The Promoter Group shall, on a best efforts basis, make an IPO of the Company's Shares before December 31, 2010, on recognised Indian stock exchanges,

(b) In the event the IPO is not concluded before December 31, 2010 :

(A) The Shareholders agree that in the event the Company is unable to complete the IPO in accordance with the terms of these Articles by December 31, 2010 the Company will, subject to applicable law, issue or cause the transfer to the Investors such number of additional Equity Shares through a bonus issue or any other cashless method that the Company may deem appropriate in this regard so as to yield the Investors an IRR of 25% on the Fair Market Value calculated from the date of respective payment made by each Investor to the Company, up to a date 15 days from the date of determination of Fair Market Value.

(B) Provided further that in the event the Company subsequently proposes to launch an IPO, and if the price determined in accordance this Article 55 (b) above does not provide a minimum IRR of 17% to the Reference Price at that stage, calculated from the date of respective payment made by each Investor to the Company, upto a date approximately two months after filing /re-filing of the DRHP, the Company will issue such number of additional Equity Shares so as to provide a minimum IRR of 17% to such Reference Price, prior to the filing/re-filing of the DRHP.

Provided further that the Company shall ensure that the IPO Price shall not be less than the Reference Price determined in connection with this Article 55 (b) and that the IPO will be completed within three months from the approximate date determined in accordance with this Article for the filing/ re-filing of the DRHP.

(iii) The Promoter Group shall not pledge or create a Lien or Encumbrance on the Shares or other Shares or securities held by him, otherwise than in the ordinary course of business or as may be required by the lenders of the Company.

Collective Decision Making

56.(1) All decision for or on behalf of the Investor shall be undertaken and performed collectively by them. In case of conflict amongst them, the Promoter Group shall have the right to accept exclusively the actions of and exercise of rights by Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Private Limited as those on behalf of all of Investors.

(2) The right of the Investor to convert its Investor Shares into Equity Shares will not be affected in any manner due to any further investment by a foreign investor in the Company with respect to the sectoral cap of 49% on foreign investment as presently applicable to the Company.

Further any allocation or reservation for foreign investors in an IPO will be made only within the Sectoral Cap available after considering the foreign investment portion of Investors Shares.

Information Right

(3) The Company shall furnish to the Investor, the following information:

(i) Monthly operating reports providing information on key operational parameters within one week after the end of each month; and
(ii) Unaudited quarterly financial statements (comprising the balance sheet, income statements, cashflow, management discussions and accompanying notes) within 30 (thirty) days after the expiry of each quarter; and
(iii) Audited annual accounts of the Company within 90 (ninety) days of the end of each financial year; and
(iv) Such other reports and information as may be reasonably requested by the Investor or the Investor Director.

Exit Options to the Investors

57. The Promoter Group on a best efforts basis shall provide an exit to the Investor not later than December 31, 2010 through any of the options prescribed under Article 58.

IPO

58.(1) The Company shall make best efforts to undertake an IPO and be listed for trading on Indian stock exchanges or stock exchanges in any Relevant Market as advised by a reputed merchant banker and at such time and on such terms and conditions as may acceptable to the Investor before December 31, 2010 . In such event, subject to Investor's and Promoter Group Group's affirmative rights as provided in Article 152 , the Shareholders agree to exercise their respective voting rights in the Company, and to cause the Board of Directors, to take all actions required for the Company to undertake and complete such IPO and be registered for trading as aforesaid, in accordance with the Guidelines or the regulations or requirements applicable to issuing Shares or Securities to the Investor and listing the same in the Relevant Market. Upon the Company passing a resolution to undertake an IPO, the Shareholders shall exercise their voting rights in the Company to ensure:

(i) such amendments to the Articles as are required for the IPO and consequent listing; and

(ii) the issuance of such number of Shares as are required to meet the minimum dilution requirements, if any, of the relevant stock exchange.

(2) The IPO may be by way of a fresh issue of equity Shares by the Company or offer for sale by the existing shareholders to the public. If the Promoter Group makes an offer to sell his shareholding, the Investor shall be entitled to offer its shareholding on a pro rata basis. The Investor may also make an offer for sale of Shares held by it to the public, in which case the Promoter Group shall be bound to offer such number of Shares out of his shareholding so as to achieve the minimum number of Shares that may be required for the offer. The terms of any issue or offer shall be as approved by the Investor.

(3) `Provided that in the event the Company subsequently proposes to launch an IPO, and if the price determined in accordance with Article 43 does not provide a minimum IRR of 17% to the Reference Price at that stage, calculated from the date of respective payment made by each Investor to the Company, upto a date approximately two months after filing /re-filing of the DRHP, the Company will issue such number of additional Equity Shares so as to provide a minimum IRR of 17% to such Reference Price, prior to the filing/re-filing of the DRHP.

(4) Provided further that the Company shall ensure that the IPO Price shall not be less than the Reference Price determined in connection with Article 43 and that the IPO will be completed within three months from the approximate date determined in accordance with Article 43 for the filing/ re-filing of the DRHP.

(5) In the event the IPO is not concluded before December 31, 2010, the Investor shall have the right to force an IPO at any valuation and on any terms that it deems appropriate and the Company shall be obliged to undertake an IPO as required by the Investor.

Execution of transfer etc.

59. Subject to the provision of the Act and these Articles, no Transfer of Shares shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor or transferee has been delivered to the Company together with the certificate or certificates of the Shares, or if no such certificate is in existence along with the letter of allotment of Shares. The instrument of Transfer of any Shares shall be signed both by or on behalf of the transferor and by or on behalf of transferees and the transferor shall be deemed to remain the holder of such share until the name of the transferee is entered in the Register of member.

Application for transfer

60. Application for the registration of the transfer of a share may be made either by the transferor or the transferee provided that, where such application is made by the transferor, no registration shall in the case of partly paid Shares be effected unless the Company gives notice of the application to the transferee in the manner prescribed by the Act, and, subject to the provision of Articles hereof, the Company shall, unless objection is made by the transferee within two weeks from the date of receipt of the notice enter in the Register the name of the transferee in the same manner and subject to the same conditions as if the application for registration was made by the Transferee.

Register of transfers

61. The Company shall keep a "Register of Transfers" and therein shall be fairly and distinctly entered particular of every transfer of any Shares

Transfer of Securities:

62. The provisions of Section 111 of the Companies Act, regarding powers to refuse registration of transfer and appeal against such refusal should be adhered to. Provided that the registration of transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person indebted

to the Company on any account whatsoever except when the Company has a lien on the Shares. Transfer of Shares / Debentures in whatever lot shall not be refused.

Directors may refuse to Register Transfer

63. Subject to the provisions of Section 111A, these Articles and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the Person giving intimation of such transmission, as the case may be, giving reasons for such refusal. Provided that the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares.

No transfer to person of unsound mind

64.1. No transfer shall be made to a person of unsound mind.

No fee for registration for transfer

2. No fee shall be charged for registration of transfer, probate, letter of administration, certificate of death or marriage, power of attorney or similar other instruments.

Instrument of Transfer

65. The instrument of transfer shall be in writing and all provisions of Section 108 of the Act and the statutory modifications thereof for the time being shall be duly complied with in respect of all transfer of shares and registration thereof.

No fee for registration for transfer or transmission

66. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and Letters of administration, certificate of death or marriage, power of attorney or similar other documents.

When instrument of transfer to be retained

67. All instruments of transfer duly approved shall be retained by the Company and in case of refusal, instruments of transfer shall be returned to the person who lodges the transfer deeds.

Notice of refusal to register transfer

68. If the Directors refuse to register the transfer of any shares. The Company shall, within one month from the date on which the instrument of transfer was lodged with the Company or intimation given, send to the transferor and the transferee or the person giving intimation of such transfer, notice of such refusal.

If the Directors refuses to register the transfer of any Debentures, the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal

Power to close transfer books and register

69. On giving seven days' notice by advertisement in a news paper circulating in the District in which the office of the Company is situated, the Register of Members may be closed during such time as the Directors think fit not exceeding in the whole forty five days in each year but not exceeding thirty days at a time.

Transmission of registered Shares

70. The executors or administrators or the holder. of a succession certificate in respect of Shares of a deceased member (not being one of several joint holders) shall be the only person whom the Company shall recognise as having any title to the Shares registered in the name of such member and, in case of the death of any one or more, of the joint-holders of any registered Shares the survivors shall be 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. Before recognizing any legal representative or heir or a person otherwise claiming title to the Shares the Company may require him to obtain a grant of probate

or letters of administration or succession certificate, or other legal representation, as the case may be from a competent Court, provided nevertheless that in any case where the Board in its absolute discretion think fit, it shall be lawful for the Board to dispense with production of probate or letters of administration or a succession certificate or such other legal representation upon such terms as to indemnity or otherwise as the Board may consider desirable.

As to transfer of Shares of deceased or insolvent members

71. Any person becoming entitled to or to transfer Shares in consequence of the death or insolvency of any member, upon producing such evidence that he sustains the character in respect of which he proposes to act under this article or his title as the Directors think sufficient, may with the consent of the Directors (which they shall not be under any obligation to give), be registered as a member in respect of such Shares or may, subject to the regulations as to transfer hereinbefore contained, transfer such Shares. This is hereinafter referred to as the transmission Article Subject to any other provisions of these Articles if the person so becoming entitled to Shares under this or the last preceding Article shall elect to be registered as a member in respect of the share himself he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he shall elect to transfer to some other person he shall execute an instrument of transfer of Shares. Ail the limitation, restrictions and provisions of these articles relating to the rights to transfer and the registration of transfers of shares shall be applicable to any such notice of transfer as aforesaid.

Rights of executors and trustees

72. Subject to any other provisions of these articles if the Directors in their sole discretion are satisfied in regard thereof, a person becoming entitled to a share in consequence of the death or insolvency of a member may receive and give a discharge for any dividends or other money payable in respect of the share.

Provisions of articles relating to transfer applicable

73. The instrument of transfer shall be in writing and all the provisions of section 108 of the Companies Act, 1956 and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.

SHARE WARRANTS

Power to issue share warrants

74. Subject to the provisions of Sections 114 and 115 of the Act and subject to any directions which may be given by the Company in General Meeting, the Board may issue share-warrants in such manner and on such terms and conditions as the Board may deem fit. In case of such issue Regulations 40 to 43 of table "A' in Schedule 1 to the Act, shall apply

STOCKS

Stocks

75. The Company may exercise the power of conversion of its Shares into stock and in that case regulations 37 to 39 of table 'A' in Schedule 1 to the Act shall apply.

ALTERATION OF CAPITAL

Power to subdivide and consolidate

76. Subject to the provisions of these Articles, the Company may by ordinary resolution, from time to time, alter the condition of Memorandum of Association as follows:

(a) Increase the Share Capital by such amount to be divided into Shares of such amount as may be specified in the resolution.

(b) Consolidate and divide all or any of its share capital into Shares of larger amount than its existing Shares.

(c) Subdivide its existing Shares or any of them into Shares of smaller amount than is fixed by the Memorandum of Association, so however, that in the sub-division the proportion between the amount paid and the amount, if any unpaid on each share shall be the same as it was in the share from which the reduced share is derived, and

(d) Cancel any Shares which, at the date of the passing of the resolution have not been taken or agreed to be taken by any person and diminish the amount of its share capital by the amount of the share so cancelled.

Reduction of share capital

77. Subject to Section 78,80,100 to 105 (both inclusive) and other applicable provisions of the Act from time to time and, subject to confirmation by the Court, the Company is authorised to reduce its share capital by Special Resolution in any way being authorized by law and in particular and without prejudice to the generality of the foregoing power, may:-

(a) Extinguish or reduce the liability on any of its share in respect of share capital not paid-up;
(b) Either with or without extinguishing or reducing liability on any of its Shares, cancel any paid-up share capital which is lost , or is unrepresented;
(c) Either with or without extinguishing or reducing liability on any of its Shares; pay of any paid up share capital which is in excess of the wants of the Company, and may , if and so far as necessary alter its memorandum by reducing the amount of its share capital and of its Shares accordingly; or
(d) Reduce any share premium amount in accordance with the provisions of Section 78 read with Section 100 or any statutory modifications thereof; and
(e) to reduce any Capital Redemption Reserve Fund in accordance with Section 80 read with Section 100 or any statutory modifications thereof.

Surrender

78. Subject to the provisions of Sections 100 to 104 of the Act, the Board may Surrender accept from any member the surrender of all or any of his Shares on such terms and conditions as shall be agreed.

MODIFICATION OF RIGHTS

Power to modify rights

79. If at any time the share capital is divided into different classes of Shares the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, whether or not the Company is being wound up, be carried with consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate meeting the provisions of these Articles, relating to general meeting shall apply, but so that the necessary quorum shall be two persons at least holding or representing by proxy one-tenth of the issued Shares of the class but so that if at any adjourned meeting of such holders a quorum as above defined is not present, those members who are present shall be a quorum and that any holder of shares of the class present in person or by proxy may demand a poll and, on a poll, shall have one vote for each shares of the class of which he is the holder. The Company shall comply with the provisions of Section 192 of the Act as to forwarding a copy of any such agreement or resolution to the Registrar of Companies.

BORROWING POWERS

Power to borrow

80. The Board may from time to time and at its discretion, subject to the provisions of Section 58A, 292 and 293 of the Act and Regulations made there under and Directions issued by the RBI raise or borrow, either from the Directors or from elsewhere and secure the payment of any sums or sum of money for the purpose of the Company.

Conditions on which money may be borrowed

81. The Board may raise or secure the repayment of such sum or sums in such manner and upon such terms and conditions in all respects as it thinks fit, and in particular, by the issue of bonds, perpetual or redeemable Debentures or debenture stock, or any mortgage, or other security on the undertaking of the whole or part of the properly of the Company (both present and future), including its uncalled capital for the being, provided that Debentures with the right to allotment of or conversion into share shall not

be issued except with the sanction of the Company in general meeting and subject to the provisions of the Act and the provisions contained in these Articles.

Term of issue of Debenture

82. Any Debentures, debenture-stock, bonds or other securities may be issued at a discount, premium or otherwise and may be issued on condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender , drawing, allotment of Shares, attending (but not voting) at the General Meeting appointment of Directors and otherwise Debentures with the right to conversion into or allotment of Shares shall be issued only with the consent of the Company in the General Meeting by a special resolution.

Instrument of transfer

83. Save as provided in Section 108 of the Act, no transfer of debenture shall be registered unless a proper instrument of transfer duly stamped and executed by the transfer and transferee has been delivered to the Company together with the certificate or certificates of Debentures.

Notice of Refusal

84. If the Board refuses to register the transfer of any Debentures, the Company shall, within two months from the date on which the instrument of transfer was lodged with the Company, send to the transferee and to the transferor notice of the refusal.

RESERVES

Reserves

85. Subject to the provisions of the Act, the Board shall in accordance with Section 205 (2A) of the Act, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied and pending such application may at its discretion, either be employed in the business of the Company or be Invested in such investments (other than Shares of the Company as the Board may from time to time think fit). The Board may also carry forward any profit which it may think prudent, not to divide without setting them aside as a reserve.

Capitalization

86. Subject to the provisions of these Articles, the Companies Act and applicable law, the Company may resolve to capitalise the whole or any part of the undivided profits of the Company (which expression shall include any premiums received on the issue of Shares and any profits or other sums which have been set aside as a reserve or reserves or have been carried forward without being divided) and distribute the same amongst such of the members, including holders of its preference shares, as would be entitled to receive the same if distributed by way of dividend. The Company may resolve at it sole discretion, subject to the provision of these Articles, the Companies Act and applicable law, to distribute the whole or any part of the undivided profits of the Company to any and/or all classes of its shareholders. Provided that the undivided profits of the Company shall be divided in the same proportion to each class of shareholders and may be divided in different proportion among different classes of shareholders. Further, the Company may resolve to apply all or any part of such capitalized amount on behalf of such members', including preference shareholders, in paying up in full, any unissued Shares of the Company, which shall be distributed accordingly or in or towards payment of the uncalled liability on any issued Shares, and that such distribution or payment shall be accepted by such member in full satisfaction of their interest in the said capitalized amount

Fractional certificates

87. For the purpose of giving effect to any resolution under last two preceding Fractional Articles, the Directors may settle any difficulty which may arise in regard to the distribution as they think expedient and in particular may issue fractional certificate.

GENERAL MEETINGS

Applicability of the Act

88. All General Meetings should be held in accordance with the applicable provisions of the Act and these Articles.

Notice of the General Meetings

89. Not less than 21(fourteen) Business Days' prior written notice of all General Meetings shall be given to the shareholders of the Company at their respective addresses notified by them to the Company in writing and failing such notification, at their registered office for the time being. A General Meeting may, however, be called by giving a shorter notice (but not less than 7 (seven) Business Days) with the prior consent of the members of the Company.

Agenda for the meetings

90. Notice of a General Meeting shall be accompanied by an agenda setting out the business proposed to be transacted thereat.

Provided that no business shall be transacted at any General Meeting duly convened and held other than that specified in the notice without the prior written consent of the Shareholders of the Company.

Quorum

91. The quorum for a General Meeting shall be at least 5 (five) shareholders of the Company present in person or through their representative.

Provided that the presence of representatives of each of the Promoter Group and the Investor where any Restricted Matter is to be considered. Provided that in the event, the representative of Promoter Group or the Investor, required to complete the quorum is not present within half an hour of the scheduled time for the meeting, at which any Restricted Matter is on the Agenda, then the meeting shall stand adjourned to the same time and place after 7 (seven) days or if that is a holiday, to the immediately succeeding working day. In the event at the adjourned meeting, the representative of Promoter Group s or the Investor is not present within half an hour of the scheduled time for such adjourned meeting, the quorum will be as provided in the Act, and such Restricted Matter may be taken up for consideration and any resolutions passed therein will be valid and binding.

Communication of Consent

92. Nothing contained in these Articles shall preclude either the Investor or the Promoter Group from communicating by way of a notice in writing its rejection of a proposal in the agenda, circulated in accordance with the foregoing provisions, covered by Article 152, in which event a negative vote shall be deemed to have been passed in relation to the relevant item on the agenda. Notwithstanding anything contained in these Articles, in the event of either Shareholder having provided a prior written affirmative consent by way of a written notice to any Restrictive Matter set out in Article 152 (2), the presence of such Shareholder at the General Meeting shall not be necessary to constitute a valid quorum.

Shareholders Undertaking

93. The Shareholders jointly and severally undertake to ensure:

(i) that they, their representatives, proxies and agents representing them at General Meetings shall at all times exercise their votes in respect of the Shares in such manner so as to comply with, and to fully and effectually implement, the provisions of these Articles; and

(ii) that if any resolution is proposed contrary to these Articles, they, their representatives, proxies and agents representing them shall vote against such resolution. If for any reason such a resolution is passed, the Shareholders shall if necessary, join together and convene an EGM pursuant to Section 169 of the Act for implementing the terms of these Articles.

Chairman

94. At every General Meeting, the Chair shall be taken by the Chairman of the Board of Directors. If at any meeting, the Chairman of the Board of Directors be not present within fifteen minutes after the time appointed for holding the meeting or, though present be unwilling to act as chairman, the members present shall choose one of the Directors present to be chairman or if no Directors are present or though present are unwilling to take the chair then the members present shall choose one of their members, being a member entitled to vote, to be chairman.

Sufficiency of ordinary resolution

95. Any act or resolution which, under the provisions of this Article or of the Act, is permitted shall be sufficiently so done or passed if effected by an ordinary resolution unless either the Act or the articles specifically require such act to be done or resolution passed by a special resolution.

When if quorum be not present, meeting to be dissolved and when adjourned

96. If within half an hour from the time appointed for the meeting a quorum be not present, the meeting, if convened upon a requisition of share holders shall be dissolved but in any other case it shall stand adjourned to the same day in the next week at same time and place, unless the same shall be public holiday when the meeting shall stand adjourned to the next day not being a public holiday at the same time and place and if at such adjourned meeting a quorum be not present within half an hour from the time appointed for the meeting, those members who are present and not being less than two persons shall be a quorum and may transact the business for which the meeting was called.

Provided that in the event, the representative of Promoter Group or the Investor, required to complete the quorum is not present within half an hour of the scheduled time for the meeting, at which any Restricted Matter is on the Agenda, then the meeting shall stand adjourned to the same time and place after 7 (seven) days or if that is a holiday, to the immediately succeeding working day. In the event at the adjourned meeting, the representative of Promoter Group s or the Investor is not present within half an hour of the scheduled time for such adjourned meeting, the quorum will be as provided in the Act, and such Restricted Matter may be taken up for consideration and any resolutions passed therein will be valid and binding.

How question resolution to be decided at meetings

97. In the case of an equality of votes the Chairman shall both on a show of hands and a poll have a casting vote in addition to the vote or votes to which he may be entitled as a member.

Power to adjourned general meeting

98. The Chairman of a General meeting may adjourn the same, 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. It shall not be necessary to give notice to the members of such adjournment or of the time, date and place appointed for the holding of the adjourned meeting.

Business may proceed notwithstanding demand of poll

99. If a poll be demanded, the demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which a poll has been demanded.

VOTES OF MEMBERS

Vote of members

100.1) On a show of hands every member present in person and being a holder of Equity Shares shall have one vote and every person present either as a proxy on behalf of a holder of Equity Shares or as a duly authorized representative of a body corporate being a holder of Equity Shares, if he Is not entitled to vote in his own right shall have one vote.

(2) On a poll the voting rights of a holder of Equity Shares shall be & specified in Section 87 of the Act

(3) The voting rights of the holders of the Preference Shares including the Redeemable Cumulative Preference Shares shall be in accordance with the provisions of section 87 of the Act and the provisions of these Articles.

(4) No company or body corporate shall vote by proxy so long as a resolution of its Board of Directors under Section 187 of the Act is in force and the representative named in such resolution, is present at the General Meeting at which the vote by proxy is tendered.

Votes in respect of deceased, insolvent and insane members

101. A person becoming entitled to a share shall not before being registered as Member in respect of the share be entitled to exercise in respect thereof any right conferred by membership in relation to the meeting of the Company. If any member be a lunatic or idiot, he may vote whether on a show of hands or at a poll by his committee or other legal curator and such last mentioned persons may give their

votes by proxy provided twenty four hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which any such person proposes to vote he shall satisfy the Board of his rights under this Article unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

Joint holders

102. Where there are joint holders of any share any one of such persons may vote at any meeting either personally or by proxy in respect of such Shares as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting either personally or by proxy then that one of the said persons so present whose name stands prior in order on the register in respect of such share shall alone be entitled to vote in respect thereof. Several Executor or administrators of deceased member in whose name any share stands shall for the purpose of this Article be deemed joint-holders thereof.

Instrument appoint ting proxy to be in writing

103. The instrument appointing a proxy shall be in writing under the hand of the appointer or of his Attorney duly authorized in writing or if such appointer is a corporation under Its common seal or the hands of its Attorney.

Instrument appointing proxy to be deposited at the office

104. 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 of authority shall be deposited at the office not less 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 of proxy shall not be treated as valid.

When vote by proxy valid though authority revoked

105. A vote given in accordance with the terms of an instrument appointing a proxy shall be valid notwithstanding the previous death or insanity of the principal or revocation of the instrument of transfer of the share in respect of which the vote is given. Provided no intimation in writing of the death, insanity, revocation of transfer of the share shall have been received at the office or by the Chairman of the Meeting before the vote is given. Provided nevertheless that the Chairman of any meeting shall be entitled to require such evidence as he may in his discretion think fit of the due execution of an instrument of proxy and that the same has not been revoked.

Form of instrument appointing proxy

106. Every instrument appointing a proxy shall as nearly as circumstances will admit, be in the form set out in Schedule IX to the Act.

107. No objection shall be taken to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote not disallowed at such meeting or poll and whether given personally or by proxy or otherwise shall be deemed valid for all purposes.

108. Before or on the declaration of the result of the voting on any resolution on a show of hands, a poll may be ordered to be taken by the Chairman of the Meeting on his own motion and shall be ordered to be taken by him on a demand made in that behalf by any member or members present in person or by proxy and fulfilling the requirements as laid down in Section 179 of the Act, for the time being in force.

Restrictions on voting

109. No member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company 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 and has exercised any right or lien.

DIRECTORS

Number of Directors

110. The number of Directors shall not be less than three and not more than twelve.

First Directors

111. The following shall be the first directors of the Company

1. Mr. Hemant Narang 2. Mr. Vivek Kant Gupta

Composition of board of directors

112. So long as the Investor maintains 50% of its original investment in the Company (whether in the form of preference shares or in the form of converted Equity Shares), the Investor shall be entitled to nominate 1(one) Director ("Investor Director"), who shall be nominated by Standard Chartered IL&FS Infrastructure Growth Fund Company Limited on behalf of the Investor. The Promoter Group shall be entitled to nominate such number of Directors as he may consider appropriate ("Promoter Group Directors"). The Investor recognizes that other shareholders of the Company may be granted the right to nominate directors on the Board.

Investor Director

113 (1) The Investor Director shall be a non-executive Director and shall not be responsible for the day-to-day management of the Company. Further the Company and the Promoter Group hereby agree and undertake that the Investor Director shall not be required at any time, to provide any kind of direct or indirect personal guarantees for any loans taken by the Company.

(2) The Company shall indemnify and keep indemnified the Investor Director to the extent permitted under Law, against any act, omission or conduct of or by the Company or its employees or agents as a result of which, in whole or in part, any Investor Director is made a party to and incurs any loss pursuant to, any third party action, suit, claim or proceeding arising out of or relating to any such conduct, or any act or omission of an Investor Director in its capacity as a Director undertaken in good faith.

(3) The Investor Director shall not be required to hold any qualification Shares. Further, the Investor Director shall not be liable to retire by rotation.

Removal/Resignation of the Directors

114. The Promoter Group or the Investor may require the removal of any Director nominated by them and nominate another individual as a Director in his/her place, and the other Shareholder shall exercise its rights to ensure the appointment of the individual nominated as aforesaid. In the event of the resignation, retirement or vacation of office of any Director, the Shareholder who has appointed such Director shall be entitled to appoint another Director in place of such earlier Director and the other Shareholder shall exercise its rights to ensure the appointment of the individual nominated as aforesaid.

Power of Directors to add its number

115. The Directors shall have power, at any time and from time to time, to appoint any person as Director as an addition to the Board but so that the total number of Directors shall not at any time exceed the maximum number fixed by the Articles. Any director so appointed shall hold office only until the next Annual General Meeting of the Company and shall be eligible for reelection.

Share qualification of Directors

116. A Director shall not be required to hold any share qualification.

Remuneration of Directors

117.(1) Subject to provisions of the Act, the Directors shall be entitled to receive in each year a Commission @1% (One per cent) of the net profits of the Company, such commission to be calculated on the net profits of the Company to be computed in accordance with the provisions of the Act, and such commission shall be divided among the Directors in such proportion and manner as may be determined by them. The Directors may allow and pay to any Director who for the time being is resident out of the place at which any Meeting of the Directors may be held and who shall come to that place for the purpose of attending such meeting such sum as the Directors may consider fair and reasonable for his expenses in connection with his attending the meeting in addition to his remuneration as above specified. If any Director being willing is appointed to an executive office either whole time or part time or be called upon to perform extra services or to make any special exertions for any of the purposes of the Company then subject to Sections 198, 309, 310 and 314 of the Act, the Board may remunerate such Director either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.

(2) The sitting fees payable to a Director for attending a meeting of the Board or a Committee of the Board or a general meeting shall such amount as may be fixed by the Directors in accordance with the provisions of Section 310 of the Act and Schedule Xlll thereof.

Directors and Officers Insurance Policy

118. The Company shall procure Directors and Officers insurance policy cover for all the Directors and officers for such amount and period as may be required by the Investor.

Continuing Directors may act

119. The continuing Directors may act notwithstanding any vacancy in their body but so that if the number fails below the minimum number above fixed the Directors shall not except for the purpose of filling vacancies or of summoning a General Meeting act so long as the number is below the minimum.

Directors may contract with Company

120. Subject to the provisions of Sections 297, 299. 300, 309 and 314 the Act, the Directors (including Managing Director) shall not be disqualified by reason of his or their office as such, from holding office under the Company or from contracting with the Company either as vendor, purchaser, lender, agent, broker, lessor or otherwise nor shall any such contract or any contract or arrangement entered into by or on behalf of the Company with a relative of such Directors or the Managing Director or with any firm in which any Director or a relative shall be a partner or with any other partner or with a private company in which such Director is a member or director interested be avoided nor shall any Director or otherwise so contracting or being such members or so interested be liable to account to the company for any profit realised by such contract or arrangement by reason only of such Director holding that office or of the fiduciary relation thereby established.

APPOINTMENT OF DIRECTORS

Appointment of Directors

121. The Company in General Meeting may, subject to the provision of these Articles and the Act, at any time elect any person to be a Director and may, from time to time, increase or reduce the number of Directors.

Any member of the Company shall be competent to propose the name of any person who Is otherwise not disqualified as being a director of a Company, for the office of Director in the Company and shall accordingly give a notice of at least 14 days In writing along with a deposit of Rs. 500/- (Rupees Five Hundred) or such sum as may for the time being be prescribed by the Act, which shall be refunded only after the person proposed to be appointed as Director is elected.

Board may fill up casual vacancies

122. Subject to these Articles, if any Director appointed by the Company in General Meeting vacates office before his tenure expire, the resulting casual vacancy may be filled up by the Board at a meeting of the Board, but any person so appointed shall retain his office so long as the vacating Director would have retained the same as no vacancy had occurred. Provided that the Board may not fill such a vacancy by appointing thereto any person who has been removed from the office of Director under Section 284 of the Act.

Board may appoint Additional Directors

123. The Directors shall have power at any time and from time to time, to appoint one or more Additional Directors provided that the total number of Directors shall not thereby exceed the maximum number fixed by the Articles of Association. Each such Additional Director shall hold office only up to the date of the next Annual General Meeting but shall be eligible for appointment by the Company at that meeting as a Director.

Nominee directors

124.(1) The Company shall, subject to the provisions of the Act and these Articles, be entitled to agree with any person, firm or corporation that he or it shall have the right to appoint his or its nominee on the Board of Directors of the Company upon such terms and conditions as the Company may deem fit. The corporation, firm or person shall be entitled, from time to time, to remove any such Director or Directors and appoint another or others in his or their places. He shall be entitled to the same rights and privileges and be subject to the same obligation as any other Director of the Company.

Nomination of director by financial and other institutions

(2) Notwithstanding anything to the contrary contained in these Articles, so long as any moneys remain owing by the Company to the Industrial Development Bank of India (IDBI), Industrial Finance Corporation of India (IFCI), The industrial Credit and Investment Corporation of India Limited (ICICI), Life Insurance Corporation of India (LIC), General insurance Corporation of India (GIC). Unit Trust of India (UTI) and other financial institutions of Central or State Governments or to any other Corporation or Institution or to any other Financing Company or other Body out of any loans granted by them to the Company or so long as IDBI, IFCI, ICICI, LIC, GIC, UTI, or any other Financing Company or Body (each of which IDBI, IFCI, ICICI, -.and LIC, GIC. UTI or other Finance Corporation or Credit Corporation or any other financing Company or body is hereinafter in these Articles referred to as "the Corporation') continue to hold Shares in the Company as a result of underwriting or direct subscription, the Corporation shall have a right to appoint from time to time any person or persons as a director or directors, whole time or non-whole time (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 or persons so appointed and to appoint any person or persons in his or their place(s).

(3) 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 liable to retirement by rotation of directors. 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.

(4) 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 as a result of underwriting or direct subscription and the nominee director is so appointed in exercise of the said power shall ipso-facto vacate such office immediately after the moneys owing by the company to the Corporation are paid off or the Corporation ceasing to hold Shares in the company.

(5) The nominee directors appointed under this Article shall be entitled to receive all notices of and attend all general meetings, board meetings and of the meetings of the committee of which the nominee directors is/are member/s and also the minutes of such meetings. The Corporation shall also be entitled to receive all such notices and minutes.

(6) The Company shall pay to the nominee directors sitting fees and expenses which the other directors of the Company are entitled to, but if any other fees, commission, moneys or remuneration In any form is payable to the Directors of the Company, the fees, commission, moneys and remuneration in relation to such nominee directors shall accrue to the Corporation and the same accordingly be paid by the Company directly to the Corporation. Any, expenses that may be incurred by the Corporation or such nominee directors 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 directors. Provided that if any such nominee directors is an officer of the Corporation the sitting fees, in relation to such nominee director shall also accrue to Corporation and the same shall accordingly be paid by the Company directly to the Corporation. Provided also that in the event of the nominee directors being appointed as whole time directors such nominee directors 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 whole-time director, in the management of the affairs of the Company. Such nominee directors shall be entitled to receive such remuneration, fees, commission and moneys as may be approved by the Corporation.

Alternate Directors

125. 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 the meeting of the Board is normally held. An Alternate Director under this Article shall vacate office if and when the Original Director returns to the State. If the term of office of the Original Director is determined before he so returns to the State, any provision in the Act or in these Articles for automatic re-appointment of retiring Directors in default of another appointment shall apply to the Original Directors and not to the Alternate Director

Provided that the Investor and the Promoter Group shall both be entitled to appoint an alternate director in place of any Director nominated by them from time to time. Upon the appointment of the Alternate

Director, the Company shall ensure compliance with the Provisions of the Act as regards appoint of an Alternate Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally perform all functions of the Original Director in his absence in accordance with the requirements of the Act.

Power to remove Director by ordinary resolution:

126a Subject to the provisions of the Act, the Company may by an ordinary resolution in General Meeting remove any Director before the expiration of his period of office and may, by an ordinary resolution, appoint another person instead; the person so appointed shall be subject to retirement at the same time as if he had become a Director on the day on which the Director in whose place he is appointed was last elected as Director.

ROTATION OF DIRECTORS

Rotation of Directors

127. Subject to Article 112 and 113 of these Articles:

(1) Not less than two-thirds of the total number of Directors shall be persons whose period of offices liable to determination by retirement of Directors by rotation.

2) At each Annual General Meeting of the Company, one-third of such of the Directors for the time being as are liable to retire by rotation or if their number is not three or a multiple of three, then the number nearest to one third Shall retire from office.

(3) The Directors to retire by rotation at every Annual General meting 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 to retire shall, in default of and subject to any agreement among themselves, be determined by lot.

(4) If at any Annual General Meeting all the Directors appointed under Article 92 and 112 hereby are not exempt from retirement by rotation under Section 255 of the Act, then to the extent permitted by the said Section. the exemption shall extend to the Directors or Director appointed under Article 84 Subject to the foregoing provisions as between Directors appointed under any of the Articles referred to above, the Director or Directors who shall not be liable to retire by rotation shall be determined by and in accordance with their respective seniorities as may be determined by the Board.

Retiring directors eligible for re-election

128. A retiring Director shall be eligible for re-election and shall act as Directors throughout the meeting at which he retires.

129 Subject to any resolution for reducing the number of Directors, if at any meeting at which an election of Directors ought to take place, the places of the retiring Directors are not filled up, the meeting shall stand adjourned till the next succeeding day which is not a public holiday at the same time and place and it at the adjourned meeting, the places of the retiring Director are not filled up the retiring Directors or such of them as have not had their places filled up shall (if willing to continue in office) be deemed to have been re-elected at the adjourned meeting.

PROCEEDINGS OF DIRECTORS

Meetings of Directors

130.(1) The Board of Directors of the Company shall meet once every 3 (three) months. At least 7 (seven) days' written notice shall be given to each of the Directors and their Alternate Director in respect of each meeting of the Board, at the address notified from time to time by each Director of the Company.

(2) Notice may be waived or a meeting may be called by giving shorter notice with the consent in writing of the majority of the Directors. Provided that the consent of at least one Director each nominated by the Promoter Group and the Investor shall be received in such instances.

Agenda for the meeting

131. Each notice of a meeting of the Board shall contain, inter alia, an agenda specifying in reasonable detail the matters to be discussed at the relevant meeting and shall be accompanied by all necessary written information.

Decision of the Board

132. Subject to these Articles, a decision shall be said to have been made and/ or a resolution passed at a meeting of the Board of Directors only if, at a validly constituted meeting, such decisions are approved of by and/ or the resolution is approved of affirmatively by a majority of the Directors, which unless otherwise mandated by Law in India, shall mean approval by a majority of the Directors present and voting at such Board meeting.

Provided that in case of Restricted Matters such majority shall include the affirmative vote of the Investor Director.

Quorum

133. The quorum for the meeting of the Board of Director shall be one-third of its total strength (any fraction contained in that one-third being rounded off as one) or two Directors whichever is higher or as may be otherwise agreed to by the Company. Provided that where at any time the number of interested Directors is equal to or exceeds two-thirds of total strength, the number of 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. The total strength of the Board shall mean the number of Directors actually holding office as Directors on the date of the resolution or meeting, that is to say, the total strength of Board after deducting there from the number of Directors, if any, whose places are vacant at the time. Further, interested director shall mean any director whose presence cannot, by reason of section 300 of the Act, count for the purpose of forming a quorum at a meeting of the Board, at the time of the discussion or vote on any matter.

Provided that in the event a Restricted Matter is to be considered at a meeting of the Board then the quorum for such meeting shall require the presence of the Investor Director or his alternate. Provided further that in the event, the Investor Director or his alternate, required to complete the quorum is not present within half an hour of the scheduled time for the meeting at which any Restricted Matter is on the Agenda, then the meeting shall stand adjourned to the same time and place after 7 (seven) days or if that is a holiday, to the immediately succeeding working day, at which the presence of such number of Directors as are required under the Act for quorum shall constitute a valid quorum, and such Restricted Matter may be taken up for consideration and resolution passed thereon will be valid and binding. Nothing contained in these Articles shall preclude either the Investor Director from communicating by way of a notice in writing its rejection of a proposal in the agenda circulated in accordance with Article 92 covered by Article 152 , in which event a negative vote shall be deemed to have been passed in relation to the relevant item on the agenda. Notwithstanding anything contained in these Articles, in the event of the Investor having provided a prior written affirmative consent to any agenda item set out in Article 152, the presence of the Investor Director at the meeting of the Board shall not be necessary to constitute a valid quorum.

Summoning a meeting of Directors

134. The Secretary may at any time, and upon request of any two Directors shall, summon a meeting of the Directors.

Voting at Meeting

135. Subject to the provisions of Sections 316, 372(5) and 386 of the Act and these Articles, questions arising at any meeting shall be decided by a majority of votes, each director having one vote and in case of an equality of votes, the Chairman shall have a second or casting vote.

Chairman of meeting

136. The Chairman of the Board of Directors shall be the Chairman of the meetings of Directors. Provided that if the Chairman of the Board of Directors is not present within five minutes after the appointed time for holding the same. The Directors present shall choose one of their members to be Chairman of such meeting.

Act of meeting

137. A meeting of Directors for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretions by or under the Articles of the Company and the act for the time being vested in or exercisable by the Directors generally.

To appoint Committee and to delegate power and revoke it

138(1) The Investor shall have the right of appointment of the Investor Director to the audit committee and the compensation committee of the Board of the Company, and the Promoter Group shall exercise his rights (subject to and in accordance with applicable Law) and shall reasonably endeavor to cause the nominees of the Promoter Group on the Board of the Company to exercise their voting rights, in favor of the appointment of Investor Director to such committees of the Company.

(2) No quorum at any meeting of such committee shall be validly constituted unless the Investor Director and one (1) representative of the Promoter Group are present at such meeting. Provided that in the event the required quorum is not present within half an hour of the scheduled time for the meeting, then the meeting shall stand adjourned to the same time and place after 7 (seven) days. In case at such adjourned meeting, the required quorum is not present, then the present members at such adjourned meeting shall constitute a valid quorum.

(3) The Board of Directors of the Company may constitute one or more committee(s) and delegate to such committee(s) functions and authority as may be permitted under the Act.

Validity of acts

139. All acts done at any meeting of Directors or of a Committee of the Directors or by any person acting as a Director shall be valid notwithstanding that it be afterwards discovered that there was some defect in the appointment of any such Directors, Committee or person acting as aforesaid or that they or any of them were disqualified.

Resolution by circulation

140. Except a resolution which the Act, requires it specifically to be passed in a board meeting, a. resolution may be passed by the Directors or Committee thereof by circulation in accordance with the provisions of Section 289 of the Act. Minutes of any meeting of Directors or of any Committee or of the Company if purporting to be signed by the Chairman of such meeting or by the Chairman of next succeeding meeting shall be receivable as prima facie evidence of the matters in such minutes.

POWERS OF DIRECTORS

General power of the Company vested in the Directors

141. Subject to the provisions of the Act and these Articles, the control of the Company shall be vested in the Directors who shall be entitled to exercise all such powers and to do all such acts end things as may be exercised or done by the Company and are not hereby or by law expressly required or directed to be exercised or done by the Company in General Meeting but subject nevertheless to the provisions of any law and of these presents, from time to time, made by the Company in General Meeting, provided that no regulation so made shall invalidate any prior act of the Directors which would have been valid if such regulation had not been made.

Power to delegate

142. Without prejudice to the general powers conferred by the preceding article the Directors may, from time to time and at any time, subject to the restrictions contained in the Act, delegate to managers, secretaries, officers, assistants and other employees or other persons (including any firm or body corporate) any of the powers authorized and discretions for the time being vested in the Directors.

Power to authorize sub-delegation

143. The Directors may authorise any such delegate or attorney as aforesaid to sub delegate all or any of the powers, authorities and discretion for the time being vested in them.

Signing of documents

144. All deeds, agreements and documents and all cheques, promissory notes, drafts, hundies, bills of exchange and other negotiable instruments, and ail receipts for moneys paid to the Company, shall be signed, drawn, accepted or endorsed or otherwise executed, as the case may be by such persons

(including any firm or body corporate) whether in the employment of the Company or not and in such manner as the Directors shall, from time to time, by resolution determine.

Management abroad

145. The Directors may make such arrangements as may be thought fit for the management of the Company's affairs abroad, and may for this purpose(without prejudice to the generality of their powers) appoint local bodies and agents and fix their remuneration and delegate to them such powers as may be deemed requisite or expedient. The foreign seal shall be affixed by the authority and in the presence of and instruments sealed therein shall be signed by, such persons as the Directors shall, from time to time by writing under the common seal, appoint. The Company may also exercise me powers of keeping Foreign Registers. Such regulations not being in consistent with the provisions of Sections 157 and 158 of the Act, the Board may; from time to time, make such provisions as it may think fit relating thereto and may comply with me requirements of any local law.

Manager of Secretary

146. A Company secretary shall be appointed by the Directors on such terms, at such remuneration and upon such conditions as they may think fit.

Act of Director, Manager or Secretary

147. A provision of the Act or these regulations requiring or authorising a thing to be done by a Director, manager or secretary shall not be satisfied by its being done by the same person acting both as director and as, or in place of the manager or secretary.

MANAGING DIRECTORS

Power to appoint Managing Director

148. Subject to the provisions of Sections 197A, 269, 316 and 317 and Schedule XIII of the Act, the Board may, from time to time, appoint one or more Directors to be Managing Director or Managing Directors of Company and may, from time to time, (subject to the provisions of any contract between him or them and the Company), remove or dismiss him or them from office and appoint another or others in his place or their places.

To what provisions he shall be subjected

149. Subject to the provisions of Section 255 of the Act and Article 127 (4) hereof, a Managing Director shall not, while he continues to hold that office, be subject to retirement by rotation, but he shall be counted for as ascertaining the number of Directors to retire (Subject to the provisions of any contract between him and the Company) he shall be subject to the same provisions as to resignation and removal as the other Directors, and he shall, ipso facto and immediately, cease to be a Managing Director if he ceases to hold the office of Director for any cause.

Remuneration of Managing Director

150. Subject to the provisions of Sections 198, 309, 310, 311 and Schedule Xlll of the Act, a Managing Director shall, in addition to the remuneration payable to him as a Director of the Company under the Articles, receive such additional remunerations as may, from time to time, be sanctioned by the Company.

Powers of Managing Director

151. Subject to the provisions of the Act, in particular-to the prohibitions and restrictions contained in Sections 292 and 293 thereof, the Board may from time to time, entrust to and confer upon a Managing Director for the time being such of the powers exercisable under these presents by the Board as it may think fit, and may confer such powers for such time, and to be exercised for such objects and purposes and upon such terms and conditions and with such restrictions as it thinks fit, and the Board may confer such powers either collaterally with, or to the exclusion of, and in substitution for any of the powers of the Board in that behalf and may, from time to time, revoke, withdraw, alter or vary all or any of such powers.

AFFIRMATIVE COVENANTS

Affirmative Votes

152.(1) Subject to these Articles, the decisions on the Restricted Matters, shall not be taken and/or implemented by the Company, (i) at the General Meetings without the affirmative vote of the representative of the Investor, or (ii) at its Board meetings, without the affirmative vote or prior written consent of the Investor Director, or (iii) at any of its committee meetings without the consent of the Investor Director.

Restricted Matters

(2) The Restricted Matters shall be as follows:

(i) Acquisition or merger or Diversification or sale by the Company, other than in respect of acquisition of business/entity engaged in the cable television distribution and network business including Multi Service Operators, Local Cable Operators and distributors of the Business;

(ii) Any change in Auditors, including appointment of new auditors;

(iii) Any changes in the capital structure, except for IPO, ESOPs and issue of Shares to entities/persons engaged in cable television distribution and networking business including Multi Service Operators, Local Cable Operators and distributors of the Business and/or as provided under Clause 4.1 (c);

(iv) Declaration of Dividends;

(v) Change in the Chief Executive Officer;

(vi) Approval of Accounts;

(vii) Change in accounting year;

(viii) Creation of Subsidiaries for any new business; and

(ix) Amendment to the Charter Documents.

Deadlock

153.(1) Except for circumstances set out in the proviso of Article 91 and Article 133 , in the event of the prior written consent of the Investor or Investor Director not being obtained with respect to any of the Restricted Matters specified in Article 147 (2) of these Articles , then such Restricted Matter shall be deferred for decision of the Board or of the shareholders (as the case may be) at the next meeting and if the matter is still not resolved, the designated nominee of the Investor and the nominee of the Promoter Group shall decide upon the matter. If such difference/matter is not resolved within 45 (forty five) days following the date on which the difference/matter emerged then a deadlock shall have arisen ("Deadlock"), and status quo shall prevail with respect to the matter(s) which has been the subject matter of the unresolved Deadlock until such time as the Deadlock is resolved in accordance with this Article 153 (1).

(2) Such Deadlock shall then be referred to mediation of a person mutually appointed by the Shareholders. The Investor and Promoter Group agree to act in good faith to participate in such mediation, and to identify a mutually acceptable mediator ("Mediator"). The Mediator shall be a person who shall be financially literate and who is duly qualified to discharge the role envisaged for him under this procedure. Each Shareholder shall bear its own cost in the mediation proceedings. The Shareholders shall attempt to resolve the Deadlock through mediation within a period of 45 (forty five) days or such further time as may be mutually agreed. The decision of the Mediator shall be final and binding on the Shareholders.

COMMENCEMENT OF BUSINESS

Compliance before commencement of new Business

154. The Company shall not at any time commence any business out of other objects of its Memorandum of Association unless the provisions of Section 149 of the Act have been duly complied with by it.

SEAL

Custody of seal

155. The Directors shall provide for the safe custody the Seal and the Seal shall never be used except by the authority of the Directors or a Committee of the Directors previously given and one Director or Secretary at least shall sign every instrument to which the seal is affixed provided nevertheless that any Instrument bearing the Seal of the Company and issued for valuable consideration shall be binding on the Company notwithstanding any irregularity touching the authority of the Directors to issue the same.

DIVIDENDS

How Profits shall be divisible

156. Subject to rights of members entitled to Shares (if any) with preferential or special rights attached to them, the profits of the Company from time to time, determined to be distributed as dividend in respect of any year or other period shall be applied for payment of dividend on the Shares in proportion to the amount of capital paid up on the Shares provided that unless the Board otherwise determines all dividend shall be appointed and paid proportionately to the amounts paid or credited as paid up on the Shares during any portion or portions of the period in respect of which dividend is paid. Provided always that subject as aforesaid any capital paid up on a share during the period in respect of which a dividend is declared shall (unless the Board otherwise determines or the terms of issue otherwise provide, as the case may be), only entitle the holder of such share to an apportioned amount of such dividend as from the date of payment but so that where capital is paid up in advance of calls such capital shall not confer a right to participate in profits.

Declaration of dividends

157. The Company in General Meeting may declare a dividend to be paid to the members according to their rights and interest in the profits and may subject to the provisions of Section 205 of the Act, fix the time for payment.

Restrictions of amount of dividends

158. No larger dividend shall be declared than is recommended by the Directors, but the Company in General Meeting may declare a smaller dividend.

Dividend out of profit only

159. No dividend shall be payable except out of the profits of the Company of the year or any other undistributed profits and no dividend shall carry interest as against the Company.

What to be deemed net profits

160. The declaration of the Directors as to the amount of the net profits in the audited annual accounts of the Company for any year shall be conclusive.

Interim dividends

161. The Directors may, from time to time, pay to the members such interim dividends as in their judgment the position of the Company is correct.

Debts may be deducted

162. The Directors may retain any dividends on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists, subject to Section 205 A of the Act.

163. A transfer of Shares shall not pass the rights to any dividend declared thereon before the registration of the transfer.

Retention in certain cases

164. Subject to Section 205A of the Act, the Directors may retain the dividends payable upon Shares in respect of which any person is under the transmission Article entitled to become a member or which any person under the Article is entitled to transfer until such person shall duly become a member in respect thereof or shall transfer the same.

Dividend to Joint holders

165. Any one of the several persons who are registered as join holders of any share may give effectual receipts of ail dividend payments on account of dividends in respect of such Shares.

Payment by post

166. Unless otherwise directed, any dividend may be paid by cheque or warrant sent through post to the registered address of the member or person entitled thereto, or in the case of joint-holders to the registered address of that one whose name stands first on the Register in respect of the joint holding or to such person and such address and the member or person entitled or such joint-holders as the case may be, may direct and every cheque or warrant so sent shall be made payable at par to the person or to the order of the person to whom it is sent or to the order of such other person as the member or person entitled or such joint-holders, as the case may be may direct.

When payments good discharge

167. The payment of every cheque or warrant sent under the provisions of the last preceding Article shall, if such cheque or warrant purports to be duly endorsed, be a good discharge to the Company in respect thereof, provided nevertheless that the Company shall not be responsible for the loss of any cheque, warrant or postal money order which shall be sent by post to any member or by his order to any other person in respect of any dividend.

Unpaid or unclaimed dividend

168. Where the Company has declared a dividend but which has not been paid or the dividend warrant in respect thereof has not been posted within 42 days from the date of declaration, to any Shareholder entitled to the payment of the dividend, the Company shall within 7 days from the date of the expiry of the said period of 42 days, to a special account to be opened by the Company in that behalf in any scheduled bank, to be called *"DEN Networks Limited Unpaid Dividend Account".* Any money transferred to the unpaid dividend account of a Company which remains unpaid or unclaimed for a period of three years from the date of such transfer, shall be transferred by the Company to the Fund known as Investor Education and Protection Fund established under section 205C of the Act. A claim to any money so transferred to the above may be preferred to the Central Government/Committee appointed by the Central Government by the Shareholders to whom the money is due.

No unclaimed or unpaid dividend shall be forfeited by the Board.

BOOKS AND DOCUMENTS

Where to be kept

169. The Books of Account shall be kept at the registered office or at such other place as the Directors think fit, and shall be open inspection by the

Inspection by members

170. The Directors shall, from time to time, determine whether and to what extent and at what times and places and under what conditions or regulations the accounts or books or documents of the Company or any of them shall be open for inspection to members not being Directors, and no member (not being a Director) shall have any right of inspection to any books of account or documents of the Company except as conferred by law or authorised by the directors or by the Company in General Meeting.

Balance Sheet and Profit & Loss Account

171. The Balance Sheet and Profit and Loss Account will be audited once in a year by a qualified auditor for correctness as per provisions of the Act.

AUDIT

172. The Company shall appoint an affiliate in India of the top 5 chartered accountancy firms as its Auditor, as may be decided by the Board of the Company.

173. Subject to these Articles, the Directors may fill up any casual vacancy In the office of the auditors.

174. The remuneration of the auditors shall be fixed by the Company In the annual general meeting except as otherwise decided or that remuneration of the first or any auditors appointed by the Directors may be fixed by the Directors.

NOTICES

How notice served on members

175. The Company shall comply with the provisions of Sections 53, 172 and 190 of the Act as to the serving of notices.

Transfer etc. bound by prior notices

176. Every person who, by operation of law, or by transfer or by other means whatsoever, shall become entitled to any Shares shall be bound by every notice in respect of such share which previously to his name and address being entered on the register shall be duly given to the person from whom he derives his title to such share.

Notice valid through members deceased

177. Any notice or document delivered or sent by post to or left at the registered address of any member in pursuance of these presents shall notwithstanding such member be then deceased and whether or not the Company has not of his, demise, be deemed to have been duly sewed in respect of any registered Shares whether held solely or jointly with other persons by such member, until some other person be registered in his stead as the holder or joint-holders thereof and such service shall for all purposes of these presents be deemed a sufficient service of such notice or document on his or her heirs, executors or administrators, and all persons, If any, jointly interested with him or her in any such share.

How notice to be signed

178. The signature to any notice to be given by the Company may be written or printed

RECONSTRUCTION

179. On any sale of the undertaking of the Company, the Directors or the liquidators on a winding up may, If authorised by a special resolution, accept fully paid or partly paid-up Shares, Debentures or securities of any other Company whether incorporated in India or not other than existing or to be formed for the purchase in whole or in part of the property of the Company, and the Directors (if the profit of the Company permit), or the liquidators (in a winding-up) may distribute such Shares or securities or any other property of Company amongst the members without realisation, or vest the same in trustees for them, and any special resolution may provide for the distribution or appropriation of the cash, Shares or other securities, benefits or property, otherwise than in accordance with the strict legal rights of the members or contributories of the Company and for the valuation of any such securities or property at such price and in such manner as the meeting may approve and all holders of Shares shall be bound to accept and shall be bound by any valuation or distribution so authorised, and waive all rights in relation thereto save only In case the Company is proposed to be or is in the course of being wound up, such statutory rights, If any, under Section 494 of the Act as are incapable of being varied or excluded by these presents.

SECRECY AND CONFIDENTIALITY

No shareholder to enter the premises of the Company without permissions

180. Subject to the provisions of law of land and the Act, no member or other person (not being a Director) shall be entitled to enter upon the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Directors.

181. Each Shareholder shall keep all information and other materials passing between it and the other Shareholders in relation to the transaction contemplated by these Articles (including all the information concerning the Investor and their respective Affiliates and their business transactions and financial arrangements) and also in relation to the Company (“Information”) confidential and shall not without the prior written consent of the other Shareholder, divulge the Information to any other person or use the Information other than for carrying out the purposes of these Articles except:

(i) to the extent that such Information is in the public domain other than by breach of these Articles;

(ii) to the extent that such Information is required to be disclosed by any Law or any applicable regulatory requirements or by any regulatory body to whose jurisdiction the relevant Shareholder is subject or with whose instructions it is customary to comply under notice to the other Shareholder(s);

(iii) in so far as it is disclosed to the employees, directors or professional advisers of any Shareholder, provided that such Shareholder shall procure that such persons treat such Information as confidential;

(iv) to the extent that any of such Information is later acquired by a Shareholder from a source not obligated to any other Shareholder hereto, or its Affiliates, to keep such Information confidential;

(v) to the extent that any of such Information was previously known or already in the lawful possession of a Shareholder, prior to disclosure by any other Shareholder hereto; and

(vi) to the extent that any information, materially similar to the Information, shall have been independently developed by a Shareholder without reference to any Information furnished by any other Shareholder hereto.

182.(a) Upon the shareholding of the Investor falling below 50% of the Investor Shares on the Closing Date or upon the happening of the IPO, all special rights of the Investor shall terminate.

(b) Upon the occurrence of (b) above, The Investor shall, on written demand of the Company or the Promoter Group, as the case may be, immediately return the Information together with any copies in its possession.

(c) Upon the occurrence of (b) above, the Promoter Group and Company shall, on written demand of the Investor immediately return the Information together with any copies in its possession.

Applicability of certain Articles

183. Notwithstanding anything contained elsewhere in these Articles, in the event of listing of the Shares pursuant to an IPO the provisions of Articles 41 to 58, proviso to Article 90 and proviso to Article 91, Article 92 and 93, proviso to Article 96, Article 112- 114, Article 118, proviso to Article 130(2), 132 and 133, Article 138(2) and (3), Article 152 and 153,Article 181 and 182, and Article 188 to 192

WINDING UP

Distribution of assets

184. If the Company shall be wound up and the assets available for distribution among the members as such shall be insufficient to repay the whole of the paid-up capital such assets shall be distributed so that as nearly as may be the losses shall be borne by the members in proportion to the capital paid-up or which ought to have been paid-up at the commencement of the winding-up on the shares held by them respectively. And it in a winding-up the assets available for distribution among the members shall be more than sufficient to repay the whole of the capital paid-up at the commencement of the winding up, the excess shall be distributed amongst the members in proportion to the capital at the commencement of the winding up, paid up or which ought to have been paid-up on the Shares held by them respectively. Provided that this Article is to be without prejudice to the rights of the holders of Shares issued upon special terms and conditions.

Distribution of assets in specie

185. In the event of Company being wound up, whether voluntarily or otherwise. the liquidators, may with the sanction of Special Resolution divide among the contributories, in specie or kind, any part of the assets of the Company and may with the like sanction, vest any part of the assets of the Company in trustees upon such trusts for the benefit of the contributories or any of them as the Liquidators, like sanction shall think fit.

Term and Termination

188. The Amended and Restated Shareholders Agreement shall remain valid and binding on the Shareholders unless terminated in accordance with Articles 189, 190 and 191

Events of Default

189. The following events shall constitute an event of default of the Promoter Group ("**Event of Default")** under the Amended and Restated Shareholders Agreement

(a) Default of a material nature has occurred in the performance of the covenant, condition or agreement on the part of the Company and/or the Promoter Group, under the Amended and Restated Shareholders Agreement and such default has continued for a period of 30 days from the date of the notice from the Investor.

(b) Any representation, warranty or undertaking confirmed, made or repeated by the Company and/or the Promoter in the Amended and Restated Shareholders Agreement or any definitive agreement or in any other instrument in writing provided by the Company and/or the Promoter in connection with the issue of the Investor Shares thereof shall be found to be incorrect or untrue in a material respect when made or deemed to be made and which could have induced the Investor to subscribe to the Investor Shares as contemplated under the Amended and Restated Shareholders Agreement and the circumstances giving rise to such incorrectness are not remedied (if capable of remedy) within a period of 30 days from the date of this notice from the Investor

Notice to the Investor on the occurance of an Event of Default

190, If any Event of Default or any event which, after notice, or lapse of time or both would constitute an Event of Default has occurred, the Company and/or the Promoter Group shall forthwith, after becoming aware of such event, give notice thereof to the Investor in writing specifying the nature of such Event of Default, or of such event.

Consequences of Events of Default

191. If one or more Events of Default, occur or are continuing and the same have not been cured within the cure period, if any, stipulated therefore, then without derogation from the rights mentioned in the Amended and Restated Shareholders Agreement and without prejudice to any other right or action that the Investor may be entitled to under Law or the Amended and Restated Shareholders Agreement against the Company and/or the Promoter Group shall be entitled to exercise all or any of the rights set out below in this Article 191

(a) Demand the cure of the underlying Event of Default; or
(b) In the event the Event of Default arises pursuant to Article 189 (a) and 189 (b), the Investor shall have a right to require the Promoter, either directly or through a third party nominee, to purchase the Investor Shares, and the Promoter Group shall be under an obligation to purchase such Investor Shares from the Investor, at the Put Price as defined in the Amended and Restated Shareholders Agreement
(c) The Investor may exercise such other rights and remedies available to the Investor hereunder or under any other definitive agreements or under Law

Termination of the Amended and Shareholder Agreement

192.(a) Without prejudice to Articles 189 and 190, in the event that :
(i) Upon the shareholding of the Investor Shares falling below 50% of the Investor Shares on the date of this Amended and Restated Shareholders Agreement, all rights of the Investor other than the Tag Along Rights provided in Article 52 (2) shall terminate; or;
(ii) (A) the Company is wound up, dissolved or liquidated; or
(iii) (B) upon the happening of the IPO;

The Amended and Restated Shareholders Agreement shall terminate

Any termination of the Amended and Restated Shareholders Agreement in terns of this Article 192 shall be without prejudice to any rights or obligations accrued to the Investor prior to the date of termination thereof.

SECTION IX - OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The following contracts (not being contracts entered into in the ordinary course of business carried on by our Company or entered into more than two years before the date of this Red Herring Prospectus) which are or may be deemed material have been entered or to be entered into by our Company. These contracts, copies of which have been attached to the copy of this Red Herring Prospectus, delivered to the RoC for registration and also the documents for inspection referred to hereunder, may be inspected at our Registered Office and Corporate Office from 10.00 am to 4.00 pm on working days from the date of the filing of the Red Herring Prospectus until the Bid Closing Date.

Material Contracts to the Issue

1. Letters of appointment dated August 5, 2009 (effective from May 25, 2009) to the GCBRLM from our Company appointing them as the GCBRLM
2. Letter of appointment dated August 5, 2009 (effective from May 25, 2009) to the CBRLM from our Company appointing them as the CBRLM
3. Memorandum of Understanding dated August 5, 2009 among our Company, the GCBRLM and the CBRLM
4. Agreement dated July 29, 2009 executed by our Company and the Registrar to the Issue.
5. Escrow Agreement dated [•] among our Company, the GCBRLM, the CBRLM the Escrow Banks and the Registrar to the Issue.
6. Syndicate Agreement dated [•] among our Company, the GCBRLM, the CBRLM and the Syndicate Member.
7. Underwriting Agreement dated [•] among our Company, the GCBRLM, the CBRLM and the Syndicate Member.

Material Documents

1. Our Memorandum and Articles of Association as amended from time to time.
2. Our certificate of incorporation and change of name and registered office of our Company.
3. Board resolution and shareholders resolution of our Company dated July 7, 2009 and July 29, 2009, respectively authorizing the Issue and other related matters.
4. Report of the Auditors dated October 15, 2009 prepared as per Indian GAAP and mentioned in the "***Financial Statements***" on page F1.
5. Copies of annual reports of our Company for the fiscal 2008.
6. The statement of tax benefit report dated October 15, 2009 prepared by the Auditors.
7. Consent of the Auditors for inclusion of their report on accounts in the form and context in which they appear in the Red Herring Prospectus.
8. Consents of Bankers to our Company, GCBRLM, the CBRLM, Syndicate Member, Registrar to the Issue, Bankers to the Issue, legal counsels, Directors of our Company, Company Secretary and Compliance Officer, as referred to act, in their respective capacities.
9. Initial listing applications dated August 7, 2009 and August 7, 2009 filed with the BSE and the NSE, respectively.
10. In-principle listing approvals from the BSE and the NSE, both dated October 5, 2009.
11. Tripartite Agreement dated November 7, 2008 among NSDL, our Company and the Registrar to the Issue.
12. Tripartite Agreement dated November 21, 2008 among CDSL, our Company and the Registrar to the Issue.
13. SEBI observation letter no. CFD/DIL/ISSUES/SP/JAK/179770/2009 dated October 14, 2009.
14. Due diligence certificate dated August 6, 2009 to SEBI from the GCBRLM and CBRLM.

15. Joint venture agreement dated January 14, 2008 with Star India Private Limited.

16. Amended and restated shareholders agreement dated January 29, 2009 between our Company, SCB Asian Infrastructure Fund, PAN Asia Development Fund, India, TARA India Fund III Trust, TARA India Fund III Domestic Trust, PAN Asia Infrastructure Asset Management Company Private Limited, TARA India Holdings A Limited, Mr. Sameer Manchanda, Lucid Systems Private Limited and Verve Engineering Private Limited.

17. Amendment agreement dated July 24, 2009 to the Amended and restated shareholders agreement dated January 29, 2009 between our Company, Standard Chartered IL&FS Asia Infrastructure Growth Fund Company Private Limited, PAN Asia Development Fund, India, TARA India Fund III Trust, TARA India Fund III Domestic Trust, PAN Asia Infrastructure Asset Management Company Private Limited, TARA India Holdings A Limited, Mr. Sameer Manchanda, Lucid Systems Private Limited and Verve Engineering Private Limited.

Any of the contracts or documents mentioned in this Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the shareholders subject to compliance of the provisions contained in the Companies Act and other relevant statutes

DECLARATION

All relevant provisions of the Companies Act and the guidelines issued by the GoI or the guidelines issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made there under or guidelines issued, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

SIGNED BY THE DIRECTORS AND THE MANAGER OF THE COMPANY

Mr. Sameer Manchanda
Non-executive Chairman

____

Mr. Hemant Narang
Manager

____

Mr. Raghav Bahl
Non-executive Director

____

Mr. Ajaya Chand
Independent Director

____

Mr. Shahzaad Siraj Dalal
Nominee Director

____

Mr. Krishna Kumar Gangadharan
Alternate Director to Mr. Shahzaad Siraj Dalal

____

Mr. Atul Sharma
Independent Director

____

Mr. Robindra Sharma
Independent Director

____

Date: 16/10/2009

Place: New Delhi

____

Mr. Rajesh Kaushall
Chief Financial Officer

DECLARATION

All relevant provisions of the Companies Act and the guidelines issued by the GoI or the guidelines issued by Securities and Exchange Board of India, as the case may be, have been complied with and no statement made in this Red Herring Prospectus is contrary to the provisions of the Companies Act, the Securities and Exchange Board of India Act, 1992 or the rules made there under or guidelines issued, as the case may be. We further certify that all the statements in this Red Herring Prospectus are true and correct.

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Manager

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Independent Director

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Mr. Shahzaad Siraj Dalal
Nominee Director

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Mr. Krishna Kumar Gangadharan
Alternate Director to Mr. Shahzaad Siraj Dalal

____

Mr. Atul Sharma
Independent Director

____

Mr. Robindra Sharma
Independent Director

____

Date: 16/10/2009

Place: New Delhi

____

Mr. Rajesh Kaushall
Chief Financial Officer

APPENDIX A – IPO GRADING REPORT

I C R A Limited

An Associate of Moody's Investors Service

CONFIDENTIAL

Ref: D/RAT/2009-10/D-39/2

October 15, 2009

Mr. Rajesh Kaushal,
Chief Financial Officer
DEN Networks Limited
236, Okhla Industrial Estate, Phase-III,
New Delhi- 110020

Dear Sir,

Re : ICRA Grading of Initial Public Offer of upto 20 million equity shares of Rs. 10 each to be issued by your company to the Public ("IPO")

Please refer to your mandate letter dated August 26, 2009 for grading the IPO of upto 20 million equity shares of Rs. 10 each of your company. The Rating Committee of ICRA, after due consideration, has assigned the "**IPO Grade 3**" (pronounced Initial Public Offer Grade three) grading to the captioned IPO programme. This grading indicates average fundamentals.

In any of your publicity material or other document wherever you are using the above grading, it should be stated as "IPO Grade 3". 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, timelines, 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 is provided on an "as is" basis, without representations and warranties of any nature.

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.

Vk Aggarwal   Anupama Arora

Building No. 8, 2nd Floor
Tower A, DLF Cyber City
Phase II, Gurgaon - 122002

Tel. : + 91 - 124 - 4545300
Fax : + 91 - 124 - 4545350

website : www.icra.in
email : info@icraindia.com

Regd. Office: 1105, Kailash Building, 11th Floor, 26, Kasturba Gandhi Marg, New Delhi - 110001

R A T I N G • R E S E A R C H • I N F O R M A T I O N

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.

We thank you for your kind co-operation 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	**Anupama Arora**
(Sr. Vice President)	**(Asst. Vice President)**