PROSPECTUS
Dated February 17, 2010
Please read Section 60B of the Companies Act, 1956
100% Book Built Issue

HATHWAY CABLE & DATACOM LIMITED

Our Company was originally incorporated in Mumbai on August 7, 1959 as Chics Display Services Private Limited.
For further details regarding changes made to the name of our Company and the registered office of our Company, please refer to page 102 of the section titled "History and Certain Corporate Matters" of the Prospectus.
Registered and Corporate Office: "Rahejas", 4th Floor, Corner of Main Avenue & V. P. Road, Santacruz (West), Mumbai - 400 054, Maharashtra, India.
Tel: (91 22) 2600 1306 / 08 / 09 / 10; Fax: (91 22) 2600 1307; Website: www.hathway.com; Email: info@hathway.net.
Promoters of the Company: Mr. Akshay Raheja and Mr. Viren Raheja.
Company Secretary and Compliance Officer: Mr. Milind Karnik; Tel: (91 22) 2600 1306; Fax: (91 22) 2600 1307; E-mail: investorgrievance@hathway.net

PUBLIC ISSUE OF UP TO 27,750,000 EQUITY SHARES OF RS. 10 EACH ("EQUITY SHARES") FOR CASH BY HATHWAY CABLE & DATACOM LIMITED ("THE COMPANY" OR THE "ISSUER") AT A PRICE OF RS. 240 PER EQUITY SHARE AGGREGATING UP TO RS. 6,660 MILLION ("ISSUE") CONSISTING OF A FRESH ISSUE OF UP TO 20,000,000 EQUITY SHARES BY THE COMPANY ("FRESH ISSUE") AND AN OFFER FOR SALE OF 7,210,000 EQUITY SHARES BY MONET LIMITED AND 540,000 EQUITY SHARES BY MSPI MAURITIUS I LIMITED (TOGETHER REFERRED TO AS, "OFFER FOR SALE"). THE ISSUE WILL CONSTITUTE APPROXIMATELY 19.43% OF THE POST-ISSUE SHARE CAPITAL OF OUR COMPANY.

ISSUE PRICE : RS. 240.
THE FACE VALUE OF THE EQUITY SHARES IS RS. 10 EACH AND THE ISSUE PRICE IS 24 **TIMES THE FACE VALUE**

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

Pursuant to Rule 19(2) (b) of the Securities Contracts (Regulation) Rules, 1957 (the "**SCRR"**), this being an Issue for less than 25% of the post-Issue capital, the Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated to Qualified Institutional Buyers ("**QIBs**") on a proportionate basis out of which 5% shall be available for allocation on a proportionate basis to Mutual Funds only. Our Company may allocate up to 30% of the QIB Portion to the Anchor Investors on a discretionary basis. The remaining QIB portion shall be available for allocation on a proportionate basis to QIBs including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non Institutional Bidders and not less than 30% of the Issue shall 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 FIRST ISSUE

This being the first public issue of the Equity Shares, there has been no formal market for the Equity Shares. The face value of the Equity Shares is Rs.10 and the Issue Price is 24 times of the face value. The Issue Price (as determined and justified by the Company, the GCs and the BRLM, as stated in the section titled "Basis for Issue Price" beginning on page 45 of this Prospectus) 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 or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in this Issue unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in this Issue. For taking an investment decision, investors must rely on their own examination of the 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 SEBI guarantee the accuracy or adequacy of this Prospectus. Specific attention of the investors is invited to the section titled 'Risk Factors' beginning on page xv of this Prospectus.

ISSUER'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to the Company and the Issue that is material in the context of the Issue, that the information contained in this 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 makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions, misleading in any material respect.

IPO GRADING

This Issue has been graded by CRISIL Limited and has been assigned the "IPO Grade 3/5" indicating 'average fundamentals', in its letter dated December 23, 2009. The Issue grading is assigned on a five point scale from 1 to 5 with "IPO Grade 5" indicating strong fundamentals and "IPO Grade 1" indicating poor fundamentals. For more information on the Issue grading, please refer to the section titled 'General Information' beginning on page 11 of this Prospectus.

LISTING

The Equity Shares offered through this \ Prospectus are proposed to be listed on the NSE and the BSE. We have received the in-principle approval from the NSE and the BSE for the listing of the Equity Shares pursuant to letters dated October 28, 2009 and October 30, 2009 respectively. For the purposes of this Issue, the NSE shall be the Designated Stock Exchange.

JOINT GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS		BOOK RUNNING LEAD MANAGER	REGISTRAR TO THE ISSUE
Morgan Stanley	UBS	kotak® Investment Banking	LINK INTIME INDIA PVT LTD
Morgan Stanley India Company Private Limited 5F, 55-56, Free Press House, 215, Free Press Journal Marg Nariman Point Mumbai 400 021, India Tel: (91 22) 6621 0555 Fax: (91 22) 6621 0556 Email: hcdl_ipo@morganstanley.com Investor Grievance Email: investors_india@morganstanley.com Website: www.morganstanley.com/indiaofferdocuments Contact Person: Mr. Naveen Asopa Registration No.: INM000011203	**UBS Securities India Private Limited** 2/F, 2 North Avenue Maker Maxity, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, IndiaTel: (91 22) 6155 6100 Fax: (91 22) 6155 6292 Email: customercare@ubs.com Investor Grievance Email: customercare@ubs.com Website:www.ubs.com/indianoffers.com Contact Person: Mr. Abhishek Dhacholia Registration No.: INM000010809	**Kotak Mahindra Capital Company Limited** 3rd Floor, Bakhtawar 229 Nariman Point Mumbai 400 021, India Tel: (91 22) 6634 1100 Fax: (91 22) 2283 7517 Email: project.net@kotak.com Investor Grievance Email: kmccredressal@kotak.com Website: www.kmcc.co.in Contact Person: Mr. Chandrakant Bhole Registration No.: INM000008704	**Link Intime India Private Limited** C-13 Pannalal Silk Mill Compound, L.B.S. Marg, Bhandup (W), Mumbai 400 078 **Tel:** +91 22 2596 0320, **Fax:** +91 22 2596 0329 **Email:** hathway.ipo@linkintime.co.in **Website:** www.linkintime.co.in **Contact Person:** Mr. Sachin Achar **SEBI Registration No.:** INR 000004058

ISSUE PROGRAM

BID/ISSUE OPENED ON February 9, 2010	BID/ISSUE CLOSED ON February 11, 2010

The Anchor Investor Bid/Issue Period was February 8, 2010.

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

Unless the context otherwise implies or requires, the terms and abbreviations stated hereunder shall have the meanings as assigned therewith. References to statutes, rules, regulations, guidelines and policies will be deemed to include all amendments and modifications notified thereto.

Conventional and general terms

Term	Description
Act or Companies Act	The Companies Act, 1956 as amended.
Depositories Act	Depositories Act, 1996 as amended.
Depository	A depository registered with SEBI under the SEBI (Depositories and Participants) Regulations, 1996, as amended.
DP/Depository Participant	A depository participant as defined under the Depositories Act.
Indian GAAP	Generally accepted accounting principles in India.
SCRA	Securities Contracts (Regulation) Act, 1956, as amended.
SCRR	Securities Contracts (Regulation) Rules, 1957, as amended.
SEBI Act	Securities and Exchange Board of India Act 1992, as amended.
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended.
Securities Act / U.S. Securities Act	The United States Securities Act of 1933, as amended.
SICA	Sick Industrial Companies (Special Provisions) Act, 1985.
Stock Exchange(s)	BSE and/or NSE depending on the context.
US/USA	United States of America including its territories and possessions, any state of the United States of America and the District of Columbia.
US GAAP	Generally accepted accounting principles in the USA.
VCFs	Venture capital funds as registered with SEBI under the SEBI (Venture Capital Fund) Regulations, 1996, as amended.

Issue related terms

Term	Description
Allocation Amount	The amount payable by a Bidder on or prior to the Pay-in Date after deducting the Margin Amount that may already have been paid by such Bidder.
Allotment/Allot/Allotted	The issue and allotment of the Equity Shares, pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale.
Allottee	The successful Bidder to whom the Equity Shares are/have been issued / allotted or transferred.
Anchor Investor	A Qualified Institutional Buyer who applies under the Anchor Investor Portion with a minimum Bid of Rs.100 million.
Anchor Investor Bid	Bid made by the Anchor Investor.
Anchor Investor Bid	The amount at which the Anchor Investor Bid is made.

Term	Description
Amount	
Anchor Investor Bidding Date	The date one day prior to the Bid / Issue Opening Date, prior to or after which the GCs and BRLM will not accept any Bids from Anchor Investors.
Anchor Investor Bid/Issue Period	The date one day prior to the Bid/Issue Opening Date on which bidding by Anchor Investors shall open and shall be completed.
Anchor Investor Margin Amount	An amount representing 25% of the Anchor Investor Bid Amount payable by the Anchor Investors at the time of submission of Anchor Investor Bid.
Anchor Investor Portion	Up to 30% of the QIB Portion, equal to a maximum of 4,995,000 Equity Shares to be allocated to Anchor Investors on a discretionary basis, out of which 1,665,000 Equity Shares shall be reserved for Mutual Funds. The Company has allocated 4,995,00 Equity Shares to the Anchor Investors, on a discretionary basis, in accordance with the SEBI ICDR Regulations.
Anchor Investor Price	The price at which the Equity Shares are allotted to the Anchor Investors under the Anchor Investor Portion, being Rs.240 per Equity Share.
ASBA Bid	Bid made by an ASBA Bidder.
ASBA Bidders	A prospective investor, excluding QIBs, who Bids under the Issue through ASBA in accordance with the terms of the Red Herring Prospectus.
ASBA Account	Account maintained by an ASBA Bidder with an SCSB which will be blocked by such SCSB to the extent of the application money of the ASBA Bidder.
ASBA Form	The application form (whether physical or electronic) in terms of which an ASBA Bidder can make a Bid and which contains an authorisation to block the Bid Amount in an ASBA Account and which will be considered an application for Allotment, for the purposes of the Red Herring Prospectus and the Prospectus.
ASBA Public Issue Account	A bank account of our Company, under Section 73 of the Companies Act, where the funds shall be transferred by the SCSBs from the bank accounts of the ASBA Bidders.
Bankers to the Issue	The Hongkong and Shanghai Banking Corporation Limited, Kotak Mahindra Bank Limited, HDFC Bank Limited, Yes Bank Limited, Axis Bank Limited and Standard Chartered Bank.
Basis of Allotment	The basis on which the Equity Shares will be Allotted to Bidders under the Issue and which is described in "Issue Procedure – Basis of Allotment" on page 335 of this Prospectus.
Bid	An indication to make an offer during the Bid/Issue 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 the Equity Shares at a price within the Price Band, including all revisions and modifications thereto. With regard to ASBA Bidders, Bid means an indication to make an offer during the Bidding Period by Bidder, (except a QIB Bidder), pursuant to the submission of an ASBA Form to subscribe to the Equity Shares of our Company.
Bid / Issue Closing Date	Except in relation to Anchor Investors, the date after which the Syndicate and the SCSBs, (in the case of ASBA Bidders) will not accept any Bids for the Issue, which shall be notified in widely circulated English and Hindi national newspapers and a Marathi newspaper of wide circulation in the place where our Registered Office is situated.
Bid / Issue Opening Date	Except in relation to Anchor Investors, the date on which the Syndicate and the SCSBs (in case of ASBA Bidders) shall start accepting Bids for the Issue, which shall be the date notified in widely circulated English and Hindi national newspapers and a Marathi newspaper of wide circulation in the place where our Registered Office is situated.

Term	Description
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder at the time of submission of such Bidder's Bid in the Issue.
Bid cum Application Form	The form used by a Bidder (including the format of such application form used by the ASBA Bidder that can be either physical or electronic) to make a Bid and which will be considered an application for Allotment for the purposes of the Red Herring Prospectus and the Prospectus.
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form including an ASBA Bidder and an Anchor Investor.
Bidding / Issue Period	The period between the Bid/Issue Opening Date and the Bid/Issue Closing Date inclusive of both days and during which prospective Bidders (excluding Anchor Investors) can submit their Bids, including any revisions thereof.
Book Building Process	Book building process as provided in Schedule XI of SEBI ICDR Regulations, in terms of which this Issue is being made.
BRLM / Book Running Lead Manager	The book running lead manager to the Issue, being Kotak.
Business Day	Any day other than Saturday or Sunday on which commercial banks in Mumbai are open for business.
CAN / Confirmation of Allocation Note	Except in relation to Anchor Investors, the note or advice or intimation of allocation of the Equity Shares sent to the Bidders who have been allocated the Equity Shares after discovery of the Issue Price in accordance with the Book Building Process, including any revision thereof. In relation to Anchor Investors, the note or advice or intimation of allocation of the Equity Shares sent to the successful Anchor Investors who have been allocated the Equity Shares after discovery of the Anchor Investor Price, including any revisions thereof.
Cap Price	The higher end of the Price Band, above which the Issue Price will not be finalised and above which no Bids will be accepted.
Controlling Branches	Such branches of the SCSBs which coordinate Bids under this Issue by the ASBA Bidders with the GCs and the BRLM, the Registrar to the Issue and the Stock Exchanges and a list of which is available at http://www.sebi.gov.in
Cut-off Price	The Issue Price finalised by our Company in consultation with the GCs and the BRLM which shall be any price within the Price Band. Only Retail Individual Bidders 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.
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 1996, as amended from time to time.
Depositories Act	The Depositories Act, 1996, as amended from time to time.
Depository Participant	A depository participant as defined under the Depositories Act.
Designated Branches	Branches of the SCSBs which can collect Bid cum Application Forms from the ASBA Bidders, a list of which is available at http://www.sebi.gov.in.
Designated Date	The date on which the Escrow Collection Bank(s) transfer the funds from the Escrow Account to the Public Issue Account and the Refund Account and the Registrar gives instructions to the SCSBs to transfer the amounts blocked in the bank accounts 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

Term	Description
	Directors shall Allot the Equity Shares to successful Bidders.
Designated Stock Exchange	The National Stock Exchange of India Limited.
Draft Red Herring Prospectus	The draft red herring prospectus dated September 28, 2009 filed with SEBI and which does not contain complete particulars of the price at which the Equity Shares are offered.
ECS	Electronic Clearing System.
Eligible NRIs	NRIs from jurisdictions outside India where it is not unlawful to make an issue or invitation under the Issue and in relation to whom the Red Herring Prospectus constitutes an invitation to subscribe to the Equity Shares Allotted herein.
Escrow Accounts	Account opened with the Escrow Collection Bank(s) for the Issue and in whose favour the Bidders (excluding the ASBA Bidders) will issue cheques or drafts in respect of the Bid Amount when submitting a Bid.
Escrow Agreement	The agreement dated February 4, 2010 entered into by our Company, the Selling Shareholders, the Registrar, the GCs and the BRLM, the Syndicate Members and the Escrow Collection Bank(s) for collection of the Bid Amounts and where applicable, remitting refunds of the amounts collected, to the Bidders (excluding the ASBA Bidders) on the terms and conditions thereof.
Escrow Collection Bank(s)	The banks which are clearing members and registered with SEBI as Bankers to the Issue with whom the Escrow Account will be opened, comprising The Hongkong and Shanghai Banking Corporation Limited, Kotak Mahindra Bank Limited, HDFC Bank Limited, Yes Bank Limited, Axis Bank Limited and Standard Chartered Bank.
First Bidder	The Bidder whose name appears first in the Bid cum Application Form or Revision Form or the ASBA Form.
Floor Price	The lower end of the Price Band, below which the Issue Price will not be finalised and below which no Bids will be accepted.
Fresh Issue	The issue of up to 20,000,000 Equity Shares offered for subscription pursuant to the terms of the Prospectus.
GIR Number	General index registration number.
IPO Grading Agency	CRISIL Limited
Issue Price	The final price at which the Equity Shares will be Allotted in the Issue, which be decided by our Company, in consultation with the GCs and the BRLM, on the Pricing Date.
Issue	Public issue of up to 27,750,000 Equity Shares of Rs.10 each for cash at a price of Rs.240 per Equity Share (including a share premium of Rs.230 per Equity Share) aggregating to Rs.6,660 million consisting of a Fresh Issue of up to 20,000,000 Equity Shares by the Company and an Offer for Sale of 7,750,000 Equity Shares by the Selling Shareholders.
Issue Size	Issue Price multiplied by the number of Equity Shares offered to the public.
Global Co-ordinators / GC	The global co-ordinators and the book running lead managers, being Morgan Stanley and UBS.
Kotak	Kotak Mahindra Capital Company Limited.
Margin Amount	The amount paid by the Bidder, or blocked in the bank account of the ASBA Bidder, at the time of submission of such Bidder's Bid, being 10% to 100% of the Bid Amount, as applicable.
Monitoring Agency	Axis Bank Limited
Morgan Stanley	Morgan Stanley India Company Private Limited.

Term	Description
Mutual Funds	Mutual funds registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996, as amended from time to time.
Mutual Fund Portion	5% of the QIB Portion or at least 832,500 Equity Shares (assuming the QIB Portion is for 60% of the Issue Size) available for allocation to Mutual Funds from the QIB Portion, but does not include any reservation for Mutual Funds in the Anchor Investor Portion.
Net QIB Portion	The portion of the QIB Portion, less the number of the Equity Shares Allotted to the Anchor Investors.
Non Institutional Bidders	All Bidders that are not QIBs or Retail Individual Bidders and who have Bid for the Equity Shares for an amount greater than Rs.100,000.
Non Institutional Portion	The portion of the Issue being not less than 10% of the Issue consisting of 2,775,000 Equity Shares of the Issue available for allocation to Non Institutional Bidders, subject to valid Bids received at or above the Issue Price.
Pay-in Date	Except with respect to ASBA Bidders, the Bid/Issue Closing Date, or the last date specified in the CAN sent to such Bidders, as applicable and which shall with respect to the Anchor Investors, be a date not later than two working days after the Bid / Issue Closing Date.
Pay-in Period	(i) With respect to Bidders whose Margin Amount is 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the Bid/Issue Closing Date; and (ii) With respect to Bidders whose Margin Amount is less than 100% of the Bid Amount, the period commencing on the Bid/Issue Opening Date and extending until the closure of the Pay-in Date specified in the CAN sent to such Bidders. With respect to Anchor Investors, the Anchor Investor Bidding Date and the last specified in the CAN which shall not be later than two working days after the Bid / Issue Closing Date.
Price Band	The price band with a minimum price (Floor Price) of Rs. 240 per Equity Share and the maximum price (Cap Price) of Rs. 265 per Equity Share. The Price Band and the Minimum Bid Size for the Issue was decided by the Company in consultation with the GCs and the BRLM, and advertised in widely circulated English and Hindi national newspapers and a Marathi newspaper of wide circulation in the place where our Registered Office is situated,two working days prior to the Bid / Issue opening date, including revisions thereof.
Pricing Date	The date on which our Company, in consultation with the GCs and the BRLM, finalises the Issue Price.
Prospectus	This Prospectus to be filed with the RoC in terms of Section 60 of the Companies Act, containing, *inter alia*, the Issue Price as determined at the end of the Book Building Process, the size of the Issue and certain other information and including any corrigendum thereof.
Public Issue Account	Account opened with the Banker(s) to the Issue to receive monies from the Escrow Accounts on the Designated Date.
QIBs / Qualified Institutional Buyers	Public financial institutions as specified 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, multilateral and bilateral development financial institutions, VCFs, FVCIs, 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, pension funds with minimum corpus of Rs.250 million, the National Investment Fund and insurance funds set up and managed by the army, navy or air force of the Union of India.

Term	Description
QIB Margin Amount	An amount representing at least 10% of the Bid Amount payable by QIBs (other than Anchor Investors) at the time of submitting a Bid.
QIB Portion	The portion of the Issue being at least 60% of the Issue, consisting of 16,650,000 Equity Shares and to be allotted to QIBs on a proportionate basis.
Red Herring Prospectus	The red herring prospectus dated January 27, 2010 issued in accordance with Section 60B of the Companies Act and the SEBI ICDR Regulations, which does not contain complete particulars of the price at which the Equity Shares are offered.
Refund Account(s)	The account(s) opened with the Escrow Collection Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to Bidders shall be made to Bidders (excluding ASBA Bidders).
Refund Banker(s)	Axis Bank Limited and HDFC Bank Limited
Registrar to this Issue	Link Intime India Private Limited.
Retail Individual Bidder(s)	Individual Bidders (including HUFs and eligible NRIs) who have Bid for the Equity Shares of an aggregate amount less than Rs.100,000.
Retail Portion	The portion of the Issue being not less than 30% of the Issue consisting of 8,325,000 Equity Shares available for allocation to Retail Individual Bidders.
Revision Form	The form used by Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their Bid cum Application Forms or any previous Revision Form(s).
Self Certified Syndicate Bank / SCSB	Banks which are registered with SEBI under the SEBI (Bankers to an Issue) Regulations, 1994 and offers ASBA services, including blocking of bank accounts and a list of which is available at http://www.sebi.gov.in.
Stock Exchanges	The BSE and the NSE.
Syndicate	The GCs, the BRLM and the Syndicate Members.
Syndicate Agreement	The agreement dated February 4, 2010 among members of the Syndicate and our Company in relation to the collection of Bids in this Issue (excluding Bids from ASBA Bidders).
Syndicate Members	Enam Securities Private Limited, HDFC Securities Limtited, ICICI Securities Limited and Kotak Securities Limited.
Takeover Code	The SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 1997, as amended from time to time.
TRS / Transaction Registration Slip	The slip or document issued by any of the members of the Syndicate or the SCSB, as the case may be, to any Bidder as proof of registration of such Bidder's Bid.
UBS	UBS Securities India Private Limited.
Underwriters	The GCs, the BRLM and the Syndicate Members.
Underwriting Agreement	The agreement dated February 13, 2010 entered into among the Underwriters, our Company and the Selling Shareholders.

Company related terms

Term	Description
"Hathway", "the Company", "our Company" and "Issuer"	Hathway Cable & Datacom Limited, a public limited company incorporated under the Companies Act, and having its registered office at "Rahejas", 4th Floor, Corner of Main Avenue & V. P. Road, Santacruz (West), Mumbai - 400 054, Maharashtra, India.

Arcadia	India Cable Partners I Limited.
Articles / Articles of Association	The articles of association of our Company, as amended.
Asianet	Asianet Satellite Communications Limited.
Auditors	The auditors of the Company, M/s. G M Kapadia & Co.
Board/Board of Directors	The board of directors of our Company as constituted from time to time, including any committees thereof.
Corporate Office	"Rahejas", 4th Floor, Corner of Main Avenue & V. P. Road, Santacruz (West), Mumbai – 400 054, Maharashtra, India.
Director(s)	Director(s) on the Board of our Company, as appointed from time to time.
ESOP Scheme	Employee stock option scheme, 2007 implemented by the Company.
Equity Shares	Equity Shares of the Company of face value of Rs.10 each.
Group Companies	Companies, firms, ventures, etc. promoted by the Promoters of the Issuer, as enumerated in the section titled "Our Promoters and Group Companies" beginning on page 191 of this Prospectus.
Kaup Capital	Infrastructure India Holdings LLC.
Memorandum/Memorandum of Association	The memorandum of association of our Company, as amended.
MSPI	MSPI Mauritius 1 Limited, a company incorporated under the laws of Mauritius and whose registered office is at C/o Citco (Mauritius) Limited, 9th Floor, Medine Mews, La Chaussée Street, Port Louis, Mauritius.
Monet	Monet Limited, a company registered under the laws of Mauritius. Monet is registered with SEBI as a Foreign Venture Capital Investor with registration number IN/FVCI/06-07/51 and has its principal office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius.
NDS	NDS Limited.
NewsCorp	Asian Cable Systems Private Limited.
Promoters / our Promoters	Promoters of our Company, *i.e.* Mr. Akshay Raheja and Mr. Viren Raheja.
Promoter Group	The Promoter Group of our Company are the entities / persons related to the Promoters as per the definition of "promoter group" in Regulation 2 (zb) of the SEBI ICDR Regulations.
Registered Office	"Rahejas", 4th Floor, Corner of Main Avenue & V. P. Road, Santacruz (West), Mumbai – 400 054, Maharashtra, India.
Selling Shareholders	Monet and MSPI who offered for sale 7,210,000 Equity Shares and 540,000 Equity Shares respectively, as part of the Issue.
Subsidiary / Subsidiaries	The subsidiaries of our Company listed in the section titled "History and Certain Corporate matters" beginning on page 102 of this Prospectus.
"We", "us", "our", "Hathway Group"	The Company and its Subsidiaries.

Industry related terms

Term	Description
ADSL	Asymmetric Digital Subscriber Line.
ARPU	Average Revenue Per User per month.

Term	Description
BDR	Broadband Digital Return.
C&S	Cable and Satellite.
CAS	Conditional Access System.
DTH	Direct To Home.
DNS	Domain Name Server.
DVD	Digital Versatile Disc.
DVR	Digital Video Recorder.
DoT	Department of Telecommunications.
ERP	Enterprise Resource Planning.
HFC	Hybrid Fibre Co-Axial.
HITS	Head end in the Sky.
HSD	High Speed Digital.
GPRS	General Packet Radio Service.
ICO	Independent Cable Operator.
ISP	Internet Service Provider.
IPTV	Internet Protocol Television.
IRD	Integrated Receiver Descrambler.
LCO	Local Cable Operator.
MIB	Ministry of Information and Broadcasting.
MPA Report	The Media Partners Asia Report of 16 September 2009, entitled, *India Cable Television Industry, Market Overview.*
MSO	Multi Systems Operator.
Non-C&S	Non-Cable and Satellite.
Primary Subscriber	A subscriber to whom services are delieverd through the 'last mile' cable link owned by the MSO.
PVR	Personal Video Recorder.
RF	Radio Frequency.
Secondary Subscriber	A subscriber to whom services are delieverd through the 'last mile' cable link owned by the ICO and / or the LCO.
SMTP	Simple Mail Transfer Protocol.
TRAI	Telecom Regulatory Authority of India.
Two way enabled Homes Passed	Represents the number of single residence homes, apartments, commercial establishments passed by our cable systems where we can offer both upstream and downstream paths on our cable network.
VoIP	Voice over Internet Protocol.

Abbreviations

Term	Description
AGM	Annual General Meeting.

Term	Description
AS	Accounting Standards issued by the Institute of Chartered Accountants of India.
ASBA	Application Supported by Blocked Amount
ASBA Form	ASBA Bid cum Application Form
AY	Assessment Year.
BSE	The Bombay Stock Exchange Limited.
BSNL	Bharat Sanchar Nigam Limited.
CAGR	Compounded Annual Growth Rate.
CDSL	Central Depository Services (India) Limited.
CEO	Chief Executive Officer.
CFO	Chief Financial Officer.
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation.
EGM	Extraordinary General Meeting.
EPS	Earnings Per Share (as calculated in accordance with AS-20).
FDI	Foreign Direct Investment.
FEMA	The Foreign Exchange Management Act, 1999, and the related rules and regulations framed thereunder, as amended from time to time.
FII(s)	Foreign Institutional Investors as defined under the Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995, registered with SEBI under applicable laws in India.
FIPB	Foreign Investment Promotion Board, Ministry of Finance, Government of India.
Financial Year/Fiscal/FY	Period of twelve months ending on March 31 of that particular year, unless otherwise stated.
FVCI	Foreign Venture Capital Investors, as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investor) Regulations, 2000, as amended.
GDP	Gross Domestic Product.
GoI	Government of India.
HNI	High Networth Individual.
HUF	Hindu Undivided Family.
IPO	Initial Public Offer.
Mn/mn	Million.
MoU	Memorandum of Understanding.
MTNL	Mahanagar Telephone Nigam Limited.
N.A.	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 & loss account, divided by weighted average number of issued equity shares.
NEFT	National Electronic Fund Transfer service.
NOC	No-Objection Certificate.

Term	Description
NR	Non-Resident.
NRE Account	Non Resident External Account.
NRI	Non Resident Indian is a person resident outside India, as defined under FEMA and who is a citizen of India or a person of Indian origin as defined under the Foreign Exchange Management (Deposit) Regulations, 2000.
NRO Account	Non Resident Ordinary Account.
NSDL	National Securities Depository Limited.
NSE	The 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 Security by a Person Resident Outside India) Regulations, 2000.
OEM	Original Equipment Manufacturer.
P/E Ratio	Price/Earnings Ratio.
PAN	Permanent Account Number allotted under the I.T. Act.
RBI	The Reserve Bank of India.
RoC / ROC	Registrar of Companies, Maharashtra.
RONW	Return On Net Worth.
Re. / Rs.	Indian Rupee(s).
RTGS	Real Time Gross Settlement.
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act, 1992.
Sec.	Section.
SIA	Secretariat for Industrial Assistance.
SME	Small and Medium Enterprises.
SMS	Subscriber Management System.
US/USA	United States of America including its territories and possessions, any state of the United States of America and the District of Columbia.
USD or U.S. Dollar or $ or US $	United States Dollar.
WWIL	Wire and Wireless (India) Limited.

CERTAIN CONVENTIONS - PRESENTATION OF FINANCIALS, INDUSTRY AND MARKET DATA

Financial Data

Unless indicated otherwise, the financial data and other financial information in this Prospectus are derived from the restated standalone and consolidated financial statements of the Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

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

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

For more information on the results of operations and financial condition of the Company, see the section titled "Financial Statements" beginning on page 204 of this Prospectus.

Industry and Market Data

Unless stated otherwise, industry and market data used throughout this Prospectus has been obtained from industry publications and certain public sources. Industry publications generally state that the information contained in those publications have been obtained from sources believed to be reliable, but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although the Company believes that the industry and market data used in this Prospectus is reliable, it has not been verified by us or any independent sources. Further, the extent to which the market and industry data presented in this Prospectus is meaningful depends on the readers familiarity with and understanding of methodologies used in compiling such data.

Presentation of Currency

This Prospectus contains translations of certain U.S. Dollar and other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of Clause 2(VIII)(G) of Part A of Schedule VIII of the SEBI ICDR Regulations. These convenience translations should not be construed as a representation that those U.S. Dollar or other currency amounts could have been, or can be, converted into Indian Rupees, at any particular rate, at the rates stated below or at all.

In this Prospectus, all references to "India" are to the Republic of India, all references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India, all references to "US$", "U.S. Dollar(s)" or "USD" are to United States Dollars, the official currency of the United States of America and all references to "€" or to "Euro" are to "Euros", the official currency of the European Union.

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

The following table sets forth, for each period indicated, information concerning the number of Rupees for which one U.S. Dollar could be exchanged. The row titled 'average' in the table below is the average of the daily rate for each day in the period.

Period	Period End (Rs.)	Period Average (Rs.)

Fiscal 2007	43.59	45.29
Fiscal 2008	39.97	40.26
Fiscal 2009	50.72	45.99
Nine Months ended December 31, 2009	46.88	47.91

(Source: RBI Reference Rate)

Non-GAAP Financial Measures

EBITDA refers to income / (loss) from operations before depreciation and amortisation. EBIDTA presented in this Prospectus are supplemental measures of our performance and liquidity that are not required by, or presented in accordance with, Indian GAAP or US GAAP. Furthermore, EBIDTA is not a measurement of our financial performance or liquidity under Indian GAAP or US GAAP and should not be considered as an alternative to net income, operating income or any other performance measures derived in accordance with Indian GAAP or US GAAP or as an alternative to cash flow from operations or as a measure of our liquidity.

We believe EBIDTA facilitates operating performance comparisons from period to period and from company to company by eliminating potential differences caused by variations in capital structures (affecting interest expense), tax positions (such as the impact on periods or companies of changes in effective tax rates or net operating losses) and the age and book depreciation of tangible assets (affecting relative depreciation expense). Finally, we present EBITDA because we believe this measure is frequently used by securities analysts and investors in evaluating similar issuers.

FORWARD-LOOKING STATEMENTS

This 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", "future", "goal", "plan", "contemplate", "propose" "seek to" "project", "should", "will", "will continue", "will pursue", "will likely result" or other words or phrases of similar import. All forward-looking statements are based on our current plans and expectations and are subject to a number of uncertainties and risks and assumptions that could significantly and materially affect our current plans and expectations and our future financial condition and results of operations. Important factors that could cause actual results, including our financial conditions and results of operations to differ from our expectations include, but are not limited to, the following:

- general political and economic conditions in India;
- change in government regulations;
- churn in our customer base;
- competition from our existing as well as new competitors;
- our ability to compete with and adapt to technological advances; and
- decrease in our carriage and placement fees.

For further discussion of factors that could cause our actual results to differ, see the sections titled "Risk Factors", "Our Business" and "Management's Discussion of Financial Condition and Results of Operations" beginning on pages xv, 69 and 217 respectively.

Neither our Company, its Directors and officers, nor any of their respective affiliates or associates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, the Company will ensure that investors in India are informed of material developments between the date of filing the RHP with the RoC and the date of allotment of the Equity Shares.

SECTION II: RISK FACTORS

An investment in Equity Shares involves a high degree of risk. You should carefully consider all the information in this 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.

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

Unless otherwise stated, the financial information used in this section is derived from our consolidated audited financial statements under Indian GAAP, as restated and included elsewhere in this Prospectus. Unless otherwise stated, we are not in a position to specify or quantify the financial or other risks mentioned herein. The numbering of the Risk Factors has been done to facilitate ease of reading and reference and does not in any manner indicate the importance of one risk factor over another.

Risks Related to Our Business

1. ***We have a history of net losses, primarily due to significant depreciation and amortisation expenses***.

We incurred net losses of Rs.624.50 million, Rs.668.13 million, Rs.627.47 million and Rs.424.23 million in Fiscal 2007, Fiscal 2008, Fiscal 2009 and the six months ended September 30, 2009 respectively. These net losses were primarily due to significant depreciation and amortisation expenses we have incurred, including depreciation and amortization on the purchase of set-top boxes. The following table sets forth our depreciation and amortisation expenses:

Fiscal	Net Profit / (Loss) (Rs.million)	Depreciation/ amortisation expenses (Rs.million)	Net Profit / (Loss) excluding depreciation/amortisation expenses (Rs.million)
2007	(624.50)	(392.61)	(231.89)
2008	(668.13)	(588.80)	(79.33)
2009	(627.47)	(960.95)	333.48
Six Months ended September 30, 2009	(424.23)	(617.26)	193.03

(1) Net Profit / (Loss), excluding depreciation / amortisation expenses represents the difference of Net Profit / (Loss) minus depreciation/amortisation expenses.

As we continue to expand by way of acquisitions, we expect our depreciation and amortization expenses to continue to increase, and this may have a material adverse effect on our results of operations. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 217 of the Prospectus. We cannot assure you that we will operate at a profit in the future.

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

Although, we currently have not lined up any arrangement or agreement for any further strategic investments or acquisitions or joint ventures and do not have any agreement for the purchase of a majority stake in any entity, we continue to explore opportunities to enter in joint ventures or make substantial investments. To the extent we make strategic investments or acquisitions or enter into joint ventures, we face numerous risks and uncertainties in relation to combining or integrating businesses, including

integrating relationships with customers, business partners and internal data processing systems. In the case of joint ventures (whether existing or proposed), we are subject to additional risks and uncertainties in that we may be dependent upon, and subject to liability, losses or damage to our reputation relating to, systems, controls and personnel that are not under our control. In addition, conflicts or disagreements between us and our joint venture partners may adversely impact our businesses.

Future acquisitions and our joint ventures could entail a number of risks, including problems with the effective integration of operations, the inability to maintain key pre-acquisition business relationships and integrate new relationships, the inability to retain key employees, increased operating costs, exposure to unanticipated liabilities, risks of misconduct by employees not subject to our control, difficulties in realising projected efficiencies, synergies and cost savings, and exposure to new or unknown liabilities. Any future growth of our business may require significant resources and/or result in significant unanticipated losses, costs or liabilities. In addition, expansions, acquisitions or joint ventures may require significant managerial attention, which may be diverted from our other operations.

3. ***Our Promoters and our directors are involved in other companies which are in the same line of activity as our Company.***

Our Promoters hold 18.00% of the paid up equity share capital of Asianet Satellite Communications Limited ("**Asianet**"). Asianet is one of the largest MSOs in Kerala and competes with us directly in the cable television business. Further our Promoters as well as Mr. Rajan Raheja and Mr. Vinayak Aggarwal, non-executive directors on our board are also directors on board of Asianet. Mr Rajan Raheja also holds 4.50% and his affiliates hold 77.50% of the paid-up equity capital of Asianet. In addition, one of our non-executive director Mr. Uday Shankar is on the board of Tata Sky Limited, a DTH provider which competes with our business. Our Company has not entered into any arrangement to mitigate the conflict of interests. Therefore, there may be conflicts of interest in addressing business opportunities and strategies where other companies in which our Promoters or our Directors have interests are also involved.

4. ***Some of our Group Companies have incurred losses in the past.***

Out of our 11 Group Companies, nine have incurred losses in the past. Details of the same are set out below:

	Profit / (Loss) incurred for the year ended March 31, 2009 (Rs.in million)	**Profit / (Loss) incurred for the year ended March 31, 2008** (Rs.in million)	**Profit / (Loss) incurred for the year ended March 31, 2007** (Rs.in million)	**Negative net worth**
Amalfi Properties Private Limited	(0.001)	N.A.	N.A.	N.A.
Ascona Properties Private Limited	(0.001)	N.A.	N.A.	N.A.
Fortune Films Private Limited	(0.003)	(0.003)	(0.003)	N.A.
Kalpitam Premises Private Limited	(0.003)	(0.003)	(0.004)	N.A.
Manali Builders Private Limited	0.002	0.003	(0.003)	N.A.
Meenakshi Builders Private Limited	(0.004)	(0.004)	(0.005)	N.A.
Shalini Developers Private Limited	(0.410)	(0.401)	(0.398)	(4.338)

	Profit / (Loss) incurred for the year ended March 31, 2009 (Rs.in million)	Profit / (Loss) incurred for the year ended March 31, 2008 (Rs.in million)	Profit / (Loss) incurred for the year ended March 31, 2007 (Rs.in million)	Negative net worth
Shore Line Constructions Private Limited	(0.0002)	0.0006	(0.004)	N.A.
Sonal Properties Private Limited	0.0003	0.001	(0.004)	N.A.

We cannot assure you that our Group Companies will not continue to incur losses in future, that their net worth will be positive in the future or that any of the foregoing will not materially and adversely affect our business, prospects, financial condition and results of operations.

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

The following table sets out the summary details of pending litigation against us, our directors, our Promoters, our Subsidiaries and our Group Companies as on the date of this Prospectus.

Category	Our Company	Our Subsidiaries	Directors / Promoter	Group Companies
Civil proceedings	21	15	0	2
Tax proceedings	29	8	1	8
Criminal Proceedings	6	7	7	0

The summary of the criminal proceeding pending against us / our directors/ our Promoters are as follows:

Against the Company:

Mr. Rajesh Mittal filed a criminal complaint under Section 133 of the Code of Criminal Procedure against our Company and several other MSOs alleging that our Company along with the other MSOs have been spreading wires on streets through electricity poles, telephones poles and buildings without due authorization from the concerned authority causing public nuisance.

ESPN Software (I) Private Limited ("**ESPN**") lodged a first information report ("**FIR**") with the Janakpuri Police Station, New Delhi against Mr. Surinder Dhupal, in his capacity as a consultant to our Company alleging that our Company is exhibiting and transmitting signals from ESPN without proper authorisation from ESPN.

An FIR was filed at the Indira Nagar Police Station, Bangalore against Mr. Dayanand Nagabhushan Rao, an employee of our Company, alleging negligence on the part of Mr. Rao that resulted in the death of a child. The child had allegedly died due to an electric shock suffered on coming into contact with a live wire.

A FIR was filed against Mr. Ganesh Mahadev Nirgude, a technician of our Company at one of the police stations in Pune by Mr. Upendra Jalagaonkar on behalf of Novex Communication Private Limited ("**Novex**") alleging that our Company had telecast film without holding a valid license for the same from Novex.

Against our Company and our directors in their capacity of directors of our company

Several composite complaints for violation of the Cable Television Network (Regulation) Act 1995 and its

rules were filed against our Company and its officers as well as against other MSOs and their officers alleging *inter alia* that our Company and the other MSOs had been broadcasting certain films that were not suitable for unrestricted public exhibition.

Sun TV Network Limited ("**Sun TV**") filed criminal complaints against our Company and its officers alleging that our Company and its officers have telecast certain audio visual content in relation to a song of a film whose copyright is allegedly exclusively owned by Sun TV. Summons is relation to the same have been served on Mr. K. Jayaraman.

Against the Promoters and Directors

A complaint no. 3829 of 2009 had been filed by Planman Consulting India Private Limited ("**Planman**") before the Metropolitan Magistrate - Karkardooma Court, New Delhi *inter alia* against Mr. Rajan Raheja, Mr. Akshay Raheja and Mr. Viren Raheja, in their capacities as directors and major shareholders of Outlook Publishing (India) Private Limited ("**Outlook**") alleging that Outlook had published false and defamatory news articles regarding Planman.

Against the Directors

Four cases have been filed by the Bombay Municipal Corporation ("**BMC**") in the Metropolitan Magistrate, Vile Parle, Mumbai against Mr. Rajan Raheja, in his capacity as a director of Juhu Beach Resorts Limited ("**Juhu Resorts**") on account of Juhu Resorts storing trichlorocynaric acid in excess of the prescribed limits, carrying on repairing and servicing of refrigerators and kitchen appliances, keeping a tailoring shop and manufacturing of wooden furniture, without the necessary license for conducting such activities.

There are two criminal cases filed against Mr. Uday Shankar and others in respect of the telecast of programs on Star News channel in 2007. One case pertains to alleged defamation of the petitioner and his family by showing certain programmes. The other case pertains to telecast of a program showing certain discrepancy in the CBSE office and the involvement of the Petitioner.

A criminal complaint has been filed by Ms. Meena Sanjay Gupta under sections 406, 420 read with section 34 of the Indian Penal Code, 1806 against Hathway Bhawani Cabletel & Datacom Limited ("**HBCL**") and its directors which includes Mr. K. Jayaraman, one of the directors of our Company, alleging cheating and criminal breach of trust for certain non-payments.

Our business prospects, financial condition and results of operations may be affected if the one or more of the cases mentioned above are decided against us or our Promoter or our Directors or the members of our Group Companies. For details of the aforesaid litigations, please refer to the section titled "Outstanding Litigations and Material Developments" on page 241 of this Prospectus.

For details of contingent liabilities of our Group Companies, please refer to the section titled "Our Promoters and Group Companies" beginning on page 191 of this Prospectus.

6. ***We are heavily dependent on LCOs to reach most of our cable television subscribers, to collect subscription fees, to increase our subscriber base and to maintain our service quality standards. We may be exposed to liability arising from activities by LCOs that are beyond our control, on losses due to the terminatiom of LCO arrangements.***

As we rely on LCOs to connect us to most of our subscribers, we provide training and support to LCOs to ensure that they deliver quality customer service to our subscribers. However, LCOs which typically have direct contact with subscribers in respect of sales, billing, technical support and general customer service, may not 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 materially and adversely affect our business and results of operations.

A large part of our business is carried out through affiliation arrangements and memoranda of understanding 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. The terms of our arrangements do not typically contain any long-term obligation for LCOs to remain affiliated with us. Further, the LCO can typically terminate the

exclusivity arrangement by providing 21 day's notice. In the past, our arrangements with LCOs in Delhi, Chennai, Indore and Jaipur were terminated by the respective LCOs, resulting in a loss of subscribers, which had an adverse impact on our results of operations. We cannot assure you that such terminations will not happen in the future.

In the event that we are not able to compete effectively with other MSOs, LCOs may choose to switch to other MSOs, which may have an adverse effect on our subscriber base and our cable television subscription revenues. Further, we do not have any control over the quality of cable infrastructure that LCOs use to provide services to the end subscriber.

Further, our subscription revenue is dependent on the LCOs' ability to generate and maintain subscription revenue. Therefore, any failure by LCOs to collect adequate subscription fees from end subscribers may materially and adversely affect our business.

Certain illegal activities by LCOs could potentially expose us to liability. For further details, please refer to the section titled “Regulations and Policies in India” on page 93 of this Prospectus. For example, LCOs may offer content on their network which is not legally permitted to transmit. Such actions are outside our control and may result in us being exposed to legal proceedings in which we are named as parties. Any failure of the LCOs to provide adequate services could adversely affect our reputation and may expose us to legal and regulatory proceedings.

7. ***We have a significant amount of debt and there are certain restrictive covenants in the agreements we have entered into with certain banks for our credit facilities and other borrowings.***

As of September 30, 2009, we had incurred a debt of Rs.4,578.14 million on a standalone basis and Rs.4,992.62 million on a consolidated basis. Our debt equity ratio as of September 30, 2009 was 0.99:1 on a standalone basis and 1.09:1 on a consolidated basis. Our financing agreements require us to maintain certain security margins and/or financial ratios. Should we breach any financial or other covenants contained in any of our financing agreements, we may be required to immediately repay our borrowings either in whole or in part, together with any related costs. We may be forced to sell some or all of our assets, if we do not have sufficient cash or credit facilities to make repayments. Under the terms of the loan agreements, we are required to obtain the prior written consent of the concerned bank prior to our Company entering into any scheme of expansion, merger, amalgamation, compromise or reconstruction, selling, leasing, transferring all or substantial portion of its fixed and other assets; making any change in ownership or control or constitution of our Company, in the shareholding, management, majority of directors, or in the nature of business of our Company; or making material amendments in the memorandum and articles of association of our Company. For further details, please refer to the section titled “Financial Indebtedness” beginning on page 205 of this Prospectus.

Further, our Company is required to maintain certain financial ratios in the manner required under the loan agreements. For further details, see the sections titled “Management Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Indebtedness:” beginning on pages 217 and 205, respectively of this Prospectus.

8. ***Some of our Group Companies and Subsidiaries have unsecured loans, which may be recalled by the relevant lenders at any time.***

Our Company does not have any outstanding unsecured loans. Some of our Subsidiaries and our Group Companies have unsecured loans, which may be recalled at any time at the option of the lender. If such unsecured loans are recalled at any time, the financial condition of such Subsidiaries and Group Companies may be adversely affected.

9. ***We have had negative net cash flow from operating activities in certain years.***

Based on our audited restated / consolidated financial statements, we had negative cash flow of Rs.516.85 million, and Rs.139.05 million in Fiscal 2008 and Fiscal 2007 respectively. We cannot assure you that our net cash flow from operating activities will continue to be positive in the future.

10. ***We have a number of contingent liabilities, any of which may materialize.***

As of September 30, 2009, our contingent liabilities as disclosed in our restated consolidated financial statements under Indian GAAP were as follows:

(Rs.in millions)

Particulars	**As on September 30, 2009**
Bank Guarantees	12.96
Corporate Guarantees	256.03
Letters of credit	92.19
Claims against the Company (not acknowledged as debt)	470.36
Total	**831.54**

We have the following contingent liabilities which cannot be ascertained as of September 30, 2009:

- The following appears as note 13(a) to our consolidated financial statements: "Pending finalization of negotiations with one of the broadcasters, the Company has accounted for pay channel costs, net of discounts expected from such broadcaster. The Company and the broadcaster have claims and counter-claims against each other, which are yet to be finalized. The contingent liabilities in respect of such claims could not be ascertained". For details of the current disputes with some of our broadcasters, please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 241 of this Prospectus;

- Pursuant to various amendments under the Karnataka Entertainment Tax 1958, the Government of Karnataka has issued various notices for various periods. We have challenged the notices and validity of amendments with the High Court of Karnataka. The High Court of Karnataka has issued a stay order against the notices. Based on the outcome of the respective petitions, liability may extend to a period beyond the notice period. Pending the outcome of the respective petitions, the amount of the contingent liability cannot be ascertained; and

- We have filed a petition before the High Court of Andhra Pradesh challenging the amendment of levying entertainment taxes on MSOs. The petition has been admitted and the levy and the action has been ordered to be stayed and the matter is pending.

In addition to the above, there are certain contingent liabilities which have not been quantified. For further details, please refer to the section tilted "Financial Statements" beginning on page 204. Crystallization of any of the above liabilities may require us to honor the demands raised, if any, which may materially and adversely impact our profitability, our financial condition and net worth.

11. ***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 Telecommunications ("**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, specifying a minimum quality of service and performance standards, digitization and software standardisation. For more information, see "Regulations and Policies in India" beginning on page 93 of this Prospectus.

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

- In areas where CAS has not been notified, TRAI has imposed a ceiling on monthly tariffs payable by individual subscribers to LCOs and MSOs. (Please refer to the section titled "Industry Overview" beginning on page 55 for an explanation of Government-mandated CAS in India);

- In CAS notified areas, MSOs and LCOs are required to transmit a minimum number of free-to-air channels for a fixed price notified by TRAI;

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

- In CAS notified areas, all broadcasters, MSOs and LCOs are required to enter into interconnection agreements based on a standard form prescribed by the TRAI if they are not able to arrive at a mutually acceptable interconnection agreement within a period of 60 days. We may therefore be subject to certain restrictions and not have certain rights, which we otherwise would possess, had we entered into a commercially acceptable arrangement;

- Foreign investment (consisting of foreign direct investments and FII investments combined) in activities pertaining to a cable 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 and to the Cable Television Network Rules, 1994. Under the Cable TV Act, Indian nationals are required to hold at least 51% of the paid-up equity capital of a cable television company. This restricts the amount of capital we may raise by means of foreign investments in our Company. As on the date of this Prospectus, 42.74% of our fully paid up Equity Shares were held by foreign investors. Post the Issue the existing foreign investors of our Company are expected to hold approximately 31.33% of our fully paid up Equity Shares;

- We can disconnect the TV signals that we supply to LCOs, including for non-payment of our share of subscription fees or breach of other terms of our interconnection agreements with such LCOs, only as provided under the procedure prescribed by the Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004, as amended, and not in our discretion. We may be unable to secure any compensation for continued use of our signals by LCOs in breach of our interconnection agreements pending the completion of such procedure. Any such losses may adversely affect our business and results of operations;

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

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

We cannot assure you that we will not be subjected to any adverse regulatory action in the future. Further, these regulations are subject to frequent amendments and depend upon the Government policy. Our present model of business may not be geared to meet all regulatory amendments. If we are unable to adapt to any regulatory changes, our business and results of operations may be materially and adversely affected. Additionally, we rely on LCOs to provide the last mile connection to our secondary subscribers. In the event the LCOs we use are subjected to any adverse regulatory action, it may have a material and adverse effect on our business and results of operations. Further, our obligation to comply with applicable laws and regulations under which we operate may result in delays in providing our services cause us to incur increased costs to comply with such regulations.

12. *Our revenues are adversely affected by under-reporting of analog cable subscribers by LCOs.*

We earn most of our cable television subscription revenues from analog cable television subscribers that we reach through LCOs. We reach an agreement with each LCO and set an aggregate fixed fee to be paid by the LCOs to us. The non-addressable nature of analog cable television services technology does not give us the ability to independently determine the number of cable television subscribers receiving our service through LCOs. Therefore, we are heavily dependent on LCOs to accurately report the number of

subscribers. As is typical in our industry, LCOs substantially under-report the numbers of their subscribers to us. Such piracy and unauthorized usage may continue to artificially decrease our subscriber base and materially and adversely affect our subscription revenues.

13. ***A significant portion of our revenue consists of carriage and placement fees, which are dependent upon the continued demand of channels to be placed in certain preferred frequencies.***

We derive a significant portion of our subscription revenue from carriage and placement fees. These fees are paid to us by broadcasters for carrying their channels and placing their channels on their preferred signal and frequency band. Placement and carriage fees are determined by the households we reach, the availability of preferred frequency bandwidth, the geographic regions in which we operate and competition among television broadcasters for the preferred frequency band. In the event of any decline in the growth of the broadcasting business in India or if new channels are not introduced, our revenues may decrease. Further, revenues from placement fees depend upon the availability of frequencies. If the frequencies requested by a broadcaster has already been provided to another, we may not be able to provide such broadcaster with the same frequency, thereby adversely affecting our business and results of operations. If we are unable to provide the frequency requested by the broadcaster, our revenue from placement fees may be materially and adversely affected.

14. ***Our broadcasters may discontinue providing content to us which may result in loss of revenue as well as potential litigation.***

Our broadcasters enter into subscription agreements with us which sets forth the commercial and technical terms and conditions for the supply of TV channels signals by our broadcaster to us. Our broadcaster may choose not to renew, or to terminate, their agreement with us and/or discontinue airing the television channels to us either at will or due to a default on our part in complying with the terms of the agreement. Any such disconnection would prevent us from providing such channels to LCOs and our subscribers and could decrease our subscription revenues and/or require us to refund subscription fees that have accrued or have already been paid. Any such result could adversely affect our results of operations.

For details of the current disputes with some of our broadcasters, please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 241 of this Prospectus.

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

One of the objects of the Issue is raise funds for acquisitions of MSOs and LCOs. For further details, please refer to the section titled "Objects of the Issue" beginning on page 39 of this Prospectus. As on the date of this Prospectus, we have not entered into definitive arrangements for such acquisitions. Accordingly, our management will have significant flexibility in applying the proceeds of the Fresh Issue within the various heads mentioned under the Objects of the Issue. Axis Bank Limited has been appointed as the monitoring agency for the purposes of monitoring the utilization of the proceeds of the Fresh Issue. We intend to rely on our internal systems and controls to monitor the use of such proceeds.

16. ***Our strategy to convert subscribers from analog to digital cable television services may not be successful.***

As a part of our strategy, we intend to convert our analog cable television subscribers into digital cable television subscribers. Such conversion will require increased capital expenditure for set-top boxes, new software and improvement of our cable network. We cannot assure you that the revenues that we generate from new digital cable television subscribers will be sufficient to meet this expenditure, particularly because we currently do not charge a premium for digital cable television services in areas where CAS has not been notified. In addition, delayed adoption by our subscribers of digital cable television services could force us to offer substantial incentives or otherwise incur significant costs to encourage migration from analog to digital cable television services.

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

Our expansion strategy is based in part on the acquisition of substantial interests, including majority interests, in MSOs and ICOs with a view to maintaining and expanding their subscriber numbers. Following

our acquisitions of majority / substantial interests, the former owners of such businesses continue to have large equity interests in such MSOs and ICOs and continue to have significant influence over such MCOs and ICOs growth plans and business strategies. In addition, our agreements contain certain restrictive covenants including restrictions on the free transferability of our shares and lock-in.

If our joint venture partners do not assist us in successfully operating and growing these MSOs and ICOs, we could lose subscribers, revenues and market share. Further, any dispute with such joint venture partners, may have a material adverse effect on our business, financial condition and results of operations.

18. ***Problems with the service quality or performance of our digital cable television service, including value-added services and broadband internet services could result in a decrease in the number of our subscribers and revenues.***

Actual problems (such as systems failures caused by fire, earthquakes, severe storms, power loss, telecommunications failures, network software flaws, acts of terrorism and other catastrophic events) 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. Most commonly, we face problems of cable wire disconnection which leads to temporary stoppage of our services in such areas. Such deficiencies in services adversely affect our reputation and could lead to litigation. Further, in areas where such disruptions take place on a frequent basis, we may not be able to collect subscription fees or may be required to refund fees for the period of disconnection. 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 adversely affected. In addition, we may need to incur substantial costs in order to address any quality issues.

19. ***The distribution of media content is highly competitive, which affects our ability to attract and retain subscribers. Further, rapid technological changes may increase competition and affect our operations.***

The television distribution industry is highly competitive and is often subject to rapid and significant changes in the marketplace, technology and regulatory and legislative environments. 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. Competition 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, or new regulations such as Headend in the Sky Policy Guidelines, 2009, may force us to compete with new types of services offered by other providers. For instance, we face competition from other communications technologies, including DTH and IPTV technology in the cable television service segment, and ADSL and Ethernet technology in the broadband internet service segment. We cannot accurately predict how emerging and future technological changes will affect our operations or the competitiveness of our services. The success of these ongoing and future developments could have an adverse impact on our business operations. Additionally, there is a risk that existing and new competitors could begin to operate in our geographic markets or surpass us in identifying and acquiring desirable targets for the acquisition of LCOs and subscribers. Moreover, the cable television business is largely unorganised and fragmented and based on local preferences. If we are unable to adjust the programs and bouquets we offer to cater to the local preferences of our end subscribers we may not be able to compete effectively, which could materially and adversely affect our business and results of operations.

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

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 adversely 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 results of operations could suffer.

21. ***We have executed a sanction letter with Yes Bank Limited ("YBL"), which imposes certain conditions on us in relation to our initial public offer.***

YBL has issued an addendum dated December 30, 2009, executed by us, modifying the existing terms of the saction letter dated August 28, 2009, provides that in the event our initial public offer does not take place within 90 days of the first disbursement, that is January 5, 2010, YBL would have the right to call back either the entire or part of the facility granted by them. Further, the sanction letter provides that YBL shall have the right to demand repayment of its facilities or increase the interest rate by 1% per annum in each instance should the initial public offering of at least Rs.6,000 million by the fourth quarter of the financial year 2009 - 2010. In the event that the initial public offer does not occur within the above period, we would be required to repay the full amount of the loan, which may have an effect on our operations.

22. ***We may be required to further modify the rates we charge for our broadband Internet services in response to new pricing models introduced by new and existing competitors, which would significantly affect our revenues.***

Our Internet services business faces significant competition from well-established companies, including Bharti Airtel, Tata Communications Limited (formerly known as Videsh Sanchar Nigam Limited), Reliance Infocom, HCL Infinet, Tata Teleservices and the incumbent government-owned telecommunication companies, Bharat Sanchar Nigam Limited, and Mahanagar Telephone Nigam Limited. A significant number of competitors have entered India's liberalized Internet service provider industry. We also compete with providers that use newer technologies such as high speed data cards. In the future, we may also have to contend with the development of new technologies within the industry and new types of services offered by other providers based on such technologies, including WIMAX and 3G. New entrants into the national internet service provider market in India, especially the government owned telecommunication companies, may enjoy significant competitive advantages over us, including greater financial resources, which could allow them to charge prices that are lower than ours in order to attract subscribers. In the past, these factors have resulted in periods of significant reductions in actual average selling prices for consumer broadband internet service provider services. We expect the market for Internet access and other connectivity services to remain extremely price competitive. Increased competition may result in operating losses and loss of market share, as well as pricing, service or marketing decision that may entail substantial costs or losses. Additionally, we believe that our ability to compete depends in part on factors outside our control, such as the availability of skilled employees in India, the price at which our competitors offer comparable services, and the extent of our competitors' responsiveness to their subscribers' needs. Existing and new competitors could begin to operate in our geographic markets or surpass us in identifying and acquiring desirable Internet service providers and subscribers. We may not be able to successfully compete against current and future competitors.

23. ***Our investments and marketing efforts to retain our subscribers and attract new subscribers and to establish brand recognition may be unsuccessful. Our marketing campaign to establish brand recognition and loyalty for the 'Hathway' brand and the 'Hathway Cable' brand could be unsuccessful, which could adversely affect our business, reputation, profitability and results of operations.***

Our sales, marketing and other costs of acquiring new subscribers are substantial. Accordingly, our long-term success depends on our ability to retain existing subscribers, while continuing to attract new subscribers. We also plan to introduce additional and enhanced content, interactive tools, higher bandwidth speeds, enhanced online content offerings and customer and technical support and other services and features in an effort to retain our current cable television and broadband subscribers and attract new subscribers. We have also incurred and continue to incur significant expenditure on network infrastructure.

Further, our efforts to market and establish our brands "Hathway" or "Hathway Cable" may not be successful, which may have an adverse effect on our business.

24. ***Our revenues in CAS-notified areas may not increase.***

Typically, our revenues are higher in CAS-notified areas compared with areas where CAS has not been notified, if compared on a geographical basis. This is due to the accurate reporting of the number of subscribers in such CAS-notified areas through set-top boxes. Under applicable laws and regulations, subscribers in CAS-notified areas are required to use set-top boxes to view pay channels. However, they are

not required to use set-top boxes to view only free-to-air channels. If broadcasters decide to provide all of their channels on a free-to-air basis, subscribers may decide to continue receiving cable television services on a free-to-air basis, thereby obviating any use of set-top boxes by such subscribers. Therefore, our revenues from subscribers in such CAS-notified areas may be adversely affected. Moreover, in accordance with applicable regulations, we earn subscription revenue only on pay channels viewed by subscribers. We will not earn any revenue from secondary subscribers who choose to receive only free-to-air channels in CAS-notified areas.

If broadcasters provide their channels on a pay channel basis in CAS-notified areas, our existing analog cable television subscribers may decide to switch to DTH television service rather than purchase set-top boxes to continue our service, thereby reducing our subscriber base and our subscription revenues. If our revenues do not increase for any of the above reasons, our results of operations may be adversely affected.

25. ***Our calculations of per subscriber revenue for our cable television business may not be in line with industry practice of ARPU calculation.***

The manner of calculation of "ARPU" and churn rate varies within MSOs, as there are no settled industry standards for such calculation. The "ARPU" figures in relation to our cable television business provided in this Prospectus are referred to as MSO revenue per unit and are calculated on the basis of cable television subscription income divided by our estimated average number of homes reached. As such, these calculations may not be comparable with ARPU calculations of other MSOs.

26. ***We are exposed to risks relating to the churn in our industry.***

Customer attrition, or "churn", results in the loss of the future revenues from customers whose services are disconnected and the inability to recoup any unrecovered costs incurred in acquiring the customer. Churn arises as a result of various reasons including (i) customers switching to other television service providers such as DTH or IPTV, (ii) LCOs switching to other MSOs which compete against us, and (iii) our disconnection of LCOs and primary subscribers for non-payment of subscription fees. The rate of churn for the period between April 1, 2008 and March 31, 2009 in our broadband internet service was an average of 1.4% per month of the total subscriber base and the rate of churn for the period between October 1, 2008 and July 31, 2009 in our cable television services, was an average of 0.83% per month of the total subscriber base.

A high rate of churn may adversely affect our business, financial condition and results of operations. There can be no assurance that we will be able to control churn or that our churn rate will not increase.

27. ***Our business is capital intensive and we may not be able to realise the benefits we expect from our investments in our networks and technologies.***

Our business is capital intensive in nature. In order to continue to provide competitive services and technologies to our subscribers, we are continually required to make significant capital investment.

We expect that a significant amount of our future capital expenditure will be to expand our network capacity. However, because future network expansion will be dependent in part on the future demand for our services, it is difficult for us to predict with certainty our future capital expenditure requirements. In addition, we will incur additional capital expenditure in connection with the roll-out and expansion of our digital cable television services. In the event that we have underestimated our future capital requirement needs or overestimated future cash flows, we may require additional financing in order to meet our projected capital and other expenditure requirements. In such an event, no assurance can be given that financing will be available or, if available, that such financing will be obtained on terms favourable to us or that any additional financing will not be dilutive to our shareholders.

New technologies may not be developed or implemented according to anticipated schedules or may not achieve commercial acceptance or be cost effective. Our failure to develop and implement technologies in a timely manner and on a cost effective basis could delay the implementation of new services, reduce the quality and functionality of our services, increase our operational costs, reduce our actual and potential market share and hinder us from realising our revenue streams. The failure of a technology to achieve commercial acceptance could result in additional capital expenditure or a reduction in profitability due to the recognition of the impairment of assets. In addition, changing market demand as a result of technological changes and improvements may require us to adopt new technologies and innovate new

products and services. As new technologies are developed, the products and services we offer may be rendered obsolete or less competitive.

The success of our high speed cable broadband service depends on the completion of upgrading our network to fibre co-axial cable. If we are unable to complete this upgrade due to regulatory, technical or other difficulties, we may not be able to offer new products and services over all of our network on a timely basis.

28. ***Our business may not be compatible with delivery methods of broadband services developed in the future and our service offerings may not be compatible with future industry standards.***

We face the risk that fundamental changes may occur in the delivery of Internet access services. Currently, our broadband services are accessed primarily through computers and are delivered by modems using HFC Network on DOCSIS technology platform. As the Internet becomes accessible by Wimax enabled devices, 3G cellular telephones, personal data assistants, television set-top boxes and other consumer electronic devices, and becomes deliverable through other means involving digital subscriber lines, or wireless transmission mediums, we may have to modify our existing technology to accommodate these developments. Acquiring this advanced technology, whether directly through internal development or by third-party licenses, may require substantial time and expense. We may be unable to adapt our Internet service business to alternate delivery systems and new technologies may not be available to us at all. On a very limited basis, we provide wireless connectivity on the 2.4 GHz and 5.8 GHz spectrum permitted to be used by the Government of India. The current capacity may be insufficient to offer a breadth of services. The Government may issue instructions to release the spectrum that we hold. The high cost of spectrum acquisition may be inconsistent with our revenue and cost models. We may not keep up with the pace of the change that takes place in wireless technologies. In such a situation, we may not adopt wireless technology to deliver the point to point bandwidth and would alternatively, lay fibre network as a carrier. This will involve some additional investment.

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

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

Bandwidth, the measurement of the volume of data capable of being transported in a communications system in a given amount of time, remains expensive in India. We lease all the international bandwidth that we use to provide broadband services from other gateway providers including Tata Communications Limited and Bharti Airtel Limited. There are only few gateway providers of international bandwidth in India and consequently, the price that they may charge may not be competitive. Although prices for bandwidth in India have substantially declined recently, they are relatively high compared to western countries due to, among other reasons, capacity constraints and lack of competition. As increase in international bandwidth costs would increase our operating costs and may adversely effect our profitability.

Further, the market penetration rates of personal computers and online access in India is low. Alternate methods of obtaining access to the Internet, such as through set-top boxes for televisions, are currently not popular in India. There can be no assurance that the number or penetration rate of personal computers in India will increase rapidly or at all or that alternate means of accessing the Internet, which we can service through our existing broadband technology, will develop and become widely available in India. Customers will have to bear significant costs for obtaining the hardware and software necessary to connect to the Internet in India. If such costs do not become affordable, our broadband services subscriber base will be curtailed, which may adversely affect our business and results of operations.

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

We depend significantly on a limited number of third party suppliers, producers and licensors to supply the

hardware, software and operational support necessary to deliver our cable television and broadband Internet services, including digital set-top boxes, cable modems, routers, servers and fibre-optic cables. Our supply contracts are subject to meeting the specifications set out by us and may, under certain circumstances be terminated by the third party, in which case we may be forced to find other suppliers and licensors of set-top boxes leading to increased costs.

Further, 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 centers. If demand exceeds the capacity of the vendors that we use or if these vendors experience operating or financial difficulties, the need to procure or develop alternative sources of the affected materials could affect our ability to deliver services in a timely fashion. Further, we provide inter-city connectivity for some of our applications in relation to our broadband business through lease arrangements. Our ability to provide broadband service, to a large extent, depends on the quality of the networks maintained by other operators, and their continued availability, neither of which is under our control. Moreover, the parties leasing the fibre 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 damage in a timely manner, both cable television 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 adversely affect our revenues, results of operations and reputation.

Further, we typically do not enter into any long-term agreements with our vendors for the supply of equipment, software licenses or services and there can be no assurance that we will be able to economically and in a timely manner source the delivery of these components from third parties, if at all, with the exception of our long term contract with the encryption vendors namely, NDS Limited and CISCO.

Our failure to source some of these components, software licenses could materially and adversely affect our ability to retain and attract subscribers, and have a material negative impact on our operations, business and financial condition.

31. ***The growth of our business may require us to obtain substantial financing, which we may not be able to obtain on reasonable terms or at all. We may also require further equity issuances, which may lead to dilution of other shareholders and may affect the market price of our Equity Shares. We may need to raise additional funds through incurring debt to satisfy our capital needs, which we may not be able to procure on acceptable terms or at all.***

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

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

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

32. ***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 generally pay for such equipment in foreign currencies, including the U.S. Dollar as a result, we are subject to foreign currency fluctuations in respect of such purchases. Further, any political or economic disturbances in these areas could interrupt the timely supply of such equipment. The exchange rate between the Rupee and other currencies, including the U.S. Dollar, and the Chinese Yuan 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, such fluctuations may have an adverse effect on our results of operations, resulting in higher costs for our set-top boxes and equipment for broadband services such as cable modems.

33. ***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.***

As a part of our cable television services, we provide local channels which cater to local preferences. The channels primarily consist of movies, local news and music on demand. Our ability to offer such content on the local channels is depends upon our ability to acquire distribution rights for such contents. We may not be able to acquire such rights on terms and conditions favourable to us. Any inability to provide adequate local content may affect our ability to compete effectively with other MSOs with more popular local content. This may reduce our subscriber base and thereby adversely affect our financial condition and results of operations.

34. ***Broadcasters may prohibit or curtail us in certain respects from offering their channels as part of packages we market to attract and retain cable television subscribers.***

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

35. ***Our analog signals are non-addressable, which could result in lost revenues and cause us to incur operating costs.***

Our analogue cable television services are more susceptible to piracy and unauthorised usage since the signals transmitted via an analog platform and are not protected by encryption technology. Such piracy and unauthorised usage may lead to a loss of revenue for our analogue business which may affect our financial conditions and results of operations.

36. ***Our computer systems and network infrastructure, including leased fibre optic connectivity may be damaged or disrupted.***

Due to the importance of computer systems and network infrastructure, including for data transfers to our business, any event affecting our systems could have a material adverse effect on our business. As part of our business strategy, we use our information systems and the Internet to deliver services to and perform transactions on behalf of our customers. We depend extensively on the capacity and reliability of the electronic systems supporting our operations. To date we have not experienced widespread disruptions of service to customers, but there can be no assurance that we will not encounter disruptions or damage in the future due to substantially increased numbers of customers and transactions or for other reasons. If we experience system interruptions, errors or downtime (which could result from a variety of causes, including changes in client use patterns, technological failure, changes to systems, linkages with third-party systems and power failures) or are unable to develop necessary technology, our business, prospects, financial condition and results of operations could be materially and adversely affected. Our hardware and software and network infrastructure are also subject to damage or incapacitation by human error, natural disasters, power loss, sabotage, computer viruses and similar events or the loss of support services from third parties such as Internet broadband providers.

We may encounter delays or other difficulties incorporating new services and businesses into our information technology systems and there can be no assurance that we will realise the efficiencies and other benefits we anticipate from doing so.

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 cannot be certain that our backup and protective measures will be sufficient and effective under all circumstances and that disruptions or damage will not occur. Damage or disruption to our infrastructure could result in reduced revenues, increased costs, loss of customers and subscribers to our reputation.

37. *Our future results of operations could fluctuate in part because our expenses are relatively fixed in the short term while future revenues are uncertain and any adverse fluctuations could adversely impact the price of our Equity Shares*.

Our revenues and expenses have varied in the past and may fluctuate significantly in the future due to a number of factors, many of which are outside our control. A significant portion of our investment and cost base is relatively fixed in the short term. Our revenues for the future may depend on many factors, including the following:

- our ability to acquire and retain subscribers for our cable television services;
- the subscription amount received for our cable TV business.
- the range of corporate network/data services provided by us and the usage thereof by our subscribers;
- the number of subscribers to our broadband Internet services and the prevailing prices charged by our competitors;
- services, products or pricing policies introduced by our competitors;
- capital expenditure and other costs relating to our operations;
- the timing and nature of, and expenses incurred in, our marketing efforts;
- our ability to successfully integrate operations and technologies from any acquisitions, joint ventures or other business combinations or investments;
- the introduction of alternative technologies; and
- technical difficulties or system failures affecting the telecommunication infrastructure in India or the Internet generally.

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

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

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

Our business operations require us to obtain and renew from time to time, certain approvals, licenses, registrations and permits, some of which have expired and we have either made or are in the process of making an application to obtain such approval or its renewal. We cannot assure you that we will be able to obtain approvals in respect of such applications or any application made by us in the future. If we fail to maintain such registrations and licenses or comply with applicable conditions, or a regulator claims that we

have not complied, with such conditions, our certificate of registration for carrying on a particular activity may be suspended and/or cancelled and we will not then be able to carry on such activity. This could materially and adversely affect our business, financial condition and results of operations.

For more information about the licences required in our business and the licenses and approvals applied for, see the sections titled "Regulations and Policies in India" and "Government and Other Approvals" beginning on page 93 and 273, respectively of this Prospectus.

39. ***We depend on our management team and key personnel and the loss of any key team member may adversely affect our business performance.***

Our business and the success of our strategy depend upon our core management team which oversees the day-to-day operations, strategy and growth of our business. If one or more members of our key management team are unable or unwilling to continue in their present positions, such persons would be difficult to replace and our business, prospects, financial condition and results of operations could be adversely affected.

In addition, our success in expanding our business will also depend, in part, on our ability to attract, retain and motivate appropriately qualified personnel. We may be unable to successfully manage our personnel needs could materially and adversely affect our business and results of operations. Our failure to successfully manage our personnel needs could materially adversely affect our business, prospects, financial condition and results of operations. These risks could be heightened to the extent we invest in businesses or geographical regions in which we have limited experience. If we are not able to address these risks, our business, prospects, financial condition and results of operations could be adversely affected.

40. ***We carry third party content and under the Cable TV Act and the IT Act and other laws we are exposed to liability***

Indian law imposes certain liability on an ISP for the contents of a website. Further, under the Cable TV Act, we must comply with programme code and advertisement code. Programmes and advertisements are not under our control. However, in the event of breach of the programme code or advertisement code by a broadcaster, we may face potential liability with respect to the same. For further details, please refer to the section titled "Regulations and Policies in India" on page 93 of this Prospectus.

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

Following the completion of the Issue, our Promoters and Promoter Group entities will own an aggregate of 66.55 % of our issued and paid-up Equity Share capital. The Promoters have, and will continue to have, control over our business and may take actions that do not reflect the will or best interests of the other shareholders.

Our Promoters have the ability to control our business including matters relating to any sale of all or substantially all of its assets, the timing and distribution of dividends and the election or termination of appointment of its officers and directors. The Promoters have the ability to appoint up to five directors on the Board by the virtue of our Articles of Association and can thereby exercise control over the Board and over matters that are subject to a shareholder vote. This control could delay, defer or prevent a change in control of the Company, impede a merger, consolidation, takeover or other business combination involving the Company, or discourage a potential acquirer from making a tender offer or otherwise attempting to obtain control of the Company even if it is in the best interest of other shareholders.

Our Promoters will also continue to have the ability to cause us to take actions that are not in, or may conflict with, our interests and/or the interests of our minority shareholders, and there can be no assurance that such actions will not have an adverse effect on our future financial performance and the price of our Equity Shares.

For further details, see the sections titled "Capital Structure", "History and Certain Corporate Matters", "Our Promoters and Group Companies" beginning on pages 24, 102 and 191 respectively of this Prospectus.

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

We currently have 18 trademark applications pending registration under the provisions of the Trade Marks Act of 1999. We cannot assure that we will be able to register these trademarks in our name or that third parties will not infringe on our intellectual property, thereby causing damage to our business prospects, reputation and goodwill. Our efforts to protect our intellectual property may not be adequate and any third party claim on any of our unprotected brands may lead to erosion of our business value and our operations could be adversely affected. We may need to litigate in order to determine the validity of such claims and the scope of the proprietary rights of others. Any such litigation could be time consuming and costly and a favourable outcome cannot be guaranteed. We may not be able to detect any unauthorised use or take appropriate and timely steps to enforce or protect our intellectual property. We also can provide no assurance that any unauthorised use by any third parties of the trademark "Hathway", "Hathway Cable Internet" and other related trademarks, will not cause damage to our business prospects, reputation and goodwill. For further details of our pending approvals, see the section titled "Government and Other Approvals" beginning on page 273 of this Prospectus.

43. ***In the last year, we have issued Equity Shares at a price less than the Issue Price.***

The Issue Price is Rs. 240. We have issued Equity Shares in the last 12 months, at a price less than the Issue Price, details of which are provided below:

Date of allotment of the Equity Shares	No. of Equity Shares	Issue Price (Rs.)	Face Value (Rs.)	Nature of Payment	Reasons for allotment	Details of Allottee
August 18, 2009	1*	110.20	10	Cash	Execise of vested option	Mr. K. Jayaraman
September 19, 2009	5,568,609	212.80	10	Cash	Conversion of fully and compulsorily convertible debentures.	Kaup Capital
September 19, 2009	4,640,507	212.80	10	Cash	Conversion of fully and compulsorily convertible debentures.	MSPI
September 19, 2009	1,292,672	232.00	10	Cash	Conversion of fully and compulsorily convertible debentures.	Arcadia

* On August 18, 2009, Mr. K. Jayaraman was issued 10 Equity Shares of face value Re. 1 each. Post consolidation of Equity Shares from a face value of Re. 1 each to a face value of Rs.10 each, the Equity Shares held by Mr. Jayaraman was consolidated from 10 Equity Shares to 1 Equity Share.

All of the above stated issuances are at a price lower than the Issue Price.

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

Our funding requirements and the deployment of the proceeds of the Fresh Issue are based on management estimates and have not been appraised by any banks or financial institutions. In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and, consequently, our funding requirements may also change. This may result in the rescheduling of our expenditure programs and an increase or decrease in our proposed expenditure for a particular object. For further details, please refer to the section titled "Objects of the Issue" on page 39 of

this Prospectus.

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

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

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

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

In addition, we may not be successful in the execution of our business strategies, including those described in detail under *"*Our Business – Strategy*"*on page 71. We may experience delays in the implementation of these strategies for various reasons, including a failure to integrate our networks and technologies, capital shortfalls, failure of third party suppliers to deliver services and products in a timely manner and our inability to meet our own implementation schedules. There can be no assurance that our business strategies will be satisfactorily implemented and the growth of our business may be adversely affected.

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

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

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

48. ***We subsidise the cost of set-top boxes for subscribers.***

Since Fiscal 2006, we have subsidised the cost to subscribers of acquiring set-top boxes. We expect that, in order to continue to increase our subscriber base in India, we will need to reduce the entry costs in future. Depending upon the cost we pay to our suppliers for set-top boxes, this may translate into higher subsidies. As a result, continued or increased subsidies of set-top boxes in the future or an adverse change in the terms of vendor financing arrangements for the procurement of set-top boxes could have a material adverse effect on our earnings and financial condition.

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

We are exposed to the risk of strikes and other industrial actions. As of November 30, 2009, we had 642 full-time employees as well as 22 consultants and 1,262 temporary employees, all based in India. As of November 30, 2009, none of our employees belonged to any trade union, except certain employees in

Nashik who have formed a union, which is yet to be recognized by us. We cannot guarantee that we will not experience any strike, work stoppage or other such industrial action in the future, including by our employees or employees of LCOs that we use to reach subscribers. There were three labour disputes in the past, one of which has been dismissed and the other two are currently pending. For details of the current labour disputes pending against us, please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 241 of this Prospectus.

Also, our suppliers may experience strikes, work stoppages or other such industrial action in the future. Any such event could disrupt our operations, possibly for a significant period of time, result in increased wages and other costs and otherwise have a material adverse effect on our business, results of operations and financial condition. For more information, see the section titled "Our Business - Employees" on page 90 of this Prospectus.

50. ***Wage increases in India may reduce our profit margins.***

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

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

Our insurance policies provide cover for risks relating to physical loss, theft or damage to our assets. 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. Further, we do not have any insurance for telecommunications professionals' liability, intellectual property claims, communications claims or life insurance policies for all our employees. There can be no assurance that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have obtained sufficient insurance (either in amount or in terms of risks covered) to cover all material losses. To the extent that we suffer loss or damage for events for which we are not insured or for which our insurance is inadequate, the loss would have to be borne by us, and, as a result, our results of operations and financial condition could be adversely affected.

52. ***Post the Issue, certain of our pre-Issue shareholders shall have certain rights under the Articles of Association and the shareholders agreements entered into with us.***

In addition to our Promoters, certain of our existing shareholders have certain rights under the Articles of Association and the shareholder agreements executed with us, which will continue post the Issue. NewsCorp shall have the right to appoint two Directors and will have the right to appoint a nominee on our budget committee. Further, Monet will have the right to appoint one Director. For further details, please refer to the section titled "History and Certain Corporate Matters" and "Main Provisions of our Articles of Association" beginning on page 102 and 351 of this Prospectus.

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

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

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

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

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

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

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

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

External Risks related to our Industry and India

1. ***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 an adverse impact on our business.***

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

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

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

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

There is no standard valuation methodology for companies involved in the entertainment and media industry. The 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 adversely affect the Indian markets on which our Equity Shares trade and also adversely affect the worldwide financial markets. These acts may also result in a loss of business confidence, making travel and other services more difficult and ultimately adversely affecting our business.

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

Other acts of violence or war outside India, including those involving the United States, the United Kingdom or other countries, may adversely affect worldwide financial markets and could adversely affect the world economic environment, which could adversely affect our business, results of operations, financial condition and cash flows, and more generally, any of these events could lower confidence in India. South

Asia has, from time to time, experienced instances of civil unrest and hostilities among other neighbouring countries.

6. ***Political instability or changes in 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 the internet services industry. 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. ***There are restrictions on foreign investment in our Company.***

As an Indian company, we are subject to exchange controls that regulate borrowing in foreign currencies. In addition, 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 with gateways and radio paging 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. The restriction on foreign investment may also restrict an investors ability to sell the equity shares to foreign investors including FIIs. The restrictions on foreign investments may restrict your ability to trade in the Equity Shares.

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 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 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 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 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, financial condition of cash flows and any failure to successfully adopt IFRS by April 1, 2011 could have a material adverse effect on the price of our Equity Shares.

Notes to Risk Factors:

1. Public Issue of up to 27,750,000 Equity Shares of Rs.10 each for cash at a price of Rs.240 per Equity Share, aggregating to Rs.6,660 million, consisting of a Fresh Issue of up to 20,000,000 Equity Shares by our Company and on Offer for Sale of 7,210,000 Equity Shares by Monet and 540,000 by MSPI. The Issue will constitute up to 19.43% respectively of our post Issue paid-up capital.

2. The net worth of our Company as of September 30, 2009 was Rs. 4,636.36 million, based on audited restated standalone financial information of our Company.

3. The NAV per Equity Share was Rs.37.74 as of September 30, 2009 based on the audited restated standalone financial information of our Company.

4. The average cost of acquisition of our Equity Shares by our Promoters Mr. Akshay Raheja and Mr. Viren Raheja is Rs.8.76 and Rs.8.87 per Equity Share, respectively. The average cost of acquisition of our Equity Shares by our Promoters has been calculated by taking into account the amount paid by them to acquire the Equity Shares, including the issue of bonus shares to them. For more information, please refer to the section titled “Capital Structure” beginning on page 24 of this Prospectus.

5. Except as disclosed in the sections titled “Our Promoters and Group Companies” or “Our Management” beginning on pages 191 and 167 of this Prospectus, respectively, none of our Promoters, our Directors and our other key managerial employees have any interest in the Company except to the extent of remuneration and reimbursement of expenses and to the extent of the Equity Shares held by them or their relatives and associates or held by the companies, firms and trusts in which they are interested as directors, member, partner or trustee and to the extent of the benefits arising out of such shareholding.

6. For details of our Related Party Transactions in Fiscal 2009, please refer to the section titled “Financial Information” beginning on page 204 of this Prospectus.

7. There have been no transactions or financings of transactions in the securities of the Company by our Promoters, the Promoter Group and directors in the last six months.

8. The name of our Company was changed from Hathway Cable & Datacom Private Limited to Hathway Cable & Datacom Limited pursuant to the conversion of our Company from a private limited company to a public limited company and pursuant to a special resolution of our shareholders at an extraordinary general meeting held on August 26, 2009 and a fresh certificate of incorporation issued to our Company on September 7, 2009.

9. Investors may contact the GCs and the BRLM for any complaints pertaining to the Issue.

SECTION III: INTRODUCTION

SUMMARY OF OUR BUSINESS, STRENGTHS AND STRATEGIES

OVERVIEW

We are the leading cable television services provider in India (*Source: MPA Report*), as well as one of the leading cable broadband services providers (Source: *MPA Report*). We offer analog and digital cable television services across 125 cities and towns and high-speed cable broadband services across 18 cities, operating in geographical regions which we believe to constitute important markets for advertisers and broadcasters. We have won a number of awards for our cable television services such as being named “best cable operator of the year” by the Indian Telly Awards in six out of the last seven years. We own and operate cable networks that reach approximately eight million cable homes across India, supported by 71 analog head-ends, 19 digital head-ends and more than approximately 15,000 kilometres of HFC network.

As of November 30, 2009, we had 1,347,491 subscribers for our analog cable television services and 1,002,482 digital cable television subscribers, comprised of 259,392 CAS subscribers and 743,090 voluntary subscribers (*See "Industry Overview - Television Distribution Industry – Conditional Access System"* for an explanation of Government-mandated CAS in India). As a portion of voluntary digital subscribers pay us analog rates, we capture these subscribers under "analog subscribers" for the purposes of calculating our total paying subscribers. As such, and as of November 30, 2009, we had a total of 1,606,883 paying subscribers, which is comprised of the 1,347,491 analog subscribers and 259,392 CAS digital subscribers referred to above. In addition, we had 322,135 broadband subscribers as of November 30, 2009.

We have a track record of growth through the acquisition of smaller MSOs, ICOs and LCOs. This consolidation has provided us with a strong presence in the cable television market and a large analog subscriber base. On such acquisition, when we convert secondary analog subscribers to primary subscribers (*See "Cable Television Services – Customers"* for the distinction between primary and secondary subscribers), we improve the quality of the connection by upgrading the "last mile connection" and often are able to convert our analog subscribers into digital subscribers. As a result, we are able to charge higher subscription fees. In addition, our significant market share in important markets for advertisers and broadcasters, allows us to negotiate higher placement and carriage fees with broadcasters. We also focus on primary subscribers for cross-selling our broadband services.

We believe that we have been successful in digitizing our subscriber base and according to the *MPA Report*, we are the largest distributor of digital cable in India. As of December 31, 2008, our digital television subscriber base constituted approximately 42% of the total digital cable television market in India (*Source: MPA Report*). We believe that converting subscribers from analog to digital platforms will allow us to charge higher subscription fees, which we have already been able to realise in selected CAS markets.

We hold a pan-India ISP license and were the first cable television services provider to offer broadband internet services. We are currently India’s largest cable broadband services provider, with 964,383 two-way broadband enabled homes passed, as on November 30, 2009. As of December 31, 2008, our subscriber base constituted approximately 54% of the total cable broadband market in India (*Source: MPA Report*). We believe that our strategy of cross-selling broadband services to our cable television subscribers provides us with an opportunity to increase revenues from our broadband services with a comparatively low capital expenditure. Our broadband subscribers primarily comprise domestic households. We also provide services to corporate subscribers.

In addition to our cable television and broadband service offerings, we also generate advertising and airtime revenue from advertisements aired for and on behalf of channels owned by third parties, such as the Hindi movie channel, *Cine Channel,* and the music channel, *iTV.*

Our consolidated revenues increased by 118.13% from Rs.3,086.31 million in Fiscal 2007 to Rs.6,732.27 million in Fiscal 2009. Our consolidated EBITDA increased by 367.53 % from Rs.221.87 million in Fiscal 2007 to Rs.1037.33 million in Fiscal 2009. Our consolidated EBITDA was Rs.718.58 million for the six months ended September 30, 2009. Our consolidated revenue was Rs.3649.16 million for the six months ended September 30, 2009.

STRENGTHS

Our key competitive strengths are as follows:

1. We are India's leading cable television services provider;

2. The combination of our market position and technological infrastructure allows us to expand and cross-sell our service offerings;

3. We have a successful track record of identifying, acquiring and integrating MSOs, ICOs and LCOs;

4. We have generated strong revenue and EBITDA;

5. We have an experienced management team; and

6. We benefit from partnerships with key shareholders.

STRATEGY

Our growth strategy is as follows:

1. Increase our primary subscriber base through acquisitions of LCOs in our existing markets;

2. Roll out digital services;

3. Increase broadband subscriber base by leveraging our presence, infrastructure and range of service offerings;

4. Expand our presence in new markets through strategic acquisitions; and

5. Continue to deliver superior customer service.

THE ISSUE

Issue of Equity Shares[1]	27,750,000 Equity Shares
Fresh Issue of up to 20,000,000 Equity Shares[2]	
Offer for Sale of 7,750,000 Equity Shares[3]	
QIB Portion[3a]	At least 16,650,000 Equity Shares
Of which:	
Mutual Fund Portion[4]	832,500 Equity Shares
Balance for all QIBs, including Mutual Funds	15,817,500 Equity Shares
Non-institutional Portion[5]	Not less than 2,775,000 Equity Shares available for allocation
Retail Portion[5]	Not less than 8,325,000 Equity Shares available for allocation
Pre and Post Issue Equity Shares	
Equity Shares outstanding prior to the Issue	122,857,100 Equity Shares[6]
Equity Shares outstanding after the Issue	142,857,100 Equity Shares[7]
Use of proceeds of the Fresh Issue	See the section titled "Objects of the Issue" beginning on page 39 of this Prospectus. The Company will not receive any proceeds from the Offer for Sale.

Note:

1) The Issue currently comprises of the Fresh Issue of up to 14.00% of our post-Issue share capital and the Offer for Sale by the Selling Shareholders of 5.43% of our post-Issue share capital.

2) The Fresh Issue has been authorised by our Board by their resolution dated September 21, 2009 and by the shareholders of our Company at EGM held on September 23, 2009.

3) Monet and MSPI have confirmed that they have obtained the approval for the Offer for Sale pursuant to their board resolutions dated September 16, 2009 and September 24, 2009, respectively. The Selling Shareholders are offering 7,750,000 Equity Shares consisting of 7,210,000 Equity Shares by Monet and 540,000 Equity Shares by MSPI, which have been held for a period of at least one year (either as Equity Shares or as convertible instruments) as on the date of filing of the Prospectus with SEBI and, hence, are eligible for being offered for sale in the Issue.

3a) Out of the QIB Portion, the Company has allocated 4,995,000 Equity Shares to Anchor Investors.

4) The Mutual Fund Portion would be 5% of the QIB Portion, as reduced after the allocation of Equity Shares to the Anchor Investors.

5) 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 Issue shall be Allotted to QIBs on a proportionate basis. Our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor Price on a discretionary basis, 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 QIB Portion. 5% of the QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the QIB Portion shall be available for allocation on a proportionate basis to QIBs, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the 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 GCs, the BRLM and the Designated Stock Exchange.

6) The paid-up share capital of the Company prior to the Issue taking into consideration conversion of 973,499 outstanding options which have not yet vested or vested but not yet exercised would be 123,830,599 shares of Rs.10 each aggregating to Rs.1,238,305,990.

7) The paid-up share capital of the Company after the Issue taking into consideration conversion of 973,499 outstanding options which have not yet vested or vested but not yet exercised would be 143,830,599 shares of Rs.10 each aggregating to Rs.1,438,305,990.

8) The Company has entered into two shareholder agreements that contain the term "Discounted IPO Allotment Price" and "IPO Adjustment Event", namely (i) the shareholders' agreement dated May 21, 2008 among the Company, Monet Limited ("**Monet**"), Asian Cable Systems Private Limited ("**NewsCorp**"), Infratructure India Holdings LLC ("**Kaup Capital**"**),** MSPI Mauritius 1 Limited **(**"**MSPI**"), Hathway Investments Private Limited, Akshay Raheja, Viren Raheja, Spur Cable & Datacom Private Limited and Rajan Raheja (together with Hathway Investments Private Limited, Akshay Raheja, Viren Raheja, Spur Cable & Datacom Private Limited, the "**Certain Promoter Group**") ("**Kaup Capital –MSPI Shareholders' Agreement**"); and (ii) shareholders' agreement dated October 10, 2008 amongst the Company, Monet, NewsCorp, Kaup Capital, MSPI, Arcadia, Hathway Investments Private Limited, Akshay Raheja, Viren Raheja, Spur Cable & Datacom Private Limited and Rajan Raheja ("**Arcadia Shareholders' Agreement**").

   The term "Discounted IPO Allotment Price" derives from the term "IPO Allotment Price". The "IPO Allotment Price" *is the price at which equity shares are offered to qualified institutional buyers pursuant to the IPO*. Kaup Capital, MSPI and Arcadia have certain obligations dependent on the Discounted IPO Allotment Price.

   *"**Discounted IPO Allotment Price**" means:*

   (a) *80% of the IPO Allotment Price if the IPO is completed within 16 months from the completion date under each of the shareholders agreements;*

   (b) *75% of the IPO Allotment Price if the IPO is completed after the completion of 16 months from, but within 22 months of the completion date under each of the shareholders agreements;*

   (c) *70% of the IPO Allotment Price if the IPO is completed anytime after the completion of 22 months from the completion date under each of the shareholders agreements;*

   provided that, the Discounted IPO Allotment Price shall be deemed to be the Minimum Conversion Price, if the Discounted IPO Allotment Price is less than the Minimum Conversion Price, and, shall be deemed to be the Maximum Conversion Price, if the Discounted IPO Allotment Price is higher than the Maximum Conversion price.

   As per the shareholders agreement, the Minimum Conversion Price is (1) Rs.21.28 per Equity Share of Re. 1 each in case of MSPI and Kaup Capital (i.e Rs.212.80 in case of Equity Shares of the Company as consolidated to a par value of Rs.10 each); and (2) Rs.23.20 per Equity Share of Re. 1 each in case of Arcadia (i.e Rs.232.00 in case of Equity Shares of the Company as consolidated to a par value of Rs.10 each). The Maximum Conversion Price is (1) Rs.27.49 per Equity Share of Re. 1 each in case of MSPI and Kaup Capital (i.e Rs.274.90 in case of Equity Shares of the Company as consolidated to a

par value of Rs.10 each); and (2) Rs.29.97 per Equity Share of Re. 1 each in case of Arcadia (i.e Rs.299.70 in case of Equity Shares of the Company as consolidated to a par value of Rs.10 each).

In the event that the Discounted IPO Allotment Price is greater than the Minimum Conversion Price (which is termed as an "IPO Adjustment Event"), then either MSPI, Kaup Capital or Arcadia, as the case may are obligated to sell to the Promoters (and certain Promoter Group entities who are signatories to the Shareholders Agreement) and each of Star and Monet, their respective pro rata share of the Differential Conversion Equity Shares after the IPO, for an aggregate consideration of Rs.1000 in accordance with the terms of their respective agreements.

"Differential Conversion Equity Shares" means the difference between (a) the number of equity shares arrived at by dividing the subscription consideration of the Investor by the Minimum Conversion Price and (b) the number of Equity Shares arrived at by dividing the subscription consideration of the Investor by the Discounted IPO Allotment Price.

For example, if the price at which the shares are allotted to the QIBs in the IPO is Rs.260, and the IPO is completed within 16 months of the completion of the MSPI and Kaup Capital investment, the Discounted IPO Allotment Price will be 80% of Rs.260 i.e. Rs.208. Since this is less than the Minimum Conversion Price under the Agreement (i.e. Rs.212.80), no IPO Adjustment Event would have deemed to have occurred. However if the price at which the shares are allotted to the QIBs in the IPO is Rs.400, and the IPO is completed within 16 months of the completion of the MSPI and Kaup Capital investment, the Discounted IPO Allotment Price will be 80% of Rs.400 i.e. Rs.320. However, since the Discounted IPO Allotment Price is greater than the Maximum Conversion Price (i.e. Rs.274.90), the Discounted IPO Allotment Price will be deemed to be Rs.274.90. Since the Discounted IPO Allotment Price (i.e Rs.274.90) is greater than the Minimum Conversion Price (i.e. Rs.212.80), an IPO Adjustment Event would have occurred. Assuming that the Investor had put in a total subscription consideration of Rs.10,00,000 then the Investor is obligated to transfer to the Promoters (and certain Promoter Group entities who are signatories to the Shareholders Agreement), NewsCorp and Monet the following number of equity shares in aggregate:

Total Subscription Amount / Minimum Conversion Price less Total Subscription Amount / Discounted IPO Allotment Price

That is equal to:

10,00,000/212.80 less 10,00,000/274.90

That is equal to:

4699.25 less 3637.69

That is equal to:

1061 (after rounding off).

Therefore 1061 Equity Shares of Rs.10 each would be transferred by the investor to the Promoters (and certain Promoter Group entities who are signatories to the Shareholders Agreement) and NewsCorp and Monet (in ratio of their shareholding).

SUMMARY FINANCIAL INFORMATION

The following tables present the summary financial information of our Company and have been prepared in accordance with Indian GAAP, the Companies Act and the SEBI ICDR Regulations. The summary financial information should be read in conjunction with the Auditor's reports and notes thereto contained in the section titled "Financial Statements" beginning on page 204 and "Management's Discussion and Analysis of Financial Condition and Results of Operations" beginning on page 217.

STATEMENT OF CONSOLIDATED ASSETS AND LIABILITIES AS RESTATED

Consolidated Summary Statement of Assets and Liabilities, as restated, Hathway Cable & Datacom Limited						
					ANNEXURE - 1 *(Rupees in Million)*	
PARTICULARS	***30-Sep-09***	***31-Mar-09***	***31-Mar-08***	***31-Mar-07***	***31-Mar-06***	***31-Mar-05***
FIXED ASSETS						
Gross Block	8,233.18	7,691.44	4,988.99	3,449.94	2,648.48	2,336.67
Less: Depreciation	2,829.57	2,356.14	1,690.30	1,256.85	1,010.80	771.01
Net Block	**5,403.61**	**5,335.30**	**3,298.69**	**2,193.09**	**1,637.68**	**1,565.66**
Capital Work in Progress	**549.75**	**472.69**	**721.91**	**447.62**	**646.30**	**744.99**
INTANGIBLE ASSETS	3,829.61	3,674.95	2,275.00	725.18	755.98	760.65
INVESTMENTS	**262.19**	**209.86**	**215.66**	**83.72**	**121.50**	**169.09**
CURRENT ASSETS, LOANS AND ADVANCES						
Inventories	50.41	43.88	48.88	25.00	3.52	6.53
Sundry Debtors	2,131.50	1,878.61	1,115.12	616.33	495.51	378.77
Cash and bank Balances	397.29	443.33	265.66	286.25	95.96	131.00
Loans and Advances	1,624.94	1,585.43	989.53	555.85	414.74	404.22
Total	**4,204.14**	**3,951.25**	**2,419.19**	**1,483.43**	**1,009.73**	**920.52**
LIABILITIES & PROVISIONS						
Secured Loans	4,268.23	3,689.98	1,903.27	1,437.79	912.55	783.08
Unsecured Loans	162.05	2,585.06	428.46	257.50	-	-
Current liabilities	3,329.51	3,172.16	2,690.26	1,600.69	1,228.34	1,015.57
Provisions	162.34	80.19	42.06	15.49	12.91	9.24
Deferred Payments	562.34	537.91	482.05	221.73	-	-
Deferred Tax liability	58.24	45.66	20.20	10.58	10.06	8.48
Total	**8,542.71**	**10,110.96**	**5,566.30**	**3,543.78**	**2,163.86**	**1,816.37**
MINORITY INTEREST	**1,122.45**	**952.29**	**116.25**	**13.51**	**7.35**	**5.67**
Net Worth	**4,584.14**	**2,580.80**	**3,247.90**	**1,375.75**	**1,999.98**	**2,338.87**
New worth represented by :						
Equity Share Capital	1,228.57	1,113.55	1,113.55	316.87	316.87	316.87
Reserves & Surplus	7,663.04	5,305.66	5,354.72	3,612.96	3,612.96	3,612.96
	8,891.61	**6,419.21**	**6,468.27**	**3,929.83**	**3,929.83**	**3,929.83**

Employee Stock Options Outstanding	17.08	11.88	3.29	-	-	-
	17.08	**11.88**	**3.29**	**-**	**-**	**-**
Less: Miscellaneous Expenditure	50.87	0.84	1.68	0.23	0.50	1.64
(to the extent not written off or adjusted)						
Debit Balance of Profit & Loss	(4,273.68)	(3,849.45)	(3,221.98)	(2,553.85)	(1,929.35)	(1,589.32)
Net Worth	**4,584.14**	**2,580.80**	**3,247.90**	**1,375.75**	**1,999.98**	**2,338.87**
NOTE : The above statement should be read with the Significant Accounting Policies, Notes to Accounts and Note on Changes in Accounting Policies as appearing in Annexure- 4						

STATEMENT OF CONSOLIDATED PROFIT AND LOSS, AS RESTATED

ANNEXURE - 2
(Rupees in Million)

PARTICULARS	***01-Apr-09 to 30-Sep-09***	***2008-09***	***2007-08***	***2006-07***	***2005-06***	***2004-05***
INCOME						
Income from Operations	3,623.13	6,633.90	4,145.63	3,013.81	2,500.67	2,029.77
Other Income	26.03	98.37	201.02	72.50	31.71	56.01
	3,649.16	**6,732.27**	**4,346.65**	**3,086.31**	**2,532.38**	**2,085.78**
EXPENDITURE						
Staff Cost	370.11	722.40	429.98	295.92	201.81	148.98
Operating Expenses	1,856.54	3,610.04	2,623.79	1,867.82	1,664.22	1,380.69
Administrative Expenses	518.23	1,102.38	726.93	528.36	412.69	336.12
Provision for Bad & Doubtful Debts	185.70	260.12	352.92	172.34	121.56	231.90
	2,930.58	**5,694.94**	**4,133.62**	**2,864.44**	**2,400.28**	**2,097.69**
PROFIT / (LOSS) BEFORE EXCEPTIONAL ITEMS, FINANCE COST AND DEPRECIATION AND AMORTISATION	**718.58**	**1,037.33**	**213.03**	**221.87**	**132.10**	**(11.91)**
Interest & Finance Cost	279.31	430.54	221.03	145.90	90.44	45.72
PROFIT / (LOSS) AFTER OPERATING EXPENSES & FINANCE COST	**439.27**	**606.79**	**(8.00)**	**75.97**	**41.66**	**(57.63)**
Loss / (Gain) on Foreign Exchange Fluctuation (Net)	(2.92)	78.15	(29.29)	-	2.25	(2.77)
Exceptional Items :						-
- Provision for Doubtful Investments / Advances / Receivables to Subsidaries & Associates (Refer note B(8) of Annexure [4]	34.99	50.48	34.35	50.92	5.62	6.03
- Expenses on Implementation of CAS	-	-	-	247.47	-	-
- Impairment of Tangible / Intangible Assets for Chennai	5.94	-	-	-	-	-

- Provision for Bad and Doubtful Debts for Chennai (Refer note B(9) of Annexure [4]	54.92	-	-	-	-	-
Depreciation/Amortization/Impairment	617.26	960.95	588.80	392.61	365.19	289.35
	710.19	**1,089.58**	**593.86**	**691.00**	**373.06**	**292.61**
PROFIT / (LOSS) BEFORE TAX	**(270.92)**	**(482.79)**	**(601.86)**	**(615.03)**	**(331.40)**	**(350.24)**
PROVISION FOR TAX						
Income Tax, Wealth Tax & Fringe Benefit Tax	75.64	93.01	35.53	10.97	7.49	1.26
Deferred Tax	9.76	28.92	11.17	-	1.58	5.29
TOTAL	**85.40**	**121.93**	**46.70**	**10.97**	**9.07**	**6.55**
NET PROFIT / (LOSS) BEFORE ADJUSTMENTS	**(356.32)**	**(604.72)**	**(648.56)**	**(626.00)**	**(340.47)**	**(356.79)**
Fringe benefit tax for previous year	-	-	-	-	-	-
Adjustment for desubsidiary/ subsidiary	(3.46)	35.50	-	-	-	-
Adjustment for transitional provision under Revised AS 15	-	-	(11.97)	-	-	-
Profit Share of Associates	0.51	-	-	-	-	-
Minority Interest	64.96	58.25	7.60	(1.50)	(0.44)	0.39
Total of adjustments after Tax Impact	(67.91)	(22.75)	(19.57)	1.50	0.44	(0.39)
NET PROFIT/ (LOSS) AS RESTATED	(424.23)	(627.47)	(668.13)	(624.50)	(340.03)	(357.18)
Profit and loss amount at the beginning of the year	(3,849.45)	(3,221.98)	(2,553.85)	(1,929.35)	(1,589.32)	(1,232.14)
Balance available for appropriation, as restated	(4,273.68)	(3,849.45)	(3,221.98)	(2,553.85)	(1,929.35)	(1,589.32)
BALANCE CARRIED FORWARDS RESTATED	(4,273.68)	(3,849.45)	(3,221.98)	(2,553.85)	(1,929.35)	(1,589.32)

NOTE :
1) The above statement should be read with the Significant Accounting Policies, Notes to Accounts and Note on Changes in Accounting Policies as appearing in Annexure - 4.
2) The reconciliation between the audited and restated Accumulated Profit and Loss as at April 01, 2004 to Sep 30, 2009 is given in Annexure - 14.

CONSOLIDATED CASH FLOW STATEMENT, AS RESTATED

ANNEXURE - 3
(Rupees in Million)

		01-Apr-09 to 30-Sep-09	*2008-09*	*2007-08*	*2006-07*	*2005-06*	*2004-05*
1	**CASH FLOW FROM OPERATING ACTIVITIES:**						
	NET PROFIT / (LOSS) AFTER TAX & PRIOR PERIOD ADJUSTMENTS	(424.23)	(627.47)	(668.13)	(624.50)	(340.03)	(357.18)
A	Adjustment for :						
1	Non Cash Charges						
	Depreciation / Amortisation / Impairment	617.26	962.09	588.80	392.61	365.01	289.18
	Provision for Bad & Doubtful Debts	185.70	207.45	348.74	163.17	96.85	202.45
	Bad Debts (Net)	-	52.68	4.18	9.16	23.92	29.45

	Provision for Bad & Doubtful Advances	1.34	3.13	0.51	2.67	9.50	0.02
	Amount no longer payable written back (Refer note 1 below)	(6.53)	(22.30)	(54.59)	(28.71)	(8.48)	(23.87)
	Wealth Tax / Deferred Tax / Income Tax	85.41	121.93	46.50	10.93	2.15	6.55
	Share of Profit in Partnership firm	0.72	0.82	-	-	-	-
	Discount Allowed / (Received)	(1.98)	(0.93)	(2.95)	-	-	0.01
	Provision for leave encashment and gratuity	9.21	14.48	10.53	-	-	-
	Employee Compensation Expense	5.20	8.60	3.29	-	-	-
	Sundry Advances Written off	0.62	1.47	1.02	2.31	0.44	0.02
	Adjustment for transitional provision under Revised AS 15	-	-	11.97	-	-	-
	Excess Provision for Doubtful Debts written back	-	-	-	-	(0.04)	(0.18)
	Appreciation in Units of Mutual Funds	-	-	-	0.15	-	-
	Minority Interest	(64.96)	(58.25)	(7.60)	1.50	(0.44)	0.39
	Exceptional Items	95.86	14.99	34.35	50.92	5.62	6.03
	Item Considered Separately						
	(Profit) / loss on sale of Fixed Assets	11.67	36.50	10.86	21.17	6.58	23.55
	Interest and Finance Charges	279.31	384.20	202.53	123.76	83.50	38.15
2	Income from Investments	(4.02)	(10.70)	(63.32)	(11.21)	(11.36)	(14.74)
	(Profit) / loss on sale of Investments	(2.88)	(48.56)	(62.60)	(17.20)	(8.31)	(14.65)
		1,211.93	1,667.60	1,072.22	721.23	564.94	542.36
	Operating Profit Before Working Capital	**787.70**	**1,040.13**	**404.09**	**96.73**	**224.91**	**185.18**
	Change in Working Capital						
	(Increase) / Decrease in Inventories	(6.53)	5.00	(23.88)	(21.48)	3.01	6.51
	(Increase) / Decrease in Sundry Debtors	(493.52)	(1,023.61)	(851.72)	(293.15)	(241.42)	(216.89)
	(Increase) / Decrease in Loans & Advance	(61.20)	(662.84)	(411.97)	(181.73)	(83.30)	26.20
	Increase / (Decrease) in Current Liabilities & Provisions	146.72	1,396.08	366.63	260.58	281.24	445.55
B							
		(414.53)	(285.37)	(920.94)	(235.78)	(40.47)	261.37
	Cash Generated from Operations	373.17	754.76	(516.85)	(139.05)	184.44	446.55
	Net Cash from Operation Activities	**373.17**	**754.76**	**(516.85)**	**(139.05)**	**184.44**	**446.55**

2	**CASH FLOW FROM INVESTING ACTIVITIES:**						
	Income from Investments	4.02	10.70	63.32	11.21	11.34	14.74
	Sale Proceeds of Fixed assets	6.69	4.64	10.56	2.10	6.30	5.75
	Payment for Fixed Assets	(812.24)	(4,155.66)	(2,480.98)	(397.23)	(340.17)	(705.35)
	Purchase of Investments	(742.79)	(4,594.53)	(5,797.76)	(1,040.85)	(370.37)	(999.55)
	Sale Proceeds of Investment	692.62	4,747.33	5,682.02	1,109.32	358.96	1,133.45
	Net cash Realised from Investing Activities	**(851.70)**	**(3,987.52)**	**(2,522.84)**	**(315.45)**	**(333.94)**	**(550.96)**
3	**CASH FLOW FROM FINANCING ACTIVITIES**						
	Interest and Finance Charges	(279.31)	(384.20)	(202.53)	(123.76)	(83.50)	(38.15)
	Issues of Share Capital (Including Premium) #	-	-	2,647.20	-	-	-
	Debenture / Share Issue Expenses	-	(49.06)	(109.78)	-	-	-
	Pre IPO Expenses	(50.36)	-	-	-	-	-
	Capital Reserve	-	-	1.03	-	-	-
	Preference Shares Issued (Minority Interest)	-	(0.53)	0.01	-	-	-
	Net Loan Funds borrowed \ (repaid)	627.64	3,943.31	636.44	782.74	130.53	171.07
	Net cash Realised from Financing Activities	**297.97**	**3,509.52**	**2,972.37**	**658.98**	**47.03**	**132.92**
	Net increase in Cash and Cash equivalent	**(180.56)**	**276.76**	**(67.32)**	**204.48**	**(102.47)**	**28.51**
	Cash & Cash equivalents (Net of Book Overdraft) at the beginning of year / Period	432.12	155.36	222.65	18.18	120.66	92.15
	Cash & Cash equivalents (Net of Book Overdraft) at the end of year / Period	**251.55**	**432.12**	**155.36**	**222.65**	**18.18**	**120.66**

Rs.110/- during six months period ended 30th September 2009

Non Cash Adjustments:

During the six months period ended on 30th September, 2009 - 24,724 Fully & Compulsorily Convertible Debentures (FCCD) have been converted into 11,501,788 Equity Shares of Rs.10 each. Conversion of FCCD to Equity Shares is considered as non-cash in nature.

NOTE :

1) Amount no longer payable written back mainly pertains to liabilities & provisions which were recognised in earlier years as per prudent accounting norms, but are not payable either on settlement of the transaction, elapse of time or has remained unclaimed for a period.

2)The Cash Flow Statement has been prepared under indirect method as set out in Accounting Standard - 3 on Cash Flow Statement.

3) Negative figures have been shown in brackets.

4) The above statement should be read with the Significant Accounting Policies, Notes to Accounts and Note on Changes in Accounting Policies as appearing in Annexure- 4.

GENERAL INFORMATION

Our Company was originally incorporated on August 7, 1959 as Chics Display Services Private Limited. Subsequently, the name of our Company was changed to Hathway Cable & Datacom Private Limited under the provisions of the Companies Act by a certificate of incorporation dated February 16, 1999. Subsequently, our Company became a public limited company and the word private has been deleted from its name pursuant to a special resolution of our shareholders at an EGM held on August 26, 2009 and a fresh certificate of incorporation was issued to our Company on September 7, 2009.

For further details please refer to the section titled 'History and Certain Corporate Matters' beginning on page 102 of this Prospectus.

Registered and Corporate Office of our Company

'Rahejas', 4th Floor,
Corner of Main Avenue & V.P. Road
Santacruz (West)
Mumbai 400 054
Maharashtra
India
Tel: (91 22) 2600 1306 / 08 / 09 / 10
Fax: (91 22) 2600 1307
Website: www.hathway.com
Email: info@hathway.net

For details on change in registered office, please refer to the section titled "History and Certain Corporate Matters" beginning on page 102 of this Prospectus.

Registration number

11 - 11421 of 1959

Corporate Identification Number

U74994MH1959PLC011421

Address of the RoC

Registrar of Companies, Maharashtra
Everest Building
100, Marine Drive
Mumbai 400 002
Maharashtra
India

Our Board

Name, designation and occupation	Age (Years)	Directors Identification Number	Address
Mr. K. Jayaraman Designation: Managing Director and CEO (Promoter Nominee) Occupation: Service	48	00047173	909, Brindaban, II - B, Poonam Nagar, Andheri (East), Mumbai 400 093.
Mr. Rajan Raheja Designation: Non- executive Director (Promoter Nominee)	54	00037480	Rahejas, 87/1, G. B. Marg, Juhu, Mumbai 400 049.

Name, designation and occupation	Age (Years)	Directors Identification Number	Address
Occupation: Business			
Mr. Vinayak Aggarwal Designation: Non-executive Director (Promoter Nominee) Occupation: Service	40	00007280	201, Raheja Haven, 10th Road, Juhu, JVPD Scheme, Mumbai 400 049.
Mr. Akshay Raheja Designation: Non-executive Director (Promoter) Occupation: Business	27	00288397	Rahejas, 87/1, G. B. Marg, Juhu, Mumbai 400 049.
Mr. Viren Raheja Designation: Non-executive Director (Promoter) Occupation: Business	25	00037592	Rahejas, 87/1, G. B. Marg, Juhu, Mumbai 400 049.
Mr. Brahmal Vasudevan Designation: Non-executive Director (Monet Nominee) Occupation: Service	41	00242016	D-8, West End Colony, New Delhi 110021.
Mr. Jagdish Kumar G Pillai Designation: Non-executive Director (NewsCorp Nominee) Occupation: Service	47	00036481	1404, Odyssey II, Hiranandani Gardens, Powai, Mumbai 400 076.
Mr. Uday Shankar Designation: Non-executive Director (NewsCorp Nominee) Occupation: Service	47	01755963	Taj Wellington Mews, 33 Nathalal Parekh Marg, Colaba, Mumbai 400 001.
Mr. Bharat Shah Designation: Independent Director – (Chairman) Occupation: Consultant	62	00136969	21, Hill Park #2, A.G. Bellmarg, Malabar Hill, Mumbai 400 006.
Mr. Sasha Mirchandani Designation: Non-Executive Independent Director Occupation: Service	37	01179921	D-131, Tahnee Heights, Petit Hall, Nepensea Road, Mumbai 400 006.
Mr. Sridhar Gorthi Designation: Independent Director	37	0035824	1002, 10th Floor, June Blossoms, Manuel Gonsalves Road, Bandra

Name, designation and occupation	Age (Years)	Directors Identification Number	Address
Occupation: Professional			(W), Mumbai 400 050.
Mr. Devendra Shrotri Designation: Independent Director Occupation: Business	37	02780296	1-A, Ashiana Complex, South Civil Lines, Jabalpur, Madhya Pradesh 482001.

For further details of our directors, please refer to the section titled "Our Management" beginning on page 167 of this Prospectus.

Company Secretary and Compliance Officer

Mr. Milind Karnik;
"Rahejas", 4th Floor
Corner of Main Avenue & V.P. Road
Santacruz (West)
Mumbai 400 054
Maharashtra, India.
Tel: +91 22 2600 1306
Fax: +91 22 2600 1307
E-mail: investorgrievance@hathway.net

Issue Management Team

Global Co-ordinators and Book Running Lead Managers

Morgan Stanley India Company Private Limited
5-F, 55- 56
Free Press House
215, Free Press Journal Marg
Nariman Point
Mumbai - 400 021
Maharashtra, India.
Tel: +91 22 6621 0555
Fax: +91 22 6621 0556
Email : hcdl_ipo@morganstanley.com
Investor Grievance Email: investors_india@morganstanley.com
Website: www.morganstanley.com/indiaofferdocuments
Contact Person: Mr. Naveen Asopa
SEBI Registration Number: IN M000011203

UBS Securities India Private Limited
2/F, 2 North Avenue
Maker Maxity
Bandra Kurla Complex
Bandra (E)
Mumbai 400 051
Maharashtra, India.
Tel: +91 22 6155 6100
Fax: +91 22 6155 6272
Email: customercare@ubs.com
Investor Grievance Email: customercare@ubs.com
Website: www.ubs.com/indianoffers
Contact Person: Mr. Abhishek Dhacholia
SEBI Registration Number: INM000010809

Book Running Lead Manager

Kotak Mahindra Capital Company Limited
3rd Floor, Bakhtawar
229 Nariman Point
Mumbai 400 021
Maharashtra, India
Tel: +91 22 6634 1100
Fax: +91 22 2283 7517
Email: project.net@kotak.com
Investor Grievance Email:
kmccredressal@kotak.com
Website: www.kmcc.co.in
Contact Person: Mr. Chandrakant Bhole
SEBI Registration Number: INM000008704

Syndicate Members

Enam Securities Private Limited
24, Rajabahadur Compound
Ambalal Doshi Marg
Fort
Mumbai 400 001
Tel: (91 22) 4035 7000
Fax: (91 22) 4035 7469
Contact Person: Mr Anant Mhatre
Website: www.enam.com
Email : anantm@enam.com

HDFC Securities Limited
Think Techno Campus,
Building B, "Alpha" Office Floor 8
Near Kanjurmarg Station
Opp Crompton Greaves
Kanjurmarg (East)
Mumbai – 400042
Tel: +91-22-30753400
Fax: +91-22-30753435
Contact Person: Mr. Jyotheesh Kumar
Website: www.hdfcsec.com
Email : jyotheesh.kumar@hdfcsec.com

ICICI Securities Limited
ICICI Centre,
H.T. Parekh Marg,
Churchgate,
Mumbai – 400020, India
Tel: +91 22 2288 2460
Fax:+91 22 2282 6580
Contact Person: Mr. Rajiv Poddar
Website: www.icicisecurities.com
Email: rajiv.poddar@icicisecurities.com

Kotak Securities Limited
2nd Floor, Nirlon House
Dr. Annie Besant Road
Near Passport Office, Worli
Mumbai 400 025
Tel: +91 22 6740 9708
Fax: +91 22 6662 7330

Contact Person: Mr. Umesh Gupta
Website: www.kotak.com
E-mail: umesh.gupta@kotak.com

Domestic Legal Advisor to the Company

AZB & Partners
23rd Floor, Express Towers
Nariman Point
Mumbai 400 021, India
Tel: (91 22) 6639 6880
Fax: (91 22) 6639 6888
E-mail: mumbai@azbpartners.com

Domestic Legal Advisor to the Global Co-ordinators and Book Running Lead Manager

S&R Associates
64 Okhla Industrial Estate Phase III
New Delhi 110 020, India
Tel: (91 11) 4069 8000
Fax: (91 11) 4069 8001

International Legal Advisor to the Global Co-ordinators and Book Running Lead Manager

CC Asia Limited
One George Street
19th Floor
Singapore 049145
Tel.: (0065) 6410 2200
Fax: (0065) 6410 2288

Registrar to the Issue

Link Intime India Private Limited
C-13 Pannalal Silk Mill Compound,
L.B.S. Marg, Bhandup (W), Mumbai 400 078
Tel: (91 22) 2596 0320,
Fax: (91 22) 2596 0329
Email: hathway.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Mr. Sachin Achar
Registration Number: INR 000004058

Investors can contact the Compliance Officer or the Registrar to this Issue in case of any pre-Issue or post-Issue related problems, such as with respect to receipt of letters of allotment, credit of allotted Equity Shares in the respective beneficiary accounts and refund orders.

Bankers to the Issue and Escrow Collection Banks

The Hongkong and Shanghai Banking Corporation Limited
HSBC, 52/60
M.G. Road, Fort
Mumbai 400 001
Tel: (91 22) 4035 7458
Fax: (91 22) 4035 7657
Contact Person: Swapnil Pavale
Website: www.hsbc.co.in
Email : swapnilpavale@hsbc.co.in
* The bankers to the issue registration certificate granted to The Hongkong and Shanghai Banking Corporation Limited expired on November 30, 2009 and an application for renewal of the same has been applied for.

Kotak Mahindra Bank Limited
13th Floor
Nariman Bhavan
Nariman Point
Mumbai 400 021
Tel: (91 22) 67595649
Fax: (91 22) 67595374
Contact Person: Mr. Ibrahim Sheriff / Mr. Amit Kumar
Website: www.kotak.com
Email : amit.kr@kotak.com

HDFC Bank Limited
HDFC Bank Limited
Lodha, FIG – OPS Department –I
Think Techno Campus O-3 Level
Next to Kanjumarg Railway Station, Kanjurmarg (East)
Mumbai 400 042
Tel: (91 22) 30752928
Fax: (91 22) 25799801
Contact Person: Deepak Rane
Website: www.hdfcbank.com
Email : deepak.rane@hdfcbank.com

Yes Bank Limited
2nd floor , Tiecicon House
Dr. E. Moses Road
Mahalaxmi
Mumbai - 400011
Tel: (91 22) 6622 9232
Fax: (91 22) 2497 4875
Contact Person: Mr. Mahesh Shirali
Website: www.yesbank.in
Email : dlbtiservices@yesbank.in

Axis Bank Limited
Western Zonal Office
3rd Floor, RNA Corporate Park
Kalanagar, Near Chetna College
Bandra (East)
Mumbai 400 051
Tel: (91 22) 6724 8001
Fax: (91 22) 6724 8073
Contact Person: Mr. Vivek Singh
Website: www.axisbank.com
Email : vivek.singh@axisbank.com

Standard Chartered Bank
270, D.N. Road
Fort, Mumbai 400 001
Tel: (91 22) 2268 3955
Fax: (91 22) 2209 2216
Contact Person: Mr. Joseph George
Website: www.standardchartered.co.in
Email : joseph.george@sc.com

Self Certified Syndicate Banks

The list of banks which have been notified by the SEBI to act as SCSBs for ASBA Forms and details relating to the designated branches of the SCSBs collecting the ASBA Forms are available at http://www.sebi.gov.in.

Bankers to our Company

Axis Bank Limited Jeevan Prakash Sir P.M.Road Fort Mumbai 400 001, India. Tel : (91 22) 6610 7202 / (91 22) 6610 7203 Fax : (91 22) 6610 7241 Email : sanjay.rai@axisbank.com	***Yes Bank Limited*** Nehru Centre, 9th Floor Discovery of India Dr. A. B. Road Worli Mumbai 400 018, India. Tel : (91 22) 666 99136 Fax : (91 22) 6669 9255 Email : vinod.lund@yesbank.in
ICICI Bank Limited CIBD Mumbai Branch ICICI Centre Backbay Reclaimaton Churchgate Mumbai 400 028, India Tel: (91 22) 6653 8842 Fax: (91 22) 6653 8888 Email: anjan.pal@icicibank.com	

Statutory Auditors

G.M. Kapadia & Co.
Chartered Accountants
1001, Raheja Chambers, 213
Free Press Journal Marg
Nariman Point,
Mumbai 400021, India
Tel: (91 22) 6611 6611
Fax: (91 22) 6611 6600
Email: atul@gmkco.com
Registration Number: 104767W

Credit rating

As this is an Issue of equity shares, credit rating is not required for this Issue.

Inter-se Responsibilities of the GCs and the BRLM

The responsibilities and co-ordination roles for various activities in this Issue have been distributed among Morgan Stanley and UBS in their capacity as Joint Global Co-ordinators and Book Running Lead Managers and Kotak as the Book Running Lead Managers as under:

Sr. No.	Activity	Responsibility	Coordination
1.	Capital structuring with relative components and formalities such as type of instruments, etc.	Morgan Stanley, UBS & Kotak	Morgan Stanley
2.	Due diligence of the Company including its operations/management/ business/plans/legal, etc. Drafting and design of the Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The Book Running Lead Manager shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, the RoC and	Morgan Stanley, UBS & Kotak	Morgan Stanley

Sr. No.	Activity	Responsibility	Coordination
	SEBI including finalization of the Prospectus and RoC filing. Drafting and approval of all statutory advertisements.		
3.	Drafting and approval of all publicity material other than statutory advertisements as mentioned above, including road show presentations, corporate advertising, brochures, etc.	Morgan Stanley, UBS & Kotak	UBS
4.	Appointment of other intermediaries including Registrar to the Issue, printers, advertising agency and Bankers to the Issue.	Morgan Stanley, UBS & Kotak	UBS
5.	• Formulating marketing strategies, preparation of publicity budget; • Finalizing media and public relations strategy; • Finalizing centre for holding conferences for press and brokers, etc.; • Follow-up on distribution of publicity and Issue material including forms, the Prospectus and deciding on the quantum of Issue material; and • Finalizing collection centres.	Morgan Stanley, UBS & Kotak	Kotak
6.	Institutional marketing of the Issue, which will cover, *inter alia*: • Finalizing the list and division of investors for one to one meetings; and • Finalizing the road show schedule and the investor meeting schedules.	Morgan Stanley, UBS & Kotak	UBS
7.	Finalization of pricing in consultation with company.	Morgan Stanley, UBS & Kotak	Morgan Stanley
8.	Managing the book, co-ordination with the Stock Exchanges for book building software, bidding terminals and mock trading	Morgan Stanley, UBS & Kotak	Kotak
9.	Post-Bidding activities including management of escrow accounts, co-coordinating underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Issue activities will involve essential follow up steps, including the finalization of trading, dealing of instruments, and demat of delivery of shares with the various agencies connected with the work such as the Registrars to the Issue, the Bankers to the Issue, the SCSBs and the bank handling refund business. The Book Running Lead Manager shall be responsible for ensuring that these agencies fulfil their functions and discharge this responsibility through suitable agreements with the Company.	Morgan Stanley, UBS & Kotak	UBS

IPO Grading

This Issue has been graded by CRISIL Limited and has been assigned grade of 3/5 indicating 'average fundamentals', by way of its letter dated December 23, 2009. The IPO grading is assigned on a five point scale from 1 to 5 with an "IPO Grade 5" indicating strong fundamentals and "IPO Grade 1" indicating poor fundamentals. A copy of the report provided by CRISIL Limited furnishing the rationale for its grading will be

available at our Registered Office from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Trustees

As this is an Issue of equity shares, the appointment of trustees is not required.

Monitoring Agency

Axis Bank Limited has been appointed as the monitoring agency for the purposes of monitoring the utilization of the proceeds of the Fresh Issue.

Appraising Entity

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

Book Building Process

Book building refers to the collection of Bids from investors within the Price Band, on the basis of the Red Herring Prospectus and the Bid-cum-Application forms. The principal parties involved in the Book Building Process are:

1. our Company;
2. the Selling Shareholders;
3. the Global Co-ordinator and Book Running Lead Managers;
4. the Book Running Lead Managers;
5. the Syndicate Members who are intermediaries registered with SEBI or registered as brokers with any of the Stock Exchanges and eligible to act as underwriters;
6. the Registrar to the Issue;
7. the Escrow Collection Banks; and
8. the SCSBs.

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 Issue shall be Allotted to QIBs on a proportionate basis. Our Company may, allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor 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 QIB Portion. 5% of the QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the 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. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the 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 GCs and the BRLM and the Designated Stock Exchange.

The Book Building Process is subject to change. Investors are advised to make their own judgment about investment through this process prior to making a Bid or Application in the Issue. Please refer to the section titled "Terms of the Issue" beginning on page 305 of this Prospectus for more details. QIBs are not allowed to withdraw their Bid(s) after the Bid/Issue Closing Date. In addition, QIBs are required to pay at least 10% of the Bid Amount upon submission of the Bid cum Application Form during the Bidding/Issue Period and allocation to QIBs (other than Anchor Investors) will be on a proportionate basis. Anchor Investors are required to pay a margin of at least 25% on application with the balance to be paid within two working days of the Bid Issue Closing Date. For further details, please refer to the section "Terms of the Issue" beginning on page 305 of this Prospectus.

Steps to be taken by the Bidders for making a Bid or application in this Issue:

- Check eligibility for making a Bid. For further details, see the section titled "Issue Procedure" beginning on page 314 of this Prospectus. Specific attention of ASBA Bidders is invited to the section titled "Issue Procedure – Issue Procedure for ASBA Bidders" beginning on page 340 of this Prospectus;
- Ensure that you have a demat account and the demat account details are correctly mentioned in the Bid cum Application Form or the ASBA Form, as the case may be;
- Ensure that the Bid cum Application Form or ASBA Form is duly completed as per the instructions given in the Red Herring Prospectus and in the respective forms;
- Ensure that you have mentioned your PAN in the Bid cum Application Form or ASBA Form (see the section titled "Issue Procedure" beginning on page 314 of this Prospectus);
- Ensure the correctness of your Demographic Details (as defined in the section titled "Issue Procedure – Bidder's Depository Account and Bank Account Details" on page 326 of this Prospectus), given in the Bid cum Application Form or ASBA Form, with the details recorded with your Depository Participant;
- Bids by ASBA Bidders will only have to be submitted to the SCSBs at the Designated Branches. ASBA Bidders should ensure that their bank accounts have adequate credit balance at the time of submission to the SCSB to ensure that their ASBA is not rejected; and
- Bids by QIBs will only have to be submitted to GCs and the BRLM.

Illustration of Book Building Process and the Price Discovery Process

(Investors should note that the following is solely for the purpose of illustration and is not specific to this Issue. Further, Anchor Investor Bids do not form part of the Book Building Process.)

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

Bid Quantity	Bid Price (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 Company, in consultation with the GCs and the BRLM, will finalise the issue price at or below such cut-off, i.e., at or below Rs.22. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

Withdrawal of the Issue

The Company, in consultation with the GCs and the BRLM, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment. If the Company withdraws from the Issue, it shall issue a public notice giving reasons therefor within two days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre-Issue advertisements had appeared and the Company shall also promptly inform the Stock Exchanges. If the Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.

We are also required to obtain final acknowledgement of the Prospectus from the RoC after it is filed with the RoC. Notwithstanding the foregoing, subsequent to Allotment, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for only after Allotment.

Bid/Issue Programme

Bidding Period/Issue Period

BID/ISSUE OPENED ON	February 9, 2010
BID/ISSUE CLOSED ON	February 11, 2010

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

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) (excluding ASBA Bidders) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs.100,000 and (ii) until 5:00 p.m., in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs.100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1:00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Company, the GCs, the BRLM, the Syndicate Members and the SCSBs will not be responsible. Bids will only be accepted on Business Days, i.e. any day other than Saturday or Sunday on which commercial banks in Mumbai, India are open for business. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the NSE and the BSE

In case of any discrepancy in the data entered in the electronic book *vis-a-vis* the data contained in the physical Bid cum Application Form, for a particular Bidder (other than ASBA Bidders), the details in the physical Bid cum Application Form of that Bidder will prevail for the purpose of allotment. In case of any discrepancy in the data entered in the electronic book *vis-a-vis* the data contained in the physical or electronic Bid cum Application Form, for a particular ASBA Bidder, the Registrar to the Issue will request rectified data from the SCSB.

Due to limitation of time available for uploading the Bids on the Bid/Issue Closing date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than the times mentioned above on the Bid/Issue Closing Date. All times herein are Indian Standard Time. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as may be experienced in public offerings, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under the Issue. The Issuer, GCs, the BRLM, Syndicate Members and the SCSBs will not be responsible for such Bids that are not uploaded. Bids will be accepted only on Business Days, i.e., Monday to Friday (excluding any public holidays).

On the Bid/Issue Closing Date, extension of time will be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders, (other than ASBA Bidders) after taking into account the total number of Bids received up to the closure of the time period for acceptance of Bid-cum-Application Forms as stated herein and reported by the GCs, the BRLM and the Syndicate Members to the Stock Exchanges within half an hour of such closure.

The Company reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with the SEBI ICDR Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised upwards or downwards to a maximum of 20% of the Floor Price advertised at least one day before the Bid/Issue Opening Date. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size shall remain 25 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.

In case of revision of the Price Band, the Issue Period will be extended for three additional working days after revision of the Price Band, subject to the total Bidding /Issue Period not exceeding 10 working days. Any revision in the Price Band and the revised Bid/Issue, if applicable, will be widely disseminated by notification to the BSE and the NSE, by issuing a press release and also by indicating the changes on the web sites of the GCs and the BRLM and at the terminals of the other 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 has entered into the Underwriting Agreement dated February 13, 2010 for the Equity Shares offered under the Non-institutional Portion and Retail Portion under this Issue. Pursuant to the terms of the Underwriting Agreement, the GCs and the BRLM will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and are subject to certain conditions to closing, as specified therein.

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

Name and Address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (Rs.million)
Joint Global Co-ordinators and Book Running Lead Managers		
Morgan Stanley India Company Private Limited 5F, 55-56, Free Press House, 215, Free Press Journal Marg, Nariman Point Mumbai 400 021, India Tel: (91 22) 6621 0555 Fax: (91 22) 6621 0556 Email: hcdl_ipo@morganstanley.com	4,624,875	1,109.97
UBS Securities India Private Limited 2/F, 2 North Avenue Maker Maxity, Bandra Kurla Complex, Bandra (E), Mumbai 400 051, India Tel: (91 22) 6155 6100 Fax: (91 22) 6155 6272 Email: customercare@ubs.com	4,624,875	1,109.97
Book Running Lead Manager		
Kotak Mahindra Capital Company Limited 3rd Floor, Bakhtawar 229 Nariman Point Mumbai 400 021 Tel: (91 22) 6634 1100 Fax: (91 22) 2283 7517 Email: project.net@kotak.com	1,849,850	443. 96
Syndicate Members		
Enam Securities Private Limited 24, Rajabahadur Compound Ambalal Doshi Marg Fort Mumbai 400 001 Tel: (91 22) 4035 7000 Fax: (91 22) 4035 7469 Email : anantm@enam.com	100	0.24
ICICI Securities Limited ICICI Centre, H.T. Parekh Marg, Churchgate, Mumbai – 400020, India Tel: +91 22 2288 2460 Fax:+91 22 2282 6580 Email: rajiv.poddar@icicisecurities.com	100	0.24
HDFC Securities Limited	100	0.24

Name and Address of the Underwriters	Indicative number of Equity Shares to be underwritten	Amount underwritten (Rs.million)
Think Techno Campus, Building B, "Alpha" Office Floor 8 Near Kanjurmarg Station Opp Crompton Greaves Kanjurmarg (East) Mumbai – 400042 Tel: +91-22-30753400 Fax: +91-22-30753435 Email : jyotheesh.kumar@hdfcsec.com		
Kotak Securities Limited 2nd Floor, Nirlon House Dr. Annie Besant Road Near Passport Office, Worli Mumbai 400 025 Tel: +91 22 6740 9708 Fax: +91 22 6662 7330 E-mail: umesh.gupta@kotak.com	100	0.24

In the opinion of the Board of Directors (based on certificates given to them by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations. All the above-mentioned Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the stock exchanges.

Allocation among underwriters may not necessarily be in proportion to their underwriting commitments. Notwithstanding the above table, the Underwriters will be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default, the respective Underwriter in addition to other obligations to be defined in the underwriting agreement, will be required to procure or subscribe to the extent of the defaulted amount. The underwriting arrangements mentioned above shall not apply to the subscription or purchase of any Equity Shares by ASBA Bidders in the Issue.

CAPITAL STRUCTURE

Our Equity Share capital pre-Issue and post-Issue, as at the date of filing of this Prospectus with SEBI, immediately prior to and after the proposed Issue is set forth below:

(Rs.except share data)

		Aggregate value at face value	Aggregate value at Issue Price
A	**Authorised share capital**		
	199,800,000 Equity Shares of Rs.10 each	1,998,000,000	
	200,000 Preference Shares of Rs.10 each	2,000,000	
B	**Issued, subscribed and paid-up share capital before the Issue**		
	122,857,100 Equity Shares of Rs.10 each	1,228,571,000[(1)]	
	48,000 Preference Shares of Rs.10 each	480,000	
C	**Present Issue in terms of this Prospectus**	**277,500,000**	6,660,000,000
	Of which:		
	Fresh Issue of up to 20,000,000 Equity Shares [(2)]	200,000,000	4,800,000,000
	Offer for Sale of 7,750,000 Equity Shares [(3)]	77,500,000	1,860,000,000
	QIB Portion[(3a)]		
	At least 16,650,000 Equity Shares	166,500,000	3,996,000,000
	Of which:		
	Mutual Fund Portion of 832,500 Equity Shares[(4)]	8,325,000	199,800,000
	Balance for all QIBs, including Mutual Funds is 15,817,500 Equity Shares	158,175,000	3,796,200,000
	Non-institutional Portion		
	Not less than 2,775,000 Equity Shares available for allocation	27,750,000	666,000,000
	Retail Portion		
	Not less than 8,325,000 Equity Shares available for allocation	83,250,000	1,998,000,000
D	**Issued, subscribed and paid-up share capital after the Issue**		
	142,857,100 Equity Shares	1,428,571,000[(5)]	34,285,704,000
	48,000 Preference Shares of Rs.10 each	480,000	
E	**Securities Premium Account**		
	Before the Issue	7,662,017,185	
	After the Issue	12,262,017,185	

1) The paid-up share capital of the Company before the issue, taking into consideration conversion of 973,499 outstanding options which have not yet vested or have vested but have not yet been exercised, would be 123,830,599 Equity Shares of Rs.10 each aggregating to Rs.1,238,305,990.

2) The Fresh Issue has been authorised by the Board in a its meeting held on September 21 2009, and by the shareholders of our Company at an EGM held on September 23, 2009.

3) Monet and MSPI have obtained approval for the Offer for Sale pursuant to their board resolutions dated September 16, 2009 and September 24, 2009, respectively. The Selling Shareholders are offering 7,750,000 Equity Shares in aggregate, which have been held for a period of at least one year (either as Equity Shares or as convertible instruments) prior to the date of filing of the Prospectus with SEBI and, hence, are eligible for being offered for sale in the Issue.

3a) Out of the QIB Portion, the Company has allocated 4,995,000 Equity Shares to the Anchor Investors, on a discretionary basis, in accordance with the SEBI ICDR Regulations at the Anchor Investor Price of Rs. 240 per Equity Share.

4) The Mutual Fund Portion would be 5% of the QIB Portion, as reduced after the allocation of Equity Shares to the Anchor Investors.

5) The paid-up share capital of the Company after the issue taking into consideration conversion of 973,499 outstanding options which have not yet vested or have vested but have not yet been exercised would be 143,830,599 shares of Rs.10 each aggregating to Rs.1,438,305,990.

The Company may consider participation by Anchor Investors for up to 4,995,000 Equity Shares in accordance with the SEBI ICDR Regulations. For further details, please refer to the section titled "Issue Procedure" on page 314 of this Prospectus.

1) Details of increase in authorised share capital since incorporation

Sr. No.	Particulars of increase	Date of Shareholders' meeting	AGM/EGM
1.	Increase in authorised share capital from Rs.100,000 to Rs.500,000.	March 12, 1996	EGM
2.	Increase in authorised share capital from Rs.500,000 to Rs.250,000,000.	March 14, 1996	EGM
3.	Increase in authorised share capital from Rs.250,000,000 to Rs.270,000,000.	April 18, 2000	EGM
4.	Increase in authorised share capital from Rs.270,000,000 to Rs.400,000,000.	August 14, 2000	EGM
5.	Increase in authorised share capital from Rs.400,000,000 to Rs.1,500,000,000.	October 25, 2007	EGM
6.	Increase in authorised share capital from Rs.1,500,000,000 to Rs.2,000,000,000.	August 26, 2009	AGM

Notes to capital structure

1. ***Share capital history of our Company***

(a) Equity Share capital history of our Company:

Date of allotment	No. of Equity Shares	Face value (Rs.)	Issue price (Rs.)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
August 7, 1959	2	100	100	Cash	Subscription on signing of the Memorandum of Association.	02	200	0
October 20, 1986	48	100	100	Cash	Preferential Allotment[(1)]	50	5,000	0
October 21, 1986	50	100	100	Cash	Preferential Allotment[(1)]	100	10,000	0
The Equity Shares were subdivided into shares with a face value of Rs.10 each pursuant to a shareholders resolution dated March 14, 1996 resulting in 1,000 equity shares of Rs.10 each.								
March 15, 1996	49,000	10	10	Cash	Preferential Allotment[(2)]	50,000	500,000	0
September 25, 1996	10,000,000	10	10	Cash	Conversion of Optionally Fully Convertible Debentures	10,050,000	100,500,000	0
	2,000,000	10	24.375	Cash	Preferential Allotment[(3)]	12,050,000	120,500,000	28,750,000
	50,000	10	25	Cash	Preferential Allotment[(3)]	12,100,000	121,000,000	29,500,000
March 19, 1998	5,000,000	10	20	Cash	Conversion of Optionally Fully	17,100,000	171,000,000	79,500,000

Date of allotment	No. of Equity Shares	Face value (Rs.)	Issue price (Rs.)	Nature of consideration	Reasons for allotment	Cumulative no. of Equity Shares	Cumulative paid-up share capital (Rs.)	Cumulative share premium (Rs.)
					Convertible Debentures			
	3,000,000	10	25	Cash	Conversion of Optionally Fully Convertible Debentures	20,100,000	201,000,000	124,500,000
June 3, 1999	1,448,000	10	50	Cash	Preferential Allotment(4)	21,548,000	215,480,000	182,420,000
January 14, 2000	1,900,000	10	100	Cash	Preferential Allotment(5)	23,448,000	234,480,000	353,420,000
September 7, 2000	8,238,500	10	416	Cash	Preferential Allotment(6)	31,686,500	316,865,000	3,612,964,575
May 3, 2007	5,431,937	10	487.34	Cash	Preferential Allotment(7)	37,118,437	371,184,370	6,096,066,446
The face value of the Equity Shares were further sub-divided into face value of Re. 1 each, pursuant to a shareholders resolution dated October 25, 2007 resulting in 371,184,370 Equity Shares of Re. 1 each.								
October 25, 2007	7,423,68,740	1	1	Non- Cash*	Bonus Issue in the ratio of 1:2	1,113,553,110	11,135,53,110	5,353,697,706
Pursuant to the issue of fully and mandatorily convertible debentures to MSPI, Kaup and Arcadia, the issue expenses of Rs.49,062,793 for the issue of fully and mandatorily convertible debentures was met from our securities premium account. Consequently, our securities premium account reduced to Rs.5,304,634,913.								
August 18, 2009	10	1	11.02	Cash	Preferential Allotment(8)	1,113,553,120	1,113,553,120	5,304,635,065 #
The Equity Shares were consolidated into shares with a face value of Rs.10 each pursuant to a shareholders resolution dated August 26, 2009, resulting into 111,355,312 Equity Shares of Rs.10 each.								
September 19, 2009	10,209,116	10	Rs.212.8	Cash	Conversion of Compulsorily Convertible Debentures	121,564,428	121,564,280	7,375,043,905
	1,292,672	10	Rs.232	Cash	Conversion of Compulsorily Convertible Debentures	122,857,100	1,228,571,000	7,662,017,185

* The bonus issue was made out of funds in the share premium account.

The difference of Rs.52 between the premium paid for the shares and the amount reflected in the share premium account, is due to adjustments made for calculating the difference between the fair market value and the option exercise price pursuant to the ICAI Guidance Note on ESOP.

(1) Preferential allotment made to Mr. Chico Desouza, Ms. Julia Furtardo Desouza and Ms. Silvana Desouza.

(2) Preferential allotment made to Business India Television International Limited, Mr. Ashok H. Advani, Mr. Rajkumar H. Advani and Mr. Hiroo H. Advani.

(3) Preferential allotment to M/s. Hathway Investments Private Limited, Mr. Ashok H. Advani, Mr. Rajkumar H. Advani and Mr. Hiroo H. Advani.

(4) Preferential allotment made to M/s. Hathway Investments Private Limited, Mr. Akshay Raheja, Mr. Viren Raheja and M/s. Spur Cable & Datacom Private Limited.

(5) Preferential allotment made to Mr. Akshay Raheja and Mr. Viren Raheja.

(6) Preferential allotment made to NewsCorp.

(7) Preferential allotment made to Monet Limited.

(8) Preferential allotment made to Mr. K. Jayaraman.

(b) Preference share capital of our Company

48,000 preference shares were issued by the Company to Hathway New Concept Cable & Datacom Private Limited on December 26, 2007 through preferential allotment with a face value of Rs.10 per preference share for an issue price of Rs 10.

(c) Shares issued for consideration other than cash

Other than the bonus issue made by us, details of which are set out in the table below, we have made no issues of shares for consideration other than cash:

Date of allotment	No. of Equity Shares	Issued to	Issue price (Rs.)	Reasons for allotment	Benefits accruing to the Company
October 25, 2007	161,884,000	Akshay Raheja	NIL	Issue of Bonus Shares	None
October 25, 2007	159,404,000	Viren Raheja	NIL	Issue of Bonus Shares	None
October 25, 2007	96,672,000	Hathway Investments Private LImtied	NIL	Issue of Bonus Shares	None
October 25, 2007	51,000,000	Spur Cable & Datacom Private LImtied	NIL	Issue of Bonus Shares	None
October 25, 2007	164,770,000	NewsCorp	NIL	Issue of Bonus Shares	None
October 25, 2007	108,638,740	Monet Limited	NIL	Issue of Bonus Shares	None
TOTAL	**742,368,740**				

(d) Debentures issued by our Company

The table below sets out the details of the convertible debentures that have been issued by our Company:

Date of allotment	No. of debenture	Issued to
April 25, 1996	520,000	Mr. Ashok H. Advani
April 25, 1996	1,000,000	Hathway Investment Pvt. Ltd.
April 25, 1996	480,000	Mr. Rajkumar H. Advani
June 4, 1996	250,000	Mr. Hiroo H. Advani
July 13, 1996	750,000	Hathway Investments Private Limited
June 4, 2008	11,850	Kaup Capital
June 4, 2008	9,875	MSPI
October 15, 2008	2,999	Arcadia
TOTAL	**3,024,724**	

All the convertible debentures issued by our Company as set out in the table hereinabove, have been converted into Equity Shares by each of the debenture-holders and there are no outstanding debentures as on the date of this Prospectus.

(e) In FY2009, FY2007, FY2006 and FY2005 the weighted average number of shares for the period was the same as the number of outstanding shares at the end of the period. Fresh equity shares were issued only in FY2008 and hence there is a difference between the weighted average number of equity shares in the said period and the number of shares outstanding at the end of the period. The calculation of the said year is given below:

Particulars	No of shares of Rs. 10 (A)	No. of Months Outstanding (B)	Total = (A) * (B)
Opening no. of shares	31,686,500	12	380,238,000
Bonus shares to Others	63,373,000	12	760,476,000
Addition during the year (4th May 08)	5,431,937	11	59,751,307
Bonus shares to Monet	10,863,874	11	119,502,614
Closing balance	111,355,311		
Total		12	1,319,967,921
Weighted No. of Shares		**12**	**109,997,327**

The potential issue of equity under conversion of the employee stock option plan and on conversion of FCCDs is anti-dilutive (as per the Accounting Standard 21 (EPS) by ICAI, *"Potential equity shares are anti-dilutive when their conversion to equity shares would decrease loss per share from continuing ordinary activities. The effects of anti-dilutive potential equity shares are ignored in calculating diluted earnings per share.").* Accordingly, ESOPs and FCCDs have not been considered in calculation of diluted earnings per share.

Build up of Promoters capital, Promoter's contribution and lock-in

(a) History of share capital held by the Promoters:

Name of Promoter	Date of allotment / transfer	No. of Equity Shares issued / transferred	Cumulative No. of Shares	Face value (Rs.)	Issue / Transfer Price / Consideration	% of Pre-Issue equity share capital	% of Post Issue equity share capital	Lock-in period	Reasons for allotment
Mr. Akshay Raheja	March 9, 1998	5,200,000	5,200,000	10	9.50	19.76	17.00	4,225,000 shares locked in for 1 year and 975,000 shares sold on May 15, 1999	Transfer of Shares
	March 19,1998	1,250,000	6,450,000	10	20.10			1,250,000 shares locked in for 1 year	Transfer of Shares
	March 19,1998	1,250,000	7,700,000	10	25.13			1,250,000 shares locked in for 1 year	Transfer of Shares
	May 15, 1999	(975,000)	6,725,000	10	9.50			NA	Transfer of Shares
	June 3, 1999	419,200	7,144,200	10	50			419,200 shares locked in for 1 year	Preferential issue of shares
	January 14, 2000	950,000	8,094,200	10	100			950,000 shares locked in for 1 year	Preferential issue of shares
	October 25, 2007	NA	80,942,000	1	NA			NA	Split of shares from face value Rs.10 per equity share to Re. 1 per equity share
	October 25, 2007	161,884,000	242,826,000	1	NA			14,383,100 shares locked in for 3 years and 1,805,300 shares locked in for 1 year	Issue of Bonus Shares
	August 26, 2009	NA	24,282,600	10	NA			NA	Consolidation of 10 Shares of face value Re. 1 per equity share into 1 Equity Share of face value Rs.10 per equity share.
Mr. Viren	March 9,	4,850,000	4,850,000	10	9.50	19.46	16.74	3,875,000	Transfer of Shares

Name of Promoter	Date of allotment / transfer	No. of Equity Shares issued / transferred	Cumulative No. of Shares	Face value (Rs.)	Issue / Transfer Price / Consideration	% of Pre-Issue equity share capital	% of Post Issue equity share capital	Lock-in period	Reasons for allotment
Raheja	1998							shares locked in for 1 year and 975,000 shares sold on May 15, 1999	
	March 19,1998	1,250,000	6,100,000	10	20.10			1,250,000 shares locked in for 1 year	Transfer of Shares
	March 19,1998	1,476,000	7,576,000	10	25.13			1,476,000 shares locked in for 1 year	Transfer of Shares
	May 15, 1999	(975,000)	6,601,000	10	9.50			NA	Transfer of Shares
	June 3, 1999	419,200	7,020,200	10	50			419,200 shares locked in for 1 year	Preferential issue of shares
	January 14, 2000	950,000	7,970,200	10	100			950,000 shares locked in for 1 year	Preferential issue of shares
	October 25, 2007	NA	79,702,000	1	NA			NA	Split of shares from face value Rs.10 to face value Re. 1 each
	October 25, 2007	159,404,000	239,106,000	1	NA			14,383,100 shares locked in for 3 years and 1,557,300 shares locked in for 1 year	Issue of bonus shares
	August 26, 2009	NA	23,910,600	10	NA			NA	Consolidation of 10 Shares of face value Re. 1 into 1 Equity Share of face value Rs.10.

(b) **Details of Promoters' contribution locked in for three years**:

The Equity Shares that are being locked-in are not ineligible for computation of Promoter's contribution under Regulation 33 of the SEBI ICDR Regulations. In this connection, as per Regulation 33 of the SEBI ICDR Regulations, our Company confirms that the Equity Shares locked in do not consist of:

i. The Equity Shares acquired during the preceding three years for consideration other than cash and revaluation of assets or capitalization of intangible assets or bonus shares out of revaluations reserves or unrealised profits or bonus shares which are otherwise ineligible for computation of Promoters' contribution;

ii. The Equity Shares acquired during the one year preceding the date of the Draft Red Herring Prospectus, at a price lower than the price at which the Equity Shares are being offered to the public in the Issue;

iii. The Equity Shares issued to the Promoters upon conversion of a partnership firm;

iv. The Equity Shares held by the Promoters that are subject to any pledge; and

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

The Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons defined as "Promoters" under Regulation 2 (za) of the SEBI ICDR Regulations.

The SEBI ICDR Regulations require that an aggregate of 20% of the post-Issue shareholding of the Promoters be considered promoters' contribution and locked-in for a period of three years. Such lock-in is required to commence from the date of Allotment in the Issue and end on the date that is three years subsequent to the date of Allotment in the Issue. Accordingly, 14,383,100 and 14,383,100 Equity Shares held by Mr. Akshay Raheja and Mr. Viren Raheja, respectively, will be subject to such lock-in, the details of such lock-in are given below:

Name of Promoter	Date on which Equity Shares were allotted	Nature of payment of consideration	Nature of Allotment / Transaction	Face Value	Issue Price	Number of Equity Shares locked in	% of pre-Issue paid up capital	% of post-Issue paid up capital*
Mr. Akshay Raheja	October 25, 2007	Non cash	Bonus Issue	Rs.10	-	14,383,100	11.61%	10%
Mr. Viren Raheja	October 25, 2007	Non cash	Bonus Issue	Rs.10	-	14,383,100	11.61%	10%
TOTAL						**28,766,200**	**23.22%**	**20%**

*Calculated on a fully diluted basis.

Details of share capital locked in for one year

In addition to the lock-in of the Promoter's contribution specified above, the entire pre-Issue Equity Share Capital, comprising of 122,857,100 Equity Shares (except those Equity Shares which are transferred under the Offer for Sale and 9,085,811 Equity Shares which Monet will continue to hold post the Offer for Sale), will be locked in for a period of one year from the date of allotment of the Equity Shares in this Issue.

Pursuant to proviso (a) of Regulation 37 of the SEBI ICDR Regulations, the Equity Share held by Mr. Jayaraman issued pursuant to the ESOP Scheme, details of which are disclosed in the section titled "Capital Structure" beginning on page 24 of this Prospectus, will not be subject to the above lock-in.

Pursuant to proviso (b) to Regulation 37 of the SEBI ICDR Regulations, Equity Shares held by VCFs or FVCI's for more than one year prior to filing the Prospectus with SEBI would not be subject to the above lock-in. Therefore, Monet being an FVCI, the 16,295,811 Equity Shares held by it for more than one year prior to the date of filing of this Prospectus would not be subject to the lock-in above. Post the Offer for Sale, Monet will continue to hold 9,085,811 Equity Shares, which will not be subject to the lock-in above.

Other requirements in respect of lock-in

Pursuant to Regulation 39 of the SEBI ICDR Regulations, the locked in the Equity Shares held by the Promoters, as specified above, can be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such scheduled commercial banks or public financial institution, provided that the pledge of the Equity Shares is one of the terms of the sanction of the loan.

Provided that securities locked in as Promoters' contribution for three years under Regulation 36(a) of the SEBI ICDR Regulations may be pledged only if, in addition to fulfilling the above requirement, the loan has been granted by such scheduled commercial bank or public financial institution for the purpose of financing one or more of the objects of the Issue.

Pursuant to Regulation 40 of the SEBI ICDR Regulations, Equity Shares held by the Promoters may be transferred to and amongst the Promoters, the Promoter Group or to new promoters or persons in control of the Company subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Code.

Further, pursuant to Regulation 40 of the SEBI ICDR Regulations, the Equity Shares held by persons other than the Promoters prior to the Issue may be transferred to any other person holding the Equity Shares which are locked-in, along with the Equity Shares proposed to be transferred, provided that lock-in on such Equity Shares will continue for the remaining period with the transferee and such transferee shall not be eligible to transfer

such Equity Shares till the lock-in period stipulated under the SEBI ICDR Regulations has ended, subject to compliance with the Takeover Code, as applicable.

In terms of Schedule XI of the SEBI ICDR Regulations, the Equity Shares allotted to Anchor Investors shall be locked in for a period of 30 days from the date of allotment of such Equity Shares.

In addition, the Equity Shares subject to lock-in will be transferable subject to compliance with the SEBI ICDR Regulations and the Takeover Code, each as amended from time to time.

2. The list of shareholders of our Company and the Equity Shares held by them is as follows:

(a) Our top ten shareholders and the number of Equity Shares held by them as of the date of filing this Prospectus with SEBI and ten days prior to filing with SEBI, is as follows:

Sr. No.	Name	No. of equity shares (face value of Rs.10 each)	%
1.	NewsCorp	24,715,500	20.12
2.	Mr. Akshay Raheja	24,282,600	19.76
3.	Mr. Viren Raheja	23,910,600	19.46
4.	Monet	16,295,811	13.26
5.	Hathway Investments Private Limited.	14,500,800	11.80
6.	Spur Cable & Datacom Private Limited	7,650,000	6.23
7.	Kaup Capital	5,568,609	4.53
8.	MSPI	4,640,507	3.78
9.	Arcadia	1,292,672	1.05
10.	Mr. K. Jayaraman	1	0.00
	Total	**122,857,100**	**100.00**

(b) Our top ten shareholders and the number of Equity Shares held by them two years prior to date of filing of this Prospectus with SEBI is as follows:

Sr. No.	Name	No. of equity shares (face value of Re. 1 each)	%
1.	NewsCorp	247,155,000	22.20
2.	Mr. Akshay Raheja	242,826,000	21.81
3.	Mr. Viren Raheja	239,106,000	21.47
4.	Monet	162,958,110	14.63
5.	Hathway Investments Private Limited	145,008,000	13.02
6.	Spur Cable & Datacom Private Limited	76,500,000	6.87
	Total	**1,113,553,110**	**100.00**

3. The shareholding pattern of our Company prior to the Issue and as adjusted for the Issue as on the date of filing this Prospectus is as follows:

Shareholder Category	Equity Shares owned before the Issue		Equity Shares owned after the Issue	
	No. of shares of face value Rs.10 each	%	No. of shares of face value Rs.10 each	%
Promoters				
Mr. Akshay Raheja	24,282,600	19.76	24,282,600	17.00
Mr. Viren Raheja	23,910,600	19.46	23,910,600	16.74
Sub Total (A)	48,193,200	39.22	48,193,200	33.74

Shareholder Category	Equity Shares owned before the Issue		Equity Shares owned after the Issue	
	No. of shares of face value Rs.10 each	%	No. of shares of face value Rs.10 each	%
Promoter Group				
Hathway Investments Private Limited	14,500,800	11.80	14,500,800	10.15
Spur Cable And Datacom Private Limited	7,650,000	6.23	7,650,000	5.36
NewsCorp	24,715,500	20.12	24,715,500	17.30
Sub Total (B)	46,866,300	38.15	46,866,300	32.81
Public (C)				
Others	27,797,600	22.63	20,047,600	14.03
Public Issue	-	-	27,750,000	19.42
Sub Total (C)	27,797,600	22.63	47,797,600	33.45
Total share capital (A+B+C)	**122,857,100**	**100.00**	**142,857,100**	**100.00**

Note:

i. The paid-up share capital of the Company before the issue taking into consideration conversion of 973,499 outstanding options which have not yet vested or have vested but have not yet been exercised would be 123,830,599 shares of Rs.10 each aggregating to Rs.1,238,305,990.

ii. The paid-up share capital of the Company after the issue taking into consideration conversion of 973,499 outstanding options which have not yet vested or have vested but have not yet been exercised would be 143,830,599 shares of Rs.10 each aggregating to Rs.1,438,305,990.

4. The shareholding pattern of our Company as per clause 35 of the listing agreement as of the date of the Prospectus is provided below:

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		Shares Pledged or otherwise encumbered	
					As a percentage of (A+B)	As a percentage of (A+B+C)	Number of shares	As a percentage
(A)	Shareholding of Promoter and Promoter Group							
(1)	**Indian**							
(a)	Individuals/ Hindu Undivided Family	2	48,193,200	48,193,200	39.23	39.23	-	-
(b)	Central Government/ State Government(s)							
(c)	Bodies Corporate	2	22,150,800	22,150,800	18.03	18.03	-	-
(d)	Financial Institutions/ Banks							
(e)	Any Other (specify)							
	Sub-Total (A)(1)	**4**	**70,344,000**	**70,344,000**	**57.26**	**57.26**	-	-
(2)	**Foreign**							
(a)	Individuals (Non-Resident Individuals/ Foreign Individuals)							
(b)	Bodies Corporate	1	24,715,500	-	20.12	20.12	-	-
(c)	Institutions							

(d)	Any Other (specify)							
	Sub-Total (A)(2)	**1**	**24,715,500**	**-**	**20.12**	**20.12**	**-**	**-**
	Total Shareholding of Promoter and Promoter Group (A)= (A)(1)+(A)(2)	**5**	**95,059,500**	**70,344,000**	**77.38**	**77.38**	**-**	**-**
(B)	**Public shareholding**							
(1)	**Institutions**							
(a)	Mutual Funds/ UTI							
(b)	Financial Institutions/ Banks							
(c)	Central Government/ State Government(s)							
(d)	Venture Capital Funds							
(e)	Insurance Companies							
(f)	Foreign Institutional Investors							
(g)	Foreign Venture Capital Investors	1	16,295,811	16,295,811	13.26	13.26		
(h)	Any Other (specify)							
	Sub-Total (B)(1)	**1**	**16,295,811**	**16,295,811**	**13.26**	**13.26**		
(2)	**Non-institutions**							
(a)	Bodies Corporate	2	5,933,179	4,640,507	4.83	4.83		
(b)	Individuals -							
	i. Individual shareholders holding nominal share capital up to Rs.1 lakh.	1	1	-	0.00	0.00		
	ii. Individual shareholders holding nominal share capital in excess of Rs.1 lakh							
(c)	Any Other (Private Equity Fund)	1	5,568,609	5,568,609	4.53	4.53		
	Sub-Total (B)(2)	**4**	**11,501,789**	**10,209,116**	**9.36**	**9.36**		
	Total Public Shareholding (B)= (B)(1)+(B)(2)	**5**	**27,797,600**	**26,504,927**	**22.62**	**22.62**		
	TOTAL (A)+(B)	**10**	**122,857,100**	**96,848,927**	**100.00**	**100..00**		
(C)	Shares held by Custodians and against which Depository Receipts have been issued							
	GRAND TOTAL (A)+(B)+(C)	**10**	**122,857,100**	**96,848,927**	**100.00**	**100.00**		

5. Apart from as set out below, no Equity Shares have been issued at a price less than the Issue Price during the year prior to the date of the Prospectus:

Name of the allottee	Whether part of Promoter Group	No. of Equity Shares issued	Price (per Equity Share)	Reasons for the issue
Mr. K. Jayaraman	No.	1*	110.20	Exercise of vested option
Kaup Capital	No.	5,568,609	Rs.212.80	Conversion of fully and compulsorily convertible debentures.
MSPI	No.	4,640,507	Rs.212.80	Conversion of fully and compulsorily convertible debentures.
Arcadia	No.	1,292,672	Rs.232.00	Conversion of fully and compulsorily convertible debentures.

* On August 18, 2009, Mr. K. Jayaraman was issued 10 Equity Shares of face value Re. 1 each. Post consolidation of Equity Shares from a face value of Re. 1 each to a face value of Rs.10 each, the Equity Shares held by Mr. Jayaraman were consolidated from 10 Equity Shares to 1 Equity Share.

6. None of our Directors or Key Management Personnel hold Equity Shares in the Company, other than as set out below:

Name	No. of Equity Shares	% of pre-Issue equity share capital
Mr. Akshay Raheja	24,282,600	19.76
Mr. Viren Raheja	23,910,600	19.46
Mr. K. Jayaraman	1	0.00

7. Our Company, our Directors, our Promoters, the Promoter Group their respective directors and the GCs and the BRLM have not entered into any buy-back or standby / safety net arrangements for the purchase of the Equity Shares of our Company from any person.

8. There are no financing arrangements wherein the Promoter Group, the Directors of the Company and their relatives have financed the purchase by any other person of securities of the Company, during the period six months immediately preceding the date of filing this Prospectus.

9. As of the date of this Prospectus, no shares of the Company have been pledged by the Promoter or the Promoter Group.

10. Other than set out in this section titled 'Capital Structure', our Company has not issued Equity Shares out of revaluation reserves or for consideration other than cash.

11. There has been no purchase or sale of Equity Shares by the Promoter, the Promoter Group our Directors and their immediate relatives during the six months, immediately prior to the filing of this Prospectus with SEBI.

12. 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 Issue shall be Allotted to QIBs on a proportionate basis. Our Company may allocate up to 30% of the QIB Portion to Anchor Investors at the Anchor Investor 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 QIB Portion. 5% of the QIB Portion shall be available for allocation to Mutual Funds on a proportionate basis. The remainder of the 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. If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% and 30% of the 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 GCs and the BRLM and the Designated Stock Exchange.

13. Our Company has instituted the ESOP Scheme, the details of which are set out below:

Description	Fiscal Year 2008	Fiscal Year 2009	Six months ended September 30, 2009	Cumulative as of the date of this Prospectus
Options Granted	951, 500	34,000	60,000	1,045,500
Pricing Formula	The exercise price of the option is Rs.110.20 and Rs.157.30, based on the seniority of the employee to whom the options are being granted.			
Options Vested	Nil	185,700	182,700 (vested until September 30, 2009)	182,700
Options exercised and total number of Equity Shares arising as a result of exercise of Options	-	-	1	1

Description	Fiscal Year 2008	Fiscal Year 2009	Six months ended September 30, 2009	Cumulative as of the date of this Prospectus
Options lapsed/cancelled	-	57,000	15,000	72,000
Total number of Equity Shares arising as a result of the exercise of the options (assuming vesting of the valid options and exercise of all the valid options vested)	951,500	928,500	973,499	973,499
Variations in terms of Options	-	Nil	Nil	Nil
Money realized by exercise of Options	-	Nil	Rs.110.20	Rs.110.20
Total number of Options in force	951,500	928,500	973,499	973,499
Vesting Schedule	FY 2009 182,700 FY 2010 194,700 FY 2011 194,700 FY 2012 194,700 FY 2013 194,700 FY 2014 12,000			
Option granted to senior managerial personnel	Details of the options granted to the Directors and Key Management Personnel are set out below: Mr. D. Mahadevan: 24,000 options. Mr. Jayant Changrani: 45,000 options. Mr. K. Jayaraman: 190,000 options. Mr. Milind D. Karnik: 70,000 options			
Options granted to any employee equal to or exceeding 1% of the issued capital of our Company at the time of grant	-	Nil	Nil	
Options granted to any employee equal to or exceeding 5% of the total options granted under the ESOP	-	N.A.	N.A.	Mr. K. Jayaraman- 190,000 options. Mr. Milind D. Karnik- 70,000 options.
Diluted earning per share ("**EPS**") as reported on an unconsolidated basis, pursuant to the issue of Equity Shares on exercise of options	-	N.A.	N.A.	N.A.
Where the Company has calculated the employee compensation cost using the intrinsic value of the stock options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the	N.A.	N.A.	N.A.	N.A.

Description	Fiscal Year 2008	Fiscal Year 2009	Six months ended September 30, 2009	Cumulative as of the date of this Prospectus
options, shall be disclosed. The impact of this difference on profits and on EPS of the Company shall also be disclosed.				
Weighted average exercise prices and weighted average fair values of options	Weighted average exercise price of options is Rs.110.20. Weighted average fair values of options are Rs.162.40.			
Lock-in	-	N.A	N.A	N.A.
Impact on profits and EPS of the last three years based on the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme), Guidelines, 1999.	-	Nil	Nil	Nil

** The difference in exercise price is based on the seniority of the employee to whom the options have been granted.

14. The details of the employees holding vested options pursuant to the ESOP Scheme is set out below:

Name of employee	Number of vested options held by such employees
Mr. K. Jayaraman	37,999
Mr. Milind Karnik	14,000
Mr. Jayant Changrani	9,000
Mr. CH.Rajasekhar	7,000
Mr. Rohinton	5,500
Mr. Arjun Kadam	5,500
Mr. Rajeev Pareek	5,500
Mr. T. Rajaram	4,800
Mr. Rajesh Brid	4,800
Mr. Glenn Mark Pinto	4,800
Mr. Krishnan A	4,800
Mr. D. Mahadevan	4,800
Mr. Ruzbeh Jaorewala	4,800
Mr. Karthik Bhaskaran	4,800
Mr. Sanjay Ghagare	4,800
Mr. Vijay Kabta	4,800
Mr. Bhavik V. Palan	4,800
Mr. Alok Govil	4,800
Mr. T.S.Sashi Kumar	4,000
Mr. Samson Jesudas	4,000
Mr. Haresh Gehaney	3,600
Mr. P.S.Lukshmanen	3,600
Mr. Dulal Banerjee	3,000
Mr. Guruprasad	2,400
Mr. Shirish Ruparel	2,000
Mr. A. Suresh Kumar	2,000
Mr. Amit Shah	2,000

Name of employee	Number of vested options held by such employees
Mr. Peeush Mahajan	2,000
Mr. Harish Reddy	2,000
Mr. Sunil Sethi	1,500
Mr. Ritesh Vakharia	1,500
Mr. Sameer Rane	1,500
Mr. Pradeep Vaidya	1,500
Mr. Vijay Menezes	1,500
Mr. Nasser Ansari	1,500
Mr. Jagdish Narkar	1,000
Mr. A. Sivaraman	1,000
Mr. David L. Stephen	1,000
Mr. Deepak Shivle	1,000
Mr. Manoj Dere	1,000
Mr. Prafulla Donge	800
Total	182,699

15. Our Directors and our Key Management Personnel have confirmed to us that they do not intend to sell any Equity Shares arising from such options for a period of three months after the date of listing of the Equity Shares in this Issue. Other employees of our Company holding Equity Shares at the time of listing of Equity Shares on exercise of vested options may sell Equity Shares prior to the expiry of such three-month period after the listing of the Equity Shares. This disclosure is made in accordance with paragraph 15.3 (b) and 15.3 (c) of the Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2000, as amended. There are no outstanding warrants, options or rights to convert debentures, loans or other instruments into our Equity Shares except the options granted under the ESOP Scheme. Apart from Mr. Jayaraman, none of our Directors or employees holds any Equity Shares pursuant to the exercise of any options granted under the ESOP Scheme. Mr. Jayaraman has confirmed to us that he does not intend to sell the Equity Share held by him for a period of three months after the date of listing of the Equity Shares.

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

17. The Equity Shares issued pursuant to the Issue shall be fully paid-up at the time of Allotment.

18. A Bidder cannot make a Bid for more than the number of Equity Shares offered through the Issue, subject to the maximum limit of investment prescribed under relevant laws applicable to each category of Bidder.

19. Our Company has not raised any bridge loan against the proceeds of the Issue.

20. As of the date of filing of this Prospectus, the total number of holders of Equity Shares is 10.

21. Except as disclosed in this Prospectus, there will 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 filing of this Prospectus with SEBI until the Equity Shares issued/ to be issued pursuant to the Issue have been listed or all application moneys have been refunded on account of failure of the Issue. Our Company may issue further Equity Shares to our employees pursuant to exercise of options granted earlier under the ESOP Scheme.

22. Except as disclosed in this Prospectus, we presently do not intend or propose to alter our capital structure for six months from the date of opening of the Issue, 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, including any issue of bonus or rights and any further public issue of securities and any qualified institutions placement. However, during such period or at a later date, we may issue Equity Shares or issue Equity Shares or securities linked to Equity Shares to finance an acquisition, merger, strategic alliance or joint venture by us, or as consideration for such acquisition, merger or joint

venture, or for regulatory compliance or such other scheme of arrangement if an opportunity of such nature is determined by our Board to be in the best interests of the Company.

23. There shall be only one denomination of the 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.

24. The Company, the Directors, the Promoters, the Promoter Group and the Group Companies of our Promoters shall not make any payments, direct or indirect, discounts, commissions, allowances or otherwise under this Issue.

25. Our Promoters, our Promoter Group and our Group Companies will not participate in this Issue.

26. The Company has not made any public issue since its incorporation.

27. The Company shall ensure that transactions in the Equity Shares by the Promoters and the Promoter Group between the date of filing this Prospectus with SEBI and the Bid/Issue Closing Date are reported to the Stock Exchanges within 24 hours of such transaction.

28. MSPI is an affiliate of Morgan Stanley India Company Private Limited, one of the GCs, and holds 4,640,507 Equity Shares constituting 3.78% of the pre-Issue share capital of the Company and 4,100,507 Equity Shares constituting 2.87 % of the post Issue share capital of the Company assuming also the sale of 540,000 Equity Shares by it in the Offer for Sale. MSPI and Morgan Stanley India Company Private Limited are indirect subsidiaries of US incorporated Morgan Stanley, and hence are affiliated.

29. In the event that the Discounted IPO Allotment Price is greater than the prescribed Minimum Conversion Price as per the Kaup Capital – MSPI Shareholders Agreement ("**MSPI – KAUP IPO Adjustment Event**"), then each of MSPI and Kaup Capital, subject to applicable laws and regulations is obligated to, sell to the Certain Promoter Group and to NewsCorp and Monet, their respective pro rata shares of the number of differential Equity Shares for an aggregate consideration of Rs.1000 in accordance with the terms of the Kaup Capital – MSPI Shareholders Agreement. For further details please refer to the section titled "History and Certain Corporate Matters" on page 102 of this Prospectus.

30. Further, in the event that the Discounted IPO Allotment Price is greater than the prescribed minimum conversion price as per the Arcadia Shareholders Agreement ("**Arcadia IPO Adjustment Event**"), then Arcadia, subject to applicable laws and regulations, is obligated to sell to the Certain Promoter Group and to NewsCorp and Monet, its pro rata shares of such number of Differential Equity Shares as for an aggregate consideration of Rs.1000 in accordance with the terms of the Arcadia Shareholders' Agreement. For further details please refer to the section titled "History and Certain Corporate Matters" on page 102 of this Prospectus.

OBJECTS OF THE ISSUE

The Issue comprises a Fresh Issue by our Company and an Offer for Sale by the Selling Shareholders.

The objects of the issue are to meet the various fund requirements of our Company and to achieve the benefits of listing on the Stock Exchanges.

Offer for Sale

Our Company will not receive any proceeds of the Offer for Sale by the Selling Shareholder.

Fresh Issue

The objects of the Fresh Issue are to: (1) fund customer acquisitions; (2) investment in the development of our digital capital expenditure, services and set top boxes; (3) investment in the development of our broadband infrastructure, capital expenditure and services; (4) repayment of loans; and (5) fund expenditure for general corporate purposes.

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 the Fresh Issue.

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

(Rs. million)

Description	Amount
Gross proceeds of the Fresh Issue*	4,800
Issue Expenses	364.24

The lead managers' fees, underwriting commissions, brokerage, SEBI filing fees and Stock exchange fees for usage of book building facility will be shared between the Company and the Selling Shareholders in the proportion of the Equity Shares being issued /offered in the Fresh Issue and Offer for Sale respectively.

All other Issue expenses, such as printing, advertisement, listing fee, auditors fees, registrar fee, legal fees, etc will be paid by the Company.

Requirement of Funds and Means of Finance

Requirements of funds:

We intend to utilize the proceeds of the Fresh Issue of Rs. 4,800 million for financing the objects as set forth below:

(*Rs. million*)

S.No	Expenditure Items	Estimated Utilisation in fourth quarter of FY2010	Estimated Utilisation in FY2011	Total
1	Acquisition of Customers	250	2,186	2,436
2	Investment in the development of our digital capital expenditure, services and set top boxes	164	1,400	1,564
3	Investment in the	83	747	830

	development of our broadband infrastructure, capital expenditure and services*			
4	Repayment of loans	-	967	967
	Total	497	5,300	5,797

*We have not accounted for contingencies and price escalations in calculating the fund requirements.

Means of Finance

The requirements of the funds detailed above are intended to be funded as under:

(Rs.in Million)

Description	Amount
Proceeds of the Fresh Issue	4,800
Term Loan from Vijaya Bank	500
Term Loan from HDFC Limited	500
Total	5,800

The fund requirements described above are based on management estimates and our current business plans and have not been appraised by any bank or financial institution. In view of the dynamic nature of the cable and broadband industry, we may have to revise our capital expenditure requirements and objects 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 our 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 our planned expenditure at the discretion of our Company's management.

The entire objects will be funded through the proceeds of the Fresh Issue and the loan sanctioned by Vijaya Bank and Housing Development and Finance Corporation ("**HDFC**") Limited. Vijaya Bank by its sanction letters dated August 24, 2009 as modified by its letter dated December 12, 2009, has sanctioned an amount of Rs.500 million towards the objects of the Issue (other than repayment of loans and general corporate purposes). HDFC Limited by its sanction letter dated January 14, 2010 has sanctioned an amount of Rs. 500 million to the Company towards ongoing business requirements which would include objects of the Issue. Accordingly, we confirm that the arrangements of finance through verifiable means towards 75% of the stated means of finance, excluding the amount to be raised through the Issue and existing identifiable internal accruals have been made.

Details of the Objects

1. *Customer acquisition*

Since 2007, we have identified and acquired an interest in more than 21 MSOs and ICOs with our Company. As a part of our growth strategy we propose to acquire MSOs and LCOs to expand our cable television business. Acquisition of MSOs provide us with the opportunity to expand the areas in which we operate. We intend to acquire corporate MSOs through equity investment either by subscribing to the issue of shares by such companies or purchasing a stake from existing shareholders. We also may acquire such MSOs through an acquisition of their assets and subsidiaries. The acquisition of MSOs may include a complete acquisition of such MSOs or we may enter into joint ventures with such MSOs where we intend to acquire a substantial interest, including majority interests.

To expand our primary cable television business and to control over the "last mile" connection, we intend to acquire LCOs. Typically we acquire such LCOs through a business transfer model, whereby we acquire the existing infrastructure and subscriber base of the LCO.

The costs involved in such acquisitions include the price payable by us to acquire such entities. We constantly evaluate potential acquisitions and our management makes the decision on such acquisitions and valuations based on amongst other things, potential costs involved in the acquisition and the potential growth in subscriber base as a result of such acquisition.

We intend to utilise approximately Rs.2,436 million from the proceeds of the Fresh Issue towards the acquisition of MSOs and LCOs. However, as on the date of this Prospectus, we have not entered into any letter of intent, memorandum of understanding or an agreement to acquire any MSO or LSO.

2. Investment in the development of our digital capital expenditure, services and set top boxes

As a part of our strategy, we intend to focus on rolling out digital services to our customers. Digital cable television requires a set-top box to be provided to the subscriber. The set-top box is provided with an encryption technology which is required to decode the encrypted signals transmitted by us. We purchase the set-top boxes and encryption technology from third party suppliers. In addition to the set-top boxes we also require smart cards and other digital compression equipments and infrastructure such as fibre coaxial cable. Typically, we provide the set-top box to the end customers and seek to recover a portion of the cost of such set-top box from the end customers. We have entered into a supply agreement with Shenzen Skyworth Digital Technology Company Limited for the supply of set-top boxes. As part of the said supply agreement, our Company has entered into a system agreement with NDS Limited for the supply of smart cards. As of July 31, 2009, we had placed an order for 100,000 set-top boxes and entered into a letter of intent for 100,000 smart cards with a third party vendors such as NDS. Our Company has obtained quotations from above mentioned suppliers for the following items:

Description	Quantity	Unit of Measurement	Cost Per Unit (Rs.)	Amount (Rs. million)	Date of Quotation
Digital Set-Top Boxes					
Digital Set-Top Box & Smart Cards	9,20,000	Nos	1,700	1,564	August 20, 2009
Total	**9,20,000**			1,564	

3. *Invest in the development of broadband infrastructure capital expenditure and services*

We also intend to invest in the expansion of broadband services being offered by us. The capital investment in the hardware and software for our broadband business will allow us to expand geographically as well as improve the quality of our services.

We intend to utilize Rs.830 million from the proceeds of the Fresh Issue towards the development of broadband infrastructure and services. The following sets forth the break-up of the cost of the investment:

Description	Quantity	Unit of Measurement	Cost Per Unit (Rs.)	Amount (Rs. million)	Date of Quotation
CMTS Chasis with 28U Cards	42	Nos	1,780,000	75	June 18,2009
Gateway Router	4	Nos	1,000,000	4	July 2,2009
Optic Fibre Cable 12 F	1,000,000	Mtr	13	13	August 10,2009
Laser Transmitter 12 DBM	200	Nos	43,500	9	August 29,2009
NODE (2 WAY) (5-40) with RPR module	400	Nos	26,000	10	June 16,2009
RPR	200	Nos	24,800	5	July 16,2009
Optical Accessories	5,000	Nos	1,000	5	August 2,2009
Coax-Cable 500 / 540 with Messenger	900,000	Mtr	55	50	June 19,2009
Connectors for 500	26,000	Nos	300	8	July 10,2009

/540 Co-ax Cable					
Amplifier with Box	3,000	Nos	8,200	25	August 28,2009
Equaliser / Attenuator	26,000	Nos	100	3	July 22,2009
Outdoor Passives	10,000	Nos	500	5	July 15,2009
UPS Battery, power injector, Genset	496	Nos	35,000	17	July 20,2009
Cable RG 11	5,300	Km	19,000	101	August 5,2009
Cable RG 6	5,300	Km	7,000	37	August 5,2009
Crimping Connector F7 for RG 11	500,000	Nos	25	13	August 14,2009
Crimping Connector F5 for RG 6	500,000	Nos	11	6	August 14,2009
Indoor Passives	125,000	Nos	50	6	July 15,2009
RF Amplifier	8,500	Nos	7,500	64	July 22,2009
Cable Modems	212,499	Nos	1,205	256	July 3,2009
SME & Corporate	206	Nos	20,000	4	August 18,2009
Software & Other ISP Capex	3,000	Nos	8,300	25	August 20,2009
IRU Bandwidth Capex*	-	-	-	86	-
Switches, patch cords & Connectors	-		-	3	
Tools & others	-		-	3	July 21,2009
Total				**830**	

* Based on Mbps requirement.

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

4. ***Repayment of Loans***

We have entered into various term loan agreements with banks and financial institutions. In order to reduce our leverage and allow flexibility in financial management of our business and operations, we intend to repay up to Rs.967 million of our outstanding debt from our proceeds of the Fresh Issue including any loans that we may borrow until the filing of the Prospectus with the ROC.

The following are details of the facilities as on the date of filing this Prospectus, that we intend to partly repay from the proceeds of the Fresh Issue during the financial year ending March 31, 2011.

(Rs. million)

Repayment of certain loans	**Amount**
ICICI Bank Limited ("**ICICI**")*	727
Yes Bank Limited	75
SREI Infrastruture Finance Limtied	75
Infrastructure Development and Financial Company Limtied	63
Axis Bank Limtied	4
Housing Development and Finance Corporation Limtied	23
Total Repayment of certain loans	**967**

*We have availed Rs.727 million from ICICI as term loan and buyers credit. As per the terms of the loan agreement, in connection with the Issue by our Company, ICICI can exercise an option and require us to repay

the entire facility of up to Rs.727 million, in the event the Fresh Issue proceeds exceeds Rs.4,640 million. Therefore, we have considered that the entire outstanding loan amount may have to be repaid, although we are uncertain whether or not ICICI will actually exercise its rights of prepayment. In the event that, ICICI does not exercise its option, we intend to utilise the proceeds of the Fresh Issue for the repayment of other loans as under:

The comparison of repayment schedule of the outstanding loans of the Company in both cases, (i.e., if ICICI does not invoke its right of prepayment and in case it does), is as follows:

Name of the Bank / Financial Institution	In case ICICI does not invoke its right of prepayment (Rs. million)	In case ICICI invokes its right of prepayment (Rs. million)
ICICI Bank Limited	287	727
Yes Bank Limited	75	75
SREI Infrastructure Finance Limited	75	75
Infrastructure Development and Financial Company Limited	63	63
Axis Bank Limited	34	4
Housing Development and Finance Corporation Limited	333	23
Bank of India	100	-
Total	**967**	**967**

For further details of the above mentioned loans, please refer to the section titled "Financial Indebtedness" on page 205 of this Prospectus.

5. Fund expenditure for general corporate purposes

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

While we intend to utilise the proceeds of the Fresh Issue 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, repayment of existing loans and other general corporate purposes. In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

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 (Rs. million)	% of Issue size	% of Issue expenses
Lead management fee and underwriting commissions**	199.80	3.00	54.85
Advertising and marketing expenses	44.50	0.67	12.22
Printing and stationery	41.80	0.63	11.48
IPO grading expenses	1.00	0.02	0.27

Others (SCSB commission, Registrar's fee, legal fees, auditor fees, Stamp Duty, Listing Charges etc.	77.14	1.16	21.18
Total	**364.24**	**5.47**	**100.00**

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****** *The lead managers' fees, underwriting commissions, brokerage, SEBI filing fees and Stock exchange fees for usage of book building facility will be shared between the Company and the Selling Shareholders in the proportion of the Equity Shares being issued /offered in the Fresh Issue and Offer for Sale respectively. All other Issue expenses, such as printing, advertisement, listing fee, auditors fees, registrar fee, legal fees, etc will be paid by the Company.*

Appraisal Report

None of the projects for which the proceeds of the Fresh Issue 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 equipment.

Working Capital Requirement

The proceeds of the Fresh Issue will not be used to meet our 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 proceeds of the Fresh Issue. Pending utilization for the purposes described above, we intend to invest the funds in high quality interest bearing liquid instruments including investments in short - term deposits with banks or financial institutions and other money market instruments. Pending utilization of the proceeds, we may utilize the proceeds of the Fresh Issue towards paying down our working capital / short term credit limits which will be redrawn as and when necessary to meet the objects of the issue.

Monitoring Utilization of Funds

Our Board and Axis Bank Limited, which has been appointed the monitoring agency for this purpose will monitor the utilization of the Issue proceeds. We will disclose the details of the utilization of the Issue proceeds, including interim use, under a separate head in our financial statements until the completion of utilisation of the proceeds of the Fresh Issue, specifying the purpose for which such proceeds have been utilized or otherwise disclosed as per the disclosure requirements of our listing agreements with the Stock Exchanges. In connection with the utilisation of the proceeds of the Fresh Issue, our Company shall comply with the listing agreements with the Stock Exchanges, including Clauses 43A and 49, as amended from time to time. Such disclosure shall be made only until such time as the proceeds of the Fresh Issue have been completely utilised. This statement shall be certified by our statutory auditors.

Other confirmations

No part of the proceeds of the Fresh Issue will be paid by us as consideration to our Promoters, our Director, Group Companies, associates or Key Management Personnel.

BASIS FOR ISSUE PRICE

The Issue Price has been determined by the Company in consultation with the GCs and the BRLM on the basis of assessment of market demand by the Book Building Process and on the basis of the following qualitative and quantitative factors for the Equity Shares. The face value of the Equity Shares is Rs.10 each and the Issue Price is 24 times the face value of the Equity Shares. Investors should review the entire Prospectus, including the sections "Risk Factors", "Industry Overview", "Our Business" and "Financial Information " beginning on pages xv, 55, 69 and 204, respectively, of the Prospectus to get a more informed view before making an investment decision.

Qualitative Factors

For a detailed discussion on the qualitative factors, which form the basis for computing the price, please refer to the sections titled "Our Business" and "Risk Factors" on pages 69 and xv respectively of this Prospectus.

Quantitative factors

Information presented in this section is derived from the Company's audited, standalone and consolidated restated financial statements for the financial years ended 2007, 2008 and 2009, prepared in accordance with Indian GAAP and the SEBI ICDR Regulations. Some of the quantitative factors, which form the basis for computing the price, are as follows:

1. **Weighted average earnings per share ("EPS") (basic and diluted) on a stand-alone basis**

Financial Period	EPS (Rs.)	Weight
Financial Year 2007	(17.15)	1
Financial Year 2008	(4.94)	2
Financial Year 2009	(7.21)	2
Weighted Average	(8.29)	

For six months ended September 30, 2009, our EPS, on stand-alone basis, was Rs.(4.12).

Weighted average earnings per share ("EPS") on a fully diluted consolidated basis

Financial Period	EPS (Rs.)	Weight
Financial Year 2007	(19.71)	1
Financial Year 2008	(6.07)	2
Financial Year 2009	(5.63)	2
Weighted Average	(8.62)	

For six months ended September 30, 2009, our EPS, on fully diluted consolidated basis, was Rs.(3.45).

Weighted average earnings per share ("EPS") on a consolidated basis

Financial Period	EPS (Rs.)	Weight
Financial Year 2007	(19.71)	1
Financial Year 2008	(6.07)	2
Financial Year 2009	(5.63)	2
Weighted Average	(8.62)	

For six months ended September 30, 2009, our EPS, on consolidated basis, was Rs.(3.45).

Notes

(i) The figures disclosed above are based on the Restated Summary Statements of the Company.

(ii) Earnings per share calculations are done in accordance with Accounting Standard 20 'Earning per Share' issued by the Institute of Chartered Accountants of India.

(iii) Weighted Average number of equity shares is the number of Equity Shares outstanding at the beginning of the year/period adjusted by the number of Equity Shares issued during year/period multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific Shares are outstanding as a proportion of total number of days during the year.

(iv) For the purpose of calculating diluted earnings per share for the years ended March 31, 2007 the weighted average number of Equity Shares are adjusted for the Equity Shares disclosed under the Share Capital Suspense Account.

(v) As per the requirements of the Accounting Standard 20 'Earning per share', the weighted average number of equity shares and potential equity shares outstanding during the year/period and all periods presented are adjusted for issue of 74,23,68,740 bonus Equity Shares of Re. 1 each issued by the Company in October 25, 2007.

(vi) The above statement should be read with Significant Accounting Policies and the Notes to the Restated Unconsolidated Summary Statements as appearing in Annexure IV beginning on page F-53 of this Prospectus.

Particulars	Issue Price of Rs. 240 per Equity Share
Based on the restated consolidated EPS for FY 2009	
- Standalone	NM
- Consolidated	NM
Based on the restated EPS for FY 2008	
- Standalone	NM
- Consolidated	NM

NM - Not meaningful

2. Price/earnings (P/E) ratio on a consolidated basis

- Based on the financial year ended March 31, 2009, EPS is Rs.(5.63)
- P/E based on the financial year ended March 31, 2009, EPS is Rs. NM at the Issue Price.
- Industry P/E*
  a) Highest: 37.3
  b) Lowest: 17.22
  c) Average: 27.3

Source: "Capital Market"Vol. XXIV/24 dated December 28, 2009 to January 10, 2010.

Weighted average return on net worth on a stand-alone basis *

Financial Period	Return on net worth (RoNW)%	Weight
Financial Year 2007	(35.83)%	1
Financial Year 2008	(15.48)%	2
Financial Year 2009	(30.05)%	2
Weighted Average	(25.38)%	

Weighted average return on net worth on a consolidated basis *

Financial Period	Return on net worth (RoNW)%	Weight
Financial Year 2007	(45.39)%	1
Financial Year 2008	(20.57)%	2
Financial Year 2009	(24.31)%	2
Weighted Average	(27.03)%	

** Net worth has been computed by aggregating share capital, reserves and surplus and adjusting for revaluation reserves, and deferred tax assets as per our restated audited financial statements.*

Minimum return on increased net worth required to maintain pre-Issue EPS is NM. The minimum return on increased net worth required to maintain pre-Issue EPS is not meaningful as the Fiscal 2009 EPS was negative.

3. NAV per Equity Share

NAV per equity share on a consolidated basis represents shareholders' equity less miscellaneous expenses as divided by the weighted average number of Equity Shares. The NAV per Equity Share as of March 31, 2009 was Rs.23.18.

NAV per Equity Share after the Issue

The NAV per Equity Share after the Issue is Rs.65.69.

The Issue Price per Equity Share is Rs.240.

4. Comparison of accounting ratios as of March 31, 2009

	Face Value (Rs.)	EPS (Rs.)	P/E Multiple	RoNW%	Book Value per Share (Rs.)
Hathway Cable & Datacom Limited*	10	(5.63)	NM	(24.31)%	23.18
Peer Group**					
Sun TV Network	5	10.4	27.6	26.8%	45.5
Zee Entertainment	1	6.8	37.3	13.9%	54.0
NDTV	4	NM	NM	NM	21.2
IBN18	2	NM	NM	NM	18.2
Dish TV	1	NM	NM	NM	(6.3)
Wire & Wireless (India) Limited	1	NM	NM	NM	5.3

** Our EPS, return on net worth and book value per share have been calculated from our consolidated restated financial statements on diluted basis.*
*** Source: "Capital Market"Vol. XXIV/24 dated December 28, 2009 - January 10, 2010.*

For further details, see the section titled "Risk Factors" on page xv of this Prospectus and the section titled "Financial Statements" beginning on page 204 of this Prospectus.

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO HATHWAY CABLE & DATACOM LTD AND ITS SHAREHOLDERS

(A) Benefits to the Company under the Income-Tax Act, 1961 ("the Act")

1. Under section 10(2A) of the Act, any share of profit of the Company in the total Income of the Firm in which the Company is a partner is exempt from tax.

2. Under section 10(34) of the Act, any income by way of dividends referred to in section 115 O of the Act (i.e. dividends declared, distributed or paid by domestic companies) received on the shares held in such domestic company is exempt from tax.

3. Under section 10(35) of the Act, any income received from units of a Mutual Fund specified under section 10(23D) of the Act, is exempt from tax.

4. Under section 10(38) of the Act, any long-term capital gains arising to the Company from transfer of long-term capital asset, being equity shares in a company or a unit of an equity oriented fund (i.e. if the shares or units are held for more than twelve months) would not be liable to tax in the hands of the Company , if the transaction of sale of such equity share or unit is chargeable to securities transaction tax. [However, such income will be in considered in computing Minimum Alternate Tax (MAT) under section 115JB of the Act.]

5. Provisions concerning expenditure incurred for exempt income

   Section 14A provides that no deduction shall be allowed in respect of expenditure incurred by the company in respect of income which does not form part of the total income under the Act.

6. Provision dealing with Business Income:

   (a) Depreciation (section 32 of the Act)

   The Company is entitled to claim depreciation on block of assets comprising specified tangible assets (being buildings, machinery, plant, furniture); and intangible assets (being knowhow, patents, copyrights, trademarks, 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.

   In the case of any new machinery or plant (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 depreciation of 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, can be carried forward & set off against any source of income in subsequent years in accordance with the provisions of the Act.

   (b) Preliminary Expenditure: (section 35D of the Act)

   As per Section 35D, the Company is eligible for deduction in respect of 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 years in accordance with provisions contained therein.

   (c) Carry forward of business loss (section 72 of the Act)

   Unabsorbed business losses, if any, for any year can be carried forward and set off against business profits for subsequent years (upto 8 years).

7. Under section 48 of the Act, if the investments in shares are sold after being held for not less than twelve months, the gains[other than covered under section 10(38) of the Act], if any, will be treated as long-term capital gains and the gains will be calculated by deducting from the gross consideration, the

indexed cost of acquisition. The indexed cost of acquisition/improvement adjusts the cost of acquisition/ improvement by the cost inflation index, as prescribed from time to time.

8. Under section 112 of the Act, long term capital gains, are subject to tax at a rate of 20% after indexation, as provided in the second proviso to section 48 of the Act. However, in case of listed securities or units, the amount of such tax could be limited to 10% without indexation benefit, at the option of the Company in cases where securities transaction tax is not levied.

9. Under section 54EC of the Act, and subject to the conditions and to the extent specified therein, long-term capital gains arising on the transfer of a long-term capital asset will be exempt from capital gains tax if the capital gains are invested in certain notified bonds (not exceeding Rs.50 lakhs in a financial year) within a period of six months after the date of such transfer. However, if the company transfers or converts the notified bonds into money (as stipulated therein) within a period of three years from the date of their acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long-term capital gains in the year in which the bonds are transferred or converted into money. The bonds specified for this section are bonds issued by the National Highways Authority of India (NHAI) and Rural Electrification corporation Limited (RECL).

10. Under section 111A of the Act, short-term capital gains (i.e., if the equity shares are held for a period not exceeding twelve months), arising on sale of equity shares are taxed at the rate of 15% in cases where securities transaction tax has been levied.

Short term capital gains realised on transfer of shares on which securities transaction tax has not been paid are taxable at the normal rates applicable.

11. Under section 115JAA(1A) of the Act, credit is allowed in respect of any `MAT' paid under section 115JB of the Act for any assessment year commencing on or after 1st April , 2006. Tax credit eligible to be carried forward will be the difference between MAT paid and the tax computed as per the normal provisions of the Act for that assessment year. Such MAT credit is allowed to be carried forward for set off purposes for up to 10 years succeeding the year in which the MAT credit becomes allowable.

(B) Benefits to the Shareholders of the Company under the Income-Tax Act, 1961:

Resident Shareholders

12. Under section 10(34) of the Act, any income by way of dividends referred to in section 115 O of the Act (i.e. dividends declared, distributed or paid) received on the shares of the Company is exempt from tax.

13 Under section 10(38) of the Act, any long term capital gains arising to a shareholder from transfer of long term capital asset being an equity share in a Company will not be liable to tax in the hands of the shareholder if the transaction of sale of such equity share is chargeable to securities transaction tax.[However, in case of corporate shareholders, such income will be considered in computing MAT].

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

15. Under section 36(xv) of the Act, securities transaction tax paid by a share holder in respect of the taxable securities transactions entered into in the course of his business, would be eligible for deduction in computing income under the head "Profit and gains of business or profession" arising from taxable securities transactions.

16. Under section 48 of the Act, if the Company's shares are sold after being held for more than twelve months, the gains (in cases not covered under section 10(38) of the Act), if any, will be treated as long term capital gains and the gains shall be calculated by deducting from the gross consideration, the indexed cost of acquisition. The indexed cost of acquisition / improvement adjusts the cost of acquisition / improvement by the cost inflation index, as prescribed from time to time.

17 Under section 112 of the Act, long-term capital gains are subject to tax at a rate of 20% after indexation as provided in the second proviso to section 48. However, in case of listed securities or units the

amount of such tax could be limited to 10% without indexation benefit, at the option of the shareholder, in cases where securities transaction tax is not levied.

In case of an individual or a HUF, being a resident, where the total income as reduced by such long term capital gains is below the maximum amount, which is not chargeable to income tax, then, such long term capital gain shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the tax on the balance of such long term capital gains shall be computed at the rate of 20% after claiming indexation benefit./or at the rate of 10% without claiming indexation benefit.

18 Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains arising on the transfer of a long term capital asset will be exempt from capital gains tax if the capital gains are invested in certain notified bonds (not exceeding Rs.50 lakhs in a financial year) within a period of six months after the date of such transfer. However, if the holder transfers or converts the notified bonds into money (as stipulated therein) 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 bonds are transferred or converted into money. The bonds specified for this section are bonds issued by National Highway Authority of India (NHAI) and Rural Electrification Corporation Limited (RECL).

19. Under section 54F of the Act, long term capital gains (in cases not covered under section 10(38) of the Act) arising to an individual or Hindu Undivided Family (`HUF) on transfer of shares of the company will be exempt from tax, if the net consideration from such shares is used for purchase of residential house property within a period of one year before and two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. This is subject to certain conditions contained in the said section.

20. Under section 111A of the Act, short-term capital gains (i.e. if equity shares are held for a period not exceeding twelve months) arising on transfer of an equity share, are taxed at the rate of 15% in cases where securities transaction tax has been levied.

In case of an individual or a HUF, being a resident, where the total income as reduced by such short term capital gains is below the maximum amount, which is not chargeable to income tax, then, such short term capital gain shall be reduced by the amount by which the total income as so reduced falls short of the maximum amount which is not chargeable to income tax and the tax on the balance of such short term capital gains shall be computed at the rate of 15%.

Short term capital gains realised on transfer of shares on which securities transaction tax has not been paid are taxable at the normal applicable rates.

Any Income received by any person for or an behalf of the New Pension System Trust established on 27/02/2008, under the Indian Trust Act, 1882 (2 of 1882) is exempt from tax and is also not liable for Dividend Distribution Tax and Security Transaction Tax.

Non-Resident Indians / Non Residents Shareholders (Other than FIIs and Foreign venture capital investors)

21. Under section 10(34) of the Act, any income by way of dividends referred to in section 115 O of the Act (i.e. dividends declared, distributed or paid) received by a non-resident Indian shareholder (i.e. an individual being a citizen of India or person of Indian origin who is not a `resident') on the shares of the company is exempt from tax.

22. Under section 10(38) of the Act, any long term capital gains arising to a shareholder from transfer of long term capital asset being an equity share in a company or a unit of an equity oriented fund would not be liable to tax in the hands of the shareholder if the transaction of sale of such equity share is chargeable to securities transaction tax.

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

24. Under section 36(xv) of the Act, the securities transaction tax paid by the shareholder in respect of the taxable securities transactions entered into in the course of his business would be eligible for deduction from income chargeable under the head "Profit and gains of business or profession" arising from taxable securities transactions.

25. Under section 54EC of the Act and subject to the conditions and to the extent specified therein, long-term capital gains arising on the transfer of a long term capital asset will be exempt from capital gains tax if the capital gains are invested in certain notified bonds (not exceeding Rs.50 lakhs in a financial year) within a period of six months after the date of such transfer. However, if the holder transfers or converts the notified bonds into money (as stipulated therein) 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 bonds are transferred or converted into money. The bonds specified for this section are bonds issued by the NHAI and RECL.

26. Under section 54F of the Act, long-term capital gains arising to an individual or HUF on transfer of shares of the Company will be exempt from tax, if the net consideration from such shares is used for purchase of residential house property within a period of one year before and two years after the date on which the transfer took place or for construction of residential house property within a period of three years after the date of transfer. This is subject to certain condition contained in the said section.

27. Under section 111A of the Act, short-term capital gains (i.e. if the equity shares are held for a period not exceeding twelve months) arising on sale of listed equity shares are taxed at the rate of 15% in cases where securities transaction tax has been levied.

28. Under section 112 of the Act, long-term capital gains (i.e. if shares are held for a period exceeding twelve months), arising on transfer of shares in the Company, shall be taxed at a rate of 20%.

29. Under section 115 I of the Act, non-resident Indian shareholder (as defined therein) has an option to be governed by the provisions of Chapter XIIA of the Act, viz. "Special Provisions Relating to Certain incomes of Non-Residents" which interalia includes the following:-

a) Under the provisions of section 115F of the Act, long-term capital gains arising to a Non-Resident Indian from the transfer of shares of the Company subscribed to in convertible foreign exchange shall be exempt from Income tax, if the net consideration is reinvested in specified assets within six months of the date of transfer. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently, if the specified assets are transferred or converted into money within three years from the date of their acquisition.

b) Under section 115E of the Act, where the total income of a non-resident Indian includes any income from investment or income from long term capital gains of an asset, other than a specified asset, such income shall be taxed at a concessional rate of 20 percent. Also, where shares in the company are subscribed to in convertible foreign exchange by a non-resident Indian, long term capital gains arising to the non resident Indian shall be taxed at a concessional rate of 10 per cent. The benefit of indexation of cost would not be available.

c) Under provisions of section 115G of the Act, Non-Resident Indians are not required to file a return of income under section 139(1) of the Act, if their only income is income from foreign exchange asset investments or long term capital gains in respect of those assets or both, provided tax has been deducted at source from such income as per the provisions of Chapter XVII-B of the Act.

d) Under section 115H of the Act, where the 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 Act to the effect that the provisions of the Chapter XIIA shall continue to apply to him in relation to certain specified investment income derived from the specified assets for that year and subsequent assessment years until such assets are converted into money.

30. Under section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the double tax avoidance agreement (`tax treaty') entered between India and the country of fiscal domicile

of the non-resident, if any, to the extent they are more beneficial to the non-resident. Thus, a non-resident (including NRIs) can opt to be governed by the provisions of the Act or the applicable tax treaty, whichever are more beneficial.

Foreign Institutional Investors (FIIs)

31. In terms of section 10(34) of the Act, any income by way of dividends referred to in section 115O of the Act (i.e.dividends declared, distributed or paid) received on the shares of the company is exempt from tax.

32. In terms of section 10(38) of the Act, any long term capital gains arising to an investor from transfer of long-term capital asset being an equity share in a company or a unit of an equity oriented fund would not be liable to tax in the hands of the investor if the transaction of sale of such equity share is chargeable to securities transaction tax.

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

34. In terms of section 36(xv) of the Act, the securities transaction tax paid by the shareholder in respect of taxable securities transactions entered into in the course of his business would be eligible for deduction from income chargeable under the head "Profits and gains of business or profession" arising from such taxable securities transactions.

35. The income by way of short-term capital gains / long-term capital gains realized by FIIs on sale of shares (held as investments) in the company (other than covered under section 10(38) of the Act) would be taxed at 30% / 10% respectively, as per section 115AD of the Act. (However, in respect of short term capital gains referred to in section 111A, the tax rate applicable will be 15%. The benefit of indexation and foreign currency fluctuation protection as provided by section 48 of the Act are not applicable to FIIs.)

36. Under section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the tax treaty to the extent they are more beneficial to the non-resident. Thus, a non-resident, including FIIs can opt to be governed by the provisions of the Act or the applicable tax treaty, whichever are more beneficial.

Venture Capital Companies/Funds

37. Under section 10(23FB) of the Act, all venture capital companies / funds registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on their income from investment in specific venture capital undertakings including dividend from and income from sale of shares of the company where investments are made in Specified Venture capital undertakings.

Mutual Funds

38. Under section 10(23D) of the Act, any income of Mutual Funds set up by Public Sector Banks or Public Financial Institutions or Mutual Funds registered under the Securities and Exchange Board of India Act, 1992 or regulations made there under or Mutual Funds authorized by the Reserve Bank of India, subject to the conditions specified , would be exempt from income tax.

(C) Benefits to shareholders of the company under the Wealth Tax Act, 1957

39. Shares of the Company held by the shareholder will not be treated as an asset within the meaning of section 2(ea) of Wealth Tax Act, 1957. Hence, shares are not liable to wealth tax.

(D) Benefits to shareholders of the company under the Gift Tax Act, 1958

40. The Gift Tax Act, 1958 is now abolished. Gift made is not liable for any gift tax, and hence, gift of shares of the Company would not be liable to any gift tax.

However, as per the provisions of section 2(24) read with section 56(2)(vii) of the Act, where an Individual or HUF receives in a year from any person or persons ,

(a) any sum of money, without consideration, the aggregate value of which exceeds fifty thousand rupees, the whole of the aggregate value of such sum;

(b) any immovable property,

(i) without consideration, the stamp duty value of which exceeds fifty thousand rupees, the stamp duty value of such property;

(ii) for a consideration which is less than the stamp duty value of the property by an amount exceeding fifty thousand rupees, the stamp duty value of such property as exceeds such consideration;

(c) any property, other than immovable property,

(i) without consideration, the aggregate fair market value of which exceeds fifty thousand rupees, the whole of the aggregate fair market value of such property;

(ii) for a consideration which is less than the aggregate fair market value of the property by an amount exceeding fifty thousand rupees, the aggregate fair market value of such property as exceeds such consideration

the same would be considered as income of such individual or HUF. The term "any property" also includes shares and securities.

There are some exceptions to this provision:

(i) amount received from any relative;
(ii) amount received on the occasion of the marriage of the individual;
(iii) amount received under a will or by way of inheritance;
(iv) amount received in contemplation of death of the payer;
(v) amount received from any local authority as defined in the Explanation to clause (20) of section 10 of the Act;
(vi) amount received from any fund or foundation or university or other educational institution or hospital or other medical institution or any trust or institution referred to in clause (23C) of section 10 of the Act;
(vii) amount received from any trust or institution registered under section 12AA of the Act.

Notes:

1. All the above benefits are as per the current tax law as amended by the Finance (No.2) Act, 2009. Many of these benefits are subject to the Company and the Shareholders complying with various conditions specified in the relevant tax laws.

2. All the rates of tax mentioned above are subject to applicable surcharge and education cess.

3. The above Statement of possible tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or list of all potential tax consequences. This is not an opinion or assurance that the Company and/or shareholders will be eligible for any of the tax benefits.

4. The stated benefits will be available only to the sole / First named holder in case the share is held by joint holders.

5. 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 Agreements, if any, between India and the country in which the non-resident has fiscal domicile.

6. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her investments in the Company.

For M/s.**G. M. KAPADIA & CO.**
Chartered Accountants

(Ashwin Damania)
Partner
Membership No.38976
Firm Registration No.-104767W

Mumbai
Dated: January 14, 2010

SECTION IV: ABOUT US

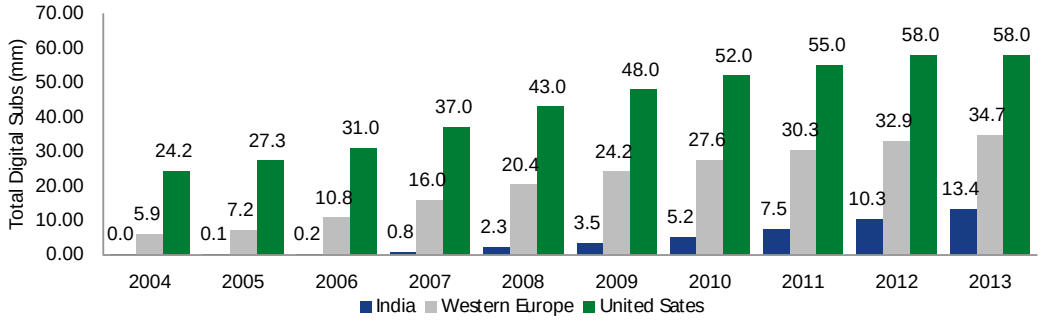
INDUSTRY OVERVIEW

Unless noted otherwise, the information in this section is derived from MPA Report and other industry sources as well as government publications. None of the Company, the GCs and the BRLM and any other person connected with the Issue has independently verified this information. Industry sources and publications generally state that the information contained therein has been obtained from sources believed to be reliable, but their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors should not place undue reliance on this information.

Global Cable Television Industry Comparison

Compared to cable industry in the United States and Europe, cable TV in India is at a nascent stage. Cable has developed strongly in Europe and the United States over the last decade even after reaching saturation levels by 2003. Conversion of subscribers from analog to digital services was a key driver enabling this growth. Digitization helped by adding subscriber addressability. The subscriber base in the United States, Canada and Europe experienced rapid transition from analog to digital starting in 2004.

Digital Cable TV Subscribers



Source: PricewaterhouseCoopers Global Media and Entertainment outlook 2009-2013

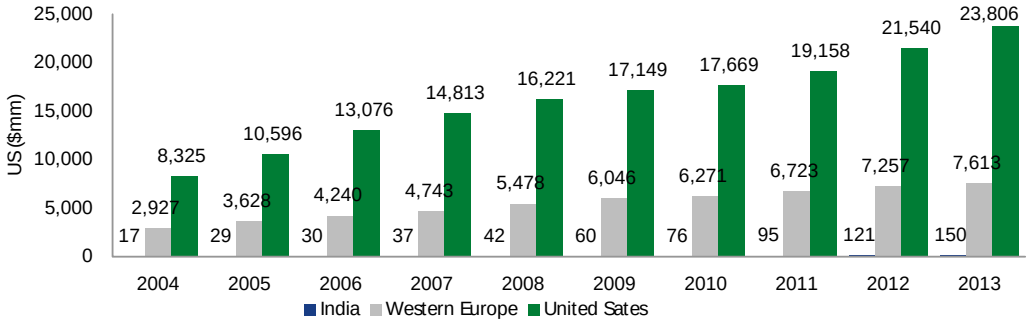
Approximately 65% of cable TV households in the USA subscribe to a digital cable package. Digital cable packages typically offer hundreds of additional cable channels and access to advanced video services such as Video on Demand, High-Definition TV and an Interactive Program Guide. The increased penetration levels of digital cable over the past several years has boosted average video monthly ARPU by $10-$15 as customers pay a premium for a more robust product offering.

Cable telephony – Cable telephony has been one of the biggest drivers of growth for cable operators, with major US operators now accounting for 20% penetration in USA. Cable Operators deliver VoIP telephone services to over 100 million households, with 20.5 million households subscribing to the service as of March 2009. Digital phone service revenue has grown from $0 in 2002 to over $6 billion in 2008. Corresponding figures are almost non-existent for the Indian market. We believe that this signifies the potential for growth in such services.

Cable broadband - In USA alone, over 35mm households subscribe to cable broadband. From 2002 to 2008 High Speed Digital (HSD) subscribers grew at a CAGR of 20.4%, becoming one of cable's most successful product offerings.

Digital/Personal Video Recorders (DVR/PVR) - Digital/Personal Video Recorders, which are built directly into cable set-top boxes, allow subscribers to record a live program and playback at a later date (time-shifting) using their cable remote control. As a result of PVRs simplicity and functionality, the product

is extremely popular among digital cable subscribers. In USA, cable operators generally rent PVR boxes to subscribers at an incremental rate of $5-$10 per month, so an increase in PVR subscribers directly translates to higher ARPU. The US and European markets have responded favorably to this product, leading to increase in subscribers. The PVR market is at a nascent stage in India with a few leading cable operators beginning to offer the product in selective markets.

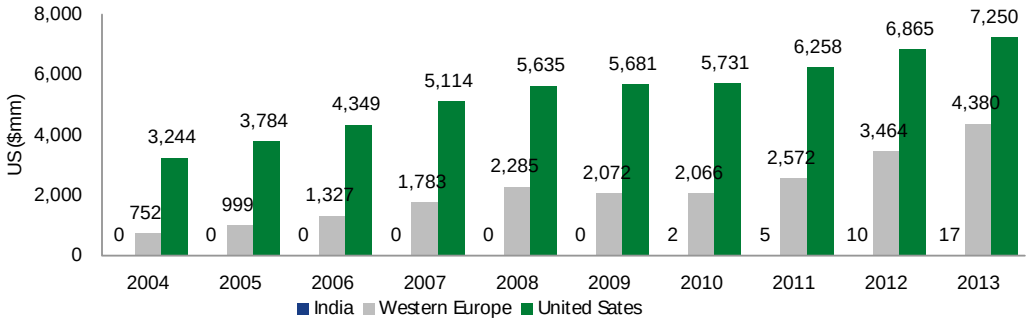


Source: PricewaterhouseCoopers, Media Partners Asia research and Wall Street research

Pay per View ("PPV") and Video on Demand ("VOD")

In USA and Europe, PPV and VOD have been major contributors to growth of MSOs, with the market experiencing 12% and 22% growth between 2004 to 2009, for USA and Europe, respectively, with 6% and 20% growth expected between 2009 – 2013, for USA and Europe, respectively.

Cable Operators offer PPV and VOD programming such as movies, events and sports packages to digital cable subscribers on an a la carte fee basis. Revenues from PPV and VOD continue to grow, primarily driven by increased VOD access and capabilities. As VOD usage continues to become more common, we expect VOD to be an important contributor to future video revenue growth and subscriber retention in any market. PPV or VOD market in India is in early stages, and is expected to grow eight fold between 2010 to 2013.



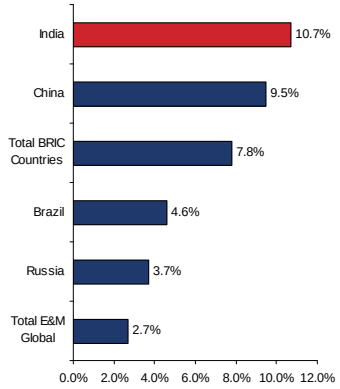
Source: PricewaterhouseCoopers and Media Partners Asia research

This digital transition which has helped fuel growth in USA and Europe over the last decade is yet to take place in India as evidenced by relatively small number of digital subscribers compared to these developed markets. This uniquely positions Indian cable television companies to take advantage of growth in both (a) subscribers and (b) evolution of new value added services.

Indian Entertainment & Media Industry Growth

The Indian Media & Entertainment Industry offers attractive growth potential compared to both developed and other emerging markets. The 10.7% growth projected for the Indian market in 2009-2013, far outpaces the Median & Entertainment industry globally and in other emerging markets such as Brazil, Russia and China.

Indian Entertainment & Media Industry Outlook



Source: PricewaterhouseCoopers Indian Media Outlook 2009

India's Television Industry

		2007	2008	2009	2010	2011	2012	2013	2014	2015
TV Homes	(mn)	122.2	129.3	136.4	142.4	147.6	151.9	155.3	158.3	160.8
Pay-TV Subs	(mn)	81.8	94.2	104.9	114.2	122.4	129.6	135.9	141.5	146.4
Cable	(mn)	78.2	83.1	87.0	90.4	93.1	95.2	97.2	99.1	100.8
DTH	(mn)	3.6	11.1	17.9	23.7	28.9	33.7	37.6	40.9	43.6
IPTV	(mn)	-	-	0.1	0.2	0.4	0.7	1.1	1.6	1.9
Net New Pay-TV Subs	(mn)	9.4	12.5	10.7	9.3	8.2	7.1	6.3	5.7	4.8
Avg. Pay-TV Subs	(mn)	-	88	100	110	118	126	133	139	144
Pay-TV Pen./TVHH	(%)	66.9%	72.9%	77.0%	80.2%	82.9%	85.3%	87.5%	89.4%	91.0%
Pay-TV ARPU	(US$)	3.7	3.9	4.0	4.2	4.4	4.7	5.0	5.4	5.9
Digital Subs	(mn)	4.4	13.4	20.7	28.8	37.1	45.3	52.3	58.9	64.6
Cable	(mn)	0.8	2.3	2.8	4.9	7.8	10.9	13.6	16.4	19.1
DTH	(mn)	3.6	11.1	17.9	23.7	28.9	33.7	37.6	40.9	43.6
IPTV	(mn)	-	-	0.1	0.2	0.4	0.7	1.1	1.6	1.9
Net New Digital Subs	(mn)	3.1	9.0	7.3	8.1	8.3	8.2	7.0	6.6	5.8
Digital Pen./TVHH	(%)	3.6%	10.4%	15.2%	20.2%	25.1%	29.8%	33.7%	37.2%	40.2%
Digital Pen./Pay Subs	(%)	5.4%	14.3%	19.7%	25.2%	30.3%	35.0%	38.5%	41.6%	44.2%
Pay-TV Sub Revenue	(US$ bn)	3.4	4.1	4.8	5.5	6.2	7.1	8.0	9.0	10.2
Pay-TV Ad Revenue	(US$ bn)	1.5	1.7	1.8	2.0	2.3	2.6	2.9	3.2	3.6
Total Pay-TV Revenue	(US$ bn)	4.9	5.8	6.6	7.5	8.5	9.7	10.8	12.2	13.8

Source: Media Partners Asia

As of December 31, 2009, approximately 136 million households in India had television sets, with approximately 105 million of those households being cable and satellite ("**C&S**") households. The penetration of total households in India having television sets is approximately 56.4% as compared to 46.93% in 2003. This translates into growth of 9.5% 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 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 December 31, 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). The private television network – which primarily comprise cable television networks, DTH networks primarily carry C&S channels. Doordarshan ("**DD**"), the Government owned channel is available on both the terrestrial network as well as the private television network.

Television Distribution Industry

The distribution of TV channels into Indian households occurs primarily through three delivery networks: (1) terrestrial TV; (2) cable TV; and (3) DTH satellite TV. Exhibit 3 summarizes key aspects of these three distribution networks. More recently, Internet protocol-based TV services have been distributed over ADSL and fibre enabled telecoms networks but these services are only available in select cities at present have a very small user base in aggregate.

Summary of TV Distribution Networks

Network	Infrastructure	Reach (mn)	Major Providers	Subscriber Fees
Terrestrial	TV Towers	129	Doordarshan	No
Cable TV	Satellite antenna and	83	60,000 LCOs;	Yes
	fibre coax		10 MSOs incl.	
			Hathway	
DTH Satellite	Ku-band satellites	11	Doordarshan	Yes*
			Dish TV	
			Tata Sky	
			Sun Direct	
			Reliance Big TV	
			Bharti	

* The exception is Doordarshan, which provides a free-to-air DTH service branded DD Direct Plus

Source: Telecom Regulatory Authority of India, Media Partners Asia

Terrestrial TV

The sole terrestrial broadcaster in India remains the national public broadcaster, DD, which since 1997 has been run by Prasar Bharati (the Broadcasting Corporation of India), under the supervision of the Government of India.

Competition to DD started in the early 1990s due to growth of cable TV. DD originally focused on educational and cultural content to promote socio-economic development. In response to competition, however, DD has carried more entertainment, news, and sports, primarily on its DD National channel. DD operates 30 TV channels. DD's two main channels are DD National and DD Metro. DD also

distributes its channels free-of-charge to the consumer over a satellite DTH platform, under the brand name DD Direct Plus.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

India's cable television industry has grown rapidly since its inception almost twenty years ago, spurred by entrepreneurship and innovation from distribution platforms and content providers. Cable television is now established as a mass medium for entertainment and information, available in more than 80 million consumer households across India. This represents 64 per cent of television-owning homes in the country. As Exhibit 1 indicates, India remains the second largest market for cable television in the world, trailing only China in terms of subscriber mass, and is amongst the highest in the world in terms of subscriber penetration.

Exhibit 1: Cable TV Subscribers and Penetration, Leading Global Markets

As of December 31, 2008 (in millions of subscribers and % of television homes):

MARKET	CABLE TV SUBSCRIBERS	MARKET	CABLE TV PENETRATION
China	160.2	Korea	83%
India	**83.1**	Taiwan	81%
USA	63.7	**India**	**64%**
Korea	15.3	USA	63%
Japan	6.9	Canada	60%
Canada	7.9	China	39%
Taiwan	5.6	Japan	14%
UK	3.3	UK	13%

Source: Media Partners Asia

According to the MPA Report, Cable TV will continue to be India's dominant platform for pay TV distribution. 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. The India cable industry has grown from a highly fragmented industry to a more organized industry with establishment of larger cable television operators.

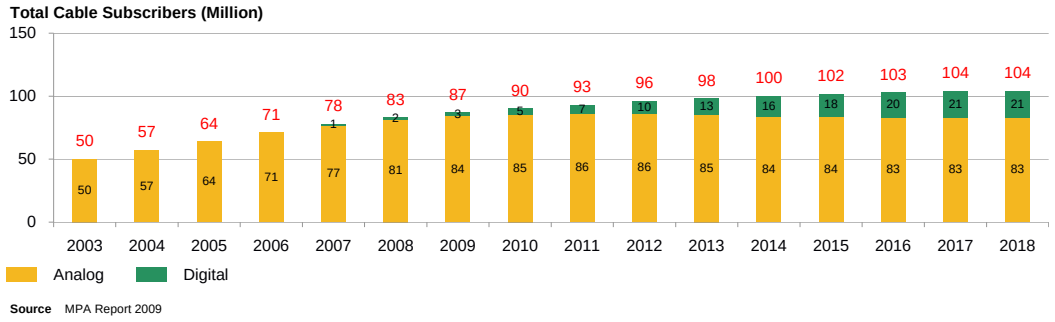
Cable television signals can be transmitted in either analog or digital form. Analog is a signal sent as a continuous stream of information. Digital signals are sent in discrete packets that are less susceptible to both noise and loss during data transfer.

Most of the cable television distribution networks currently deliver television channels in analog mode to subscribers. According to the MPA Report, cable households numbered more than 83 million at the end of 2008 equivalent to 64% penetration of TV homes with analog users at approximately 81 million and digital subscribers close to two million.

Cable television industry sales have been growing at an average annual rate of 15% over the past five years. As of December 31, 2008, the Indian cable TV industry generated an approximate turnover of Rs230 billion or US$5.3 billion: Rs.151 billion derived from the distribution of television content over analogue cable networks; a Rs.4 billion from the distribution of television programming over addressable digital cable networks; and Rs.75 billion from cable television advertising sales (Source: Media Partners Asia, Asia Pacific Pay-TV & Broadband Markets 2009).

In recent years, the cable industry has added net new TV subscribers of approximately 6 to 7 million per annum. Going forward, organic growth is likely to slow to about 3 to 4 million as cable operators increasingly focus on transitioning and upgrading the existing analogue critical cable subscriber mass of 80 million homes to digital as well as boosting growth, revenues and profitability through acquisitions of primary last mile cable distribution networks and the rollout of broadband services. (Source: Media Partners Asia, Asia Pacific Pay-TV & Broadband Markets 2009)

The following chart sets forth the historic and projected number of cable subscriber households in India as a whole and for the analog and digital segments for the period 2003 through 2018 in millions:



Source MPA Report 2009

Competition from emerging digital direct-to-home or "DTH" satellite pay-TV networks, which have grown in scale over the past five years and had more than 11 million subscribers at the end of 2008, is another key trend in the Indian cable television industry. Concurrently, due to continued growth of the national economy grow in real terms and rising household incomes resulting in further enhanced affordability, there is increasing consumer demand for more entertainment and information services from television distribution networks and communications platforms.

To benefit from this demand upswing, incumbent cable operators are investing to upgrade existing distribution infrastructure and technology by quickening the deployment of digital set-top boxes ("**STBs**"), consolidating last mile networks and offering new broadband and interactive services.

The deployment of digital cable TV provides an addressable distribution framework for the industry, leading to better average revenue per customer or "ARPU", more equitable revenue sharing arrangements within the industry value chain, less piracy and a platform for the growth of pay channel services and value added interactive services, including video-on-demand ("**VOD**"), and digital video recorders ("**DVRs**"). At the same time, having made investments in two-way enabled broadband digital infrastructure, cable operators are gradually rolling out high speed Internet access at an attractive incremental cost, often bundled with existing cable television services, to grow consumer offerings, increase yields and boost profit margins. This gradual structural transformation is similar to what has already been witnessed in developed markets such as USA and Europe.

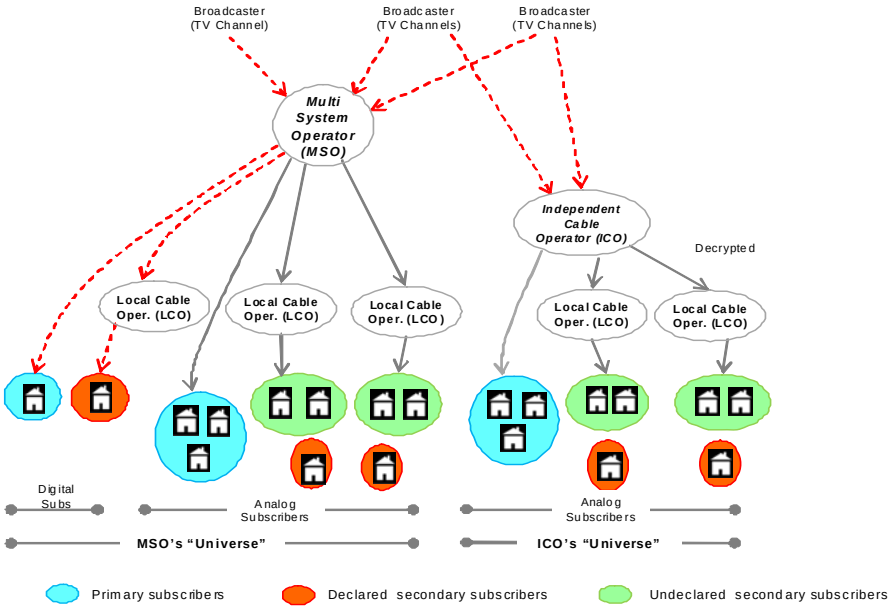
Operation of Cable Television

The cable television distribution business primarily comprises LCOs and MSOs:

1. The Multi System Operator or MSOs: MSOs are entities, which operate on several head-ends across various regions of the country and directly download content from the broadcasters and transmit the same to LCOs or directly to subscribers.

2. Local Cable Operators (LCOs): LCOs are local operators operating in specific areas of a city. Generally, LCOs do not own head-ends but download services from MSOs and provide the "last mile connection" to the MSOs. The operation of the cable television business by the operators is either on a primary basis (i.e the operator provides directly to the end subscribers) or on secondary basis (i.e the operator relies on a LCO for the "last mile connection"). A diagrammatic representation of the cable television business is set out below:

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: Hathway; DEN; InCable; Wired and Wireless (India); and Digicable. (Source: *MPA Report*).

- MSOs remain the corporate link in the distribution chain, negotiating agreements with channel providers as well as investing in digital head-ends and STBs

- MSOs reach 45 million cable homes more than 50% of the national base

- Last mile consolidation (through acquisition/partnership/JV with LCO) and digitization is expected to reduce revenue leakage and give higher percentage of subscription revenue to MSOs and broadcasters

- Placement/Carriage fees paid by broadcasters to MSOs to carry their channels on their preferred signal and frequency band

The MSOs receive the broadcasters' signals and transmit the broadcasted signals to the LCOs for a fee, which is typically based on the number of subscribers (agreed between the MSO and LCO) receiving the signals through each LCO. However, the lack of a proper subscriber management system has resulted in under-reporting of subscriber numbers by LCOs. Consequently, in the some situations where the MSOs access their customers through LCOs, a significant portion of the actual subscription revenues is taken by the LCOs. The anticipated growth of digital cable, wherein such underreporting is not possible, is expected to result in a higher percentage of subscription revenues being payable to MSOs and broadcasters.

Further, MSOs may have access to channel bandwidth on head ends that they operate and may use these channels to transmit an "own brand" channels and other value added services. 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. MSOs also play a large role in determining channel mix in a channel bouquet that is offered to subscribers.

Local Cable Operators

LCOs are typically local operators who operate in specific areas within a town or city and whose operations are restricted to a that particular areacertain. LCOs manage a limited number of subscribers covered in such

area. LCOs receive their signals from MSOs for onward transmission to the subscribers. The subscription fees payed by the subscriber to the LCOs one shared with MSOs that transmit signals to the LCOs. LCOs act as franchisees to MSOs, providing the "last mile connection" to the MSOs. Therefore while the subscriber belongs to the LCO, the signal being provided to the subscribers is that of the MSO For digital cable, LCOs would necessarily have to provide to its subscribers the set-top boxes provided by the MSOs There are approximately 60,000 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*)

Digital Cable

Digital cable can either be voluntary or mandatory. In digital cable television, the MSO downlinks the broadcasters' data and transmits it to the set-top box of the ultimate subscriber through the last mile connection of the LCOs. The set-top boxes decrypt the encrypted data allowing the subscriber to view the channels and allowing the MSO to understand accurately the exact number of customers. Set-top boxes are provided by cable operators typically as a purchase or on a lease rent basis. In 2003, the Government introduced CAS as a measure of implementing compulsory digital cable TV service.

As per the MPA Report, in 2010 out of the estimated 114 million connected households (a household with cable television network, DTH, IP-TV or any other form of connectivity other than terrestrial), digital plaforms will have a market share of approximately 25 percent, or 29 million subscribers.

Digital Cable Offerings

The digital offerings can be split into :

Basic : These will be benchmarked at the analog cable prices and the offerings will include the current free to air channels the most popular general entertainment channels and few genre specific channels like news, children and themed channels to complete the bouquet.

Premium: The mass entertainment, films, sports and other channels which have a significant consumer pull in select consumer segments will be offered as the premium. The channel content combined with the operators ability to bundle them attractively will determine the pace of conversion from analog to digital basic and from digital basic to digital premium subscribers.

Value-added services: These will include pay-per view of new films, specific events, interactive content like gaming, video-on-demand and educational programmes.

Benefits of Digitization

Better quality picture and sound: Digital cable television, with superior digital 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.

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: Digitization also enables encryption of content, which helps to prevent unauthorized viewing of the content by persons who are not subscribers to digital cable and means that is much more difficult for LCOs to under report the number of subscribers. Digital cable enables MSOs to seed set-top-boxes in customer premises and reduces the possibility of churn of subscribers and also reduces the possibility of under declaration for subscribers by LCOs.

Accurate viewership data: Digitization provides accurate data on viewership. This brings transparency not only to the revenue sharing process between the MSOs and the LCOs, but also to the process by which advertising revenue is determined.

"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

CAS essentially refers to digital set-top boxes with conditional access software that permits the cable operator to distribute pay television channel 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. 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 introduction of Government-mandated CAS in Chennai and certain prescribed zones in Mumbai, Delhi and Kolkata means that subscribers would need a set-top-box to view pay C&S channels but could view FTA channels for a fixed price.

In April 2006, TRAI announced a plan for digitization 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. TRAI also implemented a series of additional measures primarily aimed at minimising revenue leakages through increased transparency in reporting of subscriber numbers and promoting digitization in the distribution industry. For further details, see "Regulations and Policies in India" on page 93.

Due to the benefits resulting from digitization, MSOs have seen an opportunity to pursue voluntary CAS in urban areas in which they operate as a way to encourage digitization of their cable services. Digitization 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 52 million cable households in India could be digital by 2013. (*MPA Report*)

DTH Satellite Television

DTH satellite television, which was introduced in India in 2003, utilizes 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).

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 and infrastructure is being built to support it on a wider scale.

Revenue Drivers for the Cable TV Industry

Revenue primarily consists of subscription revenue, advertisement revenue, placement revenue and broadband revenue

Cable TV subscription fees

Subscription fees is the revenue earned by MSOs Out of the total current revenues of Rs.139 billion, subscription contributed 53 percent. Primary operators receive the subscription from the subscribers and

share it with broadcasters. However, in secondary network, the subscription fee is shared between the LCOs and the MSOs and ultimately the broadcaster. The following chart illustrates the historical and projected growth of subscription revenues over the period 2003 through 2018

US$ mn	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Subscription Revenues																
Analog Cable	1,884	2,145	2,611	2,930	3,299	3,775	4,038	4,337	4,566	4,881	5,189	5,572	5,949	6,380	6,765	7,122
Digital Cable	0	1	3	6	28	90	171	265	405	594	830	1,090	1,355	1,614	1,871	2,080

*Source: Asia Pacific Pay-TV & Broadband Markets 2009 (**MPA Report**)*

Advertising Revenues-

The following chart illustrates the historical and projected growth of advertising revenues over the period 2003 through 2018

Advertising Revenues US$ mn	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Cable	805	911	1,015	1,241	1,483	1,719	1,836	2,004	2,271	2,574	2,895	3,241	3,591	3,911	4,216	4,495
DTH							6	10	18	34	61	94	130	165	196	222
Total Advertising Revenues	805	911	1,015	1,241	1,483	1,719	1,842	2,014	2,289	2,608	2,956	3,335	3,721	4,075	4,412	4,717

*Source: Asia Pacific Pay-TV & Broadband Markets 2009 (**MPA Report)***

Placement/Carriage Fees

Placement/Carriage fees are paid by broadcasters to MSOs to carry their channels on their preferred signal and frequency band. Placement / carriage fees consist of (a) Carriage fees whereby the fee is paid by the broadcaster to the operator to carry the broadcaster's channel; and (b) placement fees, whereby the operator places the channel at a certain frequency. MPA research estimates indicate that cable operators in India, including several MSOs, earned up to US$300 million in aggregate from placement fees in 2008.

The vast majority of subscribers are on analog networks and can carry approximately 70 channels with approximately 30 channels on prime band. There are currently over 350 channels being offered on cable television networks and many more are in the offing. Limitations on the cable television network would allow MSOs to demand more carriage / placement fees to carry their channels.

Television and C&S penetration is also likely to continue to increase. By the end of 2013, the total number of households owning televisions in India is projected to increase to 155 million compared with 129 million at the end of 2008, with 88.3% of those television households being C&S households compared with 73% at the end of 2008. The chart below shows the growth of households with televisions in India between 2003 and 2008 and projected growth through 2018 by total households, by C&S households and by non-C&S households with access to terrestrial television (Doordarshan).

US$ mn	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
TV Households	95	103	110	116	122	129	136	142	148	152	155	158	161	163	165	166
C&S Households	50	57	65	72	82	94	105	115	124	131	137	142	147	149	151	153
Non C&S	45	46	45	44	40	35	31	27	24	21	18	16	14	13	13	13

*Source: Asia Pacific Pay-TV & Broadband Markets 2009 (**MPA Report**)*

Of the projected 155 million television households in India as at the end of 2013, 63.2% are projected to be cable households (54.6% analog cable households and 8.6% digital cable households), 24.4% are projected to be DTH satellite television households and 0.7% are projected to be IPTV households.

The average pay television ARPU per month in India, at approximately US$4 in 2008, remains low by global standards. The MPA Report 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 easing 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, according to MPA Report subscription revenues (analog, digital, DTH and IPTV) have been projected to grow at a CAGR of 13.8% over 2009-2013. According to MPA Report the growth in advertising revenue (Cable and DTH) is projected to be 12.5% CAGR between 2009 and 2013.

Internet Broadband Industry

Broadband and Internet services in India

Internet services in India were launched on August 15, 1995 through Videsh Sanchar Nigam Limited, a state owned entity. Subsequently, in November 1998, the Government permitted private participants to provide internet services. Internet services grew by more than 200% per year from March 1998 to March 2001 due largely to a supportive policy stance by the Government coupled with the entry of a large number of private participants. However post April 2001, the growth rate declined. (Source: *TRAI Broadband Paper*)

Internet services in India started with dial up access, where speeds were limited to approximately 56 Kbps. However, due to the growing popularity of certain high bandwidth internet applications, such as internet telephony (introduced on April 2002), music and video download as well as online gaming, internet services providers ("**ISPs**") started providing "always on" high speed internet access with speeds starting from 64 Kbps. Such high speed internet services were referred to as broadband services, which was defined in the Broadband Policy as "*an `always-on' data connection that is able to support interactive services including Internet access and has the capability of the minimum download speed of 256 kilo bits per second (kbps) to an individual subscriber…*" With the induction of such high-speed Internet access services, annual growth rate increased to 25% by the end of March 2004. (*Source*: *TRAI Broadband Paper*)

However, the growth of broadband penetration has not met the targets set by the Government. For instance, at the end of June 2007, the number of internet subscribers was 47.24 million, while the number of broadband subscribers was 2.42 million. (*Source: TRAI Broadband Paper*). Some of the steps taken by TRAI to increase broadband penetration in India are set out below:

1. Permit ISP's to use any media (including fibre, radio and copper cable), for establishing last mile to their customers;

2. Recognizing the need to reduce Internet bandwidth cost, TRAI fixed tariff ceiling for domestic leased line and IPLC. Cost of IPLC is one of the major inputs for providing broadband and impacts broadband tariff.

3. TRAI also issued regulations on international telecommunication access to essential facilities at cable landing stations on June 7, 2007 to decrease international bandwidth charges and subsequently reduce broadband charges, as international bandwidth charges account for approximately 65% of total cost for providing broadband services.

4. TRAI in its paper on "Allocation and Pricing of Spectrum for 3G and broadband wireless access services" dated September 27, 2006 has recommended that 200 MHz of spectrum be allocated in 3.2 to 3.4 GHz band to facilitate wireless operation of 12 ISPs in a circle. One slot has been reserved to be allocated to smaller ISPs on city basis with intention to give impetus to broadband penetration in smaller cities/ rural areas.

5. TRAI has also sent its recommendations on "Improvement in the effectiveness of NIXI on April 20, 2007. The initiative would substantially bring down ISP's expenditure on bandwidth, which is likely to reduce content download charges resulting in net reduction in Internet and broadband usage charges. It is hoped that implementation of these recommendations will enable ISPs to effectively use

NIXI platform for exchange of domestic traffic encouraging web hosting services in India. It will also result in better Quality of Service (QoS) of Internet and broadband services in India.

The Government recognizes that deeper penetration of broadband and Internet is essential and will be the catalyst for economic growth and modernization. (*Source: TRAI Broadband Paper*).

India has approximately 11 million internet households. Internet subscribers have grown at the average rate of 25 % per annum over the last five years. However, the total internet penetration in India is low and represents less than 5 % of all households and this offers significant growth potential. As per the Media Partners Asia Pay-TV Asia Report, 2008 broadband internet subscribers at 4.4 million comprise 40% of internet subscribers. The key reason for low penetration of internet broadband in India has been the lack of supply and the fact that internet broadband is available in limited pockets of India. In India, it is anticipated that consumer demand for higher speed, greater connectivity and new applications will overtake demand for low prices of dial-up internet services, especially in urban metro centers and thus fuel the growth of broadband.

Technology Platforms for Broadband

The commonly used technologies for providing broadband access are:

a) *DSL/ ADSL over Copper loop*

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)*

b) *Cable TV Network*

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. (Source: *MPA Report)*.

According to TRAI, digitization of cable TV networks and launch of broadband and internet telephony over such networks will enhance the revenue potential and make for a better and more viable business model. (Source: *TRAI Cable TV*)

c) *DTH*

Direct to Home technology can also be utilized as the medium for last mile access for broadband connections is by using Direct to Home (DTH) TV transmission. DTH is presently meant for broadcasting of TV channels only. However it can be utilised for downlink path for providing broadband connections also. Uplink (connectivity to the ISP equipment/node) in this type of service would be an independent connection most likely through dial-up/GPRS/EDGE connection. Such connections will generally require allocation of fixed IP address and are capable to provide sufficiently high downlink bandwidth. (*Source*: TRAI Broadband Paper)

d) *Satellite*

Use of satellite technology for broadband offers significant advantages in terms of ubiquitous coverage, simplicity in network design, reliability and rapid deployment and is very effective to serve rural and inaccessible hilly areas where wired access is difficult to lay. Keeping in view the size of antenna to be

installed at subscriber premises, only satellites operating in the Ku frequency band (10-18 GHz) are useful. It is expected that next generation satellite will expand into the Ka frequency band (18-31GHz). Satellite transponder in Ku band typically has capacity of 72 MHz. Half transponder of 36 MHz can easily serve 10,000 to 20,000 subscribers for provision of broadband service.

Though satellite connections have traditionally been more expensive, they can still offer some cost effective options like point-to multipoint (broadcast or multicast) applications that do not require huge bandwidth. VSATs (the small fixed earth stations used to setup satellite based communications network) have been fairly successful in the Indian market. The major users have been banking sector, lottery, distance education, fast moving consumer goods industry and the government. (*Source*: TRAI Broadband Paper)

e) *Fibre*

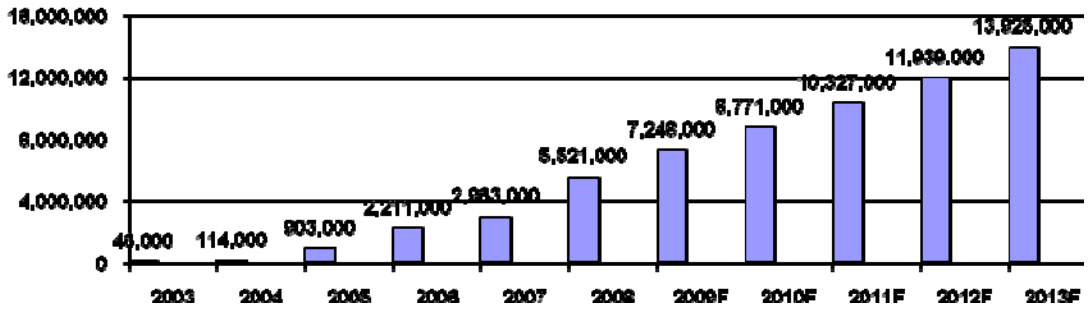
Fibre optic cable uses lasers or light emitting diodes ("**LEDs"**) to transmit pulses of light through fibre cable. Fibre optic cable can carry thousands of times more data than either electric signals or radio waves because light uses higher frequencies. The infrared laser light that is typically used in telecommunications has a frequency of roughly 100 MHz. Currently, most fibre optic cables transmit light only at one frequency, but, as technology improves, the bandwidth on fibre optic lines can be increased by simply adding more frequencies multiplying the capacity to carry data information. (*Source*: *TRAI Broadband Paper*)

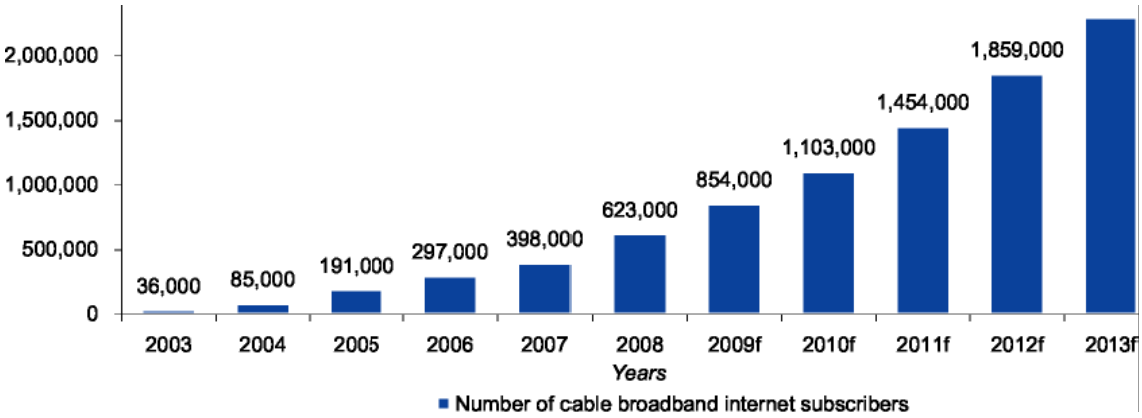
f) *Wireless*

Wireless technologies usually provide wider broadband access solution in areas having limited communications infrastructure. Wireless is suitable for harsh landscapes and lightly populated areas, but can also be deployed to provide specialized services in urban areas. Amongst the various technologies available for broadband, wireless has a great potential because of ease of its installation, operation & maintenance, flexibility for the service providers and convenience to the end users. Moreover, penetration of copper loops is not widely spread. Therefore, wireless based access could be one of the ideal solutions for widespread last mile coverage through a combination of different technologies like WiMAX, WiFi and 3G. These technologies have the added advantage of interoperability and economy of scale due to international standardisation. For the deployment of any wireless technology, suitable and sufficient spectrum availability and its efficient utilisation is a must. Presently wireless internet is available through GSMand CDMA networks.

Present Scenario:

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 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)*





Number of cable broadband internet subscribers

Years 2007 2008

Total broadband internet subscribers in India

Source: MPA Report

The most popular platforms for delivering broadband is ADSL and cable internet 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. (Source: *MPA Report)*. It is estimated that these benefits of cable broadband internet will drive its growth in India, with the MPA Report 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)*

A year on year growth of broadband internet from 2005 till 2009 and projected growth till 2018 is shown below:

BROADBAND INTERNET															
Y/E Dec.		**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
Total Broadband Internet Subs	**(000)**	**903**	**2,211**	**2,963**	**5,521**	**7,248**	**8,771**	**10,327**	**11,939**	**13,925**	**15,947**	**17,649**	**18,943**	**19,895**	**20,435**
Cable	(000)	191	297	398	623	854	1,103	1,454	1,859	2,295	2,746	3,155	3,507	3,809	4,091
ADSL	(000)	712	1,898	2,513	4,711	5,629	6,021	6,297	6,553	6,752	6,910	7,011	7,086	7,101	7,120
FTTx	(000)	-	16	52	118	625	1,421	2,023	2,526	2,855	3,248	3,501	3,649	3,753	3,753
Wireless	(000)	-	-	-	69	140	226	553	1,001	2,023	3,043	3,982	4,701	5,232	5,471
% Change	(000)	692.1%	144.9%	34.0%	86.3%	31.3%	21.0%	17.7%	15.6%	16.6%	14.5%	10.7%	7.3%	5.0%	2.7%
% Wireless Share of Broadband Subs	(%)	-	-	-	1.2%	1.9%	2.6%	5.4%	8.4%	14.5%	19.1%	22.6%	24.8%	26.3%	26.8%

Source: MPA Report

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,* 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* 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. According to the *MPA Report,* in 2008 the ARPU for cable broadband subscriptions in India was US$6.9. 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 competitors in this market include MTNL, BSNL, Tata Indicom, Bharti Airtel, Sify and Reliance Communications.

OUR BUSINESS

OVERVIEW

We are the leading cable television services provider in India (*Source: MPA Report*), as well as one of the leading cable broadband services providers (Source: *MPA Report*). We offer analog and digital cable television services across 125 cities and towns and high-speed cable broadband services across 18 cities, operating in geographical regions which we believe to constitute important markets for advertisers and broadcasters. We have won a number of awards for our cable television services such as being named “best cable operator of the year” by the Indian Telly Awards in six out of the last seven years. We own and operate cable networks that reach approximately eight million cable homes across India, supported by 71 analog head-ends, 19 digital head-ends and more than approximately 15,000 kilometres of HFC network.

As of November 30, 2009, we had 1,347,491 subscribers for our analog cable television services and 1,002,482 digital cable television subscribers, comprised of 259,392 CAS subscribers and 743, 090 voluntary subscribers (*See "Industry Overview - Television Distribution Industry – Conditional Access System"* for an explanation of Government-mandated CAS in India). As a portion of voluntary digital subscribers pay us analog rates, we capture these subscribers under "analog subscribers" for the purposes of calculating our total paying subscribers. As such, and as of November 30, 2009, we had a total of 1,606,883 paying subscribers, which is comprised of the 1,347,491 analog subscribers and 259,392 CAS digital subscribers referred to above. In addition, we had 322,135 broadband subscribers as of November 30, 2009.

We have a track record of growth through the acquisition of smaller MSOs, ICOs and LCOs. This consolidation has provided us with a strong presence in the cable television market and a large analog subscriber base. On such acquisition, when we convert secondary analog subscribers to primary subscribers (*See "Cable Television Services – Customers"* for the distinction between primary and secondary subscribers), we improve the quality of the connection by upgrading the "last mile connection" and often are able to convert our analog subscribers into digital subscribers. As a result, we are able to charge higher subscription fees. In addition, our significant market share in important markets for advertisers and broadcasters, allows us to negotiate higher placement and carriage fees with broadcasters. We also focus on primary subscribers for cross-selling our broadband services.

We believe that we have been successful in digitizing our subscriber base and according to the *MPA Report*, we are the largest distributor of digital cable in India. As of December 31, 2008, our digital television subscriber base constituted approximately 42% of the total digital cable television market in India (*Source: MPA Report*). We believe that converting subscribers from analog to digital platforms will allow us to charge higher subscription fees, which we have already been able to realise in selected CAS markets.

We hold a pan-India ISP license and were the first cable television services provider to offer broadband internet services. We are currently India’s largest cable broadband services provider, with 964,383 two-way broadband enabled homes passed, as on November 30, 2009. As of December 31, 2008, our subscriber base constituted approximately 54% of the total cable broadband market in India (*Source: MPA Report*). We believe that our strategy of cross-selling broadband services to our cable television subscribers provides us with an opportunity to increase revenues from our broadband services with a comparatively low capital expenditure. Our broadband subscribers primarily comprise domestic households. We also provide services to corporate subscribers.

In addition to our cable television and broadband service offerings, we also generate advertising and airtime revenue from advertisements aired for and on behalf of channels owned by third parties, such as the Hindi movie channel, *Cine Channel,* and the music channel, *iTV.*

Our consolidated revenues increased by 118.13% from Rs.3,086.31 million in Fiscal 2007 to Rs.6,732.27 million in Fiscal 2009. Our consolidated EBITDA increased by 367.53% from Rs.221.87 million in Fiscal 2007 to Rs.1,037.33 million in Fiscal 2009. Our consolidated EBITDA was Rs.718.58 million for the six months ended September 30, 2009. Our consolidated revenue was Rs.3,649.16 million for the six months ended September 30, 2009.

STRENGTHS

We are India's leading cable television provider.

According to the *MPA Report (September 2009)*, we are India’s leading cable television provider, offering

analog and digital cable television across 125 cities and towns in India, and reaching an estimated 8.18 million households. We are the leading operator in several key markets of India (some of which are key Hindi speaking areas) including, among others, cities such as Mumbai, Delhi, Bangalore, Ahmedabad, Hyderabad, Jaipur, Indore, Bhopal, and Baroda and Surat. We have won a number of awards for our cable television services such as being named "Best cable operator of the year" by the Indian Telly Awards in six out of the last seven years. Our strong market position and brand also helps us attract new and retain existing cable television subscribers. We believe that we have been successful in digitizing our subscriber base and are one of the largest distributors of digital cable television services in India. In addition, we are able to better execute our acquisition strategy as a result of our existing relationships with LCOs in these markets. We are able to generate higher placement fee and carriage fee revenue as a result of our market leading position in the metropolitan centres of India. We also believe that demand for cable broadband services in these key cities will allow us to leverage our existing cable networks to offer quality cable broadband services.

The combination of our market position and technological infrastructure allows us to expand and cross-sell our service offerings

As of November 30, 2009, we had 1,347,491 analog subscribers, 1,002,482 digital subscribers (comprised of 259,392 CAS subscribers and 743,090 voluntary digital subscribers) and a total of 1,606,883 paying subscribers. In addition, we had 322,135 broadband subscribers as of November 30, 2009. Our cable television and broadband services are supported by 71 analog head-ends, 19 digital head-ends and approximately 15,000 km of HFC network. Our current broadband services infrastructure is two-way enabled to provide broadband services to up to approximately one million homes. Our digital cable television services platform is based on encryption and compression technologies from NDS and Cisco Systems. Our broadband technology platform is supported by Cisco Systems.

Our complementary range of services enables us to cross-sell our products, including our cable broadband services from which we derive higher margins, to our existing analog customers. In addition, we are able to offer our digital cable/broadband services to existing customers at lower prices than our competitors because most of our infrastructure expenses have already been incurred in connection with providing an analog connection.

We have a successful track record of identifying, acquiring and integrating MSOs, ICOs and LCOs

Since 2007, we have successfully identified and acquired an interest in more than 21 MSOs and ICOs. We believe that our understanding of the cable television distribution industry and our national presence has enabled us to identify and acquire targets, which has enabled us to become one of the largest national cable 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. Meanwhile, by acquiring LCOs, secondary subscribers become our primary subscribers. This shift enables us to capture a higher proportion of subscription fees paid by end-subscribers. As the employees of the LCOs often have established relationships with subscribers, we structure our relationships with the LCOs in such a way that the LCO continues to be the principal contact with our subscribers in the acquired universe. However, we upgrade the "last mile" connection in order to provide better quality cable services and potentially introduce broadband services. We have implemented a range of training initiatives for LCO 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 have generated strong revenue and EBITDA

Our financial position, in terms of our strong revenues and EBITDA enables us to develop and expand our service offerings and to capitalise on future opportunities when they arise. Our consolidated revenues increased from Rs.3,086.31 million in Fiscal 2007 to Rs.6,732.27 million in Fiscal 2009, an increase of 118.13%. Our EBITDA increased from Rs.221.87 million in Fiscal 2007 to Rs.1,037.33 million in Fiscal 2009, an increase of 367.53%. Our consolidated EBITDA was Rs.718.58 million for the six months ended September 30, 2009.

We have an experienced management team

Our management team includes well-qualified professionals, most of whom have been with the Company for more than eight years. Our management team has extensive experience in cable television distribution, media operations, finance, engineering and distribution. In addition, our management team has been responsible for executing our successful expansion and acquisition strategy.

We benefit from partnerships with key shareholders

Foreign investors such as NewsCorp and other financial investors such as Monet and MSPI have invested in the Company. NewsCorp has extensive experience in media broadcasting worldwide and especially India which allows us to better understand broadcasting trends. We are also able to leverage on their extensive experience in the media distribution business to understand consumer tastes. Meanwhile, Monet and other institutional investors have assisted us with improving our corporate finance and reporting systems.

STRATEGY

Increase our primary subscriber base through acquisitions of LCOs in our existing markets

We have substantially increased our primary subscriber base over the last three years. We intend to further expand our primary subscriber base in our cable television business. Increasing our primary subscriber numbers is important because we benefit from higher revenues per subscriber compared to secondary subscribers, as we do not have to share subscription fees with LCOs. We intend to pursue this strategy by attracting new primary subscribers in regions where we already operate as well as by acquiring LCOs and converting secondary subscribers into primary subscribers, as well as purchasing majority interests in ICOs and MSOs which have an existing primary subscriber base.

Roll out digital services

We currently offer up to 176 channels through our digital platform compared with up to 85 channels on our analog platform. Through our digital platform, 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 stereophonic sound, electronic programming guides and gaming. We have already launched revenue enhancing value-added services such as personal video recording in select markets. We plan to launch additional value-added services such as pay-per-view, including Hindi movies and educational programs. Finally, we intend to increase our cross-selling activities in order to sell our digital cable television services to our analog cable television and broadband subscribers.

The digitization of our services also provides us with certain commercial advantages. We believe that our digital service offerings reduce the likelihood of our subscribers switching to another digital platform such as DTH satellite television and IPTV, thereby strengthening our relationships with LCOs and our end-subscribers. The use of digital set-top boxes enables us to obtain accurate data about the number of subscribers using our services and largely reduces the underreporting of subscribers by LCOs in CAS areas.

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.

Increase broadband subscriber base by leveraging our presence, infrastructure and range of service offerings

Our broadband subscriber base has increased from 124,431 as at March 31, 2007 to 322,135 as at November 30, 2009, and our two-way enabled homes passed have increased from 357,280 as at March 31, 2007 to 964,383 as at November 30, 2009. We intend to increase our broadband subscriber base through a multi-pronged strategy. First, we intend to increase our geographic footprint services to new markets such as Gujarat, Madhya Pradesh, Chattisgarh, Goa, Vaizag and Mangalore. Second, we intend to increase the penetration of our broadband services in existing markets by upgrading our existing infrastructure to a two-way enabled network (which is required to offer broadband services) and expanding our sales and customer service network. We also intend to expand the packages we offer to include cost-effective high speed plans which we believe will be attractive to our customers. Finally, we intend to increase our cross-selling activities in order to sell broadband services to our cable television subscribers.

Expand our presence in new markets through strategic acquisitions

Between 2007 and 2009, we acquired several ICOs and MSOs. We intend to undertake additional acquisitions of majority interests in established ICOs and MSOs in order to consolidate our position in the markets 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 believe that the strength of our brand and our existing relationships with MSOs and ICOs helps us in executing our acquisition strategy more effectively. We typically enter into MoUs with respect to us acquiring the majority interest in existing ICOs and MSOs. After entering into a MoU, we undertake detailed due diligence on the ICO or MSO and, upon satisfactory completion thereof, 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 quality services to all our subscribers.

Our expansion in new markets is followed by our efforts to increase our primary subscriber base and roll-out digital and broadband services in that market.

Continue to deliver superior customer service

We believe that providing superior customer service helps to build subscriber loyalty and promote subscriber retention. Customer service is a key consideration for subscribers when they select a cable television or broadband service. We have upgraded our customer service offerings to include a 24-hour call centre for our broadband subscribers. In addition, we have 8 dedicated call centres and 56 local customer help centres for our broadband subscribers. For our primary analog and digital cable television subscribers, we have a total of 121 local customer help centres that our subscribers can call through a dedicated help line or visit for assistance. We intend to continue to explore new initiatives to increase the quality of customer service we offer.

HISTORY AND BACKGROUND

The key events in our history are summarised as follows:

1998 – the Promoters and their relatives acquired a 100% stake in the issued share capital of our Company.

2000 – In September, NewsCorp acquired a 26% equity stake.

2000 – We became the first MSO to offer broadband services.

2003 – Our digital cable service was ready for launch in July.

2004 –We passed approximately 100,000 broadband internet subscribers.

2007 – In April, Monet acquired a 15% stake.

2008 – We completed two major acquisitions of MSOs in Maharashtra, being Marathwada Cable Network Private Limited And Rajesh Multichannel Private Limited. We also completed the acquisitions of Gujarat Telelink Private Limited, a large MSO in Gujarat, and Bhaskar Multilink Limited, in Madhya Pradesh.

2008 – MSPI, Kaup Capital and Arcadia invested in fully convertible compulsory debentures issued by Hathway, and which were convertible into equity in accordance with the terms thereof.

2009 - We reached approximately 320,000 broadband subscribers

- Reached one million digital cable television subscribers.

- Launched digital video recorder (DVR) service, becoming the first Indian cable television services provider to do so.

OUR SERVICE OFFERINGS

Cable Television Services

Introduction

We provide both analog and digital cable services for the residential market in India. Our analog cable services are provided over our HFC network, while our digital cable services are based on NDS and Cisco Systems digital compression and encryption technology, which enables us to substantially increase the number of channels our cable system can carry. Digital compression expands channel capacity by up to 10 times over analog, and encryption allows better protection of video signals against unauthorised access.

We estimate that our cable television services reached approximately 8.18 million homes as at November 30, 2009. According to the *MPA Report*, cable and satellite households in India totalled 94 million households. For the financial year ended March 31, 2009, our consolidated cable television subscription income was Rs.5,356.56 million, which grew by 66% from Rs.3,221.96 million in the previous financial year. Our revenues comprise of subscription fees, placement and carriage fees (for additional information regarding placement/carriage fees, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Principal Factors Affecting Our Results of Operations - Placement/carriage Fees" on page 219) and advertising fees. The following table sets forth operational information relating to our cable television services business as at the dates indicated:

	As at and for the years ended March 31:			**As at and for the eight months ended November 30:**
	2007	**2008**	**2009**	**2009**
Analog Subscribers:	580,601	1,128,649	1,298,461	1,347,491
CAS Digital Subscribers:	189,417	264,210	326,006	259,392
Voluntary Digital Subscribers:[1]	91,711	273,237	682,322	743,090
Estimated Homes Reached:	4,727,624	7,792,755	8,196,910	8,178, 203
Total Paying Subscribers:[2]	770,018	1,392,859	1,624,467	1,606,883

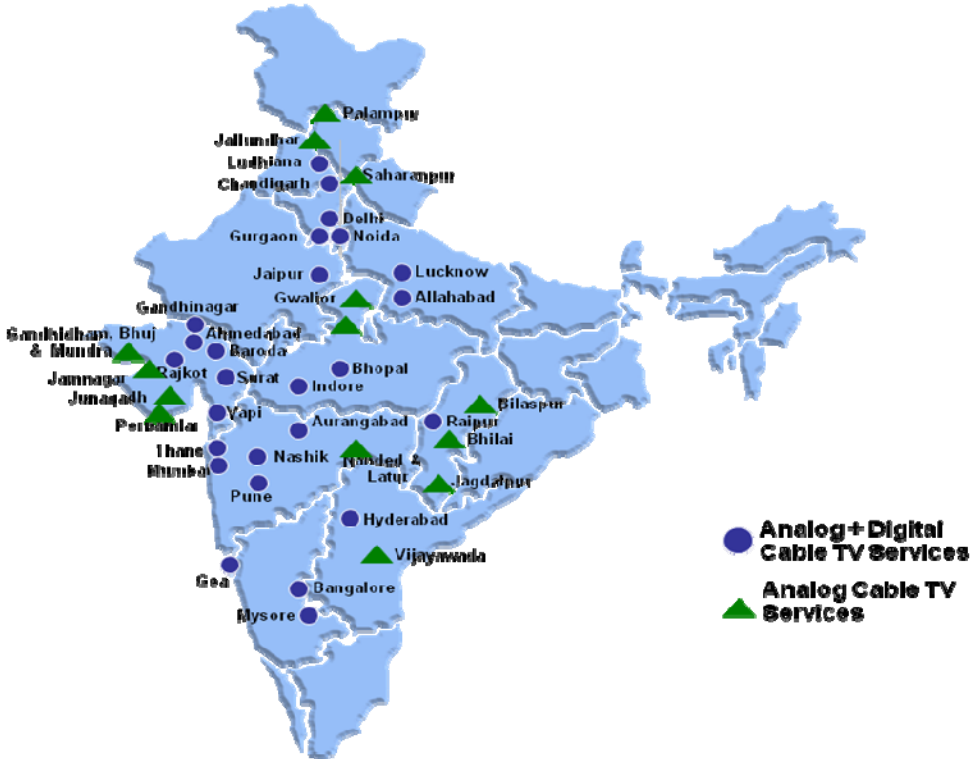
The following table sets forth financial information relating to our cable television services for the financial years indicated:

	As at and for the years ended March 31:			**For the six months ended September 30:**
	2007	**2008**	**2009**	**2009**
Cable television subscription income (Rs.million):	2,287.80	3,221.96	5,356.56	2,800.44
MSO revenue per Unit (Rs. per month) [3]:	42.66	42.89	55.83	57.05

NOTES:

1. Voluntary digital subscribers are included as part of analog subscribers.
2. Total Paying subscribers is comprised of analog and digital CAS subscribers.
3. MSO revenue per unit per month is derived by dividing cable television subscription income by average estimated homes reached (which is the average of the opening and closing estimated homes reached for a period. This result is then divided by the number of months in the period**).**

Our presence in the market for analog and digital cable television services in the major cities across India is illustrated below:



Analog Cable Television Services

Our analog cable services provides for the distribution of video programming from analog linear transmission channels through our HFC network. Of the estimated 8.18 million households that we reach, approximately 7.3 million subscribers receive analog cable services. Our existing analog cable infrastructure consists of 71 analog head-ends that enable the distribution of our analog cable services in 125 cities and towns across India. Typically we offer approximately 85 channels.

Our analog cable services are provided by downlinking signals containing content from various broadcasters using multiple satellite dish antennas located at the various analog head-ends. As of November 30, 2009, we had 71 analog head-ends across the country. The signals received by the antennas for a particular channel are then fed into an IRD, which is used to decrypt the scrambled channel. The IRD typically converts the signal to a baseband audio and video signal which is then inserted into a modulator.The modulator is a device which takes the baseband input signal and converts it into an RF modulated signal. A modulator allows one service to be transmitted per radio frequency carrier. After the modulation process is completed, all RF signals are combined so that they can be transmitted via a single cable through our HFC network. The HFC network then distributes the signals from the head-end to LCOs in various service areas. Finally the signals are delivered to subscribers.

Digital Cable Television Services

We offer up to 176 channels through our digital cable television services across 94 cities and towns in India. Additionally we plan to roll out digital services in the other cities and towns in which we operate. We also provide digital cable television services in the CAS notified regions of Delhi and Mumbai. As at November 30, 2009, we had 1,002,482 digital cable television subscribers, which included 259,392 subscribers in CAS notified regions. (*See "Industry Overview - Conditional Access System"*).

In order to receive digital cable television, subscribers require set-top boxes that we purchase from a number of leading international and domestic vendors (See "Suppliers", below). Set-top boxes are usually sold or leased to the subscribers of our digital cable services, and are marketed under the brand name of "Hathway". We subsidise the subscriber's cost of acquiring a set-top box. We aim to increase subscriber penetration by lowering the average cost of set-top boxes through the effective use of subsidies.

The process of delivering digital cable services to subscribers begins with receiving signals containing content from various broadcasters using satellite dish antennas located at various digital head-ends. We currently have 19 operational digital head-ends located in 13 cities across India. The signals received by the antennas are then fed into an IRD, which has the ability to decode, or decrypt the scrambling of a particular format or type of signal. The IRD typically converts the signal into a baseband audio and video signal, which is then converted into digital format using encoders. In cases where the IRD output is available in digital format, encoders are not required. A multiplexer is then used to select and package the received services, which are transmitted on a single RF carrier. Thereafter, a device called a transrater adjusts the bandwidth (which is the rate of data transfer) of each channel in the transrating pool (the allocation of bandwidth in real time) to facilitate the efficient sharing of the transmission bandwidth. After the multiplexer and transrater have performed their functions, the signal is encrypted using the CAS to prevent the unauthorised reception of the signal. Once encrypted, a signal undergoes a final digital modulation process and is then combined with other analog modulated signals before being transmitted through our HFC network for transmission of the signals from the head-ends to LCOs and our primary subscribers.

Each subscriber receives the signal through the combination of a digital set-top box, which is either leased or purchased from us, and a smart card, which remains property of the Company. The smart card and set-top box are identified by their unique serial numbers assigned by their respective vendors. The set-top boxes and smart cards are both captured in our subscriber management system by these serial numbers, and are assigned to subscribers in the process of activating their digital cable television services. Once activation of the services is completed, the smart card serial number is paired with the set-top box serial number. The set-top box is connected to the subscriber's television in the LCO's network. 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 subscriber management system activates the set-top box and records transactions for all set-top boxes.

Our digital cable television platform's capacity is up to 10 times that of our analog capacity, which enhances our cable television product offering.

We are able to offer more content across ethnic, regional and niche genres, in addition to offering content belonging to popular genres such as general entertainment, sport and news. We expect ethnic, regional and niche interests to drive growth in our cable television business, both in terms of increased penetration and higher MSO revenue per unit. In addition, we believe incremental MSO revenue per unit will also be generated through the ability to introduce new value-added services over the digital cable television platform, such as DVR.

The following is a summary of the key benefits and value-added features of digital cable television:

- *More Cable Channels* — Digitization of our cable network will increase our channel capacity by way of digital compression technology, which allows us to provide approximately 10 to 12 digital channels per analog carrier compared to one analog channel per analog carrier. Our existing HFC network is 860 MHz, which allows us to use approximately 100 analog carriers. This will allow us to provide greater programming choices to customers. This increased capacity will also allow for a broader range of programming.

- *Specialty Channels* — Increased channel capacity also gives us the flexibility to expand our range of special interest channels, including programming targeted at specific ethnic groups and interest groups, such as sports enthusiasts. This is particularly important given India's multi-cultural population.

- *PPV* — Once launched, we expect to be able to devote dedicated channels to event-based pay-per-view content in future. PPV will allow us to customise packages to meet the special interests of customers. These PPV packages could be comprised of content such as sports, movies and other entertainment events.

- *Electronic Programme Guide* – The on-screen television guide provides three days' telecast schedules. Subscribers can have the option to create their own list of favourite channels.

- *Information Bar* – Programme information such as synopses, names of directors and cast, programme genre and episode numbers of serialised programmes are provided. It provides the start and end times of the current and next programme. Subscribers can also find out what is showing on other channels without leaving the channel they are watching.

- *Programme Alerts* – Through the digital set-top box, subscribers can set programme alerts to appear on screen to remind them to watch their favourite programme just before it starts.

- *DVR* – We believe that we are the only cable network in India to offer DVR services to our subscribers. The DVR services allows viewers to pause live television and record different programmes whilst viewing another.

- *Audio Selection* – With audio selection, the set-top box permits the viewer to select the language (whether English or Hindi) of the programme being shown.

- *Games* – We believe that we are the only cable network in India which offers viewers the option to play games on their television set through the set-top box, using the remote control as the input device.

- *Radio Channels* – Viewers are also able to access up to 10 digital radio channels on their set-top boxes.

Customers

We deliver the television channels on our cable distribution network directly and through partnership with ICOs and LCOs, who provide the “last mile” cable link to the homes of our subscribers. In cases where we deliver services through our own “last mile” cable link directly to the subscriber, we classify that subscriber as a primary subscriber, while a subscriber who receives services through the "last mile" cable link of ICOs and LCOs is classified as a secondary subscriber.

Programming

We currently offer 85 channels of local and international programming on our analog cable television platform and up to 176 channels on our digital cable television platform. The number of channels offered is dependant on the location and subscriber demographics in the target market. To meet the diverse needs of the large, culturally diverse and multi-lingual Indian market, we offer a broad range of content. Over the years we have developed strong relationships with broadcasters and content providers, across popular, niche, ethnic and regional genres.

Digital cable television channel offerings in India can either be voluntary or mandatory (via the Government-mandated CAS). In the case of CAS, subscribers may only select and view pay channels through prescribed set-top boxes, according to their specific tastes (on an "a-la-carte" basis), or to choose specific packages that we have put together, and which consists of various channels across numerous different genres (on a "bouquet" basis). This is in addition to approximately 58 free-to-air channels which are offered at a flat rate of Rs.77- per month, as mandated by the TRAI.

Our programme offering, in each of the analog, mandatory CAS and voluntary digital platforms, is structured around the following key categories:

- *General Entertainment* – The general entertainment genre attracts the largest viewership, and therefore the highest advertising revenue share, within the Indian television market. We offer Hindi-language, English-language and regional-language general entertainment channels, which include *STAR Plus*, *Colors*, *SET* and *Zee TV* in Hindi, and *STAR World*, *AXN* and *Zee Café,* in English.

- *News* — The news genre is one of the most viewed by Indian television viewers. We offer all popular regional, national and international news brand names in our news suite. Such as *Aaj Tak*, *NDTV India*, *IBN7* (in Hindi), and *CNN IBN*, *NDTV 24x7 Headlines Today* (in English), and *CNBC TV18*, *NDTV Profit* (for business news), and *BBC World* and *CNN* (for international news).

- *Sports* — Sports is a key subscription driver for cable television. We offer *ESPN*, *STAR Sports*, *STAR Cricket*, *Ten Sports* and *Zee Sports*.

- *Movies* — Movies have traditionally represented a key component of our cable television offerings. We offer *Zee Cinema*, *STAR Gold* and *Set Max* (in Hindi), *STAR Movies*, *HBO*, *SET Pix* and *Zee Studio* (in English), *UTV World Movies*, *Warner Brothers* and *NDTV Lumiere* (in various international languages), and *KTV* and *Zee Talkies* (in regional languages).

- *Music* – We offer a wide range of music channels that cater to our subscribers' musical tastes, including *MTV*, *Channel V* and *VH1*.

- *Infotainment* — We offer high-quality educational content including *Discovery*, *Animal Planet*, *National Geographic*, *Discovery Travel and Living* and the *Fox History and Adventure Channel*.

- *Region-specific Channels* — To meet the diverse needs of the large, culturally diverse and multi-lingual Indian market, we offer *Sun TV*, *Gemini*, *Mahua*, *Zee Bangla* and *Zee Marathi*, amongst others, in regional language.

- *Religious* - We offer a number of channels to cater to different religious beliefs across India, including *Aastha*, *Sanskar*, *God Asia* and *Daystar*.

- *Kids* — We currently offer all popular kids channels in our line-up, including *Cartoon Network*, *Nickelodeon*, *Toon Disney*, *Pogo*, the *Disney Channel* and *Cbeebies*.

- *Lifestyle* - Our lifestyle offering is available on our voluntary digital service, and includes *HomeShop 18, NDTV Good Times*, and popular fashion channels, *FTV* and *ZeeTrendz*.

- *International* - We offer three international channels, being *DW TV*, *TV5 Monde Asia* and *Russia Today*.

The bouquets which presently offer in our mandatory CAS services are set out in the table below:

	Desi Mix:	**Desi Videshi Mix:**	**Family Mix:**	**Double Dhamaka:**
Cost per month:	Rs.91 per month	Rs.91 per month	Rs.129 per month	Rs.59 per month
Hindi General Enterainment:	*Star Plus* *Star One* *Sony*	*Star Plus* *Star One* *Sony*	*Star Plus* *Star One* *Sony* *SAB*	*Star Plus* *Star One* *Sony* *SAB*
Hindi movies:	*Star Gold* *Set Max*	*Set Max*	*Star Gold* *Set Max*	*Star Gold* *Set Max*
English General Entertainment:		*Star World* *AXN*	*Star World* *AXN*	*Star World* *AXN*
English Movies:		*Star Movies*	*Star Movies* *PIX*	*Star Movies* *PIX*
Sports:	*ESPN* *Star Sports* *Neo Sports* *Ten sports*	*ESPN* *Star Sports* *Neo Sports* *Ten sports*	*ESPN* *Star Sports* *Neo Sports* *Ten sports*	*Neo Sports* *Ten sports*
Kids:	*Toon Disney* *Nick*	*Toon Disney*	*Toon Disney* *Nick* *Animax* *Nick* *Hungama* *Disney channel*	*Toon Disney* *Nick* *Animax* *Nick* *Hungama* *Disney channel*
Infotainment:	*Nat Geo* *Discovery*	*Nat Geo* *Discovery*	*Nat Geo* *Discovery* *History* *Disc Travel & Living* *A Planet*	*Nat Geo* *Discovery* *History* *Disc Travel & Living* *A Planet*
Music:	*Ch V*	*Ch V*	*Ch V*	*Ch V*

	MTV	*MTV*	*MTV*	*MTV*
News:	*CNBC* *Awaaz* *CNN IBN* *NDTV Profit*	*CNBC* *CNN IBN* *BBC* *NDTV Profit*	*CNBC* *Awaaz* *CNN IBN* *NDTV Profit* *BBC*	*CNBC* *Awaaz* *CNN IBN* *NDTV Profit* *BBC*

A list of additional channels available on the digital cable network is set out in the table below. The offering of these channels may vary from location to location across India:

General Entertainment:	*Zee smile*	**Regional Language:**	*Mi Marathi*
	9X Entertainment		*Zee 24 Tass*
	Australia Network		*ETV Gujarati*
	Zee Café		*DD Gujarati*
	BBC Ent.		*TV9 Gujrati*
Movies:	*B 4 U Movies*		*Star Vijaya*
	Zee Studio		*Raj TV*
	NDTV Lumiere		*Jaya TV*
Sports:	*ESPN*		*DD Podhigai*
	Zee Sports		*Sun News*
News:	*TEZ*		*Gemini TV*
	Zee News		*ETV Telugu*
	Sahara Samay		*DD Saptagiri*
	Sahara Mumbai		*TV 9*
	Zee Business		*SVBC TTD*
	BBC World		*Udaya TV*
	CNN International		*ETV Kannada*
	News X		*DD Chandana*
	TV Southasia		*Udaya Movies*
	Focus TV		*Shri Sankara*
Music:	*Zee Music*		*Surya TV*
	ETC Music		*Asianet Plus*
	9X Music		*Kairali*
	B4U Music		*Amrita TV*
Kids:	*Cartoon Network*		*DD Malayalam*
	POGO		*Asianet News*
	Cbeebies		*ETV Bangla*
	Animax		*DD Bangla*
Infotainment:	*Animal Planet*		*DD Bharati*
	Care TV		*DD India*
Religious:	*Sanskar*		*ETV Rajasthan*
	Zee Jagaran		*ETC Punjabi*
	Satsang		*PTC Punjabi*
	Divya		*ETV Oriya*
	AV Win TV		*ETV Urdu*

	God Asia		*Mahua*
	Daystar		*Hamaar*
Lifestyle:	*Home Shop 18*	**Foreign Language:**	*DW TV*
	F TV		*TV 5 Monde Asia*
	Aee Trendz		*Russia Today*

Exclusive Programming

Two television channels, *Cine Channel* (offering Hindi movies) and *Interactive Television* (or *iTV*) (offering English and Hindi music videos), are offered exclusively on our cable television network. These channels are telecast from each of our head-ends. The content of these channels focus primarily on content such as films, music-on-demand and local events and news. We have the telecast rights, of varying periods, for 437 films for the purposes of delivering them through our cable television network in India. We derive revenue from these channels through an additional, premium subscription fee as well as through advertising space, scrollers and banners that are interspersed with the regular programming on those channels.

Sales, Marketing and Distribution

We conduct our advertising campaigns on both a local and regional basis, and utilise our cable television services and channels for which we have exclusive rights to promote our digital network. This also provides us with an opportunity to market our broadband business. One of our strategic objectives is to convert existing analog subscribers to digital subscribers, and in so doing, to offer existing and potential new subscribers with bundles, which will include both our cable television and broadband offerings. We use the bundling of these services to market ourselves and our services to both primary subscribers and secondary subscribers. Given our strategic focus on primary subscribers, we undertake personalised on-the-ground marketing activities to attract such customers.

We have appointed distributors, primarily in Delhi and NCR, for the purpose of handling the subscription collections from our affiliated LCOs in those areas. Typically, these distributors are also an LCO in that particular area. The distribution contracts are normally for a period of 12 months and renewed on mutually agreed terms. We presently have approximately 34 distributors in the city of Delhi and the NCR.

Customer Service

One of our key strategic objectives is to build subscriber loyalty and promote subscriber retention. The current structure of the Indian cable television distribution industry results in the LCOs having direct contact with its subscribers in respect of sales, billing, technical support and general assistance. We have 121 local customer help centres that our subscribers can call through a dedicated help line or visit for assistance. Customer service representatives are trained to professionally deal with inquiries and complaints from subscribers. Our customer service initiatives are also supported by our LCO partners, whom we train through a range of programmes intended to improve their familiarity with our services and procedures. We also provide training that seeks to develop the customer service representatives' communication and sales skills to ensure that the level of service provided to our subscribers is of a sufficiently high quality.

We were the first cable services company to implement the ERP solution, Oracle 11i *E-biz*. Oracle 11i provides us with a fast and efficient platform from which to monitor the performance of billing and collection from our secondary subscribers.

In addition, we have implemented a "Feet on Street" or "FoS" system whereby our staff makes personal visits to our primary subscribers' homes, and use a handheld GPRS-enabled payment collection system to collect payments from, process receipts for, and extend consumer credit to our primary subscribers. This provides us with a number of advantages, including the fostering of personal relationships between our staff and primary subscribers (which we believe helps to build our brand and retain customer loyalty), and allowing our primary subscribers to have their choice of channel turned on quickly and efficiently by making on-line payments through the GPRS device used by our staff. We are also in the process of implementing this system in the CAS market.

Collection

Using the Oracle 11i *E-biz* ERP solution, the registration and billing data relevant to each of our primary subscribers is either entered into the *E-biz* system (in the case of primary subscribers in the non-CAS market), or Subscriber Management System (in the case of primary subscribers in the CAS market). These systems generate the monthly invoices for primary subscribers. Invoices are printed by our accounts department and handed over to our collection group. The principal task of our collection group is to visit each subscriber in its area to deliver invoices and collect payment. The daily collection report is prepared by the collection group and submitted to our accounts department the next morning. The accounts department then credits the collection received to the respective subscriber account.

In the majority of the geographical areas where our primary subscribers are prevalent, we have now upgraded to using a real time "Upass" system, which is linked to our billing server using GPRS technology. Each member of our collection personnel is issued with a GPRS-enabled handheld device connected to our billing server. Upon entering the subscriber's account number, an invoice is immediately generated by the handheld device, and the member of our collection personnel then enters the amounts received from the subscriber and a receipt is generated for the subscriber, all computed and transacted through the handheld device. The major benefit of this system is that we get real-time collection data from across the country, and our subscriber accounts are updated immediately. This system has helped us to make savings both in terms of personnel and printing costs.

In the case of collection from LCOs, each LCO declares its subscriber base to us, and are billed at the rate prevailing in the city in which they operate, multiplied by the number of subscriber accounts in that city. We send the invoices to our operations teams in the various cities for which they are responsible, who then despatch the invoices to the various LCOs and retain responsibility for collection before the end of the month in question. Once collected, our accounts personnel credit the LCOs accordingly, thereby completing the accounting process.

In areas such as Delhi and the National Capital Region, the collection function is undertaken by our appointed distributors (*See "– Sales, Marketing and Distribution", above).*

Competition

Although we are the leading provider of cable television services in India, our cable television services business faces competition from national cable television service providers as well as providers of television services through alternative technology platforms, such as DTH satellite television and IPTV.

We believe that our primary competitors are national level MSOs such as DEN Networks, Digicable, InCable and WWIL, and providers of DTH satellite television such as TataSky, DishTV, Sun Direct, BIG TV and Bharti Airtel. We also compete with providers of IPTV, including BSNL, MTNL, Bharti Airtel and Reliance Communications.

The principle advantage that we, as a cable services provider, have over the DTH platform is that our two-way enabled technology allows us the ability to offer broadband internet services over the same cable infrastructure as our cable television services, which results in more affordable pricing for our subscribers.

To differentiate ourselves from DTH television, we will expand and enhance the content available on our analog and digital cable television platforms. In addition, we believe that we have the following advantages over DTH television:

- As a cable television service provider, our setting-up and operating costs are lower, which results in lower subscription charges for subscribers, as compared with DTH television;

- The bandwidth capacity for carrying channels is higher in cable television networks;

- Adverse weather conditions may affect the quality of DTH television services, whereas cable television services remain largely unaffected by adverse weather conditions;

- We are able to provide exclusive local content as part of our offering, and which focuses on providing coverage of relevant local events to specific regions; and

- Through our LCOs and FoS strategy, we maintain strong personal relationships with our subscribers, which we believe fosters loyalty to our brand. This also enables us to cross-sell our other service offerings.

Strategic Acquisitions of MSOs, ICOs and LCOs

The acquisition of MSOs, ICOs and LCOs is part of our strategic intention to consolidate our position in the markets in which we already have a presence and to expand into other states of India that have a significant television viewership potential for increased digital cable penetration.

Acquisitions of MSOs and ICOs:

We identify suitable MSOs and ICOs as targets for acquisition, in line with our strategic objectives. We assess our potential MSO and ICO acquisition targets according to the following criteria:

- *Revenue:* The number of LCOs that they are connected to (in the case of MSO targets); the size of their subscriber base (in the case of ICO targets); billing details; the total subscriptions receivable from LCOs (in the case of MSOs) and subscribers (in the case of ICOs); total existing and potential carriage and placement fees and local advertising revenue, as well as any other existing or potential revenue stream;

- *Fixed assets:* The fixed assets of the target, include details relating to its purchase price, date of purchase and prevailing market price. We specifically assess the value of the target's head-end equipment such as antennas, modulators, digital receivers, combiners, transmitters, generators, air conditioners and any other relevant operational equipment;

- *Distribution network*: Specifically in relation to the target's HFC network (length), fibre electronics, RF amplifiers, power back-ups and generators;

- *Expenses:* One of our key considerations is the payments made by the target to the major broadcasters for pay channels such as *STAR*, *ESPN*, *Sony*, *Zee*, and *ETV*. In the case of the Southern region of India, the target may also have to make additional payments to major regional broadcasters for channel bouquets such as *Sun TV* and *ETV*. We also assess other operating expenses such as rent, electricity, salary, repairs and maintenance, insurance and other operating expenses, service tax and other local taxes that may apply.

Once we have assessed the above criteria, we arrive at the enterprise value of the target by considering other key factors such as the target's location and market share, possible future MSO revenue per unit increases, potential placement fees, local advertising revenue and required network upgrading costs (if any). Depending on prevailing circumstances at the time of the proposed acquisition, our valuation is then arrived at on the basis of an earnings multiple or net profit multiple, which is determined on a case-by-case basis.

Typically, we look to acquire 100% of the target MSO or ICO, however, where the owners of the target MSO or ICO are not willing to sell their entire shareholding or underlying business to us, or where the owners have a particular knowledge of an area of operations that we are unfamiliar with, we structure the take-over as a joint venture between us and the owners of the target MSO or ICO, where we hold 51% of the share capital of a newly formed company to house the joint venture, and the owners of the target entity hold the remaining 49%. Once a valuation for the target is determined and agreed, we typically enter into an MoU for the acquisition, prior to conducting a commercial and legal due diligence exercise. At the stage of signing the MoU, we make an advance payment of approximately 20% of the purchase price (being the agreed valuation, as above), on receipt of which, the target provides us with full access to its business and network for the purpose of conducting our due diligence investigations.

When conducting our commercial and legal due diligence investigations, in the case of targets with a large network, we conduct a survey of a sample of their subscriber base. In the case of targets with a small network, we conduct a full survey of their subscriber base. In all cases, all of the target's financial, legal and statutory documents, for at least a period of six months to a year prior to the acquisition, are considered and investigated, and similarly, an investigation of the target's compliance with law and regulation, payments to creditors and the target's commercial agreements (particularly with broadcasters) are investigated.

Once the due diligence is completed to our satisfaction, we enter into formal agreements documenting the acquisition, and which will typically include a business transfer agreement and shareholders' agreement (in the

case of joint ventures). On signing of the acquisition agreements, we pay a further 50% of the agreed purchase price.

The balance of 30% of the purchase price is only paid following a satisfactory assessment of the target's collections and billing processes over a period of 60 to 90 days from the date of signing the formal acquisition agreements. During this time, we also work closely with the target's operations and accounts department to ensure that all relevant licences are transferred into our name. Once the final component of the purchase price is paid, we take control of the target and possession of its network.

The final step involves our liaising with the respective broadcasters for the purposes of having the target's pay channel decoders transferred into the name of the new entity, and well as having any carriage and placement agreements transferred into the name of the new entity.

We assume full control over the management of the acquired entity in cases of 100% take-overs, and in the case of joint ventures, we seek to integrate our respective systems and businesses processes with that of our joint venture partner. In the case of acquisitions of ICOs, we typically retain the existing management, which allows us to leverage their existing relationships and goodwill with LCOs.

Acquisitions of LCOs:

We constantly monitor and communicate with various LCOs throughout India. In cases where we believe that acquiring the subscribers of a particular LCO would be in line with our strategic objectives, we expresses an interest to the target LCO to acquire its subscriber base, and if the LCO is amenable to such a transaction, we will make an assessment according to the following criteria:

- *Revenue:* We consider the number of subscribers of the LCO, their subscription revenue and billing and collection data and processes;

- *Expenses:* We consider their principal expenses, such as salaries, electricity, taxes, rent, repairs and maintenance and any other operating expense line items that may be relevant to an acquisition.

We ordinarily collect the data on the above criteria for a period of six to 12 months prior to agreeing to an acquisition, and then prepare a profit and loss account of that target to arrive at its net profitability. If we believe that such an acquisition is commercially acceptable to us, we then commence negotiations with the target LCO.

We typically apply a multiple of monthly ARPU of the LCO to determine the purchase price. When acquiring an LCO, our strategy is either to acquire 100% of the LCO's share capital, or to acquire its entire business operation. We do not enter into joint venture partnerships with LCOs, as their geographical areas of operation are smaller than that of MSOs or ICOs. In addition, we typically only acquire LCOs in areas that are familiar to us, and as such, wish to retain complete control of operations without input from the previous owners of the targets.

Once the commercial terms of the transaction are agreed, and an MoU is concluded, we conduct commercial and legal due diligence investigations in the same way as we do for the acquisition of, or joint venture establishment with, MSOs and ICOs. The payment of the purchase price in instalments, and execution of formal acquisition agreements, are similarly structured to the acquisitions of MSOs and ICOs.

By acquiring LCOs, secondary subscribers become our primary subscribers. This shift enables us to capture a higher proportion of subscription fees paid by end-subscribers. As the employees of the LCOs often have established relationships with subscribers, we structure our relationships with the LCOs in such a way that the LCO continues to be the principal contact with the subscribers in the acquired universe. However, we upgrade the "last mile" connection in order to provide better quality cable services and potentially introduce broadband services. We have implemented a range of training initiatives for LCO 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 LCO’s provide our subscribers with the same standard and quality of customer service that we expect.

Broadband Internet Services

Introduction

We started our broadband Internet services in 2001, and were the first cable company in India to offer such services. Our Internet access offerings comprise broadband internet access, primarily for residential subscribers throughout HFC network, and also to corporate subscribers through dedicated optical fibre cables. Our broadband Internet service is marketed under the brand name, "*Hathway Broadband Internet*". For the financial year ended March 31, 2009, revenue from Hathway Broadband Internet was Rs.1,055.31 million, which grew from Rs.733.42 million in the prior financial year. The following table sets forth operational information relating to our broadband internet services business as at the dates indicated:

Year	As at and for the year ended March 31:			As at and for the eight months ended November 30:
	2007	2008	2009	2009
Two-Way enabled Homes (homes passed):	357,280	614,490	972,402	964,383
Broadband Internet Subscribers:	124,431	231,167	341,015	322,135

The following table sets forth financial information relating to our broadband internet services for the financial years indicated:

	As at and for the financial year ended March 31:			For the six months ended September 30:
	2007	2008	2009	2009
Broadband internet subscription income (Rs. million):	551.80	733.42	1,055.31	649.47
Broadband internet ARPU (in Rs.per month)[1]	462.61	343.75	307.39	322.79

NOTE:

1. Broadband internet ARPU per month is derived by dividing broadband internet subscription income by the average of opening and closing broadband subscribers for a period. This result is then divided by the number of months in that period.

Our presence in the market for broadband internet services in the major cities across India is illustrated below:



Residential Broadband Internet Services

We provide our broadband Internet service through our extensive HFC network. Our subscribers are able to access our broadband Internet offering by way of using a cable modem that utilises DOCSIS 1.1 technology. Our fibre-optic backbone and advanced Internet Node and data centre makes our network capable of reliable Internet service as well as digital television transmission. We leverage on the significant bandwidth availability of our HFC networks by upgrading the "last mile" passive devices and making them two-way enabled, which allows us to provide both cable television and broadband Internet services simultaneously. We can further leverage on this common infrastructure, through maintenance by the same technical support staff across both our cable television and broadband Internet service businesses. We believe that this common infrastructure lowers our capital expenditure and operational costs.

As at November 30, 2009, our residential Internet service subscriber base totalled approximately 322,135 subscribers, representing a penetration rate of 33.4% of two-way broadband enabled homes. As per the TRAI Report March 2009, our market share as at March 31, 2009 is 4.27% of the total broadband internet market.

Residential Broadband Internet Service Plans

We offer six broad subscription-based services with download speeds from 256 Kbps to 1 Mbps. We also have the capacity to offer even higher download speeds as our HFC network is capable of delivering download speeds up to 42.88 Mbps (See "*Network Architecture and Infrastructure" for more information about our network capabilities.*). These services are targeted at residential households that seek high-speed, "always-on" broadband connections in a secure environment with robust customer service.

The following table sets out the salient features of each of the six types of broadband internet service plans that we offer:

BROADBAND INTERNET SERVICE PLANS	PUBLISHED SUBSCRIPTION FEE (Rs.PER PACKAGE)	FEATURES (DEPENDANT ON PACKAGE SELECTED)
Expressway	600 to 2,750	• supports download speeds of 1Mbps • 2GB to 12GB download limit • valid for two to 12 months • prepaid packages only

Skyway	1,600 to 16,000	• supports download speeds of 512 Kbps • unlimited downloads • valid for one month to12 months • post-paid packages only
512 Blast New	525	• supports download speeds of 512 Kbps • 1GB download limit • valid for one month • post-paid packages only • free downloads between 00h00 and 07h00
Happyway	999 to 10,900	• supports download speeds of 512 Kbps • 3GB download limit to unlimited downloads • valid for one to 12 months • post-paid or prepaid packages available • free downloads between 23h00 and 07h00
New Freeway Flexi	700 to 7,000	• supports download speeds of 256 Kbps • unlimited downloads • valid for one to 12 months • post-paid packages only
256 Njoy-1	500	• supports download speeds of 256 Kbps • 1.25GB download limit (plus an additional 50 paise for every additional MB over download limit) • valid for one month • free downloads between 23h00 and 06h00

The key features of our residential broadband internet service offering are:

- *High Speeds* — We offer high download speeds for the residential sector, from 256 Kbps to 1 Mbps. We also have the capacity to offer even higher download speeds as our HFC network is capable of delivering download speeds up to 42.88 Mbps (See *"— Network Architecture and Infrastructure" for more information about our network capabilities.*).

- *Flexible Service Plans* — We offer flexible subscription plans at either flat-fees, or usage- or time-based billing across all our service plans.

- *Security* – Our residential broadband Internet services are provided utilising DOCSIS 1.1 technology, which we believe provides robust online security.

Broadband Services for Corporate Subscribers

In the corporate segment, our broadband Internet services are targeted primarily at the SME segment. Our existing HFC network allows us to deliver high bandwidth broadband services to our corporate subscribers directly through dedicated fibre core. We believe that the direct operational control we have over our network enables us to achieve better response time and quality control, and provide a higher quality of service.

Key features of our broadband internet service offering to corporate subscribers are:

- *Upgrade-on-demand* – We are able to upgrade our corporate subscribers' broadband speed on demand due to the creation of dedicated fibre optic connectivity.

- *Higher bandwidth* -We offer a higher bandwidth broadband service to our corporate subscribers, in line with a service level agreement.

- *Optional firewall solution* – We offer a firewall solution to secure all the Business critical servers of our corporate customers, from various types of malicious attacks.

- *Value added services* – Our corporate subscribers are able to take advantage of such value-added services as mailing solutions and the managed hosting of our corporate subscribers' servers.

We cover a large variety of corporate subscribers across various geographical regions, sectors and industries. Our key subscribers in these various industries are set out as follows:

- *Manufacturing and Engineering* – Larsen & Toubro Ltd, Sahajanand Technologies Ltd, Reliance Industries Ltd, Welspun Ltd, Global Wind Power Ltd and Gujarat Heavy Chemicals Ltd.

- *Financial* - N J India Invest, Angel Broking, J M Financial Services Pvt Ltd and National Australia Bank.

- *Educational Institutes* - Sardar Vallabhbhai National Institute of Technology, Sarvajanik College of Engineering & Technology, C K Pithawala Engineering College, Govt Medical College Surat, Deutsche Schule Bombay, and Sardar Patel Institute of Technologies.

Competition

The key factors in competition are pricing, broadband speed, ease of use, and quality of service. We were the "first-to-market" in the cable ISP space. We do not believe that we face any significant competition in the residential Internet service segment, which is the focus of our broadband internet service business. However, our key competition in the broadband Internet access service segment is based on ADSL and Ethernet technology, provided by telecommunications companies such as BSNL, MTNL, Airtel, Tata Communications and Reliance Communications. The principal advantage that we, as a cable services provider, have over the ADSL platform is that our two-way enabled technology allows us the ability to offer cable television services over the same cable infrastructure as our broadband Internet services, which results in more affordable pricing for our subscribers. Nevertheless, we believe that our broadband Internet access service over the cable network is superior to ADSL for several reasons, including:

- *Delivery of Broadcast Quality Content* — The HFC network is designed as a broadcast network as compared to our competitor's ADSL network which is based on voice and data-switching infrastructure. As such, our HFC network is well suited to offer broadcast quality video and audio content at comparably high download speeds. Beyond the traditional video and audio streaming over the Internet provided by many service providers across the world, we believe that our cable HFC network will be able to support better quality broadcast content to our cable modem users. We believe that this differentiates our broadband capabilities from our ADSL competitors.

- *Value* — We believe that cable broadband Internet services offer a better value proposition for customers, for example, our unlimited download offering is more affordable compared to a similar offering by an ADSL provider.

- *Customer Service* –We believe that we are the only cable broadband Internet service provider to have 56

locally-situated customer help centres in addition to eight dedicated call centres in major cities and regions in which we provide broadband internet services to our residential and corporate subscribers. This local concentration helps us to provide our subscribers with locally-focussed and dedicated customer service, which our ADSL competitors do not, on account of them maintaining only centralised call centres.

Sales, Marketing and Distribution

In order to more effectively serve the various markets in which we operate, we have a dedicated FoS team and "need"-based marketing executives to market our broadband services. These employees form the majority of the employees of our broadband Internet service business. As of November 30, 2009, we had approximately 350 FoS employees, who typically work on a sales-target incentive-based system. Our salespeople make door-to-door sales calls within our operational areas, promoting our broadband Internet services. Door-to-door sales typically account for approximately 90% of new residential customers in each year. In the corporate segment, we follow a more focussed and targeted approach whereby we formally pitch to potential corporate clients.

Our marketing and promotional activities are locally focussed in media such as newspapers, television commercials (aired on the cable channels for which we have exclusive rights), area-specific road shows, hoardings and advertising on bus panels. Apart from these core marketing activities, we participate in various local events and festivals such as the traditional cultural festivals of *Ganeshotsav* and *Navratri*. We have also entered into promotional alliances with national brands for our service offerings, for example, Tata AIG, Surat Diamond Jewellery and Alcon Victor Group.

Customer Service

Our call centre staff are trained to respond to questions and complaints concerning our various broadband internet service packages and to arrange for service or repairs, as well as to contact potential subscribers, market our services and receive payment. Our localised customer support results in comparatively lower downtime for our subscribers. As of November 30, 2009, we employed 285 agents in our call centres across India. In addition, our local customer help centres had a staff of approximately 365 as of November 30, 2009.

Our call centres are located in cities such as Mumbai, Pune, Hyderabad, Bangalore, Delhi and National Capital Region, Baroda, Chandigarhand Surat. Our combined call centres together have a capacity of 265 seats.

Collection

Our broadband internet services are offered with the option of either pre-paid or post-paid payment plans. Pre-paid customers subscribe to the service by paying in advance. We collect payment in advance for the applicable service period and on expiry of the validity period or allowed usage limit (whichever occurs first) the customer can "recharge" the service period. Post-paid customers subscribe to the broadband Internet service by paying on a monthly basis. Our billing is done in advance, typically for one month of service, although we offer our customers the option to purchase a full year of service in advance. We process billing and payment transactions via a centralized computer system.

Our subscribers have various payment options. While the majority of our subscribers pay in cash at our various customer service centres, they are also able to make payment by way of business reply envelopes and drop boxes for cheque payments. We intend to deploy the handheld GPRS-enabled payment collection system that we have already successfully deployed for our primary subscribers, in our cable television service business.

Recently we introduced online payment option in conjunction with the largest private bank in India, ICICI Bank Limited Our subscribers can also have their payments automatically debited from their chequing accounts or charged to their credit cards each month. Our subscribers also have the option of making one annual or two semi-annual lump sum payments; in each case they typically receive a discount of approximately 10-15% on our subscription fees.

We attempt to obtain payment from subscribers who fail to make their payments on a timely basis through telephone and written communications with the subscriber. If after being contacted, the subscriber fails to make the payment within stipulated grace period following the payment due date, the subscriber's service is disconnected and such subscriber has to pay a prevailing reconnection fee to resume receiving our services.

We have approximately 300 people in our ISP billing, collection and retention and renewal teams.

Churn

We measure our churn on a monthly basis. Average monthly churn represents the number of subscribers for the respective service who disconnect their subscription each month less the number of subscribers for the respective service who reconnect their subscription in the same month, expressed as a percentage of total subscribers for the respective service at the end of that month. We believe that we provide a high quality of service to our subscriber base through our call centres and customer service centres. The rate of churn for the period between April 1, 2008 and March 31, 2009 in our broadband internet service was average 1.4% per month of the total subscriber base and the rate of churn for the period between October 1, 2008 and July 31, 2009 in our cable television services was an average of 0.83% per month of the total subscriber base.

In order to reduce churn, our retention efforts focus on offering lower-priced products to subscribers who express the intention to cancel our services. We have introduced special retention packages and various promotional gifts from time-to-time that are offered as part of our retention strategy. In addition, we have lower-priced broadband internet service offerings that were initially implemented as a retention strategy and subsequently offered to new customers. Our retention efforts also consist of sending personnel to homes of subscribers who have cancelled or whose service has been disconnected as well as calling them in order to recover such subscribers.

NETWORK ARCHITECTURE AND INFRASTRUCTURE

Our cable network

Cable television uses a broadband network employing radio frequency transmission over coaxial or light wave transmission over fibre optic cable to transmit multiple channels carrying images, sound, data and voice between a central facility and a subscriber's house. Coaxial cable is a type of cable used for broadband data and cable systems. This type of cable has high-quality broadband frequency characteristics, noise immunity and physical durability. Fibre optic cable is a communication medium that uses hair-thin glass fibres to transmit signals over long distances with less signal loss or distortion than coaxial cable.

Our existing cable network consists of three major components: a master head-end in most of our operational cities (with a total of 71 analog head-ends, 19 digital head-ends and five network operating centres as of November 30, 2009) a distribution network and nodes. At our head-ends, programming signals are received, processed, amplified and then sent through our distribution network, which consists of fibre optic and coaxial cables connected to nodes. A node, which is typically shared by a number of subscribers within the same area, is a single connection to any of our distribution network's main cables that receives, converts and transmits signals. Broadband signals then travel, via coaxial cable, from nodes into subscribers' homes. All distribution hubs are provided with adequate power back-up through uninterrupted power supply systems to ensure minimal downtime for our cable network. We lease access links from third-party providers, such as Tata Communication and Bharti Airtel, to connect our network to the worldwide web for purposes of our broadband Internet service.

Where high demand for high-bandwidth service occurs within a particular node's service area, we either install a BDR system to increase capacity and speed of access or we split the affected node. In the parts of our network that do not yet provide broadband internet, each node is intended initially to cover a geographic zone of 2,000 homes passed and is equipped with up to 24 fibres. We have the ability to divide each node into two or four zones covering approximately 750 to 1,000 homes passed, respectively.

While designing and upgrading the RF network, we considered the following factors in determining whether a BDR system, or the splitting of one or more nodes, is necessary to enhance network performance and capacity:

- The number of customers for Analog / Digital Video services;
- The number of cable modems within the zone covered by the node;
- The number of business customers with high bandwidth consumption; and
- Network utilization at peak times.

Installing a BDR system allows us to use the original node and fibre, but increases upstream capacity, which

improves network efficiency in areas where customer-generated network traffic is high. The BDR system does not change downstream capacity. When a specific node already has a BDR system and additional capacity is required, we install an additional fibre node by laying additional fibre-optic cable.

Our network nodes connect our central fibre-optic network to the coaxial cable that connects our primary subscribers to our cable network. We connect our secondary subscribers to our central fibre-optic network by installing dedicated nodes at the LCO's premises. The coaxial portion of our network includes electronic signal amplifiers, power supplies and the individual taps (passive devices) used to connect customer drops.

The Network Operating Centre (NOC)

Introduction and Background

Our broadband network is monitored by our Network Operation Centre, or "NOC", which enables us to ensure that our network infrastructure is functioning to provide high-quality service to our broadband internet customers. By maintaining a central NOC in Mumbai and four other regional NOCs in Delhi, Hyderabad, Bangalore and Surat, we are able to:

- Promptly detect and report problems in our service areas;
- Co-ordinate with regional customer support centres in a timely manner to solve problems;
- Monitor the following aspects of our network: Internet links and bandwidth management; network parameters, such as number of cable modems and traffic; corporate network devices; and our digital cable television service.
- Escalate service response based on priority of problems; and
- Keep track of our network’s operating history.

The main NOC, situated in Mumbai, uses high-end Cisco Systems routers and switches to provide connectivity to all point-of-presence locations and to upstream Internet providers such as Tata Communications (formerly known as Videsh Samchar Nigam Limited), Bharti Airtel and National Internet Exchange of India (known as NIXI). To enhance the browsing experience we also host servers connected to the Akamai caching solution in all of our NOCs to provide faster access to all sites which are cached on the Akamai server that we host (such as www.indiatimes.com and www.rediff.com). All of our NOCs also have a dedicated peering link to Google Inc., which provides faster access to all popular Google content, such as Google Mail and Google Maps.

All of our NOCs also house all of our DNS and mail / SMTP servers. Our billing event collector (using Netflow software) is housed in our main NOC. All of our NOC servers are secured by a Checkpoint firewall.

NOC Operations

The centralised NOC team is comprised of nine expert network engineers working in shifts to provide twenty-four hours a day, seven days a week technical support services. The network operations provide centralized network monitoring, management and troubleshooting support for our regional NOCs which in turn supports all of our other ISP locations. Using various network tools and monitoring systems, all of our NOCs are able to proactively plan and predict network and bandwidth requirements.

Our IT System

We have our own in-house IT team consisting of 21 experienced engineers. Our IT team is central to our business operations as they are primarily responsible for our centralized IT infrastructure. This team is responsible for online maintenance, the controlling of CAS solutions provided by NDS and Cisco Systems, the Subscriber Management System and the billing solutions for our broadband internet and our digital cable television service businesses.

We are currently using the SMS Billing and Help Desk System of MQSubscribe for both our broadband internet and digital cable television services. Our IT team has played a very crucial role in integrating the handheld

GPRS device for our FoS collections, and are also responsible for integrating this with our billing system. Our IT team has played a meaningful role in implementing ERP solutions such as Oracle 11i. We believe that we were the first cable television and cable broadband services provider in India that has successfully implemented the ERP solution.

Our ISP Subscriber Management System is integrated with the online payment gateway solutions provided by ICICI Bank Ltd.

We have implemented Linux-based open source anti-spam solutions, Checkpoint Firewalls and Websense solution across all locations.

SUPPLIERS

We purchase all of our equipment from reputed manufacturers. We have not entered into any long-term supply agreements. In the event that 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, including suppliers in India.

Our principal suppliers are as follows:

- *Digital head-ends:* Cisco Systems;
- *Set-top boxes:* Humax, Skyworth, and Cisco Systems;
- *Conditional Access Systems:* NDS and Cisco Systems;
- *Servers:* IBM, Hewlett Packard and Sun Microsystems;
- *Optical fibre cable*: Himachal Futuristic Communications Limited;
- *Cable modems:* Cisco Systems and Motorola; and
- *Fibre electronics:* Cisco Systems and Motorola.

Approximately 500 kilometres of dark fibre, in the optical fibre networks of telecommunication infrastructure owners such as Bharti Airtel, Idea Cellular and Tata Teleservices Ltd. is leased, while we own the rest of the HFC network.

EMPLOYEES

As at November 30, 2009, we had 642 full-time equivalent staff as well as 22 consultants.

Our temporary employees provide assistance in our call centres and shops during promotions, new product launches and road shows. Hiring employees on a temporary basis is cost-efficient and provides us with the flexibility of not needing to hold headcount on a permanent basis if the need for additional manpower is for a short period.

We also outsourced numerous functions such as customer service, support, sales, collection and other back-office administration functions. As at November 30, 2009, we have outsourced 2,182 such jobs, all based in India.

We believe the relationship between management and staff is good. We have not experienced any significant industrial disputes. We provide our employees with a range of benefits, including medical coverage, incentive bonus schemes, workmen’s compensation and accident and life insurance.

INTELLECTUAL PROPERTY

We rely on a combination of patent, trademark, service mark and domain name registrations, copyright protection and contractual restrictions to protect our technologies, brand name and logos, marketing designs and Internet domain names.

We have the telecast rights for more than 437 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.

For details of the trademarks registered in our name, please refer to the section titled "Government and Other Approvals" on page 273 of this Prospectus.

We are not materially dependent upon any patent for our business.

INSURANCE

We are covered by commercial general liability insurance policies arranged by IFFCO Tokio General Insurance Company Limited., for loss caused to our property or operations by earthquakes, accident, fire, flood, riot, strike or malicious damage. We also maintain directors' and officers' liability cover arranged by Future Generali India Insurance Company Limited.

We do not maintain any cover for telecommunications professionals' liability, intellectual property claims, communications claims and personnel-related risk, nor do we provide group medical insurance or life insurance policies for our employees.

PROPERTY

We operate substantially all our businesses from leased and rental properties. Our registered and corporate offices are also located on leased property. We also have several offices across India, which house our local operations, technical, sales and customer support staff in those areas. The following table sets out the details of our material leased property:

Property / Use:	**Approximate Floor Area:(sq. ft.)**	**Approximate Duration of lease:**
"Rahejas", 4th Floor, Corner of Main Avenue & V.P. Road, Santacruz (West), Mumbai 400 054. Use: Registered and Corporate Office	3,000	*No term provided for.*
Sarla Software Park, Plot No. 369, Marol, Maroshi Road, Near Marol Maroshi, Bus Depot, Andheri (East), Mumbai 400 059. Use: Office	15,000	Three years.
10th Floor, World Trade Centre, Kamala Mills Compound, Lower Parel, SB Marg, Mumbai 400 013. Use: Office	18,375	Nine years.
Plot No. 102, Marol Andheri (East), Mumbai 400 059. Use: Office	8,292	Three years.
Shree Complex, 4th Floor, St. Johns Road, Bangalore 560 042. Use: Office	3,000	12 years.
AB-6, Safdarjung Enclave, New Delhi 110029. Use: Office	3,870	12 years.

Property / Use:	Approximate Floor Area:(sq. ft.)	Approximate Duration of lease:
603 /604 Mahavir Chambers, Liberty Circle, Himayat Nagar, Hyderabad 500 029. Use: Office	6,000	12 years.

REGULATIONS AND POLICIES IN INDIA

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 is subject to prior FIPB approval.

Further, FDI up to 49% of the paid up equity capital is permitted under the automatic route for ISPs with gateways, radio-paging and end-to-end bandwith. The FDI limit may be increased to 74% of the paid up equity capital with the prior approval of the FIPB. However, such investment shall be subject to the licensing and security requirements prescribed by the Department of Telecommunications ("DoT").

Cable Television

The following acts, rules and regulations govern our cable television business:

*The Cable Television Networks (Regulation) Act, 1995, as amended (the "**Cable Television Act**")*

Cable television services are governed by Cable Television Act and the guidelines and notifications issued by the Telecom Regulatory Authority of India (the "TRAI") and the Ministry of Information and Broadcasting, Government of India (the "MIB") from time to time. The Cable Television Act regulates the operation of cable television networks in India. Section 3 of the Cable Television Act requires any cable television network operator to be registered with the head post master of the area in which the cable television network is proposed to be set up. Under the Cable Television Act and the Cable Television Rules (as hereinafter defined), companies wherein minimum 51% of the paid up share capital is held by Indian citizens are eligible to provide cable television services. The Cable Television Act further stipulates that no programme or advertisement shall be transmitted or re-transmitted unless it is in conformity with the prescribed programme and advertisement code provided in the Cable Television Rules. 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 (the "BIS").

Under an amendment to the Cable Television Act in 2002, every cable operator, whosee transmission is through an addressable system, is required to submit a report to the Government of India in a prescribed form regarding (i) the total number of subscribers, (ii) the subscription rates and (iii) the number of subscribers receiving programmes transmitted in the basic service tier or a particular programme or set of programmes transmitted on pay channels. Further, every cable operator is also required to publicise, in a prescribed manner, to the subscribers, the subscription rates and the periodic intervals at which such subscriptions are payable.

*The Cable Television Network Rules, 1994 (the "**Cable Television Rules**")*

The Cable Television Rules stipulate that registration as a cable operator should be renewed every 12 months. Rule 11 of the Cable Television Rules stipulates that no MSO shall provide cable television network services with addressable systems in any one or more of the notified areas ("**CAS Areas**") without the prior permission of the MIB. Every subscriber who seeks to recover one or more pay channels is required to apply to the MSO to supply and install a set-top box. Upon the installation of such 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 offends public morality, decency and religious susceptibilities of subscribers.

*The Indian Telegraph Act, 1885, as amended (the "**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, by wire, visual or other electro-mangnetic emissions, radio waves or hertzian waves, galvanic, electric or magnetic means. Under Section 4 of the Telegraph Act, the Director-General of Posts and Telegraphs may grant a license to any person to establish, maintain or work a telegraph within any part of India with such conditions as it may think fit. 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 Wireless Telegraphy Act, 1933, as amended ("**Wireless Telegraphy Act**")*

In addition to a telegraph license under Section 4 of the Telegraph Act, land -based wireless providers and users also require an additional license under the Wireless Telegraphy Act. Section 3 of the Wireless Telegraphy Act forbids any person from possessing a wireless telegraphy apparatus without a license. Under Section 5 of the Wireless Telegraphy Act, the license to possess the wireless and radio equipment and to use it for wireless services is issued by the telegraph authority designated under the Telegraph Act, i.e. the Director-General of Posts and Telegraphs. Section 11 of the Wireless Telegraphy Act states that a license under the Wireless Telegraphy Act does not authorize the licensee to do anything that is prohibited under the Telegraph Act and that such license shall not authorize any person to do anything for which a license or permission under the Telegraph Act is required.

Headend in the sky Policy Guidelines 2009

The Ministry of Information and Broadcasting, Government of India has passed an order dated November 26, 2009 setting out guidelines for providing Headend in the sky ("**HITS**") broadcasting services from India ("**Guidelines**"). The Guidelines provides for a framework within which the HITS service providers have to provide such services in India. The Guidelines does not mandate for either the cable operators or subscribers to necessarily obtain signals from a HITS platform/network, the subscribers and cable operators can continue with the existing system. Hence the cable operators have liberty to switch over to HITS provider network if so desired. The salient features of the Guidelines are:-

1. It provides for an enabling regulatory environment for HITS operators.

2. HITS operators should have a minimum net worth of Rs.1,000,000 and must be a company incorporated under the Companies Act.

3. HITS operators are not permitted to provide signals directly to the subscribers. However, if HITS operator is also an MSO / LCO, he can do so through his distribution network.

4. Total direct and indirect foreign investment including FDI is allowed up to 74%. FIPB approval will be required for FDI in the company / Indian promoters / investment company, including their holding companies, if it has a bearing on the overall ceiling of 74%.

5. There is no restriction on number of permissions. All those found to be eligible and fulfil the terms and conditions may apply for license to the Ministry of Information & Broadcasting.

6. Existing permission holders of HITS will have to comply and migrate to new policy regime within three months failing which their permission shall be cancelled.

*The Telecom Regulatory Authority of India Act, 1997 ("**TRAI Act**")*

The Telecom Regulatory Authority of India (the "TRAI") was established in 1997 by the TRAI Act, to regulate telecommunication services in India, including broadcasting and cable services. The TRAI is vested with recommendatory, regulatory and tariff setting functions, including (a) making recommendations on the need and timing for introduction of new service providers, (b) making recommendations on the terms and conditions of license to a service provider, (c) ensuring compliance of terms and conditions of license, (d) ensuring technical capability and effective inter-connection between service providers, (e) specifying standards of quality of service to be provided by the service provider and ensuring the quality of service, and conducting a periodical survey of such service provided by the service providers, (f) protecting the interest of consumers of telecommunication services, (g) levying fees and other charges at such rates and in respect of such services as may be determined by regulations. In addition, the TRAI Act contains penalty provisions for offences committed by a company under the TRAI Act.

The following regulations have been notified by the TRAI:

1. The Telecommunication (Broadcasting and Cable Services) Interconnection Regulation, 2004, as amended (the "**Interconnection Regulations**")

   The Interconnection Regulations apply to all arrangements among service providers, including MSOs, and LCO's for interconnection and revenue sharing for all telecommunication services, including cable services in India. Interconnection means the commercial and technical arrangements under which the service providers connect, including through electro-magnetic signals, their equipment networks and services to enable their customers to have access to the customers, services/and or networks of other service providers. The Interconnection Regulations issued by TRAI specify, *inter alia*, the following:

   (a) *Must Provide Clause*: Broadcasters are required to provide signals on non-discriminatory terms to all distributors of television channels. Similarly, MSOs are required to re-transmit signals received from a broadcaster on a non-discriminatory basis to LCOs. Broadcasters are not allowed to engage in any practice or activity or enter into any understanding or arrangement, including exclusive contracts with any distributor of TV channels, that prevents any other distributor of TV channels from obtaining such TV channels for distribution. However, these provisions do not apply in the event that a distributor of TV channels has defaulted in payments.

   (b) *Disconnection with respect to any of TV Channel Signals*: No Broadcaster/MSO shall disconnect the TV channel signals with respect to any distributor of TV channels without giving three weeks' prior written notice and public notices in two newspapers briefly indicating the reasons for the proposed action.

   (c) *Interconnection Agreements*: In areas where CAS has not been notified, the interconnection agreements between broadcasters and MSOs are required to be based on the standard terms in the Reference Interconnection Offer (the "**RIO**") published by the broadcasters, which, *inter alia*, describes the technical and commercial conditions for interconnection.

   (d) 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 based on a standard form prescribed by the TRAI.

   (e) The abovementioned standard agreement provides, *inter alia*, that the subscription amounts will be shared between the broadcasters, MSOs and LCOs in the ratio of 45%, 30% and 25%, respectively (excluding free to air charges which will be retained by the LCO's and channel placement fees, which will be retained by the MSO). The standard agreement also provides for the duties, responsibilities, obligations and rights of an MSO.

   (f) *Minimum Guarantee*: The Interconnection 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, the TRAI, by an amendment to the Interconnection Regulations, made it mandatory for all broadcasters to have RIOs for their addressable systems in order to facilitate the introduction and roll-out of CAS on a voluntary basis. The amendment bars distributors 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 such distributor. In addition, minimum technical specifications for addressable systems have been specified. The amendment also makes it mandatory for the broadcasters of pay channels and distributors of TV channels to provide the terms and conditions of all their interconnection agreements to writing.

2. The Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television – CAS Areas) Regulation, 2006, as amended (the " **SQS Regulations**")

The SQS Regulations contains provisions relating to connection, disconnection, transfer and complaint handling and redressal in respect of cable services in CAS areas.

The SQS Regulations specify the billing procedures for cable services in CAS areas, set-top boxes, filing of complaints in respect of cable services in CAS areas and change in positioning of channels and taking channels off air. Further, MSOs are required to match the technical standards set by the BIS.

3. The Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television – Non CAS Areas) Regulation, 2009, as amended (the "**SQS Non- CAS Regulations**")

The SQS Non CAS Regulations contain provisions relating to connection/disconnection or shifting of cable services, the billing procedure and billing related complaints, the mechanism for the handling of complaints and additional standards of quality of service relating to digital decoders and set-top boxes for digital cable service in non-CAS areas.

4. The Telecommunication (Broadcasting And Cable) Services (Second) Tariff 2004, as amended

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 directly to subscribers. By an amendment in 2007, tariffs applicable were fixed at rates prevalent as of December 1, 2007 plus 4%. This was further increased by an amount not exceeding 7% of the prevailing tariff by an amendment in 2008. However, there are no price caps on channels being provided to subscribers through addressable platforms in such areas where CAS has not been notified.

MSOs are permitted to subscribe to pay channels from broadcasters on an *a la carte* basis and retransmit such pay channels to LCOs in a bouquet format.

5. The Telecommunication (Broadcasting and Cable) Services (Third) (CAS Areas) Tariff Order, 2006, amended (the "**Cable Tariff Order 2006**")

The charges payable by subscribers to LCOs/MSOs in the CAS areas are determined by the provisions of the Cable Tariff Order 2006 as amended (the "**Cable Tariff Order 2006**"). In CAS areas, it is mandatory to offer pay channels to the subscribers on an *a la carte* basis. The maximum retail price 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 can be fixed by the broadcaster. The maximum amount payable by each subscriber for receiving a basic service tier offered in CAS areas, comprising a minimum of 30 free- to- air channels is Rs.77 per month (exclusive of taxes). MSOs are required to compulsorily offer to the subscribers certain standard tariff package contained in the Cable Tariff Order 2006. In addition, MSOs are permitted to offer alternative tariff packages and the subscribers are free to choose from among such tariff packages including the standard tariff package specified by the TRAI. No levy or charge may be collected separately from subscribers for the following:

(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 the 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 the Interconnection Regulations and the Cable Tariff Order 2006.

6. Draft Recommendations on Restructuring of 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, pursuant to which licenses will be granted by the MIB either directly or through any other administrative unit under its direct control. The duration of such licenses 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 their respective existing registration, whichever is earlier. The non-refundable entry fee for MSO and LCO licenses, based on the recommendations, was stipulated 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 digitise their transmission within five years from the date of notification of the new licensing regime. TRAI has also recommended that the Indian Broadcasting Federation maintain an indicative list of accepted encryption and subscriber management softwares which can be deployed by MSOs.

Internet Services

1. Guidelines and General Information for Grant of Licence for Operating Internet Services dated August 24, 2007 ("**ISP License Guidelines**")

   The DoT issued the ISP License Guidelines for grant of license to provide Internet Services on a non-exclusive basis. The ISP License Guidelines provide for *inter alia*, the following

   (a) *Service area*: Licenses are awarded in categories, namely, Category A and B depending on the territory covered by the License.

   (b) *Foreign direct investment*: Foreign direct investment in the licensee company is restricted to 74% of the paid up capital of the company of which up to 49% is permitted 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 subscribers is secure and protected. In addition, a majority of the board of directors of the licensee company is required to be Indian citizens.

   (d) *Fees payable*: A one-time entry fee of Rs.2 million is required to be paid for a Category A Internet Service Licence 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 and Rs.10,000 for Category A and Category B respectively is charged per annum. Further, a financial bank guarantee of Rs.1 million for Category A and Rs.0.1 million for Category B each valid for one year, and a performance bank guarantee of Rs.20 million for Category A, and Rs.2 million for Category B, each valid for two years, are 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 the Internet through an authorized cable operator is permitted to ISPs without additional licensing subject to the provisions of the Cable Television Act. In addition, the license is governed by the provisions of the Telegraph Act, the Wireless Telegraphy Act and the TRAI Act.

2. License Agreement for Provision of Internet Service

An Internet service provider is required to obtain a license and enter into a standard agreement (the "ISP License Agreement") with the DoT before starting operations as an ISP. In addition to the conditions required to be followed by a licensee company under the ISP License Guidelines, the ISP License Agreement provides for further requirements to be adhered to by the licensee.

The licensee is required to make its own arrangements for the infrastructure involved in providing the service and is solely responsible for the installation, networking and operation of the necessary equipment and systems, treatment of subscriber complaints, issue of bills to subscribers, collection of revenue, and attending to claims and damages arising out of its operations. In the process of operating the Internet service, the licensee 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 is required to adhere to such quality of service standards and to provide timely information as required by DoT. The licensee is responsible for:

(a) maintaining performance and quality of service standards;

(b) maintaining the mean time to restore within the specified limits of the quality of service; and

(c) keeping a record of number of faults and rectification reports in respect of the service, which is required to be produced before the DoT or the TRAI as and when and in whatever form desired.

In addition, the licensee is required to ensure that objectionable, obscene, unauthorized or any other content, messages or communications infringing copyright, intellectual property rights or international and domestic cyber laws, in any form, or inconsistent with the laws of India, are not carried in its network.

In particular the licensee is obliged to provide, without delay, all tracing facilities with respect to nuisance or malicious messages or communications transported through its equipment and network, to authorized officers of Government of India and the relevant state government, when such information is required for investigations of crimes or in the interest of national security. The licensee company must also comply with the provisions of the Telegraph Act and the TRAI Act.

The DoT may, without prejudice to any other remedy available for the breach of any conditions of the licence agreement, by written notice of 30 days after affording a reasonable opportunity of hearing, issued to the licensee company at its registered office 30 days in advance, terminate the licence agreement if the licensee company:

(a) fails to perform any obligation(s) under the licence agreement including timely payments of fee due to the DoT;

(b) fails to commission or deliver Internet services within the time period specified in the license or in any extension thereof granted by the DoT;

(c) goes into liquidation or is ordered to be wound up; or

(d) is recommended for termination by the TRAI for non-compliance of the terms and conditions of the licence agreement.

The DoT reserves the right to impose any penalty as it may deem fit for violations of terms and conditions of the license agreement.

3. 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 the subscribers before making value-added services chargeable.

4. The Telecommunication Tariff Order, 1999, as amended ("**Tariff Order 1999**")

The Tariff Order 1999 issued by TRAI, provides the terms and conditions under which telecommunication services within India and outside India may be provided, including rates and related conditions under which messages shall be transmitted to any country outside India, deposits, installation fees, rentals, free calls, usage charges and any other related fees or service charge. Reporting requirements are not applicable for service provided to bulk customers, provided that all ISPs providing dialing Internet Services shall, within seven days after the close of every quarter, furnish brief details about the number of plans and the bulk customers availing of them along, with a certification for information and record.

A tariff plan once offered by an ISP is 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.

ISPs are free to reduce tariffs under any tariff plan at any time. However, no tariff item in a tariff plan can 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.

5. Broadband Policy, 2004 (the "**Broadband Policy**")

The Broadband Policy issued by the DoT provides a framework for the creation of infrastructure through various access technologies which can contribute to the growth of broadband services in India.

The Broadband Policy states that a cable 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 license vest with the licensee company. The terms of the franchise agreement between the licensee company and its franchisee are to be settled mutually by negotiation between the two parties involved. Further, the licensee company must comply with the quality of service parameters for broadband services by the TRAI.

6. Guidelines for obtaining License for providing Direct-to-Home(DTH) Broadcasting Service in India) (the "**DTH Guidelines**")

DTH service providers are licensed under the DTH Guidelines and are , subject to the mandatory preliminary requirements stipulated thereunder. A DTH licensee is additionally required to execute a separate license with the MIB.

7. Guidelines for Issue of Permission to Offer Internet Telephony Services, 2002 (the "**Internet Telephony Guidelines**")

As per the Internet Telephony Guidelines, only ISP licensees are permitted to offer Internet telephony services within their service area. ISPs desirous of offering Internet telephony services are required to sign an amendment to their ISP license to such effect. The Internet Telephony Guidelines also mandate security monitoring requirements.

8. Guidelines for Permission to Offer Virtual Private Network (VPN) Services by Internet Service Providers (ISPs), 2004 (the"**VPN Guidelines**")

The VPN Guidelines provide for the provision of VPN services by ISPs in addition to the services envisaged by their respective licenses. ISPs desirous of offering VPN services are required to sign an amendment to their ISP license to such effect. Such amendment to the ISP license agreement is issued and governed by the provisions of the Telegraph Act, the Wireless Telegraphy Act and the TRAI Act. The VPN Guidelines also mandate security monitoring requirements.

9. Information Technology Act, 2000 as amended ("**IT Act**")

The Information Technology Act regulates and governs the communications made and services provided in the electronic form. The provisions of the IT Act are applicable to an internet service provider who is a third party and does not actually host any of the content. The IT Act prescribes punishment for publication of *inter alia* obscene, offensive materials through electronic means The IT Act has been amended by the Information Technology Amendment Act, 2008.

As per Section 66A of the IT Act any person who sends information which is grossly offensive or has menacing character, or any information which he knows to be false for *inter alia* causing annoyance,or danger by making use of computer resource is punishable with imprisonment which may extend to three years and fine. Under section 67 of the IT Act, the publication of or causing to publish in electronic form, lascivious material or material which is likely to corrupt the persons who read, see or hear the matter is punishable with on a first conviction with imprisonment of which may extend to three years and with fine which may extend to Rs.5,00,000 and in the event of a second or subsequent conviction with imprisonment of for a term which may extend to five years and also with fine which may extend to Rs.10,00,000.

Further, Section 67A of the IT Act provides that whoever publishes or transmits or causes to be published or transmitted in the electronic form, any material which contains sexually explicit act or conduct will be punished on the first conviction with imprisonment for a term which may extend to five years and with a fine which may extend to Rs.10,00,000 and in the event of a second or subsequent conviction, with imprisonment which may extend to seven years and a similar fine, unless it can be proved that the publication is justified for religious purposes or for public good on the ground that it is in the interest of science, literature, art or learning or other objects of general concern. Similarly Section 67B of the IT Act provides that whoever publishes or transmits or causes to be published or transmitted in the electronic form, any material which (a) depicts children engaged in sexually explicit act or conduct or (b) creates text or digital images, collects, seeks, browses, downloads, advertises, promotes, exchanges or distributes material which depicts children in obscene or indecent or sexually explicit manner, (c) cultivates, entices or induces children to online relationships for sexually explicit acts or in any manner which is offensive, (d) facilitates the abuse of children online, or (e) records in any electronic form any sexually explicit acts with children, shall be liable to the similar penalties as that provided in Section 67A of the IT Act.

10. Competition Act, 2002, as amended(the "**Competition Act**")

The Competition Act 2002, has been enacted to prevent anti-competitive practices, promote and sustain competition, protect the interests of consumers and ensure freedom of trade in markets in India.

As per the notified sections of the Competition Act, entering into agreements between enterprises which *inter alia* affect the prices, supply, distribution or other such collusive arrangements are anti – competitive in nature and are prohibited under Section 3 of the Competition Act. Section 4 of the Competition Act, prohibits an enterprise that is in a dominant position from abusing its dominant position. Further, Section 5 of the Competition Act provides thatassets / turnover thresholds applicable to acquisitions, merger and amalgamations in order to determine whether the transaction would be regarded as a combination for the purposes of the Competition Act. However, Section 6 of the

Competition Act which provides for regulation of 'combinations' has not been notified yet. Section 6 (1) of the Competition Act provides that no person or enterprise shall enter into a combination which causes or is likely to cause an appreciable adverse effect on competition within the relevant market in India and such a combination shall be void.

11. Tax regulations

In majority of states in India, the payment of entertainment tax is a liability of the cable operators. Cable operators are required to register themselves under the respective state entertainment laws and to deposit the entertainment tax with the concerned department on a monthly basis. Cable operators are also required to file returns from time to time.

In the States of West Bengal, Karnataka and Andhra Pradesh, the respective State Governments have amended the entertainment tax laws and rules such that the payment of entertainment tax is the liability of the MSOs. The constitutional validity of such amendments of these regulations are pending before the Karnataka High Court and the Andhra Pradesh High Court. For further details, please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 241 of this Prospectus. In the other states where only the LCOs are liable for entertainment tax for providing cable television services, which must be deposited with concerned authority/department/agency.

HISTORY AND CERTAIN CORPORATE MATTERS

History of our Company

Our Company was incorporated on August 7, 1959 in Mumbai as Chics Display Services Private Limited. Subsequently, our name was changed to Hathway Cable & Datacom Private Limited due to a change in the ownership of our Company, pursuant to the provisions of the Companies Act by a certificate of incorporation dated February 16, 1999. Our Company became a public limited company and the word "private" was deleted from its name pursuant to a special resolution of our shareholders at an extra ordinary general meeting held on August 26, 2009 and a fresh certificate of incorporation was issued to our Company on September 7, 2009. The Company entered into the business of providing broadband internet services from March 2000.

Changes in the Registered Office

At the time of incorporation, our Company's registered office was situated at People Building, 5th Floor, Sir P. Mehta Road, Fort, Mumbai 400 001. With effect from April 20, 1961, the registered office of the Company was changed to 7, Malhotra House, 1st Floor, Fort Street, Opp. GPO, Mumbai 400 001 for administrative convenience. Subsequently, with effect from December 01, 1995, the registered office of the Company was changed to Wadia Building, 17/19, Dalal Street, Fort, Mumbai 400 001 due to change in the ownership of our Company. Further, with effect from August 5, 1998, the registered office of the Company was shifted to its present registered office, at Rahejas, 4th Floor, Corner of Main Avenue & VP Road, Santacruz (West), Mumbai 400 054 for administrative convenience.

Key events and milestones

Our Company has been awarded the "Best MSO" as part of the Indian Telly Award for the years 2002, 2003, 2005, 2006, 2007 and 2008.

Year	Particulars
1998	The Promoters and their relatives acquired a 100% stake in our Company in March 1998.
2000	NewsCorp acquired a 26% equity interest in our Company.
2000	We started providing broadband services on DOCSIS technology.
2002	We acquired 200,000 direct cable television subscribers during the two years ended March 31, 2002.
2004	Launched digital cable service. Reached 100,000 broadband subscribers.
	We launched distribution of cable television services through addressable systems (CAS) in certain CAS notified areas of Chennai, Delhi and Mumbai.
2007	Monet acquired a 15% equity interest in our Company.
2008	We acquired two major MSOs in Maharashtra: Hathway Rajesh Multichannel Private Limited and Hathway MCN Private Limited.
	We acquired 50% equity interest in a large independent MSO in Gujarat: Gujarat Telelink Private Limited.
	We acquired 51% equity interest in Hathway Bhaskar Multinet Private Limited in Madhya Pradesh, which owned a majority equity interest in three large independent MSOs in Chhattisgarh.
	Kaup Capital, MSPI and Arcadia invested in compulsorily convertible debentures of our Company and which were convertible into Equity Shares in accordance with the terms thereof.
2009	Reached one million digital cable television subscribers.
	Reached approximately 320,000 broadband subscribers.

Year	Particulars
	Launched digital video recorder (DVR) service, becoming the first Indian cable television services provider to do so.

Capital raising (Debt / Equity)

Except as set out in the section titled "Capital Structure" beginning on page 24 of this Prospectus, the Company has not raised any capital in the form of Equity Shares or Debentures.

Main objects

The main objects of our Company as contained in our Memorandum of Association include:

1. To undertake, establish, set up, operate, franchise, acquire, distribute, transmit over, lease, dispose off, or otherwise deal with all kinds of cable network, satellite channels, television, radio waves and other suitable medium based networks to subscribers or viewers within the country and overseas, whether for long or short distances.

2. To receive and distribute through a combination of satellite receivers and a system of cable networks, optic fibre, microwave links, wireless systems and other means satellite and video sourced signals comprising software, including visual and audio programming and data text beamed from direct broadcast and other satellite or any other sources.

3. To carry on the business of advertisers, advertising agents and advertising contractors, printers, stationers, lithographers, engravers, die-sinkers, designers, draughtsmen and dealers in or manufacturers of any other articles or things of character similar or analogous to the foregoing or any of them or connected therewith.

4. To acquire by purchase or otherwise, manufacture, sell or otherwise trade in all goods, articles and things usually used or dealt in by persons engaged in any of the above mentioned businesses.

5. To enter into partnership or any other arrangements for sharing profit, union of interest, co-operation, joint venture, reciprocal concessions or otherwise with any firm, individual, company, etc.

6. To design, develop, carry out, undertake and conduct research in, manufacture, buy, sell, import, export, maintain, repair, alter, convert, distribute, market, hire, lease and otherwise deal in all kinds of software, and to provide technical and advisory services in the areas of Internet/web consultancy, Event management, Internet advertising and to establish and run data processing/computer centers and to offer consultancy and data processing and other services that are normally offered by data processing/computer centers to industrial, business and other type of customers and to impart training in all related fields including Electronic Data Processing, Computer Software and Hardware, to customers and others.

7. To undertake and provide Internet related services, systems, technology, information and software development services and products, including hardware, to any person through agents, franchise, by any available means, in India or abroad.

8. To develop turnkey solutions for web-based e-mail products and services, deliver customized e-mail services for web sites and to develop and design custom mail services by modifying the user interfaces of current web-based e-mail products to incorporate the artworks, including the brand name and logo and to design, develop, promote custom mail services and generate users thereof, provide access to working versions of custom mail services, develop graphic designs for custom mail services, to host custom mail services, serve advertisement, place and maintain hypertext links to the custom mail services, to maintain or cause to be maintained the hardware, software and systems required for the hosting and operation of the custom mail services, to provide e-mail customer support to end-users ensure delivery of technically deliverable e-mail messages, to provide basic infrastructure for desired performance levels, upgrade and augment hosting infrastructure, provide best-of-breed technologies, to take periodical backup of the user data, to market and sell advertisements for the custom mail services, to place house advertisements and barter advertisements in pages related to custom mail services, to

offer the end users e-mail and other communication products or services in connection with custom mail services and also to provide premium services like off-line e-mail client interface, automated rules based e-mail forwarding, automated rules based e-mail forwarding, automated rules based pager notification, e-mail to postal mail forwarding, e-mail to voice mail forwarding, e-mail to fax forwarding, ip telephony access, multi-mode unified e-mail message center, automated e-mail translation, supplemental disk space and other related services.

9. To carry on business of development and maintenance of data communication network, data basis and software to be used or made available for retrieval transfer or exchange of data and/or information including acquisition, collection, exchange, hiring, subscription, transfer, marketing and distribution of data communication network, data bases and software.

10. To publish any kind of information on internet, a global computer network or otherwise, compiled and updated by the Company or any other person, for commercial purposes or otherwise, set up and/or give or take on lease/hire appropriate systems and technology to render these services to any person, including inviting subscriptions, advertisements from any persons, through agents, franchise, by any available means in India or abroad.

11. To obtain access from and to allow to access different data/information on line or otherwise, to provide information on corporate, economic and global developments, legal case laws and/or on any other subject found useful compiled and updated by the Company or any other person to users in any part of the world directly of indirectly or through agents, franchise, through modems, e-mail, telephone and/or satellite network and/or any other mode of transmission of information/data or to provide/deal/make any software or hardware for that purpose.

12. To buy, acquire, lease, take on hire, install, commission and provide or otherwise allow to use basic telecom services, e-mail, data communication services, value added services and information services.

13. To carry on business as manufactures, producers, processors, makers, convertors, assemblers, fabricators, repairers, importers, exporters, traders, buyers, sellers, retailers, wholesalers, suppliers, indentors, packers, movers, preservers, stockists, agents, sub-agents, merchants, distributors, consignors, jobbers, brokers, concessionaires, or otherwise deal in all type of electronic components, devices, equipment and appliances, digital and other electronic clock, time relays, punch card machines, electromechanical pneumatic control, computers and automatic calculators and other appliances intended for electro and other therapy treatment and capacitors, resistances, condensers, semi-conductors, transistors rectifiers, integrated and hybrid circuit, relays, potentiometers, connectors, printed circuit, coils, chocks, transformers, switch, volume controls, plugs, socket, aerial gears, diodes, and allied items intended for and used in electronic devices.

14. To purchase or otherwise acquire and takeover as a going concern, all such businesses as may be in conformity with the objects of the company, carried on by any body corporate whether in India or abroad, and all or any of the assets of the business, and with a view thereto to enter into and carry into effect with or without modification(s), any agreements, memorandums of understanding (MOUs), letters of arrangements and such other necessary documents.

15. To provide managed co-locate services, managed equipments and connectivity services directly from web facilities integrated into wide area network architecture, to provide environmentally controlled space within the co-locate site to house equipments, singly fused continuous power services, to supply, order, install, configure, troubleshoot, and maintain all equipments, including cabling and termination devices, to provide necessary cross-connect from phone closet nearest co-locate site to the space, to provide commercially reasonable assistance in equipment security breach detection or identification , to supply to customers classless Inter-Domain Routing (CIDR) host IP addresses, and to provide any administrative, technical, emergency or support personnel or services, to provide world wide web hosting for sale, content distribution services for sale, electronic messaging, fax, paging, database, conferencing, gaming, or other Internet application or communication services for sale, to support marketing and distribution of products, services or information, to provide commercially reasonable user access security and Network access security and other related services.

16. To carry on the business of developing, manufacturing, providing, exporting, importing and rendering all types of communication and information services to individuals, business houses, commercial or

non-commercial organisations, governments etc. by collecting, collating and classifying various types of data and information in a systematic and useful manner and of publishing, distributing and selling the same to individuals, companies, corporations, governments and any such authorities including periodicals, magazines, newspapers, journals, newsletters, occasional papers and to syndicate data, information, articles, photographs, illustrations, graphs, charts, diagrams, cartoons and other visuals and reports and to set up a data bank and library to collect, compile, process, store, distribute and sell information on industrial, corporate, management, economic, social, political, scientific, legal, technological, medical and all other subjects.

17. To carry on the businesses of dealers, exporters, importers, agent, manufacturers and traders in all sorts of electronic goods, equipments, devices, machinery and circuits including computers, mini-computers, micro processors, digital equipments, data processing equipments, radios, televisions, transistors, transmission equipments and all equipments used in any industry or transport system using electronic principles and devices and all articles of merchandise or things akin to, related to or connected with electronic industry.

18. To acquire and/or obtain rent/royalty various movie rights for cable, satellite and internet transmission, to license the movie rights acquired to various networks and earn royalty/license fees/commission and to carry on the business of cable channels in various languages and distribute the same to various networks in India or outside India and to run the business of satellite channels, to install dressable set-top box systems in the cable T.V. network along with related software and to buy & sell the addressable set-top boxes & cable modems to various customers in connection with the ISP business and other businesses.

Changes in our Memorandum of Association

The following changes have been made to our Memorandum of Association since incorporation:

Date of Shareholders' Approval	Particulars of Changes
March 12, 1996	Increase in authorised share capital from Rs.100,000 to Rs.500,000
March 14, 1996	Sub-division of face value of Equity Shares from Rs.100 to Rs.10 per share.
July 10, 1996	i) Increase in authorised share capital from Rs.500,000 to Rs.250,000,000 ii) Change in objects clause of the Company to include cable business.
August 16, 1999	Change in object clause of the Company to include internet business
April 18, 2000	Increase in authorised share capital from Rs.250,000,000 to Rs.270,000,000.
August 14, 2000	Increase in authorised share capital from Rs.270,000,000 to Rs.400,000,000.
October 25, 2007	i) Increase in authorised share capital from Rs.400,000,000 to Rs.1,500,000,000. ii) Sub-division of face value of Equity Shares from Rs.10 to Rs.1 per share
August 26, 2009	i) Consolidation of share capital of the Company such that face value of the Equity Shares of the Company was made Rs.10 per share from Rs.1 per share. ii) Increase in the authorised share capital from Rs.1,500,000,000 to Rs.2,000,000,000.

Shareholders agreement

There are no special rights that are granted to any specific public shareholder that will affect the rights of the other public shareholders. No part of the Company's money shall be utilized for any obligation under any existing shareholders agreement entered into by the shareholders of the Company.

1. *Restated and Amended Shareholders Agreement dated April 28, 2007 among our Company, NewsCorp Hathway Investments Private Limited, Akshay Raheja, Viren Raheja, and Spur Cable & Datacom Private Limited ("**NewsCorp Amended Shareholders Agreement**") (For the purposes of the NewsCorp Amended Shareholders Agreement, Spur Cable & Datacom Private Limited, Hathway Investments Private Limited, Akshay Raheja and Viren Raheja, the "**Certain Promoter Group**").*

(Each of NewsCorp and the Certain Promoter Group are hereinafter individually being referred to as a "**Party**" and collectively as the "**Parties**".)

NewsCorp subscribed to 8,238,500 equity shares of the Company pursuant to a Subscription Agreement dated August 22, 2000. The Parties thereafter executed a Shareholders Agreement dated September 7, 2000 ("**NewsCorp Shareholders Agreement**"). Pursuant to the execution of the Monet Subscription Agreement and Monet Shareholders Agreement, each as hereinafter defined, the Parties have executed the NewsCorp Amended Shareholders Agreement.

NewsCorp's rights in the Company depend upon the proportion of its shareholding in the Company calculated taking into account any adjustment events in the nature of share splits, bonus issues, stock dividends, rights issues, and recapitalizations ("**Adjusted NewsCorp Securities**"). As long as NewsCorp holds at least 75% of the Adjusted NewsCorp Securities and prior to an initial public offering of equity shares of the Company, the following key provisions will be applicable:

- the right to nominate a reputable firm of international accountants to prepare on a quarterly basis a reconciliation of the Company's books and accounts and to issue an opinion with respect thereto;
- a consent right with respect to any issue of equity securities or any new joint venture or partnership arrangement with certain parties prohibited by Hathway;
- the aggregate number of equity shares from time to time issued pursuant to the ESOP will not exceed 10% of the Company's paid-up equity share capital;
- affirmative voting rights in relation to *inter alia* the Company entering into any new businesses, any amendments to the charter documents of the Company or any of its subsidiaries, any winding-up proceedings in relation to the Company , merger, amalgamation, related party transactions, dividend declaration, external borrowings and certain other matters;
- the Company and its affiliates and NewsCorp are subject to certain non-solicitation obligations with respect to each other's employees and non-compete obligations with respect to each other;
- NewsCorp Directors have a right to be indemnified against any losses due to any acts of the Company or the Certain Promoter Group; and
- certain pre-emption rights on any issue of fresh shares by the Company, unless such issuance is upon the conversion, exercise or exchange of options (including under the ESOP), warrants or convertible securities or by way of a public issue.

Certain other rights are also available to NewsCorp even if NewsCorp holds lower thresholds of Adjusted NewsCorp Securities which includes a right of first refusal with respect to any transfer of shares by the other shareholders of the Company. NewsCorp's right of first refusal shall cease on the earlier of (a) such time as NewsCorp no longer owns 38% of the Adjusted NewsCorp Securities or (b) the initial public offering.

Until the earlier of (i) the date on which NewsCorp's shareholding is reduced to less than 38.5% of the Adjusted NewsCorp Securities, or (ii) the date on which NewsCorp makes an investment in certain competing entities NewsCorp shall have the right to nominate one Director. In addition, for so long as NewsCorp continues to own at least 75% of the Adjusted NewsCorp Securities and provided NewsCorp has not made an investment certain competing entities, NewsCorp shall have the right to nominate another Director. Further, the Promoters also have the right to appoint five nominees on the Board.
NewsCorp shall continue to have the following rights after the IPO in relation to our Company:

a. Right to nominate directors on the board of the Company;
b. Right to have a nominee on the Budget Committee of the Company.

Newscorp shall also continue to have certain rights inter-se the shareholders of the our Company after the IPO that prohibit some of the Certain Promoter Group in making investments in certain companies prohibited by NewsCorp and as long as NewsCorp continues to hold 75% of the Adjusted NewsCorp Securities, that it and its affiliates will not transfer any equity securities of the Company to certain entities prohibited by the Company.

The directors appointed by NewsCorp shall have equivalent rights to the directors appointed by Monet. Until an initial public offering of the Company takes place, all meetings of the Board require a quorum of at least two Directors or one-third the total number of Directors whichever is greater and the quorum must include one director nominated by NewsCorp and one director nominated by the Certain Promoter Group.

Please refer to the section titled "Main Provisions of our Articles of Association" on page 351 of this Prospectus

2. *Shareholders Agreement dated April 28, 2007 among the Company, Monet, NewsCorp, Hathway Investments Private Limited, Akshay Raheja, Viren Raheja, Spur Cable & Datacom Private Limited and Rajan Raheja ("**Monet Shareholders Agreement**") (For the purposes of the Monet Shareholders Agreement, Spur Cable & Datacom Private Limited, Hathway Investments Private Limited, Akshay Raheja Viren Raheja and Rajan Raheja, are collectively referred to therein as the **Certain Promoter Group**").*

   Monet subscribed to 5,431,937 equity shares of Rs.10 each of the Company, pursuant to a subscription agreement dated April 28, 2007 among the Company, Monet, and the Certain Promoter Group ("**Monet Subscription Agreement**"). Pursuant to the execution of the Monet Subscription Agreement, the parties have executed the Monet Shareholders Agreement. Pursuant to the subdivision of the Equity Shares, consequent bonus issue and re- consolidation of the Equity Shares to face value of Rs.10 each, Monet currently holds 16,295,811 Equity Shares. For further details, please refer to the section titled "Capital Structure" beginning on page 24 of this Prospectus.

   Monet's rights with respect to the Company depends upon the proportion of its shareholding in the Company which would take into account any adjustment events in the nature of share splits, bonus issues, stock dividends, rights issues and recapitalizations ("**Adjusted Monet Securities**"). As long as Monet holds at least 75% of the Adjusted Monet Securities and prior to an initial public offering of the shares of the Company, Monet and its affiliates and group entities cannot transfer any Adjusted Monet Securities held by them to a competitor of the Company or a competitor of NewsCorp or to any entities as specified as prohibited transferees by NewsCorp or the Company. At any time before an initial public offering, Monet shall be entitled to acquire additional equity securities in the Company by purchasing equity shares from shareholders of the Company only with the prior consent of Rajan Raheja. Each of the Certain Promoter Group have agreed to ensure that they will not directly or indirectly engage in a competing business except through the Company subject to their existing interests in Asianet Satellite Communications Limited and its subsidiaries.

   Further, Monet has affirmative voting rights in relation to certain matters, including any issuance of shares or securities or other instruments, mergers, transfers or pledges of the business or assets of the Company and its subsidiaries and winding-up. Further, the Company's nominee directors on the boards of our subsidiaries and / or our representatives at the shareholder meetings of our subsidiaries may vote in relation to any of the specified affirmative matters only after obtaining the prior written consent of Monet.

   The quorum for a meeting of the Board of the Company shall be either one-third of its total strength or two directors (whichever is higher), including the nominee director appointed by Monet in the event any matter related to any affirmative matters are to be discussed or one on the agenda for such meeting, unless otherwise agreed with Monet's consent.

   None of the Certain Promoter Group or their respective affiliates may transfer the equity securities held by them in the Company to an affiliate if, as a result of such transfer, the aggregate beneficial shareholding of certain permitted transferees falls below 50% of the equity share capital of the Company. Further, Monet has certain tag-along rights and pre-emption rights under the Monet Shareholder's Agreement.

   In the event of an offer for sale in an initial public offering initiated by the Company, Monet and its affiliates, NewsCorp and its affiliates and the Certain Promoter Group and their affiliates have the right to participate in such offer for sale to the extent of one third of the total number of equity shares offered in such offer for sale in the event that the minimum amount required for the initial public offering cannot be met by the Company.

   If the Company proposes to raise funds through listing of any equity securities on stock exchanges outside India, then on Monet's request, and subject to applicable laws, Monet has a right to require our Company to take such steps for permitting the unrestricted sale and distribution of the equity securities held by Monet on such exchanges.

   Further, if any equity securities of our Company are listed or proposed to be listed on one or more stock exchanges outside India, then Monet has a right to participate in any such offering and if Monet chooses to

participate in such sponsored offering, our Company is obligated to register the securities specified by Monet with regulatory authorities required in connection with such offering.

The Monet Shareholders' Agreement will terminate on the completion of an initial public offering. However, post completion of an IPO, so long as Monet holds such number of equity shares subject to any adjustments, that exceed 3% of the equity share capital of the Company, Monet has agreed that neither Monet nor its affiliates will transfer such equity shares to certain competitors under the Monet Shareholders Agreement. Further, subject to Monet holding at least 75% of the Adjusted Monet Securities, post completion of an IPO, Monet will continue to have the right to nominate one non-executive director on the Board of the Company as a non-retiring Director who shall have no responsibility for the day-to-day management of the Company and shall not be liable for any failure by the Company to comply with applicable laws.

Until completion of an initial public offering of our Company and as long as Monet together with its group entities holds 2% of the equity share capital of our Company, Monet and its affiliates have agreed not to engage in a competing business or make any active investments in any competing business. Further, upon completion of an initial public offering and as long as Monet together with its group entities holds 8% of the equity share capital of our Company, Monet and its affiliates and group entities shall not engage in a competing business or make any active investments in any competing business.

3. *Shareholders' Agreement dated May 21, 2008 among the Company, Monet, NewsCorp, Kaup Capital, MSPI, Hathway Investments Private Limited, Akshay Raheja, Viren Raheja, Spur Cable & Datacom Private Limited and Rajan Raheja ("**Kaup Capital –MSPI Shareholders' Agreement**") (For the purposes of the Kaup Capital –MSPI Shareholders' Agreement, Rajan Raheja, Hathway Investments Private Limited, Akshay Raheja, Viren Raheja and Spur Cable & Datacom Private Limited are collectively referred to as "**Certain Promoter Group**").*

(Each of Kaup Capital and MSPI are collectively referred to as the "**Investors**". Each of the Company, the Certain Promoter Group, Monet, NewsCorp and the Investors shall hereinafter individually be referred to as a "**Party**" and collectively as the "**Parties**".)

Kaup Capital has subscribed to 11,850 fully and compulsorily convertible debentures of the Company (each a "**FCCD**") of face value Rs.100,000 per FCCD and MSPI has subscribed to 9,875 FCCDs of face value Rs.100,000 per FCCD under a subscription agreement dated May 21, 2008 among the parties to the Kaup Capital - MSPI Shareholders' Agreement ("**Kaup Capital - MSPI Subscription Agreement**"). The FCCDs are mandatorily convertible into equity shares upon the Board of the Company resolving to undertake an initial public offering.

If the conversion of the FCCDs occurs due to the Company undertaking an IPO, the following provisions will be applicable:

If the Discounted IPO Allotment Price is greater than the prescribed Minimum Conversion Price as per the Kaup Capital – MSPI Shareholders Agreement ("**IPO Adjustment Event**"), then each Investor, subject to applicable laws and regulations is obligated to, sell to the Certain Promoter Group and to NewsCorp and Monet, their respective pro rata shares of the number of differential Equity Shares for an aggregate consideration of Rs.1000 in accordance with the terms of the Kaup Capital – MSPI Shareholders Agreement. For further details on an IPO Adjustment Event, please refer to the section titled "The Issue" on page 3 of this Prospectus.

Each Investor's rights with respect to the Company depends upon the proportion of such Investor's shareholding in the Company on conversion of the FCCDs held by such Investor taking into account any adjustment events in the nature of share splits, bonus issues, stock dividends, rights issues and recapitalizations ("**Adjusted Investor Securities**"). So long as an Investor (along with its Affiliates) owns at least 75% of the Adjusted Investor Securities; (i) upon execution of any documents in relation to the investments made by the Investors in the Company, the Company is obligated to promptly disclose such documents to such Investor subject to the Investor keeping the same confidential; (ii) the Company shall not take any action on certain reserved matters including any sale, transfer or pledge of substantially all of the business or assets of the Company or a material subsidiary, any voluntary winding-up and amendment of charter documents of the Company, unless such action has been approved in writing by such Investor; (iii) each Investor has the right to appoint one observer to the Board on a rotational basis, with MSPI having the

right to appoint the first observer; (iv) and if the Certain Promoter Group cease to own, in the aggregate at least 45% of the equity share capital, then such Investor has a put option in relation to the equity securities held by such Investor.

So long as an Investor (along with its affiliates) owns at least 1% of the share capital of the Company; (i) the Company has agreed not to declare any dividend prior to an IPO without the consent of such Investor; (ii) the Company has agreed not to, without the consent of such Investor, issue any employee stock options containing terms more favorable than the employee stock options prevailing as of the date of the Kaup Capital - MSPI Shareholders' Agreement or issue any ESOPs to the Certain Promoter Group and/or their Affiliates, or to non-executive directors of the Company.

Further, the Investors have certain pre-emption rights and tag along rights under the Kaup Capital – MSPI Shareholders' Agreement. Further, the Certain Promoter Group have agreed not to directly or indirectly engage in a business competing with that of our Company, except for the Certain Promtoer Group's existing interest in Asianet Satellite Communications Limited and its subsidiaries.

If an Investor or its Affiliates proposes to transfer all or part of their equity securities (including the FCCDs), the Certain Promoter Group, each of the Certain Promoter Group, and the other Investor have a right of first refusal.

In the event of an offer for sale for the purposes of an initial public offering initiated by the Company, so long as the Investor owns at least 1% of the share capital of the Company, the Investor has the right to participate to the extent of up to 25% of its equity shareholding in the Company.

The above rights, other than an IPO Adjustment Event terminate upon the happening of the IPO.

4. *Shareholders' Agreement dated October 10, 2008 amongst the Company, Monet, NewsCorp, Kaup Capital",* ***,*** *MSPI, Arcadia, Hathway Investments Private Limited, Akshay Raheja, Viren Raheja, Spur Cable & Datacom Private Limited and Rajan Raheja ("****Arcadia Shareholders' Agreement****") (For the purpose of Arcadia Shareholders' Agreement, Rajan Raheja, Hathway Investments Private Limited, Akshay Raheja, Viren Raheja and Spur Cable & Datacom Private Limited are collectively referred to as, "****Certain Promoter Group****").*

(Each of Kaup Capital and MSPI are collectively referred to as the "**Original Investors**". Each of the Original Investors and Arcadia are collectively referred to as the "**Investors**". Each of the Company, the Certain Promoter Group, Monet, NewsCorp and the Investors shall hereinafter individually be referred to as a "**Party**" and collectively as the "**Parties**".)

Arcadia has subscribed to 2,999 fully and compulsorily convertible debentures of the Company (each a "**FCCD**") of face value Rs.100,000 per FCCD under a subscription agreement dated May 21, 2008 amongst the Company, Monet, NewsCorp, Arcadia and the Certain Promoter Group ("**Arcadia Subscription Agreement**"). The FCCDs are mandatorily convertible into equity shares upon the Board of the Company resolving to undertake an Initial Public Offering.

If the conversion of the FCCDs occurs due to the Company undertaking an IPO, the following provisions will be applicable:

If the Discounted IPO Allotment Price is greater than the prescribed minimum conversion price as per the Arcadia Shareholders' Agreement ("**IPO Adjustment Event**"), then Arcadia, subject to applicable Law and regulations, is obligated to sell to the Certain Promoter Group and to NewsCorp and Monet, its pro rata shares of such number of Differential Equity Shares as for an aggregate consideration of Rs.1000 in accordance with the terms of the Arcadia Shareholders' Agreement. For further details please of an IPO Adjustment Event, please refer to the section titled "The Issue" on page 3 of this Prospectus.

So long as an Investor (along with its affiliates) owns at least 1% of the share capital of the Company, (i) the Company has agreed not to declare any dividend prior to an IPO without the consent of such Investor; (ii) the Company has agreed not to, without the consent of Arcadia, issue any employee stock options containing terms more favorable than the employee stock options prevailing as of the date of the Arcadia Shareholders' Agreement or issue any employee stock options to the Certain Promoter Group and/or their affiliates, or to non-executive directors of the Company.

Arcadia also has certain rights wherein its prior consent is required for further issuance of Equity Securities subject to the rights of the other shareholders. Further, Arcadia, along with the Original Investors, have certain pre-emption rights and tag along rights under the Arcadia Shareholders Agreement. If Arcadia or its affiliates propose to transfer all or part of their equity securities (including the FCCDs) the Certain Promoter Group, each of the Certain Promoter Group, and the other Investors have a right of first refusal.

In the event of an offer for sale for the purposes of an initial public offering initiated by the Company, so long as Arcadia owns at least 75% of the Adjusted Arcadia Securities, Arcadia has the right to participate in such offer for sale to the extent of up to 25% of its equity shareholding in the Company.

Each of the Certain Promoter Group have an obligation to ensure that they will not directly or indirectly engage in a competing business except through the Company subject to their existing interests in Asianet Satellite Communications Limited and its subsidiaries.

The above rights, other than an IPO Adjustment Event terminate upon the happening of the IPO.

Other material agreements

1) *Brand usage agreement dated September 21, 2009 ("**Execution Date**"), executed between our Company and Hathway Investments Private Limited ("**Brand Usage Agreement**")*

Our Company has entered into a Brand Usage Agreement with Hathway Investments Private Limited, ("**HIPL**"), one of the shareholders of our Company. HIPL holds 11.80% of the issued and fully paid up equity share capital of our Company, on a fully diluted basis. Our Company has granted HIPL, a non-exclusive, non-transferable and royalty free license to use the trademark, 'Hathway' ("**Brand**") (i) in connection with its business; and (ii) as a part of HIPL's corporate name. HIPL has agreed to use the Brand strictly in accordance with the terms of the Brand Usage Agreement and will not allege and or claim any rights, title, interest with respect to the Brand. Further, HIPL is not permitted to create any third party rights, or sub-license, or assign its rights or obligations under the Brand Usage Agreement or permit any third party to use the Brand. The Agreement is effective for a period of ten (10) years from the Execution Date ("**Initial Term**"), unless terminated earlier by the Parties in accordance with the terms of this Agreement. After expiration of the Initial Term, the Agreement shall stand automatically renewed for additional period of five (5) years each, unless terminated by the Parties.

2) *Channel Mapping Agreement dated September 7, 2000 between our Company and News Television (India) Limited.*

Our Company entered into a channel mapping agreement with News Television (India) Limited, pursuant to a condition in the NewsCorp Shareholders Agreement. Pursuant to the Channel Agreement, certain preferred Star channels shall be relayed by our Company on certain preferred frequencies. No consideration is payable for such channel placement. This agreement terminates on September 7, 2010.

3) *Supply Agreement executed between our Company and Shenzhen Skyworth Digital Technology Company Limited ("**Skyworth**") dated August 21, 2009 ("**Execution Date**") for the supply of set- top boxes to our Company ("**STB Supply Agreement**").*

Skyworth has agreed to manufacture and supply, set-top boxes to our Company, as per certain technical specifications as provided for under the STB Supply Agreement, in relation to our Company's requirement to implement a conditional access system. It has been agreed that our Company and its affiliates including joint venture companies, subsidiaries and permitted assigns would take staggered deliveries of 100,000 set-top boxes over a period of one year from the Execution Date, subject to successful completion of field trials. Skyworth and our Company have also agreed to work with NDS Limited, United Kingdom ("**NDS**"), for the integration of the software and hardware with respect to the set-top boxes and viewing cards to be supplied by NDS to our Company.

Skyworth has provided our Company a free warranty and annual maintenance in relation to the set-top boxes for a period of thirteen (13) months form the shipment date of the set-top boxes and has agreed to set up service centers for the same. Skyworth has indemnified our Company against any losses suffered by our Company *inter alia* due to violations by Skyworth or its sub-contractors, claims with respect to defective set-top boxes and any breach of the terms of the STB Supply Agreement.

The STB Supply Agreement is valid for a period of one year from the Execution Date and can be extended automatically for successive one year terms unless terminated by a three month prior written notice by either Skyworth or Hathway or at any time, subject to *inter alia,* either party defaulting in the performance of its material obligations or becoming insolvent or any force majeure event occurring. Our Company may assign the STB Supply Agreement to any of its affiliates.

There were a total of 10 members of the Company as on the date of this Prospectus.

Technology Arrangements

For details of our technology arrangements, please refer to the section titled "Our Business" beginning on page 69 of this Prospectus.

Acquisition of business / undertakings

In the ordinary course of business, we acquire MSO's, ISO and LCO's. For further details, please refer to the section titled "Our Business" beginning on page 69 of this Prospectus.

For details on managerial competence, please refer to the section titled "Our Management" beginning on page 167 of this Prospectus.

There are no rescheduling of borrowings except as provided to in the section titled "Financial Indebtedness" beginning on page 205 of this Prospectus.

As on the date of this Prospectus, apart from the disclosures in the section titled "Outstanding Litigation and Material Developments" beginning on page 241 of this Prospectus, there are no injunctions / restraining orders that have been passed against the Company.

Strategic and Financial Partners

Except as disclosed in this Prospectus, we have no strategic or financial partners.

Standing of the Company vis-a- vis its prominent competitors

For details of the standing of the Company with reference to its prominent competitors, please refer to the section titled "Our Business" beginning on page 69 of this Prospectus.

Details of our Subsidiaries

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, unless otherwise stated, no application has been made in respect of any of our Subsidiaries to the respective registrar of companies for striking off their names.

Unless otherwise stated, 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.

Further, none of our Subsidiaries have any accumulated profits/losses that have not been accounted for, unless stated otherwise.

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. 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.

For further details please refer to the section titled "Our Business" on page 69 of this Prospectus.

As on the date of this Prospectus, our Subsidiaries and our shareholding in our Subsidiaries is as follows:

	Subsidiary	**No. of equity shares**	**Percentage of total paid-up capital held by the Company**
1.	Bee Network and Communication Private Limited	99,989	100%
2.	Binary Technology Transfers Private Limited	1,000	100%
3.	Hathway CNet Private Limited	100,000	100%
4.	Hathway Digital Saharanpur Cable & Datacom Private Limited	10,000	100%
5.	Hathway Enjoy Cable Network Private Limited	10,000	100%
6.	Hathway Gwalior Cable & Datacom Private Limited	10,000	100%
7.	Hathway Internet Satellite Private Limited	10,000	100%
8.	Hathway JMD Farukhabad Cable Network Private Limited	10,000	100%
9.	Hathway Media Vision Private Limited	65,040	100%
10.	Vision India Network Private Limited	87,700	100%
11.	Win Cable & Datacom Private Limited	200,000	100%
12.	Ideal Cable Private Limited	26,020	100%
13.	ITV Interactive Media Private Limited	1,000	100%
14.	Liberty Media Vision Private Limited	10,000	100 %
15.	Hathway Space Vision Cabletel Private Limited	10,020	100%
16.	Hathway United Cables Private Limited	10,000	100%
17.	Hathway Universal Cabletel & Datacom Private Limited	1,000	100%
18.	GTPL Kutch Network Private Limited [2]	9,900	99%
19.	Hathway Mantra Cable & Datacom Private Limited	9,800	98%
20.	Hathway Krishna Cable Private Limited	4,860,000	97.20%
21.	Channels India Network Private Limited	87,500	95.63%
22.	Hathway Nashik Cable Network Private Limited	45,300	90.06%
23.	Elite Cable Network Private Limited	48,000	80%
24.	Chennai Cable Vision Network Private Limited	136,800	76%
25.	GTPL Zigma Network Private Limited [2]	24,514	70.60 %
26.	Hathway Software Developers Private Limited	195,000	65%
27.	Hathway Mysore Cable Network Private Limited	292,100	63.50%
28.	GTPL Vidarbha Telelink Private Limited	10,500	51.22%
29.	GTPL Surat Telelink Private Limited [2]	6,100	61%
30.	Hathway Bhaskar CBN Multinet Pvt. Limited[1]	25,500	51%

	Subsidiary	No. of equity shares	Percentage of total paid-up capital held by the Company
31.	CCN Entertainment (India) Private Limited[1]	255,000	51%
32.	GTPL Anjali Cable Network Private Limited[2]	10,410	51%
33.	GTPL City Channel Private Limited [2]	5,100	51%
34.	GTPL Jay Mataji Network Private Limited [2]	5,100	51%
35.	GTPL Link Network Private Limited [2]	51,000	51%
36.	GTPL Shiv Shakti Network Private Limited [2]	5,100	51%
37.	GTPL SK Network Private Limited [2]	10,200	51%
38.	GTPL SMC Network Private Limited [2]	5,100	51%
39.	GTPL Solanki Cable Network Private Limited[2]	33,150	51%
40.	GTPL Space City Private Limited[2]	10,200	51%
41.	GTPL Video Badshah Private Limited [2]	5,100	51%
42.	GTPL VVC Network Private Limited [2]	51,000	51%
43.	In Vision Services Private Limited[2]	104,082	51%
44.	Parshwa Cable Network Private Limited[2]	5,100	51%
45.	Hathway Bhawani Cabletel & Datacom Private Limited[3]	4,080,000	51%
46.	Hathway Cable MCN Nanded Private Limited [4]	900,150	51%
47.	Hathway Channel5 Cable & Datacom Private Limited	249,000	51%
48.	Hathway Bhaskar Multinet Private Limited	598,944	51%
49.	Hathway Bhaskar Pagariya Multinet Private Limited[1]	242,250	51%
50.	Hathway Dattatray Cable Network Private Limited	20,400	51%
51.	Hathway ICE Television Private Limited	102,000	51%
52.	Hathway New Concept Cable & Datacom Private Limited	25,500	51%
53.	Hathway Palampur Cable Network Private Limited	15,300	51%
54.	Hathway Prime Cable & Datacom Private Limited	229,500	51%
55.	Hathway Rajesh Multichannel Private Limited	114,699	51%
56.	Hathway Sai Star Cable & Datacom Private	51,000	51%

	Subsidiary	No. of equity shares	Percentage of total paid-up capital held by the Company
	Limited		
57.	Hathway Latur MCN Cable & Datacom Private Limited	51,000	51%
58.	Hathway MCN Private Limited	510,000	51%
59.	Hathway Sonali Om Crystal Cable Private Limited	51,000	51%
60.	UTN Cable Communications Private Limited	25,500	51%
61.	Gujarat Telelink Private Limited	705,000	50%
62.	Net 9 Online Hathway Private Limited[5]	5000	50%
63.	Hathway Jai Mata Di Sherawali Cable & Datacom Private Limited[5]	800,000	50%
64.	Hathway VCN Cablenet Private Limited	12,520	25.03%
65.	Hathway Jhansi JMDSR Cable and Datacom Private Limited[5]	60,000	6.67%

1. held through subsidiary Hathway Bhaskar Multinet Private Limited.
2. held through subsidiary Gujarat Telelink Private Limited
3. party held directly by Hathway and partly through its subsidiary Hathway Media Vision Private Limited.
4. held through subsidiary Hathway MCN Private Limited
5. subsidiary based on our Company's right to appoint majority of directors on the board of company.

1. **Bee Network and Communication Private Limited (“Bee Network”)**

Bee Network was incorporated on February 14, 1996 as a private limited company. The registered office of Bee Network is 3-6-290/21, 2nd Floor, Sadhna Building, Hyderguda, Hyderabad 500 029. The main objects of Bee Network contemplate *inter alia*, the cable business. Bee Network does not currently undertake any activities.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	99,987	100.00
Milind Karnik (Hathway nominee)	2	0.00
Total	**99,989**	**100.00**

Directors as on November 30, 2009

1. Amit Shah
2. CH. Rajasekhar
3. D. Mahadevan

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	-	-		-
Profit/(Loss) after tax	(0.004)	(0.01)	(0.01)	(0.00)
Equity capital (par value Rs.10 per share)	1.00	1.00	1.00	1.00
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(0.04)	(0.05)	(0.09)	(0.02)
Book value per equity share (Rs.)	(133.99)	(134.04)	(134.13)	(134.16)
Reserves & Surplus	(14.40)	(14.40)	(14.41)	(14.41)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs.10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	99,989 equity shares of Rs.10 each	Rs.999,890

2. **Binary Technology Transfers Private Limited (“Binary Technology”)**

Binary Technology was incorporated on November 19, 1987 as a private limited company. The registered office of Binary Technology is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400 054. The main objects of Binary Technology contemplate *inter alia* the investment business. Binary Technology is currently involved in the investment business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	990	99.00
K. Jayaraman (Hathway nominee)	10	1.00
Total	**1000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Bhavik Palan
3. Vijay Kabta

*Financial performance**

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	-	-	-	-
Profit/(Loss) after tax	(0.02)	(0.07)	(0.04)	(0.01)
Equity capital (par value Rs.100 per share)	0.10	0.10	0.10	0.10
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(15.48)	(70.20)	(41.52)	(6.62)
Book value per equity share (Rs.)	(1597.68)	(1604.70)	(1608.85)	(1609.52)
Reserves & Surplus	(16.08)	(16.15)	(16.19)	(16.20)

*Binary Technology has not recognized its share of the loss in the partnership firm Hathway Space Vision for the financial year 2003-04 to September 30, 2009. For further details, please refer to the section titled “Outstanding Litigation and Material Developments” beginning on page 241 of the Prospectus.

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	1,000 equity shares of Rs.100 each	Rs.100,000
B.	**Issued, subscribed and paid-up share capital**	
	1,000 equity shares of Rs.100 each	Rs.100,000

3. **Hathway CNet Private Limited ("Hathway CNet")**

Hathway CNet was incorporated on December 27, 1999, as a private limited company. The registered office of Hathway CNet is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), and Mumbai 400054. The main objects of Hathway CNetcontemplate *inter alia* the cable business. Hathway CNet is currently not carrying out any business activity.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	99,900	99.90
K. Jayaraman- Hathway Nominee	100	0.10
Total	**100,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. CH. Rajasekhar
3. Bhavik Palan

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	0.00	0.00	0.01	0.00
Profit/(Loss) after tax	(0.00)	(0.01)	(0.01)	(0.01)
Equity capital (par value Rs.10 per share)	1.00	1.00	1.00	1.00
Preference share capital		-	-	-
Earnings per share (Rs.)	(0.00)	(0.06)	(0.10)	(0.05)
Book value per equity share (Rs.)	(42.81)	(42.88)	(42.98)	(43.03)
Reserves & Surplus	(5.28)	(5.29)	(5.30)	(5.30)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs 10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	100,000 equity shares of Rs 10 each	Rs.1,000,000

4. **Hathway Digital Saharanpur Cable & Datacom Private Limited *("Hathway Saharanpur")***

Hathway Saharanpur was incorporated on January 16, 2008 as a private limited company. The registered office of Hathway Saharanpur is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of Hathway Saharanpur contemplate *inter alia* the cable business. Hathway Saharanpur is currently involved in the cable business.

Equity shareholders as on November 30, 2009

	No. of equity shares	% shareholding
Hathway	9,800	98.00
Milind Karnik	100	1.00
D. Mahadevan	100	1.00
Total	**10,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. D. Mahadevan
3. Alok Govil
4. Ravindra Arora
5. Akashdeep Sharma

Financial performance

(Rs.million except per share data)

	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	-	-	5.24
Profit/(Loss) after tax	-	-	(6.84)
Equity capital (par value Rs.10 per share)	0.10	0.10	0.10
Preference share capital	-	-	-
Earnings per share (Rs.)	-	-	(71.44)
Book value per equity share (Rs.)	8.48	5.35	(61.44)
Reserves & Surplus	-	-	(0.71)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	20,000 equity shares of Rs 10 each	Rs.200,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000

5. **Hathway Enjoy Cable Network Private Limited ("Hathway Enjoy")**

Hathway Enjoy was incorporated on June 7, 2007 as a private limited company. The registered office of Hathway Enjoy is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of Hathway Enjoy contemplate *inter alia* the cable business. The business of Hathway Enjoy is currently not undertaking any business activities.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	9,900	99.00
Milind Karnik- Hathway nominee	100	1.00
Total	**10,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Alok Govil

Financial performance

(Rs.million except per share data)

	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	14.28		-
Profit/(Loss) after tax	0.47	(0.48)	-
Equity capital (par value Rs.10 per share)	0.10	0.10	0.10
Preference share capital	-	-	-
Earnings per share (Rs.)	46.96	(47.59)	(0.14)
Book value per equity share (Rs.)	56.96	9.38	9.24
Reserves & Surplus	0.47	(0.01)	-

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000

6. **Hathway Gwalior Cable & Datacom Private Limited** ("**Hathway Gwalior**")

Hathway Gwalior was incorporated on May 18, 2007, as a private limited company. The registered office of Hathway Gwalior is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), and Mumbai 400054. The main objects of Hathway Gwalior contemplate *inter alia* the cable business. Hathway Gwalior is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	9,900	99.00
Milind Karnik- Hathway Nominee	100	1.00
Total	**10,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Alok Govil

Financial performance

Rs.million except per share data)

	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	6.05	13.71	9.77
Profit/(Loss) after tax	(0.68)	(3.38)	0.90
Equity capital (par value Rs.10 per share)	0.10	0.10	0.10
Preference share capital	-	-	-
Earnings per share (Rs.)	(77.77)	(326.20)	90.26
Book value per equity share (Rs.)	(58.64)	(383.96)	(293.70)
Reserves & Surplus	(0.68)	(3.94)	(3.04)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	600,000 equity shares of Rs 10 each	Rs.6,000, 000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000

7. **Hathway Internet Satellite Private Limited ("Hathway Internet")**

Hathway Internet was incorporated on December 27, 1999, as a private limited company. The registered office of Hathway Internet is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), and Mumbai 400054. The main objects of Hathway Internet contemplate *inter alia* the cable business. Hathway Internet is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	9,900	99.00
K. Jayaraman- Hathway nominee	100	1.00
Total	**10,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Vijay Kabta
3. Bhavik Palan

*Financial performance**

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	-	-	-	-
Profit/(Loss) after tax	(0.02)	(0.02)	(0.02)	(0.07)
Equity capital (par value Rs.10 per share)	0.10	0.10	0.10	0.10
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(1.59)	(1.57)	(1.99)	(0.66)
Book value per equity share (Rs.)	(1593.96)	(1595.53)	(1597.52)	(1598.18)
Reserves & Surplus	(16.49)	(16.06)	(16.08)	(16.08)

* Hathway Internet has not recognized its share of the loss in the partnership firm Hathway Space Vision for the financial year 2003-04 to September 30, 2009. For further details, please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 241.

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs 10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000

8. **Hathway JMD Farukhabad Cable Network Private Limited ("Hathway JMD Farukhabad")**

Hathway JMD Farukhabad was incorporated on May 25, 2007 as a private limited company. The registered office of Hathway JMD Farukhabad is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054.The main objects of Hathway JMD Farukhabad contemplate *inter alia* the cable business. Hathway JMD Farukhabad is currently not carrying out any business activity.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	9,900	99.00
Milind Karnik- Hathway nominee	100	1.00
Total	**10,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Alok Govil

Financial performance

Rs.million except per share data)

	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	-	-	-
Profit/(Loss) after tax	-	-	-
Equity capital (par value Rs.10 per share)	0.10	0.10	0.10
Preference share capital	-	-	-
Earnings per share (Rs.)	-	-	-
Book value per equity share (Rs.)	8.48	7.91	7.78
Reserves & Surplus	-	-	-

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000

9. **Hathway Media Vision Private Limited *("HMV")***

HMV was incorporated on March 28, 1995 as a private limited company. The registered office of Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of HMV contemplate *inter alia* the cable business. HMV is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	65,030	99.98
K. Jayaraman- Hathway nominee	10	0.02
Total	**65,040**	**100.00**

Directors as on November 30, 2009

1. Rajeev Pareek
2. Rohinton Dadyburjor
3. Glenn Mark Pinto

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	88.87	104.94	141.42	67.11
Profit/(Loss) after tax	1.85	0.25	(3.49)	(4.38)
Equity capital (par value Rs.10 per share)	0.65	0.65	0.65	0.65
Preference share capital	0.02	0.02	0.02	0.02
Earnings per share (Rs.)	22.28	(35.27)	(80.09)	(67.40)
Book value per equity share (Rs.)	378.08	342.81	262.25	195.62
Reserves & Surplus	23.94	21.65	16.44	12.05

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	90,000 equity shares of Rs.10 each	Rs.900,000
	10,000 preference shares of Rs.10 each	Rs.100,000
B.	**Issued, subscribed and paid-up share capital**	
	65,040 equity shares of Rs 10 each	Rs.650,400
	2000 preference shares of Rs.10 each	Rs.20,000

10. **Vision India Network Private Limited** ("**Vision India**")

Vision India was incorporated on April 10, 1996, as a private limited company. The registered office of Vision India is 8, Vinayak Complex, 2nd Floor Dinnur Main Road, R.T Nagar Bangalore- 560 032. The main objects of Vision India contemplate *inter alia* the cable business. Vision India is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	87,600	99.89
K. Jayaraman- Hathway nominee	100	0.11
Total	**87,700**	**100.00**

Directors as on November 30, 2009

1. D. Mahadevan
2. T. S Sashikumar
3. Amit Shah

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	-	-	-	-
Profit/(Loss) after tax	-	(0.01)	(0.01)	(0.01)
Equity capital (par value Rs.10 per share)	0.88	0.88	0.88	0.88
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(0.05)	(0.08)	(0.06)	(0.10)
Book value per equity share (Rs.)	(234.46)	(234.54)	(234.60)	(234.70)
Reserves & Surplus	(21.44)	(21.45)	(21.45)	(21.46)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs.10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	87,700 equity shares of Rs.10 each	Rs.877,000

11. **Win Cable and Datacom Private Limited ("Win Cable")**

Win Cable was incorporated on July 19, 1999 as a private limited company. The registered office of Win Cable is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The

main objects of Win Cable contemplate *inter alia* the cable business. Win Cable is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	199,800	99.90
K. Jayaraman- Hathway nominee	100	0.05
Milind Karnik- Hathway nominee	100	0.05
Total	**200,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. D. Mahadevan
3. Vijay Kabta
4. Amit Shah
5. T. Rajaram

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 20009
Sales and other income	171.14	157.18	58.41	-
Profit/(Loss) after tax	(30.91)	(71.85)	(34.59)	(0.02)
Equity capital (par value Rs.10 per share)	2.00	2.00	2.00	2.00
Preference share capital	0.05	0.05	0.05	0.05
Earnings per share (Rs.)	(154.53)	(369.96)	(173.52)	(0.29)
Book value per equity share (Rs.)	(434.59)	(804.56)	(977.84)	(981.43)
Reserves & Surplus	(88.92)	(162.91)	(197.62)	(198.34)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	400,000 equity shares of Rs.10 each	Rs.4,000,000
	100,000 preference shares of Rs.10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	200,000 equity shares of Rs.10 each	Rs.2,000,000
	5,000 preference shares of Rs.10 each	Rs.50,000

12. **Ideal Cables Private Limited (“Ideal Cables”)**

Ideal Cables was incorporated on July 3, 1996 as a private limited company. The registered office of Ideal Cables is3rd Floor, Sterling Plaza, 1206/ B-19, Jangli Maharaj Road, above UTI Bank Pune-411 004. The main objects of Ideal Cables contemplate *inter alia* the cable business. Ideal Cables is engaged in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	26,010	99.96
K. Jayaraman- Hathway nominee	10	0.04
Total	**26,020**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Bhavik Palan
3. Amit Shah

Financial performance *(Rs.million except per share data)*

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	-	-	-	-
Profit/(Loss) after tax	(0.004)	(0.01)	(0.09)	(0.00)
Equity capital (par value Rs.10 per share)	0.26	0.26	0.26	0.26
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(0.15)	(0.26)	(3.53)	(0.12)
Book value per equity share (Rs.)	(534.68)	(534.94)	(538.47)	(538.59)
Reserves & Surplus	(14.17)	(14.18)	(14.27)	(14.27)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs.10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	26,020 equity shares of Rs.10 each	Rs.260,200

13. **ITV Interactive Media Private Limited (“ITV Interactive”)**

ITV Interactive was incorporated on November 29, 1991 as a private limited company. The registered office of ITV Interactive is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of ITV Interactive contemplate *inter alia* the cable business. ITV Interactive does not currently undertake any activities.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	998	99.80
K. Jayaraman- Hathway nominee	1	0.10
Milind Karnik- Hathway nominee	1	0.10
Total	**1,000**	**100.00**

Directors as on November 30, 2009

1. Vijay Kabta
2. Rajeev Pareek
3. Bhavik Palan

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	-	-	-	-
Profit/(Loss) after tax	(0.02)	(0.01)	(0.07)	(0.00)
Equity capital (par value Rs.100 per share)	0.10	0.10	0.10	0.10
Preference share capital	-	-	-	-

Earnings per share (Rs.)	(22.33)	(8.18)	(67.00)	(1.5)
Book value per equity share (Rs.)	(4774.93)	(4783.11)	(4850.30)	(4851.80)
Reserves & Surplus	(4.87)	(4.88)	(4.95)	(4.95)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	49,100 equity shares and 900 unclassified shares of Rs.100 each	Rs.5,000,000
B.	**Issued, subscribed and paid-up share capital**	
	1,000 equity shares of Rs.100 each	Rs.100,000

14. **Liberty Media Vision Private Limited ("Liberty Media")**

Liberty Media was incorporated on June 28, 1996 as a private limited company. The registered office of Liberty Media is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of Liberty Media contemplate *inter alia* the cable business. Liberty Media is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	9,990	99.90
K. Jayaraman- Hathway nominee	10	0.10
Total	**10,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Vijay Kabta
3. Bhavik Palan

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	1.15	1.07	2.71	0.86
Profit/(Loss) after tax	0.03	0.002	0.23	(0.13)
Equity capital (par value Rs.10 per share)	0.10	0.10	0.10	0.10
Preference share capital	-	-	-	-
Earnings per share (Rs.)	2.85	0.24	22.30	(13.36)
Book value per equity share (Rs.)	(2125.82)	(2125.59)	(2193.29)	(2206.65)
Reserves & Surplus	(22.26)	(22.26)	(22.03)	(22.17)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs.10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs.10 each	Rs.100,000

15. **Hathway Space Vision Cabletel Private Limited *("HSV")***

HSV was incorporated on July 28, 1998 as a private limited company. The registered office of HSV is

Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (W), Mumbai 400054. The main objects of HSVcontemplate *inter alia* the cable business. HSV is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	10,000	99.80
K. Jayaraman- Hathway nominee	10	0.10
Milind Karnik- Hathway nominee	10	0.10
Total	**10,020**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Sanjay Ghagare
3. Bhavik Palan
4. Vijay Kabta

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	-	-	-	-
Profit/(Loss) after tax	(0.02)	(0.01)	(0.02)	(0.01)
Equity capital (par value Rs.10 per share)	0.10	0.10	0.10	0.10
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(1.67)	(1.37)	(2.42)	(0.66)
Book value per equity share (Rs.)	(1030.46)	(1031.86)	(1035.85)	(1034.91)
Reserves & Surplus	(10.43)	(10.44)	(10.48)	(10.47)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs.10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	10,020 equity shares of Rs 10 each	Rs.100,200

16. **Hathway United Cables Private Limited ("Hathway United Cables")**

Hathway United Cables was incorporated on December 1, 2000 as a private limited company. The registered office of Hathway United Cables is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (W), Mumbai 400054. The main objects of Hathway United Cables contemplate *inter alia* the cable business. Hathway United Cables is currently engaged in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	9,990	99.90
Milind Karnik- Hathway nominee	10	0.10
Total	**10,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. CH. Rajasekhar
3. Amit Shah
4. Bhavik Palan

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	0.004	-	0.01	0.00
Profit/(Loss) after tax	0.001	(0.004)	(0.02)	0.00
Equity capital (par value Rs.10 per share)	0.10	0.10	0.10	0.10
Preference share capital	-	-	-	-
Earnings per share (Rs.)	0.10	(0.45)	(2.19)	0.11
Book value per equity share (Rs.)	(105.84)	(106.29)	(108.49)	(108.38)
Reserves & Surplus	(1.16)	(1.16)	(1.18)	(1.18)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000

17. **Hathway Universal Cabletel & Datacom Private Limited (“Hathway Universal”)**

Hathway Universal was incorporated on November 29, 1991 as a private limited company. The registered office of Hathway Universal is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054.The main objects of Hathway Universal contemplate *inter alia* the cable business. Hathway Universal does not currently undertake any activities.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	998	99.80
K. Jayaraman- Hathway nominee	1	0.10
Milind Karnik- Hathway nominee	1	0.10
Total	**1,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. CH. Rajasekhar
3. D. Mahadevan
4. Amit Shah

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	0.00	0.00	0.01	0.00
Profit/(Loss) after tax	(0.001)	(0.01)	(0.004)	0.00
Equity capital (par value Rs.100 per share)	0.10	0.10	0.10	0.10
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(1.84)	(7.60)	(3.88)	(0.67)
Book value per equity share (Rs.)	(33.24)	(40.84)	(44.72)	(44.05)
Reserves & Surplus	(0.13)	(0.14)	(0.14)	(0.14)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	150,100 equity shares and 900 unclassified shares of Rs.100 each	15,100,000
B.	**Issued, subscribed and paid-up share capital**	
	1,000 equity shares of Rs.100 each	Rs.100,000

18. **GTPL Kutch Network Private Limited ("GTPL Kutch")**

GTPL Kutch was incorporated on June 03, 2008 as a private limited company. The registered office of GTPL Kutch is 2nd Floor, Shahajanand Shopping Centre, Opp. Swaminarayan Mandir, Shahibaug, Ahmedabad, Gujarat 380004. The main objects of GTPL Kutch contemplate *inter alia* the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	9,900	99.00
Anirudhasinh Jadeja	100	1.00
Total	**10,000**	**100.00**

Directors as on November 30, 2009

1. Dharmendra Rami
2. Amit Shah
3. Jaydeepsinh Zala

Financial performance

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	2.04	3.51
Profit/(Loss) after tax	(0.36)	0.01
Equity capital (par value Rs.10 per share)	0.10	0.10
Preference share capital	-	-
Earnings per share (Rs.)	(35.64)	0.54
Book value per equity share (Rs.)	(26.85)	(26.16)
Reserves & Surplus	-	(0.35)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	10,000 equity shares of Rs 10 each	100,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs 10 each	100,000

19. **Hathway Mantra Cable & Datacom Private Limited ("Hathway Mantra")**

Hathway Mantra was incorporated on August 30, 2007, as a private limited company. The registered office of Hathway Mantra is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), and Mumbai 400054. The main objects of Hathway Mantra contemplate *inter alia* the cable business. Hathway Mantra is currently not carrying out any business activity.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	9,800	98.00
K. Jayaraman	100	1.00
Milind Karnik	100	1.00
Total	**10,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. D. Mahadevan
3. Alok Govil

Financial performance

(Rs.million except per share data)

	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	-	-	-
Profit/(Loss) after tax	-	-	-
Equity capital (par value Rs.10 per share)	0.10	0.10	0.10
Preference share capital	-	-	-
Earnings per share (Rs.)	-	-	-
Book value per equity share (Rs.)	5.79	4.98	47.71
Reserves & Surplus	-	-	-

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000

20. **Hathway Krishna Cable Private Limited ("Hathway Krishna")**

Hathway Krishna was incorporated on January 22, 2001 as a private limited company. The registered office of Hathway Krishna is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of Hathway Krishna contemplate *inter alia* the cable business. Hathway Krishna is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	4,855,000	97.10
Usha Prasad	140,000	2.80
K.Jayaraman- Hathway Nominee	5,000	0.10
Total	**5,000,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. D. Mahadevan
3. T. S Sashikumar

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	29.43	37.12	37.35	20.90
Profit/(Loss) after tax	(6.17)	(7.56)	(2.57)	(1.75)
Equity capital (par value Rs.10 per share)	50.00	50.00	50.00	50.00
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(1.23)	(1.52)	0.51	(0.33)
Book value per equity share (Rs.)	3.46	1.94	1.43	1.10
Reserves & Surplus	(32.72)	(40.32)	(42.86)	(44.51)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	5,000,000 equity shares of Rs 10 each	Rs.50,000,000
B.	**Issued, subscribed and paid-up share capital**	
	5,000,000 equity shares of Rs 10 each	Rs.50,000,000

21. **Channels India Network Private Limited ("Channel India")**

Channel India was incorporated on April 17, 1995 as a private limited company. The registered office of Channel India is 103, 5th Floor, New Awadi Road, Kilpauk, Chennai- 600010. The main objects of Channel India contemplate *inter alia* the cable business. Channel India does not currently undertake any activities.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	85,900	93.88
P.G Srinivas	4,000	4.37
K. Jayaraman - Hathway nominee	1,600	1.75
Total	**91,500**	**100.00**

Directors as on November 30, 2009

1. Amit Shah
2. D. Mahadevan
3. T.S Shashikumar

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	-	-	-	-
Profit/(Loss) after tax	(0.004)	(0.03)	(0.03)	(0.01)
Equity capital (par value Rs.10 per share)	0.92	0.92	0.92	0.92
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(0.04)	(0.35)	(0.34)	(0.16)
Book value per equity share (Rs.)	(142.23)	(142.59)	(142.93)	(143.09)
Reserves & Surplus	(13.93)	(13.96)	(13.99)	(14.01)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs.10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	91,500 equity shares of Rs.10 each	Rs.915,000

22. **Hathway Nashik Cable Network Private Limited ("Hathway Nashik")**

Hathway Nashik was incorporated on November 4, 1999 as a private limited company. The registered office of Hathway Nashik is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of Hathway Nashik contemplate *inter alia* the cable business. Hathway Nashik is currently not carrying out any business activity.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	45,200	89.86
K. Jayaraman - Hathway nominee	100	0.20
Rajesh P. Bharvirkar	1,000	1.99
Sanjit R. Shah	1,000	1.99
Rajesh R. Ladhe	1,000	1.99
Milind A. Gargate	1,000	1.99
Nitin A. Patil	1,000	1.99
Total	**50,300**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Vijay Kabta
3. Bhavik Palan

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	21.29	14.72	2.53	0.77
Profit/(Loss) after tax	(22.38)	(21.79)	(1.51)	0.58
Equity capital (par value Rs.10 per share)	0.50	0.50	0.50	0.50
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(444.85)	(433.27)	(30.97)	11.62
Book value per equity share (Rs.)	(1491.46)	(1924.73)	(1955.70)	(1944.08)
Reserves & Surplus	(75.52)	(97.32)	(98.87)	(98.29)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs.10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	50,300 equity shares of Rs 10 each	Rs.503,000

23. **Elite Cable Network Private Limited ("Elite Cable")**

Elite Cable was incorporated on August 31, 1995 as a private limited company. The registered office of Elite Cable is 103, 5th Floor, New Awadi Road, Kilpauk, Chennai- 600010. The main objects of Elite Cable contemplate *inter alia* the cable business. Elite Cable does not currently undertake any activities.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	48,000	80.00
Gangu Keswani	6,000	10.00
P.G Srinivas	6,000	10.00
Total	**60,000**	**100.00**

Directors as on November 30, 2009

1. David Stephen
2. T. S Sashikumar

Financial performance

Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	-	-	-	-
Profit/(Loss) after tax	(0.02)	(0.02)	(0.02)	(0.01)
Equity capital (par value Rs.10 per share)	0.60	0.60	0.60	0.60
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(0.31)	(0.38)	(0.32)	(0.14)
Book value per equity share (Rs.)	6.83	6.45	6.13	5.99
Reserves & Surplus	(0.19)	(0.21)	(0.23)	(0.24)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	60,000 equity shares of Rs.10 each	Rs.600,000
B.	**Issued, subscribed and paid-up share capital**	
	60,000 equity shares of Rs.10 each	Rs.600,000

24. **Chennai Cable Vision Network Private Limited ("Chennai Cable")**

Chennai Cable was incorporated on May 17, 1999 as a private limited company. The registered office of Chennai Cable is 1, Ramaswamy Naicken Street, T.T.K Road, Avertpet, Chennai- 600018. The main objects of Chennai Cable contemplate *inter alia* the cable business. Chennai Cable is currently involved in the cable business.

Equity shareholders as on November 30, 2009

(Rs.million except per share data)

Shareholders	No. of equity shares	% shareholding
Hathway	136,800	75.99
C. Dhanumjaya Rao	5,410	3.01
Jayashree	5,400	3.00
V.Sukumar	5,400	3.00
B.Vidya Dhandapani	5,400	3.00
R. Rama Subramani	5,400	3.00
S. Balaji	5,400	3.00

P.Pandian	1,800	1.00
D. Rajashekharan	1,800	1.00
Nagarajan	1,800	1.00
V.Venkatesan	1,800	1.00
T. Dayanandan	1,800	1.00
S. Ravi	1,800	1.00
D.S.R.D Manidhar	10	0.00
Total	**180,020**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. T.S Shashikumar
3. Amit Shah
4. Vijay Kabta

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	2.41	0.86	0.003	-
Profit/(Loss) after tax	0.54	0.04	(1.03)	(0.02)
Equity capital (par value Rs.10 per share)	1.80	1.80	1.80	1.80
Preference share capital	-	-	-	-
Earnings per share (Rs.)	2.97	0.22	(0.34)	(0.12)
Book value per equity share (Rs.)	(104.56)	(104.34)	(110.05)	(110.17)
Reserves & Surplus	(20.62)	(20.58)	(21.l61)	(21.62)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	560,000 equity shares of Rs.10 each	Rs.5,600,000
B.	**Issued, subscribed and paid-up share capital**	
	180,020 equity shares of Rs.10 each	Rs.1,800,200

25. **GTPL Zigma Vision Private Limited (“GTPL Zigma”)**

GTPL Zigma was incorporated on December 06, 1991 as a private limited company. The registered office of GTPL Zigma is B1, Paradise Appts, Athwa Gate, Surat Gujarat. The main objects of GTPL Zigma contemplate *inter alia* the cable business. GTPL Zigma became a subsidiary of Gujarat Telelink Private Limited on February 20, 2009.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	24,514	70.60
Yogesh Mehta	897	2.58
Balaram Bhagat	3,403	9.80
Narendra Danger	3,400	9.79
Mina Mehta	805	2.32
Suresh Modi	966	2.78
Dinesh Modi	735	2.12
Total	**34,720**	**100.00**

Directors as on November 30, 2009

1. Dharmendra Rami
2. Amit Shah
3. Rohinton Dadyburjor
4. Yogesh Mehta
5. Balram Bhagat
6. Viral Jariwala

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	11.02	10.93	8.67	5.01
Profit/(Loss) after tax	0.08	0.39	0.09	0.28
Equity capital (par value Rs.10 per share)	0.35	0.35	0.35	0.35
Preference share capital	-	-	-	-
Earnings per share (Rs.)	2.18	11.27	2.51	8.07
Book value per equity share (Rs.)	83.59	94.85	97.36	105.44
Reserves & Surplus	2.55	2.95	3.03	3.31

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	60,000 equity shares of Rs.10 each	Rs.600,000
B.	**Issued, subscribed and paid-up share capital**	
	34,720 equity shares of Rs.10 each	Rs.347,200

26. **Hathway Software Developers Private Limited *("Hathway Software")***

Hathway Software was incorporated on May 9, 1994 as a private limited company. The registered office of Hathway Software is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of Hathway Software contemplate *inter alia* the cable business. Hathway Software is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	195,000	65.00
V. Prakash	15,000	5.00
B.K Kumar	15,000	5.00
K.B Ravindranath	15,000	5.00
K. Vijaya Narsimha	15,000	5.00
S. Anil Kumar	15,000	5.00
S. N Ashok	15,000	5.00
Narsimha	15,000	5.00
Total	**300,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. T. S Sashikumar
3. B.K Kumar
4. V. Prakash
5. D. Mahadevan
6. Amit Shah

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	23.47	26.49	26.82	14.53
Profit/(Loss) after tax	(6.86)	(1.19)	(2.92)	0.24
Equity capital (par value Rs.10 per share)	3.00	3.00	3.00	3.00
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(23.24)	(4.44)	(10.18)	(1.85)
Book value per equity share (Rs.)	24.86	(29.31)	(39.48)	(41.33)
Reserves & Surplus	(10.46)	(11.79)	(14.85)	(15.40)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	400,000 equity shares of Rs 10 each	Rs.4,000,000
B.	**Issued, subscribed and paid-up share capital**	
	300,000 equity shares of Rs 10 each	Rs.3,000,000

27. **Hathway Mysore Cable Network Private Limited *("Hathway Mysore")***

Hathway Mysore was incorporated on December 1, 2000 as a private limited company. The registered office of Hathway Mysore is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of Hathway Mysore contemplate the cable business. Hathway Mysore is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	287,100	62.41
B.K Kumar	28,750	6.25
Narasimha	28,750	6.25
M.J Pradeep Kumar	12, 267	2.67
N. Trilok Kumar	12,267	2.67
A. R Mylarrappa	12, 267	2.67
S. Rajesh Lal	12, 267	2.67
M. Krishna	12, 267	2.67
Janardhan Shetty	12, 267	2.67
Sanjay E. Uttarkar	12, 266	2.67
Lamda Communications Private Limited	12, 266	2.67
Ravi Kumar P.	12, 266	2.67
Milind Karnik - Hathway nominee	5,000	1.09
Total	**460,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. T. S Sashikumar
3. BK Kumar
4. M.J Pradeep Kumar
5. D. Mahadevan
6. Amit Shah

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income`	36.39	25.47	21.66	10.01
Profit/(Loss) after tax	(1.14)	(2.03)	(5.40)	(4.00)
Equity capital (par value Rs.10 per share)	4.60	4.60	4.60	4.60
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(3.10)	(4.71)	(11.76)	(8.69)
Book value per equity share (Rs.)	2.48	(2.23)	(13.99)	(22.25)
Reserves & Surplus	(3.46)	(5.63)	(11.04)	(14.84)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	500,000 equity shares of Rs.10 each	Rs.5,000,000
B.	**Issued, subscribed and paid-up share capital**	
	460,000 equity shares of Rs.10 each	Rs.4,600,000

28. **GTPL Vidarbha Telelink Private Limited** ("**GTPL Vidarbha**")

GTPL Vidarbha was incorporated on April 28, 2008 as a private limited company. The registered office of GTPL Vidarbha is 2nd Floor, Shahajanand Shopping Centre, Opp. Swaminarayan Mandir, Shahibaug, Ahmedabad, Gujarat 380004. The main objects of GTPL Vidarbha contemplate inter alia the cable business. It became a subsidiary of Gujarat Telelink Private Limited on September 01, 2009.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	10,500	51.22
Shyam Bhajan	814	3.97
Subhash Pal	814	3.97
Harjeet Sinh Saluja	989	4.82
Amarjeet Chadda	489	2.39
Asim Dixit	489	2.39
Ninad Gaddamwar	362	1.77
Karuna Gaddamwar	361	1.76
Pravin Raghate	413	2.01
Rajesh Thakur	558	2.72
Ajay Chaudhari	492	2.40
Narendrapal sinh Jabbal	598	2.92
Vinod Raut	456	2.22
Hemant Saraode	456	2.22
Vijay Dharne	456	2.22
Swapnil Pethe	455	2.22
Ananta Butale	456	2.22
Lalchand Bohra	455	2.22
Yogesh Sadalwar	430	2.10
Rahul Ambeerwar	457	2.23
Total	**20500**	**100.00**

Directors as on November 30, 2009

1. Anirudhasinh Jadeja
2. Kanaksinh Rana

Financial performance

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	19.06	12.73
Profit/(Loss) after tax	(8.24)	(3.51)
Equity capital (par value Rs.10 per share)	0.10	0.10
Preference share capital		-
Earnings per share (Rs.)	(823.78)	(351.00)
Book value per equity share (Rs.)	(813.78)	(1,163.77)
Reserves & Surplus	(8.24)	(11.74)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	50,000 equity shares of Rs.10 each	Rs.5,00,000
B.	**Issued, subscribed and paid-up share capital**	
	20,500 equity shares of Rs.10 each	Rs.2,05,000

29. **Hathway Bhaskar CBN Multinet Private Limited (***formerly known as Chhattisgarh Broadband Network Private Limited* **("Hathway CBN")**

Hathway CBN was incorporated on January 30, 2006 as a private limited company. The registered office of Hathway CBN is Plot No 5, Block 1, Akashganga Complex, Supela, Bhilai, Chhattisgarh. The main objects of Hathway CBN contemplate *inter alia* contemplate *inter alia* the cable business. Hathway CBN is currently involved in the cable business. Hathway CBN became a subsidiary of Hathway on July 18, 2008.

Equity shareholders as on November 30, 2009

(Rs.million except per share data)

Shareholders	No. of equity shares	% shareholding
Sushil Pagaria	9,900	19.80
Ashok Agrawal	8,150	16.30
Prema Agrawal	3,150	6.30
Shrinivas Khedia	1,650	3.30
M. Suresh	1,650	3.30
Hathway Bhaskar Multinet Private Limited, a subsidiary of Hathway	25,500	51.00
Total	**50,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. D.Mahadevan
3. Dharmesh Goyal
4. Ashok Aggarwal
5. Sushil Pagaria

*Financial performance**

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	59.60	55.83	44.57	20.29
Profit/(Loss) after tax	0.32	1.24	0.95	0.13
Equity capital (par value Rs.10 per share)	0.01	0.01	0.50	0.50
Preference share capital	-	-	-	-
Earnings per share (Rs.)	32.38	123.52	19.05	2.56
Book value per equity share (Rs.)	40.60	164.56	60.06	62.62
Reserves & Surplus	0.41	1.55	2.51	2.64

* Financial performance as on September 30, 2009 is based on unaudited financial statements.

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	50,000 equity shares of Rs.10 each	Rs.500,000
B.	**Issued, subscribed and paid-up share capital**	
	50,000 equity shares of Rs.10 each	Rs.500,000

30. **CCN Entertainment (India) Private Limited ("CCN Entertainment")**

CCN Entertainment was incorporated on May 14, 2008 as a private limited company. The registered office of CCN Entertainment is Ware House Road, Bilaspur, Chhattisgarh. The main objects of CCN Entertainment contemplate *inter alia* the cable business. CCN Entertainment is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway Bhaskar Multinet Private Limited, a subsidiary of Hathway	255,000	51.00
Abhishek Aggarwal	240,000	48.00
Ashok Aggarwal	5,000	1.00
Total	**500,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. D.Mahadevan
3. Dharmesh Goyal
4. Abhishek Aggarwal
5. Ashok Aggarwal

*Financial performance**

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	24.22	15.52
Profit/(Loss) after tax	0.97	0.21
Equity capital (par value Rs.10 per share)	5.00	5.00
Preference share capital	NIL	NIL
Earnings per share (Rs.)	1.94	0.42
Book value per equity share (Rs.)	11.73	12.15
Reserves & Surplus	0.97	1.18

* Financial performance as on September 30, 2009 is based on unaudited financial statements.

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	500,000 equity shares of Rs.10 each	Rs.5,000,000
B.	**Issued, subscribed and paid-up share capital**	
	500,000 equity shares of Rs.10 each	Rs.5,000,000

31. **GTPL Anjali Cable Network Private Limited ("GTPL Anjali")**

GTPL Anjali was incorporated on July 30, 2008 as a private limited company. The registered office of

GTPL Anjali is 2nd Floor, Shahajanand Shopping Centre, Opp. Swaminarayan Mandir, Shahibaug, Ahmedabad, Gujarat 380004. The main objects of GTPL Anjali contemplate *inter alia* the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	10,410	51.00
Girish Katarmal	3,470	17.00
Kamlesh Katarmal	3,265	16.00
Sandip Katarmal	3,265	16.00
Total	**20,410**	**100.00**

Directors as on November 30, 2009

1. Dharmendra Rami
2. Amit Shah
3. Rohinton Dadyburjor
4. Sandip Katarmal
5. Girish Katarmal

Financial performance

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	4.15	8.64
Profit/(Loss) after tax	0.01	0.40
Equity capital (par value Rs.10 per share)	0.20	0.20
Preference share capital	-	NIL
Earnings per share (Rs.)	0.32	19.36
Book value per equity share (Rs.)	1254.61	1273.99
Reserves & Surplus	25.40	25.80

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	21,000 equity shares of Rs.10 each	Rs.210,000
B.	**Issued, subscribed and paid-up share capital**	
	20,410 equity shares of Rs.10 each	Rs.204,100

32. **GTPL City Channel Private Limited (“GTPL City”)**

GTPL City was incorporated on July 30, 2008 as a private limited company. The registered office of GTPL City is 2nd Floor, Shahajanand Shopping Centre, Opp. Swaminarayan Mandir, Shahibaug, Ahmedabad, Gujarat 380004. The main objects of GCCPL contemplate *inter alia* the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	5,100	51.00
Zoab Gulab Hussain	4,900	49.00
Total	**10,000**	**100.00**

Directors as on November 30, 2009

1. Kanaksinh Rana
2. Milind Karnik

Financial performance

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	0.81	NIL
Profit/(Loss) after tax	(0.00)	(0.00)
Equity capital (par value Rs.10 per share)	0.1	0.10
Preference share capital	-	Nil
Earnings per share (Rs.)	(0.16)	(0.35)
Book value per equity share (Rs.)	8.18	8.04
Reserves & Surplus	-	(0.01)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	10,000 equity shares of Rs.10 each	Rs.100,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs.10 each	Rs.100,000

33. **GTPL Jay Mataji Network Private Limited** ("**GTPL Jay Mataji**")

GTPL Jay Mataji was incorporated on July 02, 2008 as a private limited company. The registered office of GTPL Jay Mataji is 2nd Floor, Shahajanand Shopping Centre, Opp. Swaminarayan Mandir, Shahibaug, Ahmedabad, Gujarat 380004. The main objects of GTPL Jay Mataji contemplate *inter alia* the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	5,100	51.00
Anirudhasinh Jadeja	2,500	25.00
Kanaksinh Rana	2,400	24.00
Total	**10,000**	**100.00**

Directors as on November 30, 2009

1. Dharmendra Rami
2. Amit Shah

Financial performance

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	0.00	0
Profit/(Loss) after tax	0.00	(0.00)
Equity capital (par value Rs.10 per share)	0.10	0.10
Preference share capital	-	-
Earnings per share (Rs.)	(0.41)	(0.21)
Book value per equity share (Rs.)	8.38	8.32
Reserves & Surplus	-	(0.01)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	10,000 equity shares of Rs.10 each	Rs.100,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs.10 each	Rs.100,000

34. **GTPL Link Network Private Limited ("GTPL Link")**

GTPL Link was incorporated on April 15, 2009 as a private limited company. The registered office of GTPL Link is Jay Maharaj Complex, Dumral Bazar, Nadiad, Gujarat. The main objects of GTPL Link contemplate *inter alia* the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	51,000	51.00
Dushyant Patel	8,415	8.42
Dharmik Patel	6,430	6.43
Kalpana Patel	7,920	7.92
Alkesh Patel	8,415	8.42
Hiren Patel	4,950	4.95
Mikin Patel	7,920	7.92
Shatrugna Patel	4,950	4.95
Total	**1,00,000**	**100.00%**

Directors as on November 30, 2009

1. Rohinton Dadyburjor
2. Dharmendra Rami
3. Amit Shah
4. Dushyant Patel
5. Hiren Patel

Financial performance

Since GTPL Link was incorporated on April 15, 2009, no audited financial results are available for March 2009.

	March 31, 2009	September 30, 2009
Sales and other income	-	11.21
Profit/(Loss) after tax	-	(5.74)
Equity capital (par value Rs.10 per share)	-	1.00
Preference share capital	-	-
Earnings per share (Rs.)	-	(57.41)
Book value per equity share (Rs.)	-	(47.73)
Reserves & Surplus	-	(5.74)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs.10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	100,000 equity shares of Rs.10 each	Rs.1,000,000

35. **GTPL Shiv Shakti Network Private Limited ("GTPL Shiv Shakti")**

GTPL Shiv Shakti was incorporated on July 02, 2008 as a private limited company. The registered office of GTPL Shiv Shakti is 2nd Floor, Shahajanand Shopping Centre, Opp. Swaminarayan Mandir, Shahibaug, Ahmedabad, Gujarat 380004. The main objects of GTPL Shiv Shakti contemplate *inter alia* the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	5,100	51.00
Anirudhasinh Jadeja	2,500	25.00
Kanaksinh Rana	2,400	24.00
Total	**10,000**	**100.00**

Directors as on November 30, 2009

1. Anirudhasinh Jadeja
2. Kanaksinh Rana

Financial performance

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	0.00	-
Profit/(Loss) after tax	(0.00)	(0.00)
Equity capital (par value Rs.10 per share)	0.10	0.10
Preference share capital	-	-
Earnings per share (Rs.)	(0.42)	(0.22)
Book value per equity share (Rs.)	8.32	8.26
Reserves & Surplus	-Nil	(0.01)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	10,000 equity shares of Rs 10 each	100,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs 10 each	100,000

36. **GTPL SK Network Private Limited ("GTPL SK")**

GTPL SK was incorporated on June 25, 2008 as a private limited company. The registered office of GTPL SK is Rahejas, 4th Floor, Main Avenue, Santacruz West, Mumbai 400 054. The main objects of GTPL SK contemplate *inter alia* the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	10,200	51.00
Satishbhai Patel	9,800	49.00
Total	**20,000**	**100.00**

Directors as on November 30, 2009

1. Dharmendra Rami
2. Amit Shah
3. Rohinton Dadyburjor
4. Satishbhai Patel

Financial performance

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	3.97	9.85
Profit/(Loss) after tax	0.78	0.32
Equity capital (par value Rs.10 per share)	0.20	0.20

	March 31, 2009	September 30, 2009
Preference share capital	-	-
Earnings per share (Rs.)	38.96	15.87
Book value per equity share (Rs.)	578.93	594.81
Reserves & Surplus	11.38	11.70

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	20,000 equity shares of Rs.10 each	Rs.200,000
B.	**Issued, subscribed and paid-up share capital**	
	20,000 equity shares of Rs.10 each	Rs.200,000

37. **GTPL SMC Network Private Limited ("GTPL SMC")**

GTPL SMC was incorporated on July 30, 2008 as a private limited company. The registered office of GTPL SMC is 2nd Floor, Shahajanand Shopping Centre, Opp. Swaminarayan Mandir, Shahibaug, Ahmedabad, Gujarat 380004. The main objects of GTPL SMC contemplate *inter alia* the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	5,100	51.00
Bhavinbhai Patel	2,500	25.00
Vinubhai Patel	2,400	24.00
Total	**10,000**	**100.00**

Directors as on November 30, 2009

1. Dharmendra Rami
2. Amit Shah
3. Bhavin Patel

Financial performance

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	0.00	3.15
Profit/(Loss) after tax	(0.00)	0.57
Equity capital (par value Rs.10 per share)	0.10	0.10
Preference share capital	-	-
Earnings per share (Rs.)	(0.38)	56.63
Book value per equity share (Rs.)	8.52	65.29
Reserves & Surplus	-	0.56

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	10,000 equity shares of Rs.10 each	Rs.100,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs.10 each	Rs.100,000

38. **GTPL Solanki Cable Network Private Limited ("GTPL Solanki")**

GTPL Solanki was incorporated on July 20, 2004 as a private limited company. The registered office of

GTPL Solanki is Piplodgam, Lake View Appts, Surat Gujarat. The main objects of GTPL Solanki contemplate *inter alia* the cable business. It became a subsidiary of Gujarat Telelink Private Limited on July 2, 2008.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	33,150	51,00
Balaram Bhagat	6,885	10.59
Hiralal Solanki	4,900	7.54
Ashok Vyas	3,450	5.31
Narendra Danger	6,300	9.69
Suresh Trivedi	4,900	7.54
Surekha Bhagat	5,415	8.33
Total	**65,000**	**100.00**

Directors as on November 30, 2009

1. Anirudhsinh Jadeja
2. Milind Karnik
3. Rohinton Dadyburjor
4. Kanaksinh Rana
5. Balram Bhagat
6. Ashok Vyas
7. Suresh Trivedi

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	11.18	12.23	17.11	11.13
Profit/(Loss) after tax	0.48	0.01	0.46	0.37
Equity capital (par value Rs.10 per share)	0.65	0.65	0.65	0.65
Preference share capital	-	-	-	-
Earnings per share (Rs.)	7.32	0.12	7.01	5.62
Book value per equity share (Rs.)	24.57	45.28	22.82	(8.69)
Reserves & Surplus	0.92	0.94	1.39	1.81

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	65,000 equity shares of Rs.10 each	Rs.650,000
B.	**Issued, subscribed and paid-up share capital**	
	65,000 equity shares of Rs.10 each	Rs.650,000

39. **GTPL Space City Private Limited** (“**GTPL Space City**”)

GTPL Space City was incorporated on July, 30 2008 as a private limited company. The registered office of GTPL Space City is 2nd Floor, Shahajanand Shopping Centre, Opp. Swaminarayan Mandir, Shahibaug, Ahmedabad, Gujarat 380004. The main objects of GTPL Space City contemplate *inter alia* the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	10,200	51.00
Kamleshbhai Shah	2,600	13.00
Saroben Sureja	2,100	10.50
Rajendra Jhala	2,100	10.50
Jayshreeben Sorathiya	1,400	7.00
Balwirsinh Gohil	1,600	8.00
Total	**20,000**	**100.00**

Directors as on November 30, 2009

1. Rohinton Dadyburjor
2. Dharmendra Rami
3. Amit Shah
4. Kamlesh Lal
5. Rajendra Jhala

Financial performance

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	0.00	0.00
Profit/(Loss) after tax	(0.00)	(1.06)
Equity capital (par value Rs.10 per share)	0.10	0.20
Preference share capital	-	-
Earnings per share (Rs.)	(0.41)	(52.89)
Book value per equity share (Rs.)	8.42	892.39
Reserves & Surplus	(0.00)	17.66

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	20,000 equity shares of Rs.10 each	Rs.200,000
B.	**Issued, subscribed and paid-up share capital**	
	20,000 equity shares of Rs.10 each	Rs.200,000

40. **GTPL Surat Telelink Private Limited (“GTPL Surat”)**

GTPL Surat was incorporated on February 11, 2008 as a private limited company. The registered office of GTPL Surat is 6/288,289 Sailila Building, Mancharpura Vidhneshwar Mahadevi Sheri, B/H Amisha Hotel Surat 395003. The main objects of GTPL Surat contemplate *inter alia* the cable business. GTPL Surat became a subsidiary of Gujarat Telelink Private Limited on January 23, 2009.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	6,100	61.00
Prakash Lonari	1,000	10.00
Ghanshyambhai Patel	1,000	10.00
Ketanbhai Chhasiya	900	9.00
Bhaskar Shinde	1000	10.00%
Total	**10,000**	**100.00**

Directors as on November 30, 2009

4. Dharmendra Rami
5. Amit Shah
6. Bhaskar Shinde

Financial performance

(Rs.million except per share data)

	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	0.00	100.77	53.07
Profit/(Loss) after tax	(0.00)	1.63	2.30
Equity capital (par value Rs.10 per share)	0.10	0.10	0.10
Preference share capital	-	-	-
Earnings per share (Rs.)	(0.24)	162.59	229.70
Book value per equity share (Rs.)	8.80	171.63	401.45
Reserves & Surplus	-	162.35	3.92

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	10,000 equity shares of Rs.10 each	Rs.100,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs.10 each	Rs.100,000

41. **GTPL Video Badshah Private Limited ("GTPL Video")**

GTPL Video was incorporated on July 29, 2008 as a private limited company. The registered office of GTPL Video is 2nd Floor, Shahajanand Shopping Centre, Opp. Swaminarayan Mandir, Shahibaug, Ahmedabad, Gujarat 380004. The main objects of GTPL Video contemplate *inter alia* the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	5,100	51.00
Chandrakant Patel	4,900	49.00
Total	**10,000**	**100.00**

Directors as on November 30, 2009

1. Dharmendra Rami
2. Amit Shah
3. Rohinton Dadyburjor
4. Chandrakant Patel
5. Niraj C.Patel

Financial performance

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	5.68	10.05
Profit/(Loss) after tax	0.62	0.93
Equity capital (par value Rs.10 per share)	0.10	0.10
Preference share capital	-	-
Earnings per share (Rs.)	61.57	92.82
Book value per equity share (Rs.)	70.40	163.37
Reserves & Surplus	0.62	1.54

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	10,000 equity shares of Rs.10 each	Rs.100,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs.10 each	Rs.100,000

42. **GTPL VVC Network Private Limited** (**"GTPL VVC"**)

GTPL VVC was incorporated on April 15, 2009 as a private limited company. The registered office of GTPL VVC is Patel Electronics, opposite Chandan Book Store, Mota Bazar, Vallabh Vidhyabar, Gujarat. The main objects of GTPL VVC contemplate *inter alia* the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	51,000	51.00
Dushyant Patel	2,325	2.33
Bhavesh Patel	6,186	6.19
Arvind Patel	8,810	8.81
Virendra Patel	10,246	10.25
Kaushik Patel	5,148	5.15
Jagruti Patel	8,514	8.51
Neeta Patel	5,148	5.15
Anil Patel	2,623	2.62
Total	**1,00,000**	**100.00**

Directors as on November 30, 2009

1. Rohinton Dadyburjor
2. Dharmendra Rami
3. Amit Shah
4. Dushyantbhai patel
5. Bhavesh Patel

Financial performance

Since GTPL VVC was incorporated on April 15, 2009, no audited financial results are available for March 2009.

	September 30, 2009
Sales and other income	6.53
Profit/(Loss) after tax	(2.15)
Equity capital (par value Rs.10 per share)	1.00
Preference share capital	-
Earnings per share (Rs.)	(21.52)
Book value per equity share (Rs.)	(11.83)
Reserves & Surplus	(2.15)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs.10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	100,000 equity shares of Rs.10 each	Rs.1,000,000

43. **In Vision Services Private Limited ("Invision")**

Invision was incorporated on March 17, 2008 as a private limited company. The registered office of In Vision is 502, Akash Avenue, Near Mithakhali Under Bridge, Ahmedabad, Gujarat. The main objects of In vision contemplate *inter alia* the cable business. Invision became a subsidiary of Gujarat Telelink Private Limited on October 01, 2009.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	104082	51.00
Raju Raisinghani	25000	12.25
Shilpa Raishinghani	25000	12.25
Renu Raisinghani	25000	12.25
Abdul Kaiyum Ajmeri	25000	12.25
Total	**204082**	100.00

Directors as on November 30, 2009

1. Dharmendra Rami
2. Amit Shah
3. Rohinton Dadyburjor
4. Raju Raishinghani
5. Abdul Kaiyum Ajmeri

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	3,00,000 equity shares of Rs 10 each	Rs.30,00,000
B.	**Issued, subscribed and paid-up share capital**	
	2,04,082 equity shares of Rs 10 each	Rs.20,40,820

44. **Parshwa Cable Network Private Limited ("Parshwa")**

Parshwa was incorporated on April 17, 2006 as a private limited company. The registered office of Parshwa is 11, Shriraj 5, Shramjivi Society, Dhebar Road, South Rajkot, Gujarat. The main objects of Parshwa contemplate *inter alia* the cable business. Parshwa became a subsidiary of Gujarat Telelink Private Limited on October 01, 2009.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Gujarat Telelink Private Limited	5,100	51.00
Balvirsinh Gohil	2,450	24.50
Virendrasinh Zala	2,450	24.50
Total	**10,000**	100.00

Directors as on November 30, 2009

1. Aniruddhasinh Jadeja
2. Kanaksinh Rana
3. Amit Shah
4. Rohinton Dadyburjor
5. Virendrasinh Rajendrasinh Zala
6. Balvirsinh Dilipsinh Gohil
7. Rajendrasinh Jalubha Zala

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000

45. **Hathway Bhawani Cabletel & Datacom Limited *("Hathway Bhawani")***

Hathway Bhawani was incorporated on November 20, 1984 with RoC, Maharashtra, as a public limited company. The registered office of Hathway Bhawani is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (W), Mumbai 400054. The main objects of Hathway Bhawani contemplate *inter alia* cable and internet business. Hathway Bhawani is currently involved in the cable and internet business.

The shares of Hathway Bhawani are listed on the BSE.

Equity shareholders as on December 31, 2009

Shareholders	No. of equity shares	% shareholding
Public	3,519,082	43.99
Hathway Media Vision Private Limited, a subsidiary of Hathway	2,160,000	27.00
Hathway	1,920,000	24.00
Individual Promoters	400,918	5.01
Total	**8,000,000**	**100.00**

Directors as on December 31, 2009

1. K. Jayaraman
2. Milind Karnik
3. Dilip Wohra
4. L.K Kannan
5. Kuldeep Puri
6. Ketan Choksi
7. Krishna Parolia
8. T. Rajaram

Financial performance

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	104.16	105.53	122.72	62.27
Profit/(Loss) after tax	3.36	(5.56)	2.09	0.56
Equity capital (par value Rs.10 per share)	80.00	80.00	80.00	80.00
Preference share capital	-	-	-	-

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Earnings per share (Rs.)	0.34	(0.66)	0.62	0.34
Book value per equity share (Rs.)	5.39	4.73	5.35	5.69
Reserves & Surplus	(36.85)	(42.16)	(37.16)	(34.42)

Capital Structure

(Rs.million except per share data)

		Aggregate value at face value
A.	**Authorised share capital**	
	10,000,000 equity shares of Rs.10 each	Rs.100,000,000
B.	**Issued, subscribed and paid-up share capital**	
	8,000,000 equity shares of Rs 10 each	Rs.80,000,000

Market Price Information

As of June 30, 2009, 8,000,000 shares of Hathway Bhawani were issued and outstanding. The shares of Hathway Bhawani are listed on the Bombay Stock Exchange since 1993.

The table set forth below is for the periods that indicate the high and low prices of the shares of Hathway Bhawani and also the volumes of trading activity. On January 7, 2010, the closing price of the shares of Hathway Bhawani on BSE was Rs.12.81 per share.

The high, low and average market prices of the shares of Hathway Bhawani on the BSE during the preceding three years:

Year ending March 31	Date of High	High (Rs.)	Volume on date of High (No. of Shares)	Date of Low	Low (Rs.)	Volume on Date of low (No. of Shares)	Average (Rs.)
2007	07-Feb-07	37.85	10,637	18-Jul-06	6.76	22,866	22.31
2008	03-Jan-08	33.15	33,218	19-Mar-08	11.8	3,255	22.48
2009	21-Apr-08	16.65	12,200	24-Oct-08	4.53	4,485	10.59

(Source: www.bseindia.com)

Monthly high and low prices and trading volumes on the BSE for the six months preceding the date of filing of this Prospectus:

Month	Date	High (Rs.)	Volume (No. of Shares)	Date	Low (Rs.)	Volume (No. of Shares)	Average (Rs.)
January 2010	11-Jan-10	15.01	13,516	28-Jan-10	11.50	4,519	13.07
December 2009	01-Dec-09	14.05	21,821	23-Dec-09	11.75	2,389	12.90
November 2009	03-Nov-09	17.45	46,166	30-Nov-09	13.40	5,233	15.87
October 2009	30-Oct-09	18.33	13,550	01-Oct-09	9.29	7,997	13.81
September 2009	10-Sep-09	9.39	2,469	16-Sep-09	8.00	810	8.70
August 2009	05-Aug-09	8.7	950	18-Aug-09	7.55	650	8.13

(Source: www.bseindia.com)

Notes

- High, low and average prices are of the daily closing prices
- In case of two days with the same closing price, the date with higher volume has been considered

Details of the volume of business transacted during the last six months on the BSE:

Period	BSE (No. of Shares)
January 2010	116,069
December 2009	124,629

Period	BSE (No. of Shares)
November 2009	306,859
October 2009	395,288
September 2009	83,269
August 2009	63,752

(Source: www.bseindia.com)

46. **Hathway Cable MCN Nanded Private Limited** (" **Hathway Cable MCN**")

Hathway Cable MCN was incorporated on March 11, 2008 as a private limited company. The registered office of Hathway Cable MCN is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of Hathway Cable MCN contemplate *inter alia* the cable business. Hathway Cable MCN is currently involved in the cable business

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	4,91,987	27.87
Hathway MCN Private Limited, a subsidiary of Hathway	4,08,163	23.13
Praveen Biyani	86,485	4.90
Anil Mundada	86,485	4.90
Abdul Jabbar	86,485	4.90
Mohd. Akhtar	86,485	4.90
Ajay Athawale	86,485	4.90
Rhadaynath Jadhav	86,485	4.90
Arjun Singh	86,485	4.90
Sushil Bharati	86,485	4.90
Kailash Patil	86,485	4.90
Ravi Biyani	86,485	4.90
Total	**1,765,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. D. Mahadevan
3. Mohd. Akhtar

Financial performance

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	18.22	8.24
Profit/(Loss) after tax	(4.87)	0.35
Equity capital (par value Rs.10 per share)	17.65	17.65
Preference share capital	-	-
Earnings per share (Rs.)	(2.76)	0.35
Book value per equity share (Rs.)	7.24	13.11
Reserves & Surplus	(4.87)	(4.54)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	1,800,000 equity shares of Rs.10 each	Rs.18,000,000
B.	**Issued, subscribed and paid-up share capital**	
	1,765,000 equity shares of Rs.10 each	Rs.17,650,000

47. **Hathway Channel5 Cable & Datacom Private Limited *("Hathway Channel5")***

Hathway Channel5 was incorporated on November 5, 1996 as a private limited company. The registered office of Hathway Channel5 is AB-6 Safdarjung Enclave, New Delhi. The main objects of Hathway Channel5 contemplate *inter alia* the cable business. Hathway Channel5 is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	248,990	51.00
Sonia Singh	190,235	38.96
Arvinder Singh	24,500	5.02
Havneet Singh	12,250	2.51
Karan Singh	12,250	2.51
K.Jayaraman- Hathway nominee	10	0.00
Total	**488,235**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Sonia Singh
3. Arvinder Singh
4. Alok Govil
5. D. Mahadevan

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	6.83	6.49	24.55	21.96
Profit/(Loss) after tax	0.70	0.18	(7.43)	(0.89)
Equity capital (par value Rs.10 per share)	3.88	3.88	4.88	4.88
Preference share capital	-	-	-	-
Earnings per share (Rs.)	1.81	0.58	(16.68)	(1.84)
Book value per equity share (Rs.)	(17.01)	(16.43)	203.77	201.92
Reserves & Surplus	(10.49)	(10.26)	94.60	93.70

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	500,000 equity shares of Rs.10 each	Rs.5,000,000
B.	**Issued, subscribed and paid-up share capital**	
	488,235 equity shares of Rs 10 each	Rs.4,882,350

48. **Hathway Bhaskar Multinet Private Limited *("Hathway Bhaskar")***

Hathway Bhaskar was incorporated on September 20, 2007 as a private limited company. The registered office of Hathway Bhaskar is Dwaraka Sadan, 6, Press Complex, M.P Nagar, Zone-I, Bhopal 462011. The main objects of Hathway Bhaskar contemplate *inter alia* the cable business. Hathway Bhaskar is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	598,944	51.00
Ramesh Chandra Agarwal	48,000	4.09
Sudhir Agarwal	53,000	4.51
Girish Agarwal	53,000	4.51
Pawan Agarwal	48,000	4.09
Jyoti Agarwal	48,000	4.09
Namita Agarwal	48,000	4.09
Nitika Agarwal	48,000	4.09
Bhaskar Infrastructure Limited	1,33,456	11.36
S.A Trading and Investment Private Limited	48,000	4.09
Writers & Publishers Private Limited	48,000	4.09
Total	**1,174,400**	**100.00**

Directors as on November 30, 2009

1. Rajan Raheja
2. K. Jayaraman
3. Akshay Raheja
4. Girish Agarwal
5. Sudhir Agarwal

Financial performance

(Rs.million except per share data)

	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	97.81	426.80	192.37
Profit/(Loss) after tax	(9.57)	(8.32)	(1.22)
Equity capital (par value Rs.10 per share)	10.00	10.00	11.74
Preference share capital	0.51	0.51	0.51
Earnings per share (Rs.)	(9.57)	(8.32)	(1.05)
Book value per equity share (Rs.)	45.48	38.18	124.91
Reserves & Surplus	36.96	28.64	134.43

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	1,400,000 equity shares of Rs.10 each	Rs.14,000,000
	100,000 preference shares of Rs.10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	1,174,400 equity shares of Rs 10 each	Rs.11,744,000
	51,020 preference shares of Rs.10 each	Rs.510,200

49. **Hathway Bhaskar Pagariya Multinet Private Limited ("Hathway Bhaskar")**

Hathway Bhaskar was incorporated on November 2, 2007 as a private limited company. The registered office of Hathway Bhaskar is Viveknagar, Raipur, Chhattisgarh 492001. The main objects of Hathway Bhaskar contemplate *inter alia* the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Sushil Pagaria	227,750	47.95
Shreyans Pagaria	5,000	1.05
Hathway Bhaskar Multinet Private Limited, a subsidiary of Hathway	242,250	51.00
Total	**475,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. D.Mahadevan
3. Dharmesh Goyal
4. Sushil Pagaria
5. Shreyans Pagaria

*Financial performance**

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	25.84	25.63
Profit/(Loss) after tax	(19.12)	(8.03)
Equity capital (par value Rs.10 per share)	4.75	4.75
Preference share capital	-	-
Earnings per share (Rs.)	(40.25)	(16.91)
Book value per equity share (Rs.)	(0.95)	(17.86)
Reserves & Surplus	(5.17)	(13.20)

* Financial performance as on September 30, 2009 is based on unaudited financial statements.

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	475,000 equity shares of Rs 10 each	Rs.4,750,000
B.	**Issued, subscribed and paid-up share capital**	
	475,000 equity shares of Rs 10 each	Rs.4,750,000

50. **Hathway Dattatray Cable Network Private Limited *("Hathway Dattatray")***

Hathway Dattatray was incorporated on May 13, 2009 as a private limited company. The registered office of Hathway Dattatray is "Rahejas", 4th Floor, Corner of Main Avenue and V.P. Road, Santacruz (W), Mumbai 400 054. The main objects of Hathway Dattatray contemplate *inter alia* the cable business. Hathway Dattatray is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	20,400	51.00
Anil Parab	19,600	49.00
Total	40,000	100.00

Directors as on November 30, 2009

1. Milind Karnik
2. Bhavik Palan
3. Anil Parab

Financial performance

	September 30, 2009
Sales and other income	4.82
Profit/(Loss) after tax	(1.95)
Equity capital (par value Rs.10 per share)	0.40
Preference share capital	-
Earnings per share (Rs.)	(48.77)
Book value per equity share (Rs.)	1977.36
Reserves & Surplus	78.69

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs.10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	40,000 equity shares of Rs.10 each	Rs.400,000

51. **Hathway ICE Television Private Limited *("Hathway ICE")***

Hathway ICE was incorporated on February 28, 2007 as a private limited company. The registered office of Hathway ICE is D-59/149, Shivpurva, Sigra, Varanasi- 221010. The main objects of Hathway ICE contemplate *inter alia* the cable business. Hathway ICE is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	102,000	51.00
Shivnathji Television Private Limited	50,000	25.00
Alok Parikh	28,000	14.00
Umesh Kumar Gupta	6,000	3.00
Shiv Datta Sahu	4,000	2.00
Akhilesh Singh Chauhan	4,000	2.00
Shoibh Ahmed	6,000	3.00
Total	**200,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Alok Parikh
3. Alok Govil

Financial performance

(Rs.million except per share data)

	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	11.40	26.81	11.83
Profit/(Loss) after tax	(0.10)	(1.38)	(2.98)
Equity capital (par value Rs.10 per share)	2.00	2.00	2.00
Preference share capital	-	-	-
Earnings per share (Rs.)	(1.29)	(5.44)	(14.86)
Book value per equity share (Rs.)	24.71	19.35	4.49
Reserves & Surplus	2.96	1.87	(1.10)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	200,000 equity shares of Rs 10 each	Rs.2,000,000
B.	**Issued, subscribed and paid-up share capital**	
	200,000 equity shares of Rs 10 each	Rs.2,000,000

52. **Hathway New Concept Cable & Datacom Private Limited *("Hathway New Concept")***

Hathway New Concept was incorporated on December 1, 2000 as a private limited company. The registered office of Hathway New Concept is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of Hathway New Concept contemplate *inter alia* the cable business. Hathway New Concept is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	25,500	51.00
Vinod Chauhan	24,500	49.00
Total	**50,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Alok Govil
3. D. Mahadevan
4. Bhavik Palan
5. Vinod Chauhan

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	-	0.00	27.05	26.08
Profit/(Loss) after tax	(0.003)	(0.003)	(5.47)	(4.96)
Equity capital (par value Rs.10 per share)	0.10	0.10	0.50	0.50
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(0.27)	(0.37)	(109.94)	98.12
Book value per equity share (Rs.)	7.63	7.27	2692.06	2593.94
Reserves & Surplus	(0.02)	(0.03)	134.10	129.20

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	50,000 equity shares of Rs 10 each	Rs.500,000
B.	**Issued, subscribed and paid-up share capital**	
	50,000 equity shares of Rs 10 each	Rs.500,000

53. **Hathway Palampur Cable Network Private Limited *(" Hathway Palampur")***

Hathway Palampur was incorporated on March 11, 2008 as a private limited company. The registered office of Hathway Palampur is 1, Lohana, Palampur, Himachal Pradesh. The main objects of Hathway Palampur contemplate *inter alia* the cable business. Hathway Palampur is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	15,300	51.00
Abhishek Sood	1,500	5.00
Aruna Sood	1,500	5.00
Preetika Kakkar	1,500	5.00
Devindersingh Bajwa	6,800	22.67
Rajesh Malik	3,400	11.33
Total	**30,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. D. Mahadevan
3. Alok Govil
4. Abhishek Sood
5. Preetika Kakkar

Financial performance

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	9.98	5.10
Profit/(Loss) after tax	(0.33)	0.19
Equity capital (par value Rs.10 per share)	3.00	0.30
Preference share capital	-	-
Earnings per share (Rs.)	(10.84)	6.21
Book value per equity share (Rs.)	424.24	419.18
Reserves & Surplus	12.46	12.28

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs 10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	30,000 equity shares of Rs 10 each	Rs.300,000

54. **Hathway Prime Cable & Datacom Private Limited** ("**Hathway Prime Cable**")

Hathway Prime Cable was incorporated on December 1, 2000 as a private limited company. The registered office of Hathway Prime Cable is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of Hathway Prime Cable contemplate *inter alia* the cable business. Hathway Prime Cable is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	229,500	51.00
Manmohan Singh Bajwa	114,750	25.50
Maninder Singh	63,000	14.00
Rahul Khetrapal	38,295	8.51
Swaran Singh	1,485	0.33
Bhupinder Jeet Kaur	1,485	0.33
A.S Walia	1,485	0.33
Total	**450,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Maninder Singh
3. Manmohan Singh Bajwa
4. Rahul Khetrapal
5. Alok Govil
6. D. Mahadevan

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	41.37	43.22	40.20	10.94
Profit/(Loss) after tax	1.04	0.46	(3.23)	(2.77)
Equity capital (par value Rs.10 per share)	4.50	4.50	4.50	4.50
Preference share capital	-	-	-	-
Earnings per share (Rs.)	2.79	1.03	(7.18)	(6.22)
Book value per equity share (Rs.)	11.57	12.60	5.42	(0.80)
Reserves & Surplus	0.71	1.17	(2.06)	(4.86)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	1,000,000 equity shares of Rs.10 each	Rs.10,000,000
B.	**Issued, subscribed and paid-up share capital**	
	450,000 equity shares of Rs 10 each	Rs.4,500,000

55. **Hathway Rajesh Multichannel Private Limited *("Hathway Rajesh")***

Hathway Rajesh was incorporated on April 17, 2000 as a private limited company. The registered office of Hathway Rajesh is 41/2 Parvati Sadan, Tilak Road, Ghatkopar(East), Mumbai- 400077. The main objects of Hathway Rajesh contemplate *inter alia* cable and internet business. Hathway Rajesh is currently involved in cable and internet business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	1,14,699	51.00
Paresh G. Thakkar (as karta of the HUF)	55,860	24.84
Paresh G. Thakkar	51,641	22.96
Heena P. Thakkar	2,700	1.20
Total	**224,900**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. D. Mahadevan
3. Rajaram Thiruvirmalai
4. Paresh Thakkar
5. Heena P. Thakkar
6. Amit Shah

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	26.01	49.29	91.56	50.51
Profit/(Loss) after tax	0.57	2.81	(0.42)	0.75
Equity capital (par value Rs.10 per share)	2.25	2.25	2.25	2.25
Preference share capital	-	-	-	-
Earnings per share (Rs.)	2.55	12.47	(1.86)	3.34
Book value per equity share (Rs.)	21.15	33.62	45.10	48.44
Reserves & Surplus	2.51	5.31	4.89	5.64

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	500,000 equity shares of Rs.10 each	Rs.5,000,000
B.	**Issued, subscribed and paid-up share capital**	
	224,900 equity shares of Rs 10 each	Rs.2,249,000

56. **Hathway Sai Star Cable & Datacom Private Limited *("Hathway Sai Star")***

Hathway Sai Star was incorporated on July 18, 2008 as a private limited company. The registered office of Hathway Sai Star is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of Hathway Sai Star contemplate *inter alia* the cable business. Hathway Sai Star is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	51,000	51.00
Sadanand Kadam	9,800	9.80
Vijaykumar Bhonsle	9,800	9.80
Nitin Keni	9,800	9.80
Xavier Joseph Kallupurakal	9,800	9.80
Shankar Nair	9,800	9.80
Total	**100,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. D. Mahadevan
3. Samson Jesudas
4. T. Rajaram
5. Amit Shah
6. Sadanand Kadam
7. Shankernarayan Nair
8. Vijay Kabta
9. Nitin Keni
10. Vijay Kumar Bhosle
11. Xavier Kallupurakal Joseph

Financial performance

(Rs.million except per share data)

	March 31, 2009	September 30, 2009
Sales and other income	73.58	69.27
Profit/(Loss) after tax	2.78	2.30

	March 31, 2009	September 30, 2009
Equity capital (par value Rs.10 per share)	1.00	1.00
Preference share capital	-	-
Earnings per share (Rs.)	27.83	20.30
Book value per equity share (Rs.)	4028.53	4048.87
Reserves & Surplus	401.88	403.89

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs 10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	100,000 equity shares of Rs 10 each	Rs.1,000,000

57. **Hathway Latur MCN Cable & Datacom Private Limited *("Hathway Latur")***

Hathway Latur was incorporated on January 4, 2008 as a private limited company. The registered office of Hathway Latur is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of Hathway Latur contemplate *inter alia* the cable business. Hathway Latur is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	51,000	51.00
Virendra Pawar	24,500	24.50
Ranjit Mulay	24,500	24.50
Total	**100,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. D. Mahadevan
3. Virendra Pawar
4. Ranjeet Mulay
5. Amit Shah

Financial performance

(Rs.million except per share data)

	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	2.95	17.92	6.47
Profit/(Loss) after tax	2.79	(2.31)	0.19
Equity capital (par value Rs.10 per share)	1.00	1.00	1.00
Preference share capital	-	-	-
Earnings per share (Rs.)	0.28	(23.10)	1.86
Book value per equity share (Rs.)	182.45	159.42	161.24
Reserves & Surplus	17.28	14.94	15.12

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs 10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	100,000 equity shares of Rs 10 each	Rs.1,000,000

58. **Hathway MCN Private Limited *("Hathway MCN")***

Hathway MCN was incorporated on April 19, 2005 as a private limited company. The registered office of Hathway MCN is 310/311 Akshaydeep Plazzatown Centre, CIDCO Jalna Road, Aurangabad, Maharashtra-431005. The main objects of Hathway MCN contemplate *inter alia* the cable business. Hathway MCN is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	510,000	51.00
Gangamai Industries & Construction Limited	185,000	18.50
Mediator & Ajantha Securities Private Limited	185,000	18.50
Ranjeet Mulay	60,000	6.00
Virendra Pawar	60,000	6.00
Total	**1,000,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. D. Mahadeavn
3. T. Rajaram
4. Amit Shah
5. Ranjit Mulay
6. Virendra Pawar

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	49.24	81.13	115.42	57.41
Profit/(Loss) after tax	(2.74)	(0.23)	1.31	1.78
Equity capital (par value Rs.10 per share)	10.00	10.00	10.00	10.00
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(2.74)	(0.23)	1.31	1.78
Book value per equity share (Rs.)	2.17	37.65	38.98	40.76
Reserves & Surplus	(7.80)	27.67	28.99	30.76

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	1,000,000 equity shares of Rs 10 each	Rs.10,000,000
B.	**Issued, subscribed and paid-up share capital**	
	1,000,000 equity shares of Rs 10 each	Rs.10,000,000

59. **Hathway Sonali Om Crystal Cable Private Limited *("Hathway Sonali")***

Hathway Sonali was incorporated on December 1, 2000 as a private limited company. The registered office of Hathway Sonali is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of Hathway Sonali contemplate *inter alia* the cable business. Hathway Sonali is currently involved in the cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	51,000	51.00
Survana Amonkar	32,000	32.00
Sanjay Karalkar	11,000	11.00
Ramesh Jasani	4,530	4.53
Bharat Pandit	735	0.74
Sujata Seth	735	0.74
Total	**100,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Rajeev Pareek
3. Survana Amonkar
4. Sanjay Karalkar
5. Ramesh Jasani
6. Bhavik Palan
7. Vijay Kabta

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	.	22.68	141.25	77.34
Profit/(Loss) after tax	(0.02)	0.21	5.05	0.95
Equity capital (par value Rs.10 per share)	0.10	1.00	1.00	1.00
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(0.27)	2.08	50.55	95.04
Book value per equity share (Rs.)	7.63	11.64	62.23	71.75
Reserves & Surplus	(0.02)	0.18	5.24	6.19

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs 10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	100,000 equity shares of Rs 10 each	Rs.1,000,000

60. **UTN Cable Communications Private Limited *("UTN")***

UTN was incorporated on August 27, 1998 as a private limited company. The registered office of UTN is 288, Chinappa Layout, Kullapa Circle, Kammanahali, Bangalore 560, 084, Karnataka. The main objects of UTN contemplate *inter alia* cable business. UTN is currently involved in cable business.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	25,500	51.00
Keshav Naidu	14,200	28.40
Indiran Sapami	5,150	10.30
Sainath Rao	5,150	10.30
Total	**50,000**	**100.00**

Directors as on November 30, 2009

1. T.S Sashikumar
2. Vijay Kabta
3. Sainath Rao
4. Indirani Sapani
5. Bhavik Palan

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	21.55	21.41	22.17	13.03
Profit/(Loss) after tax	(4.52)	(3.06)	(4.81)	(0.64)
Equity capital (par value Rs.10 per share)	0.50	0.50	0.50	0.50
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(90.24)	(61.29)	(96.13)	(9.01)
Book value per equity share (Rs.)	(278.44)	(339.73)	(435.86)	(444.87)
Reserves & Surplus	(14.42)	(17.49)	(22.30)	(22.74)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	50,000 equity shares of Rs 10/- each	Rs.500,000
B.	**Issued, subscribed and paid-up share capital**	
	50,000 equity shares of Rs 10/- each	Rs.500,000

61. Gujarat Telelink Private Limited ("**GTPL**")

GTPL was incorporated on August 21, 2006 with RoC Ahmedabad, Gujarat, as a private limited company. The registered office of GTPL is 202, Sahajanand Shopping Centre, Opposite Swaminarayan Mandir, Shahibaug, Ahemdabad- 380004. The main objects of GTPL contemplate *inter alia* cable & internet business. GTPL is currently involved in cable & internet business. GTPL is a 'material subsidiary' of our Company within the meaning of the term 'material subsidiary' under the Listing Agreement.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	705,000	50.00
Aniruddhasinh Jadeja	350,750	24.87
Gujarat Digi Com Private Limited	204, 000	14.47
Kanaksinh Rana	125,000	8.87
Amit J. Shah	25,250	1.79
Total	**1,410,000**	**100.00**

Directors as on November 30, 2009

1. K.Jayaraman
2. Milind Karnik
3. Devendra Shrotri
4. Rohinton Dadyburjor
5. Aniruddhasinh Jadeja
6. Parul Jadeja
7. Kanaksinh Rana
8. Amit J. Shah

Financial performance

Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	162.91	809.77	1568.03	946.06
Profit/(Loss) after tax	23.91	58.14	165.88	139.71
Equity capital (par value Rs.10 per share)	10.10	10.10	14.10	14.10
Preference share capital	-	-	-	-
Earnings per share (Rs.)	277.26	57.56	159.06	99.08
Book value per equity share (Rs.)	33.67	91.24	750.38	849.46
Reserves & Surplus	23.91	82.05	1043.93	1183.64

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	5,000,000 equity shares of Rs.10 each	Rs.50,000,000
B.	**Issued, subscribed and paid-up share capital**	
	1,410,000 equity shares of Rs.10 each	Rs.14,100,000

62. **Net 9 Online Hathway Private Limited *("Hathway Net 9")***

Hathway Net 9 was incorporated on November 23, 2004 as a private limited company. The registered office of Hathway Net 9 is 2, Prithvi Emperor, New Prabhadevi Road, Prabhadevi, Mumbai 400054. The main objects of Hathway Net 9 contemplate *inter alia* the internet business. Hathway Net 9 is currently involved in internet business. Hathway has a right to appoint a majority of the directors on the board of Hathway Net 9.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	5,000	50.00
Satish Walke	2,000	20.00
Albert Dias	1,500	15.00
Deepak Panchal	1,500	15.00
Total	**10,000**	**100**

Directors as on November 30, 2009

1. Albert Dias
2. Deepak Panchal
3. Satish Walke
4. Rohinton Dadyborjour
5. Vijay Kabta
6. Milind Karnik

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	7.81	13.09	23.42	12.19
Profit/(Loss) after tax	0.16	0.22	0.41	0.05
Equity capital (par value Rs.10 per share)	0.10	0.10	0.10	0.10
Preference share capital	-	-	-	-
Earnings per share (Rs.)	15.87	21.94	41.19	6.26
Book value per equity share (Rs.)	42.43	64.37	105.56	111.82
Reserves & Surplus	0.32	0.54	0.96	1.02

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000
B.	**Issued, subscribed and paid-up share capital**	
	10,000 equity shares of Rs 10 each	Rs.100,000

63. **Hathway Jai Mata Di Sherawali Cable & Datacom Private Limited ("Hathway Jai Mata Di")**

Hathway Jai Mata Di was incorporated on November 17, 2000, as a private limited company. The registered office of Hathway Jai Mata Di is AB-46, Safdarjung Enclave, New Delhi-11029. The main objects of Hathway Jai Mata Di contemplate *inter alia* the cable business. Hathway Jai Mata Di does not currently undertake any activities. Hathway has a right to appoint a majority of the directors on the board of Hathway Jai Mata Di.

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway	800,000	50.00
Deep Chandra Dixit	400,000	25.00
Sanjeev Dixit	400,000	25.00
Total	**1,600,000**	**100**

Directors as on November 30, 2009

1. Milind Karnik
2. D. Mahadevan
3. Sanjeev Dixit
4. Deep Chandra Dixit
5. Amit Shah

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009*
Sales and other income	61.32	85.74	-
Profit/(Loss) after tax	0.44	0.69	-
Equity capital (par value Rs.10 per share)	16.00	16.00	-
Preference share capital	-	-	-
Earnings per share (Rs.)	0.28	0.43	-
Book value per equity share (Rs.)	10.27	10.70	-
Reserves & Surplus	0.43	1.12	-

* The accounts for the financial year ending March 31, 2009 have not been consolidated with those of Hathway, as we have not received any financial statements and accounts for the entity for financial year 2008-09. This is

due to disputes that have arisen between our Company and other shareholders. For further details, please refer to the section titled "Outstanding Litigation and Material Developments" on page 241 of this Prospectus.

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	2,000,000 equity shares of Rs.10 each	Rs.20,000,000
B.	**Issued, subscribed and paid-up share capital**	
	1,600,000 equity shares of Rs 10 each	Rs.16,000,000

Hathway has, in its capacity as contributory, has filed a winding-up petition against Hathway Jai Mata Di. For further details, please refer to the section titled "Outstanding Litigation and Material Developments" beginning on page 241 of this Prospectus.

64. **Hathway VCN Cablenet Private Limited *("Hathway VCN")***

Hathway VCN was incorporated on January 19, 1999 as a private limited company. The registered office of Hathway VCN is Rahejas, 4th Floor, Corner of Main Avenue & V.P Road, Santacruz (w), Mumbai 400054. The main objects of Hathway VCN contemplate *inter alia* the cable business. Hathway VCN is currently involved in the cable business.

Equity shareholder's as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Hathway Visual Network Private Limited	24,500	48.98
Vijaynagar Cable Network Private Limited	13,000	25.99
Hathway	12,500	24.99
Milind Karnik Hathway nominee	10	0.02
K. Jayaraman- Hathway nominee	10	0.02
Total	**50,020**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. T. S Sashikumar
3. Mr. Naveen Kumar
4. Mr. A. Dakshinmurthy
5. Rajeev Pareek
6. Glenn Mark Pinto

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009	September 30, 2009
Sales and other income	10.42	8.27	7.60	3.92
Profit/(Loss) after tax	(7.77)	(9.60)	(11.87)	(5.63)
Equity capital (par value Rs.10 per share)	0.50	0.50	0.50	0.50
Preference share capital	-	-	-	-
Earnings per share (Rs.)	(155.35)	(191.86)	(237.95)	(112.65)
Book value per equity share (Rs.)	(404.12)	(595.99)	(833.93)	(946.58)
Reserves & Surplus	(20.71)	(30.31)	(42.21)	(47.85)

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	100,000 equity shares of Rs.10 each	Rs.1,000,000
B.	**Issued, subscribed and paid-up share capital**	
	50,020 equity shares of Rs 10 each	Rs.500,200

65. **Hathway Jhansi JMDSR Cable & Datacom Private Limited ("Hathway Jhansi")**

Hathway Jhansi was incorporated on November 17, 1994, as a private limited company. The registered office of Hathway Jhansi is 73, Shree Complex, 4th Floor, St. John's Road, Bangalore- 560042.The main objects of Hathway Jhansi contemplate *inter alia* the cable business. Hathway Jhansi is currently not undertaking any business activities. Hathway has a right to appoint majority of the directors on the board of Hathway Jhansi

Equity shareholders as on November 30, 2009

Shareholders	No. of equity shares	% shareholding
Surendra Kumar Rai	588,000	65.33
Hathway	59,700	6.62
Rahul Rai	210,000	23.33
Rajendra Kumar Rai	42,000	4.67
Manoj Dere- Hathway nominee	300	0.05
Total	**900,000**	**100.00**

Directors as on November 30, 2009

1. Milind Karnik
2. Alok Govil

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009*
Sales and other income	8.32	19.12	-
Profit/(Loss) after tax	(0.22)	0.33	-
Equity capital (par value Rs.10 per share)	0.60	0.60	-
Preference share capital	-	-	-
Earnings per share (Rs.)	(3.73)	5.23	-
Book value per equity share (Rs.)	(18.01)	(12.78)	-
Reserves & Surplus	(1.63)	(1.37)	-

* The accounts for the financial year ending March 31, 2009 have not been consolidated with those of Hathway, as we have not received any financial statements and accounts for the entity for financial year 2008-09. This is due to disputes that have arisen between our Company and other shareholders. For further details, please refer to the section titled "Outstanding Litigation and Material Developments" on page 241 of this Prospectus.

Capital Structure

		Aggregate value at face value
A.	**Authorised share capital**	
	1,000,000 equity shares of Rs.10 each	Rs.10,000,000
B.	**Issued, subscribed and paid-up share capital**	
	900,000 equity shares of Rs.10 each	Rs.9,000,000

OUR MANAGEMENT

Board of Directors

Under the Articles of Association, we are required to have not less than three Directors and not more than 12 Directors. We currently have 12 Directors. Please refer to the sections titled "History and Certain Corporate Matters" and "Main Provisions of the Articles of Association" on pages 102 and 351 of this Prospectus, respectively.

The following table sets forth details of the Board of Directors as of the date of this Prospectus:

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
Mr. K. Jayaraman, son of Mr. K.R.Kalyanasundaram. Address:909, Brindaban, II - B, Poonam Nagar, Andheri (East), Mumbai 400 093. Designation: Managing Director (Promoter Nominee) Occupation: Service Term: 3 years from date of appointment, i.e. up to February 7, 2010 and extended for a further period of 6 months by way of a letter agreement dated February 15, 2010, i.e. up to August 7, 2010.	Indian	February 8, 2007	48	00047173	**Indian Companies:** 1. Spur Cable & Datacom Private Limited 2. Gujarat Telelink Private Limited 3. Hathway Bhasker Multinet Private Limited 4. Hathway Bhawani Cabletel & Datacom Limited
Mr. Rajan Raheja, son of Dr. Biharilal Raheja. Address: Rahejas, 87/1, G. B. Marg, Juhu, Mumbai 400 049 Designation: Non Executive Director (Promoter nominee) Occupation: Business Term: Liable to retire	Indian	September 7, 2000	56	00037480	**Indian Companies:** 1. Amber Apartment Makers Private Limited 2. Ameeta Grihnirman Private Limited 3. Ardex Endura (India) Private Limited 4. Arjun Housing Private Limited 5. ARKO Dealers Private Limited 6. ARKO Enterprises Private Limited 7. Asianet Satellite Communications Limited

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
by rotation.					8. Bay Side Exports Private Limited 9. Beach Plaza Contractors & Developers Private Limited 10. Bellvne Constructions Private Limited 11. Bestow Contractors & Developers Private Limited 12. Bloomingdale Investment & Finance Private Limited 13. Brindaban Agro Industries Private Limited 14. Brindaban Builders Private Limited 15. Brindaban Land Development Private Limited 16. Chandramouli Finance & Estates Private Limited 17. Colonnade Housing Private Limited 18. Colonnade Contractors & Developers Private Limited 19. Coronet Investments Private Limited 20. Crescent Property Developers Private Limited 21. EIH Associated Hotels Limited 22. EIH Limited 23. Excelsior Construction Private Limited 24. Exide Industries Limited 25. Globus Stores Private Limited 26. Gstaad Investment & Finance Private Limited 27. Gstaad Trading Company Private Limited 28. H & R Johnson (India) Limited 29. Hathway Bhaskar Multinet Private Limited 30. Hathway Investments Private Limited 31. ING Financial Services Private Limited 32. ING Investment Management (India) Private Limited 33. ING Vysya Life Insurance

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
					Company Limited 34. Juhu Beach Resorts Limited 35. Kaunteya Builders Private Limited 36. Kaunteya Contractors & Developers Private Limited 37. Kuntinandan Contractors & Developers Private Limited 38. Kuntiputra Properties Private Limited 39. Lavina Contractors & Developers Private Limited 40. Manali Investment & Finance Private Limited 41. Matsyagandha Investments & Finance Private Limited 42. Outlook Publishing (India) Private Limited 43. Panchali Builders Private Limited 44. Peninsula Estates Private Limited 45. Prerana Builders Private Limited 46. Prism Cement Limited 47. R. B. R. Constructions Private Limited 48. R. B. R. Estates & Finance Private Limited 49. R. Raheja Investments Private Limited 50. R. Raheja Properties Private Limited 51. RMC Readymix (India) Private Limited 52. Sea Side Exports Private Limited 53. Shiraz Realtors Private Limited 54. Shoreline Exports Private Limited 55. Spur Cable And Datacom Private Limited 56. Supreme Petrochem Limited 57. Trophy Investment & Finance Private Limited 58. Varahagiri Investments & Finance Private Limited 59. Vidur Constructions Private Limited

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
					60. Vijay Raheja Builders Private Limited 61. Villa Capri Developers Private Limited 62. Windsor Realty Private Limited **Foreign Companies:** 1. Chloride Eastern Industries Pte Limited **Partnership Firms:** 1. M/s. Ajanta Corporation 2. M/s. Ashoka Corporation 3. M/s. Brindaban Developers 4. M/s. D. S. Raheja & Co. 5. M/s. Dineshchandra Vijaykumar 6. M/s. Manali Investments 7. M/s. National Construction Corporation 8. M/s. Natraj Corporation 9. M/s. Nebula Corporation 10. M/s. Queen's Park 11. M/s. R. M. Enterprises 12. M/s. Rajdeep Raheja Finance Corporation 13. M/s. Sailesh Corporation **Trusts:** 1. Bhajandas Bajaj Foundation 2. Dr. Biharilal Raheja Trust 3. Sewaram Raheja Foundation 4. Smt. Kamla Raheja Foundation
Mr. Vinayak Aggarwal, son of Mr. Premchand Aggarwal. Address: 201, Raheja Haven, 10th Road Juhu, JVPD Scheme, Mumbai – 400 049 Designation: Non-Executive Director (Promoter nominee)	Indian	June 4, 1996	40	00007280	**Indian Companies:** 1. Asianet Satellite Communications Limited 2. Globus Stores Private Limited 3. Hathway Investments Private Limited 4. ING Financial Services Private Limited 5. ING Investment Management (India) Private Limited 6. Outlook Publishing (India) Private Limited

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
Occupation: Service Term: Liable to retire by rotation.					7. RMC Readymix (India) Private Limited 8. Spur Cable And Datacom Private Limited **Trusts:** 1. Outlook Publishing (India) Private Limited - Superannuation Scheme 2. Outlook Publishing (India) Private Limited - Employees Group Gratuity Assurance Scheme
Mr. Akshay Raheja, son of Mr. Rajan Raheja. Address: Rahejas, 87/1, G. B. Marg, Juhu, Mumbai - 400 049. Designation: Non-Executive Director (Promoter) Occupation: Business Term: Liable to retire by rotation.	Indian	September 7, 2000	27	00288397	**Indian Companies:** 1. Abu Developers Private Limited 2. Akalpitam Land Developers Private Limited 3. Ala-Mona Contractors & Developers Private Limited 4. Ala-Mona Properties Private Limited 5. Amalfi Properties Private Limited 6. Ameeta Grihnirman Private Limited 7. Ananya Construction Company Private Limited 8. Arjun Housing Private Limited 9. Ascona Properties Private Limited 10. Asianet Satellite Communications Limited 11. Bay Side Exports Private Limited 12. Bay-Side Constructions Private Limited 13. Bay-Side Contractors & Developers Private Limited 14. Beach Plaza Contractors & Developers Private Limited 15. Bellvne Constructions Private Limited 16. Bellvne Contractors And Developers Private Limited 17. Bloomingdale Investment & Finance Private Limited

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
					18. Bloomingdale Trading Company Private Limited 19. Brindaban Agro Industries Private Limited 20. Brindaban Land Development Private Limited 21. Chandramouli Finance & Estates Private Limited 22. Chevy Trading Private Limited 23. Colonnade Contractors & Developers Private Limited 24. Colonnade Housing Private Limited 25. Coronet Investments Private Limited 26. Crescent Property Developers Private Limited 27. Excelsior Construction Private Limited 28. Foodworld Supermarkets Private Limited 29. Fortune Films Private Limited 30. Globus Stores Private Limited 31. Gstaad Estates Private Limited 32. Gstaad Investment & Finance Private Limited 33. Gstaad Trading Company Private Limited 34. H & R Johnson (India) Limited 35. Hathway Bhaskar Multinet Private Limited 36. Hathway Investments Private Limited 37. Health & Glow Retailing Private Limited 38. Kalpitam Premises Private Limited 39. Kanyakumari Contractors & Developers Private Limited 40. Kaunteya Builders Private Limited 41. Kaunteya Contractors & Developers Private Limited 42. Kuntinandan Contractors & Developers Private Limited

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
					43. Kuntiputra Properties Private Limited 44. Lavina Contractors & Developers Private Limited 45. Manali Builders Private Limited 46. Manali Estates Private Limited 47. Manali Investment & Finance Private Limited 48. Matsyagandha Estates Private Limited 49. Matsyagandha Investments & Finance Private Limited 50. Meenakshi Builders Private Limited 51. Outlook Publishing (India) Private Limited 52. Panchali Builders Private Limited 53. Peninsula Estates Private Limited 54. Prerana Builders Private Limited 55. Prism Cement Limited 56. R. Raheja Investments Private Limited 57. R. Raheja Properties Private Limited 58. R.B.R. Constructions Private Limited 59. R.B.R. Estates And Finance Private Limited 60. Raghukul Developers Private Limited 61. Raheja QBE General Insurance Company Limited 62. Rajan Estates & Finance Private Limited 63. RMC Readymix (India) Private Limited 64. Sea Side Exports Private Limited 65. Shalini Construction Company Private Limited 66. Shalini Developers Private Limited 67. Shiraz Builders Private Limited

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
					68. Shiraz Realtors Private Limited 69. Shore Line Constructions Private Limited 70. Shoreline Exports Private Limited 71. Sonal Properties Private Limited 72. Spur Cable And Datacom Private Limited 73. Suchetan Construction Company Private Limited 74. Trophy Investment & Finance Private Limited 75. Varahagiri Investments & Finance Private Limited 76. Vidur Constructions Private Limited 77. Villa Capri Developers Private Limited 78. Villa Capri Estates Private Limited 79. Whitsun Contractors & Builders Private Limited 80. Windsor Build Home Developers Private Limited 81. Windsor Buildcon & Realty Private Limited 82. Windsor Buildestate Private Limited 83. Windsor Housing Private Limited 84. Windsor Realty Private Limited 85. Wren Contractors & Developers Private Limited 86. Zillion Contractors & Developers Private Limited 87. Zircon Consultants Private Limited **Trusts:** 1. Sewaram Raheja Foundation 2. Smt. Kamla Raheja Foundation
Mr. Viren Raheja, son of Mr. Rajan Raheja.	Indian	March 28, 2008	25	00037592	**Indian Companies:** 1. Abu Developers Private Limited 2. Akalpitam Land Developers

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
Address: Rahejas, 87/1, G. B. Marg, Juhu, Mumbai - 400 049. Designation: Non-executive Director (Promoter) Occupation: Business Term: Liable to retire by rotation.					Private Limited 3. Ala-Mona Contractors & Developers Private Limited 4. Ameeta Grihnirman Private Limited 5. Ananya Construction Company Private Limited 6. Arjun Housing Private Limited 7. ARKO Dealers Private Limited 8. ARKO Enterprises Private Limited 9. Asianet Satellite Communications Limited 10. Bay Side Exports Private Limited 11. Bay-Side Constructions Private Limited 12. Bay-Side Contractors & Developers Private Limited 13. Beach Plaza Contractors & Developers Private Limited 14. Bellvne Constructions Private Limited 15. Bellvne Contractors And Developers Private Limited 16. Bestow Contractors & Developers Private Limited 17. Bloomingdale Investment & Finance Private Limited 18. Bloomingdale Trading Company Private Limited 19. Brindaban Agro Industries Private Limited 20. Brindaban Land Development Private Limited 21. Chandramouli Finance & Estates Private Limited 22. Chevy Trading Private Limited 23. Colonnade Contractors & Developers Private Limited 24. Colonnade Housing Private Limited 25. Coronet Investments Private Limited 26. Crescent Property Developers Private Limited

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
					27. Excelsior Construction Private Limited 28. Fortune Films Private Limited 29. Futura Polyesters Limited 30. Globus Stores Private Limited 31. Gstaad Estates Private Limited 32. Gstaad Investment & Finance Private Limited 33. Gstaad Trading Company Private Limited 34. Innovassynth Technologies (India) Limited 35. Kalpitam Premises Private Limited 36. Kanyakumari Contractors & Developers Private Limited 37. Kaunteya Builders Private Limited 38. Kaunteya Contractors & Developers Private Limited 39. Kuntinandan Contractors & Developers Private Limited 40. Kuntiputra Properties Private Limited 41. Lavina Contractors & Developers Private Limited 42. Manali Builders Private Limited 43. Manali Estates Private Limited 44. Manali Investment & Finance Private Limited 45. Matsyagandha Estates Private Limited 46. Matsyagandha Investments & Finance Private Limited 47. Meenakshi Builders Private Limited 48. Outlook Publishing (India) Private Limited 49. Panchali Builders Private Limited 50. Peninsula Estates Private Limited 51. Prerana Builders Private Limited 52. R. Raheja Investments

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
					Private Limited 53. R. Raheja Properties Private Limited 54. R.B.R. Constructions Private Limited 55. R.B.R. Estates And Finance Private Limited 56. Raghukul Developers Private Limited 57. Rajan Estates & Finance Private Limited 58. Sea Side Exports Private Limited 59. Shalini Construction Company Private Limited 60. Shalini Developers Private Limited 61. Shiraz Realtors Private Limited 62. Shore Line Constructions Private Limited 63. Shoreline Exports Private Limited 64. Sonal Properties Private Limited 65. Sonata Software Limited 66. Spur Cable And Datacom Private Limited 67. Suchetan Construction Company Private Limited 68. Supreme Petrochem Limited (Alternate Director) 69. Trophy Investment & Finance Private Limited 70. Varahagiri Investments & Finance Private Limited 71. Vidur Constructions Private Limited 72. Villa Capri Developers Private Limited 73. Villa Capri Estates Private Limited 74. Whitsun Contractors & Builders Private Limited 75. Windsor Realty Private Limited 76. Wren Contractors & Developers Private Limited 77. Zillion Contractors &

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
					Developers Private Limited 78. Zircon Consultants Private Limited **Trusts:** 1. Smt. Kamla Raheja Foundation
Mr. Brahmal Vasudevan, son of Mr. T. Vasudevan. Address:D-8, West End Colony, New Delhi – 110021. Designation: Non – executive Director (Monet Nominee) Occupation: Service Term: Liable to retire by rotation.	Indian	April 26, 2007	41	00242016	**Indian Companies:** 1. Core3 India Private Limited 2. JMT Auto Limited **Foreign Companies** 1. Uno Investments 2. Winterfall Limited 3. Bach Limited 4. Beethoven Limited 5. Mozart Limited 6. Johann Limited 7. Van Gogh Limited 8. Raphael Limited 9. Monet Limited 10. Goya Limited 11. Dali Limited 12. Warhol Limited 13. Pacific Straits Ventures 14. Pacific Straits Realty 15. ChrysCapital Management Company II, LLC 16. ChrysCapital Management Company III, LLC 17. ChrysCapital Management Company IV, LLC 18. ChrysCapital Management Company V LLC 19. Core3 Holdings Inc 20. Copa Cabana 21. Bossanova 22. Renoir Limited 23. Van Dyck 24. Botti Celli 25. Usaha Tegas Sdn. Bhd. 26. Link Strategic Holdings Pte Limited.
Mr. Jagdish Kumar G Pillai, son of	Indian	November 17, 2008	47	00036481	**Indian Companies:** 1. PPV Movies and Content

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
Mr. Govinda Pillai. Address: 1404, Odyssey II, Hiranandani Gardens, Powai, Mumbai 400 076 Designation: Non executive director (NewsCorp Nominee) Occupation: Service Term: Liable to retire by rotation.					Private Limited 2. Indya Interactive Services Private Limited 3. Gold Movies Private limited 4. Ampersand Media Private Limited 5. Vijay Television Private Limited 6. Asianet Communications Limited 7. Star International Networks Private Limited **Foreign Companies** 1. Star Asia Region FZ-LLC
Mr. Uday Shankar, son of Mr. Radhe Shyam Thakur Address: Taj Wellington Mews, 33, Nathalal Parekh Marg, Colaba, Mumbai 400 001 Designation: Non-executive Director (NewsCorp Nominee) Occupation: Service Term: Liable to retire by rotation	Indian	September 9, 2009	47	01755963	**Indian Companies:** 1. Tata Sky Limited 2. Media Content and Communication Services (India) Private Limited. 3. Asianet Communications Limited 4. Indian Broadcasting Foundation 5. STAR CJ Network India Private Limited 6. Vijay Television Private Limited **Foreign Companies** 1. Star CJ Home Shopping Company Limited. **Partnership Firms:** 1. ESPN Star Sports(Delware General Partnership)
Mr. Bharat Shah, son of Mr. Dhirajlal Shah Address: 21, Hill Park, # 2, A. G. Bell Marg, Malabar Hill, Mumbai 400 006. Designation: Non Executive -	Indian	September 10, 2009	62	00136969	**Indian Companies:** 1. Atlas Documentary Facilitators Company Private Limited. 2. Computer Age Management Services Private Limited. 3. Hill Properties Limited. 4. Hexaware Technologies Limited. 5. Salisbury Investments Private

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
Independent Director (Chairman) Occupation: Consultant Term: Liable to retire by rotation					Limited. 6. HDFC Securities Limited. 7. IDFC Pension Fund Management Company Limited **Trusts** 1. HDFC Securities Limited – Employee Welfare Trust 2. Vanita Vishram
Mr. Sasha Mirchandani, son of Mr. Gulu Mirchandani Address: D-131, Tahnee Heights, Petit Hall, Nepensea Road, Mumbai – 400 006 Designation: Non Executive – Independent Director Occupation: Service Term: Liable to retire by rotation	Indian	September 10, 2009	37	01179921	**Indian Companies:** 1. Akasaka Electronics Limited 2. Gulita Wealth Advisors Private Limited 3. Fractal Analytics Limited 4. BRV India Advisors Private Limited 5. Algorhythm Tech Private Limited 6. Dhama Apparel Innovations Private Limited 7. Mumbai Angels Venture Mentors
Mr. Sridhar Gorthi, son of Maj. Gen Ananta Bhanu Gorthi Address: 1002, 10th Floor, June Blossoms, Manuel Gonsalves Road, Bandra (West), Mumbai – 400 050 Designation: Non Executive - Independent Director Occupation: Professional	Indian	September 10, 2009	37	00035824	**Indian Companies:** 1. Pay Pal Payments Private Limited. 2. Triconsult India Private Limited. 3. Aurous Communication & Events (I) Private Limited. 4. Insite India Advisors Private Limited. 5. Glenmark Pharmaceuticals Limited. 6. Glenmark Generics Limited. **Partnership Firms:** 1. Trilegal

Name, father's/spouse's name, address, designation, occupation and term	Nationality	Date of appointment as Director	Age (years)	Director's Identification Number	Other directorships/trusteeships /partnership
Term: Liable to retire by rotation					
Mr. Devendra Shrotri, son of Dr. Jayanta Kumar Shrotri Address: 1-A, Ashiana Complex, South Civil Lines, Jabalpur, Madhya Pradesh – 482 001. Designation: Non Executive - Independent Director Occupation: Business Term: Liable to retire by rotation	Indian	September 10, 2009	37	02780296	**Indian Companies:** 1. Assist Click Private Limited 2. Gujarat Telelink Private Limited **Foreign Companies:** 1. Lexvia Inc., New York 2. Lexvia Services Pte.Limited, Singapore

As per the terms of our Articles of Association, currently, the Promoters have the right to appoint five directors on the Board, the NewsCorp has the right to appoint two Directors on the Board and Monet has the right to appoint one Director on the Board.

Brief profiles of our Directors

Mr. K. Jayaraman, age 48 years, has been with the Company since 1998, initially appointed as CEO and Director and later appointed as Managing Director & CEO. He has a B. Com degree from the University of Madras and qualified as a chartered accountant. After completing his professional qualification, Mr. Jayaraman was employed as an Audit Officer at Lovelock & Lewes, Chartered Accountants, in Mumbai. Subsequently he moved on to work as Project Officer in ICICI and worked with ICICI Limited for a period of 5 years in various functions including as Project Officer. In 1992, he joined Citicorp Securities Limited as Head of Credit. In 1993, he joined Hathway Investments Private Limited as General Manager. Between 1996 and 1998, he worked as Head of Finance in H&R Johnson (India) Limited. He has 25 years of combined work experience in audit, banking, manufacturing and media industries.

Mr. Rajan Raheja, age 56 years, has been a non-executive director since 2000. He is a commerce graduate from the University of Mumbai. Mr. Raheja joined his family's real estate development business. Over a period of time, his family's interests spread to other businesses like automotive and industrial batteries, building materials, cable television, publishing, financial services, retailing, software, polystyrene and hotels. Mr. Rajan Raheja is the father of Akshay Raheja and Viren Raheja, who are both non-executive Directors.

Mr. Vinayak Aggarwal, age 40 years, has been a non-executive Director since 1996. Currently he is the Managing Director of Hathway Investments Private Limited. He is a commerce graduate from the University of Mumbai and is a Grad. CWA. He has also done Post Graduate Diploma in Management from the Indian Institute of Management, Ahmedabad. After his post graduation diploma, Mr. Aggarwal worked with ICICI Limited as a project appraisal officer. In November 1993, he joined Hathway Investments Private Limited. He has 18 years of work experience in project appraisal, mergers and acquisitions, treasury operations, etc.

Mr. Akshay Raheja, age 27 years, has been a non-executive Director since 2000. He is a commerce graduate from the University of Mumbai and has obtained an MBA from Columbia Business School, New York. He is a

director on the boards of several companies. Mr. Akshay Raheja is a son of Mr. Rajan Raheja and a brother of Mr. Viren Raheja, who are both non-executive Directors.

Mr. Viren Raheja, age 25 years, has been a non-executive Director since 2008. He is a commerce graduate from the University of Mumbai and has obtained an MBA from London Business School. He has also completed all 3 levels leading to the CFA charter. He is a director on the boards of several companies. Mr. Viren Raheja is a son of Mr. Rajan Raheja and a brother of Mr. Akshay Raheja, who are both non-executive Directors.

Mr. Brahmal Vasudevan, age 41 years, has been a non-executive Director since 2007. He is a Managing Director at ChrysCapital Investment Advisors. He was previously Director of Marketing at ASTRO, a leading DTH operator in Southeast Asia. Prior to that, Mr. Vasudevan was with British American Tobacco ("BAT") where he was an International Marketing Manager based in the Global Brand Group in London. Before moving to the United Kingdom, he held various positions in BAT Malaysia. He has also worked at the Boston Consulting Group. Mr. Vasudevan holds an MBA from the Harvard Business School and graduated with first class honours in aeronautical engineering from Imperial College in London.

Mr. Jagdish Kumar G. Pillai, age 47 years, has been a non-executive director of the Company since November 2008. He has qualified as a Chartered Accountant. Mr. Jagdish Kumar G Pillai is currently employed with Star India Private Limited as President, South India. He has been working with Star TV for over 14 years in various functional capacities in Mumbai and Hong Kong. He joined Star TV in 1995 as the Chief Financial Officer, and thereafter held various positions such as Executive Vice-President – Digital Platform Group, Head of Corporate Finance, Head of the DTH project etc. Prior to joining Star TV he worked in ITC Limited for 8 years in various roles in Finance & Internal Audit including as the Financial Controller. He has 22 years of combined work experience in finance and general management.

Mr. Uday Shankar, age 47 years, holds an M. Phil in economics from the University of Delhi. He is also a graduate in journalism from the Times of India Media School and started his career as a journalist for the Times of India. He was head of the news channel "Aaj Tak" for a period of 4 years. Subsequently he briefly served as the chief executive officer of the Star News channel and as the Head of Sahata TV's news television channel business. He joined Star TV India as its CEO in 2006 and overseas all Star TV's business ventures in India. He is also on the board of several media companies such as Tata Sky Limited.

Mr. Bharat Shah, age 62 years, was appointed as an independent Director on September 10, 2009. Mr. Bharat D. Shah is the chairman of HDFC Securities Limited. He was one of the founder members of HDFC Bank and joined HDFC Bank in December 1994 as an executive director. He is on the board of directors of various companies namely, Hexaware Technologies, Computer Age Management Services Private Limited, ADFC Limited, and Hill Properties Private Limited. He started his career as R&D Chemist in Pyrene Company Limited, after which he worked for Bradma India Limited and then at Technova. He was Marketing Head of Travellers Checks and the Rupees Travellers Check Operation from 1979 to 1983 with Thomas Cook. He worked with Citibank as Payment Product Division Head and then the Real Estate Division Head from 1983 to 1993. Mr. Shah was an Investment Advisor for Union Bank of Switzerland, Singapore from 1993 to 94. Mr. Shah completed his graduation from Mumbai University as B.Sc. Hons. in 1967 and then went on to secure a Diploma in Applied Chemistry with special reference to Metal Finishing from London University in 1969.

Mr. Sasha Mirchandani, age 37 years, was appointed as an independent Director on September 10, 2009. He was appointed as the Managing Director for Blue Run Ventures in India, joined the company in 2007. He focuses on consumer internet, mobile, media, entertainment and knowledge process outsourcing. Prior to joining BlueRun Ventures, Mr. Mirchandani was at Mirc Electronics (Onida) where he was Head of Corporate Affairs and New Business and his family is the promoter group for the same. Prior to Onida, he was the Chief Executive Officer and Founder of Imercius Technologies, a business process outsourcing company focused on the telecom space. Mr. Mirchandani sits on the Board of Akasaka Electronics Limited, Fractal Analytics, Algorhythm Tech, Gulita Securities, IndiaCo Ventures, Dhama Innovations, Blue Run Ventures India and Mumbai Angels Venture Mentors. Mr. Mirchandani completed his Business Administration from University in Virginia and MMDP program at IIM, Ahmedabad. He is also an advisory board member of Johns Hopkins School of Advanced International studies (SAIS) in India, Chairman Maharashtra Committee - Electronics and Computer Software Export Promotion Council (ESC), and Charter Member – TiE Mumbai. He is a co-founder of Mumbai Angels, India's first Angel Investment group. He is also a past President of EO Mumbai.

Mr. Sridhar Gorthi, age 37 years, has been appointed as an independent Director on September 10, 2009. Mr. Sridhar Gorthi is a partner at a law firm Trilegal. Prior to Trilegal, he also worked with Arthur Andersen and

Lex Inde, Mumbai. He has been involved in providing legal advisory services to various multinational and domestic corporations on joint ventures, acquisitions and mergers and private equity transactions. Mr. Gorthi holds a B.A. L.L.B (Hons) from the National Law School of India University, Bangalore.

Mr. Devendra Shrotri, age 37 years, has been appointed as an independent Director on September 10, 2009. Mr. Devendra Shrotri is experienced in the fields of management, finance, consulting, outsourcing and technology. He is the founder of Lexvia Inc. a New York/India based back office administrative services provider. Prior to Lexvia Inc., Mr. Shrotri was working with Barclays Capital in New York where he focused on US Equity Capital Markets, originating equity linked financing and derivatives. Mr. Shrotri's prior experiences includes providing credit and marketing solutions at Dun & Bradstreet, New Jersey, consulting with Ernst & Young, Telecom, Media and Networks sector, in New York, developing internet based services at Gobi, a New York based 'Free PC' ISP, and consulting with Sprint in Kansas City. Mr. Shrotri holds an MBA degree from Columbia Business School, New York, a Masters in Computer Science & Engineering from University of South Carolina, Columbia and a Bachelors of Electrical Engineering from the Jabalpur Engineering College, India. Mr. Shrotri has published several technical reports and papers that include Springer Verlag, Carnegie Mellon University, "Distributed Coordination of an Agent Society Based on Obligations and Commitments to Negotiated Agreements," in Coordination of Large Scale Multiagent Systems.

Terms and Conditions of Employment of Executive Director

Mr. K. Jayaraman, was appointed as the Managing Director and Chief Executive Officer ("**CEO**") of our Company by a resolution dated April 26, 2007 passed by the Board of Directors for a period of 3 years, with effect from February 8, 2007 under an employment agreement between Mr. K. Jayaraman and our Company dated April 26, 2007. The term of Mr. K. Jayaraman's appointment has been extended by way of a letter agreement dated February 15, 2010 up to August 7, 2010 and has been authorised by a resolution passed by the Board of Directors of our Company dated February 12, 2010. The general terms of his employment *inter alia* are as follows:

- monthly remuneration of Rs. 400,000/-;
- overall business and management of the Company to be managed by Mr. Jayaraman, subject to the control and superintendence of the Board;
- Mr. Jayaraman will not carry out either directly or indirectly, any competing business to that of the Company;
- Mr. Jayaraman will not be liable to retire by rotation; and
- either the Company or Mr. Jayaraman may terminate the agreement by giving six months written notice or payment of an amount equivalent to the salary in lieu of such notice.

The remuneration paid to Mr. Jayaraman for Fiscal 2009 is Rs.13.88 million.

Apart from Mr. K. Jayaraman, the Company has not entered into a service contract or employment agreement with any other Director.

Additionally, the Managing Director of our Company is entitled to the use of a motor car, including the repairs and maintenance thereof.

Terms and Conditions of Employment of Non-Executive Directors

Except for the sitting fees of Rs.15,000 for attending every Audit Committee meeting and Rs.20,000 for attending every Board meeting, our non-executive directors are not entitled to any other remuneration from the Company.

Borrowing powers of the Board

Pursuant to a resolution passed by the shareholders at an EGM on September 23, 2009, in accordance with the provisions of the Companies Act, our Board has been authorised to borrow sums of money for the purpose of our Company upon such terms and conditions and with or without security, as the Board of Directors may think fit. Our Company may borrow money up to Rs.7,000,000,000 and upon such terms and in such manner as the Board thinks fit and may grant any mortgage, charge or standard security over its undertaking, property and moveable fixed assets and current assets and may issue debentures, debenture stock and other securities whether outright or as security for any debt, liability or obligation of the Company or of any third party.

Corporate Governance

We have complied with the requirements of corporate governance contained in the listing agreements to be entered into with the Stock Exchanges, particularly those in relation to the composition of the Board of Directors, constitution of committees such as Audit Committee, Remuneration Committee and Shareholders' / Investors' Grievance Committee. Further, the provisions of the listing agreements to be entered into with the Stock Exchanges become applicable to us at the time of seeking in-principle approval of the Stock Exchanges. We have also adopted the corporate governance code in accordance with Clause 49 of the listing agreements to be entered into with the Stock Exchanges prior to listing, as would be applicable to our Company upon the listing of its Equity Shares.

Our Company undertakes to take all necessary steps to comply with all the requirements of the SEBI ICDR Regulations on corporate governance and adopt the corporate governance code as per Clause 49 of the Listing Agreement to be entered into with the Stock Exchanges.

Currently our Board has 12 Directors, and the Chairman of the Board is a non-executive and an independent Director. In compliance with the requirements of Clause 49 of the Listing Agreement, our Board consists of (i) not less than 50% non-executive Directors and (ii) at least one-third independent Directors. Our Board has the following committees:

(a) Audit committee;

(b) Shareholders'/Investors' Grievance committee;

(c) Remuneration committee;

(d) IPO committee; and

(e) Compensation committee.

Audit Committee

The Audit Committee of our Board was reconstituted by our Directors by a board resolution dated September 10, 2009 pursuant to Section 292A of the Companies Act. The Audit Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Bharat Shah	Chairman	Non-Executive Independent
Mr. Devendra Shrotri	Member-Director	Non-executive Independent
Mr. Viren Raheja	Member-Director	Non-Executive

Terms of reference of the Audit Committee includes:

i) Hold discussions with the auditors periodically about internal control systems, the scope of audit including the observations of the auditors and review the quarterly, half-yearly and annual financial statements before submission to the Board and also ensure compliance of internal control systems.
ii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.
iii) 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.
iv) Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
v) 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, 1956;
   (b) changes, if any, in accounting policies and practices and reasons for the same;
   (c) major accounting entries involving estimates based on the exercise of judgement 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.

vi) Reviewing, with the management, the quarterly financial statements before submission to the board for approval.
vii) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
viii) 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.
ix) Discussions with the internal auditors on any significant findings and follow up there on.
x) 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.
xi) Discussions with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
xii) To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non payment of declared dividends) and creditors.
xiii) Review of information as prescribed under Clause 49 (II)(E) of the listing agreement.

The details of meetings held by the Audit Committee held after its formation on September 10, 2009 are as follows:

Date	Committee Members Attending the Meeting	Designation	Whether attended meeting	Important Items
September 21, 2009	Mr. Bharat Shah	Chairman	Yes	Approval of the restated financial statements of accounts for the financial year ended March 31, 2005, March 31, 2006, March 31, 2007, March 31, 2008 & March 31, 2009 on consolidated and standalone basis.
	Mr. Devendra Shrotri	Member	Yes	
	Mr. Viren Raheja	Member	Yes	
November 26, 2009	Mr. Bharat Shah	Chairman	Yes	To adopt and approve the half yearly audited profit and loss account and balance sheet as on September 30, 2009.
	Mr. Devendra Shrotri	Member	No	
	Mr. Viren Raheja	Member	Yes	

Currently there is no date that has been fixed for the next meeting of the Audit Committee and shall take place as and when required.

Shareholders'/Investors' Grievance Committee

The Shareholders'/Investors' Grievance Committee was constituted by our Directors by a board resolution dated September 10, 2009 and comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Vinayak Aggarwal	Chairman	Non-Executive
Mr. Viren Raheja	Member-Director	Non-Executive
Mr. K. Jayaraman	Member-Director	Executive

The Shareholders'/Investors' Grievance Committee is responsible for the redressal of shareholders and investors' grievances such as non-receipt of share certificates, annual report and payment and receipt of dividend. The Committee oversees performance of the registrars and transfer agents of the Company and recommends measures for overall improvement in the quality of investor services. This committee also monitors the implementation and compliance of our Code of Conduct for Prohibition of Insider Trading pursuant to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992, as amended.
There have been no meetings of the Shareholders'/Investors' Grievance Committee that have been held from the formation of the same till the date of the Prospectus. Currently there is no date that has been fixed for the

meeting of the Shareholders'/Investors' Grievance Committee and shall take place as and when required.

Remuneration Committee

The Remuneration Committee was constituted by our Directors by a board resolution dated September 10, 2009 and has been re-constituted pursuant to Schedule XIII of the Companies Act by a board resolution dated February 11, 2010. The Remuneration Committee comprises of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Bharat Shah	Chairman	Independent
Mr. Jagdish Kumar G	Member-Director	Non-Executive
Mr. Brahmal Vasudevan	Member-Director	Non-Executive
Mr. Akshay Raheja	Member-Director	Non-Executive
Mr. Viren Raheja	Member-Director	Non-Executive
Mr. Sridhar Gorthi	Member-Director	Independent
Mr. Sasha Mirchandani	Member-Director	Independent

The Remuneration Committee determines our Company's remuneration policy, having regard to performance standards and existing industry practice. Under the existing policies of our Company, the Remuneration Committee, *inter alia*, determines the remuneration payable to our Directors.

Apart from discharging the above-mentioned basic functions, the Remuneration Committee also discharges the following functions:

- Framing policies and compensation including salaries and salary adjustments, incentives, bonuses, promotion, benefits, stock options and performance targets of the top executives; and
- Formulating strategies for attracting and retaining employees and employee development programmes.

Compensation Committee

With a view to comply with the provisions of the Securities and Exchange Board of India (Employees Stock Option Scheme) Guidelines, 1999, the Company has constituted a Compensation Committee, pursuant to resolution passed by our board of Directors on September 21, 2009 by renaming the Stock Option Committee. The main scopes of functions of this Committee are the administration, implementation, execution and monitoring of the Employees' Stock Option Scheme(s), from time to time. The Compensation Committee presently consists of:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Akshay Raheja	Chairman	Non executive
Mr. Brahmal Vasudevan	Member / Director	Non executive
Mr. Jagdish Kumar	Member / Director	Non executive

IPO Committee

The IPO Committee of our Company was constituted by the Directors at their Board meeting held on August 18, 2009 and handles matters related to the proposed IPO of our Company such as the appointment of various intermediaries including merchant bankers, registrars, printers, advertisement and publicity agents, legal counsels and bankers to the Issue, submission of applications and documents to statutory and other authorities from time to time, determination of the price band and the issue price and other aspects related thereto, as may be delegated by the Board in this regard. The present constitution of the IPO Committee is as under:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Viren Raheja	Chairman	Non-Executive
Mr. K. Jayaraman	Member – Director	Executive
Mr. Vinayak Aggarwal	Member – Director	Non-Executive
Mr. Milind Karnik	Member	Not Applicable
Mr. Bhavik Palan	Member	Not Applicable
Mr. D. Mahadevan	Member	Not Applicable

Shareholding of our Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification Equity Shares in our Company. Save and except as stated below, our Directors do not hold any Equity Shares in our Company, in their personal capacity, as of the date of filing of this Prospectus:

Name of Directors	No. of Equity Shares	% of pre-Issue equity share capital
Mr. Akshay Raheja	24,282,600	19.76
Mr. Viren Raheja	23,910,600	19.46
Mr. K. Jayaraman	1	0.00

Interest of our Directors

All our Directors, including independent directors, may be deemed to be interested to the extent of fees, if any, payable to them for attending meetings of the Board or a committee thereof, as well as to the extent of other remuneration and reimbursement of expenses payable to them pursuant to our Articles of Association and to the extent of remuneration paid to them for services rendered as officers of our Company.
All our Directors, including independent Directors, may also be deemed to be interested to the extent of Equity Shares, if any, already held by them, including equity shares offered under the ESOP Scheme(s) or that may be subscribed for and allotted to them pursuant to the Issue in terms of the Prospectus and also to the extent of any dividend payable to them and other distributions in respect of the said Equity Shares. Our Directors, including independent directors, may also be regarded as interested in the Equity Shares, if any, held by or that may be subscribed by and allotted to the companies, firms and trusts, in which they are interested as directors, members, partners or trustees and promoters pursuant to this Issue.

Some of our Directors may be deemed to be interested to the extent of consideration received/paid or any loans or advances provided to any body corporate, including companies, firms, and trusts, in which they are interested as directors, members, partners or trustees. For details, please refer to the Section titled “Financial Statements” beginning on page 204 of this Prospectus.

Except as disclosed hereinabove and the section titled “Risk Factors” beginning on page xv of this Prospectus, the Directors do not have an interest in any venture that is involved in any activities similar to those conducted by our Company.

Except as stated in the section titled ‘Financial Information’ and to the extent of compensation and commission if any, and their shareholding in our Company, our Directors do not have any other interest in our business or that of any of our subsidiaries.

Our Directors have no interest in any property acquired or proposed to be acquired by our Company or our Subsidiaries in the preceding two years of filing this Prospectus with SEBI nor do they have any interest in any transaction regarding the acquisition of land, construction of buildings and supply of machinery, etc. with respect to our Company or our Subsidiaries.

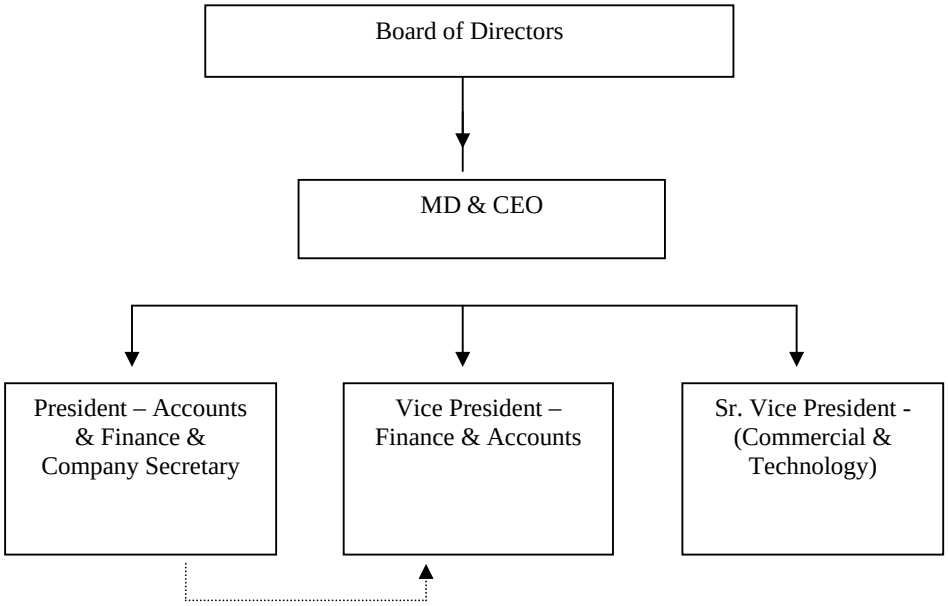
Mr. Akshay Raheja and Mr. Viren Raheja are our Promoters as well as non-executive Directors.

Changes in our Board in the three years preceding the date of filing of this Prospectus are as follows:

Name of the Director	Date of appointment	Date of cessation	Reason
Mr. Pratim Mukerjea	June 29, 2006	April 26, 2007	Resignation
Ms. May Oh	June 29, 2006	January 16, 2007	Resignation
Ms. Hung Sun Michelle (Alternate Director to Ms. May Oh)	June 29, 2006	January 16, 2007	Ceased to be Alternate Director
Mr. Sanjay Johar (Alternate Director to Mr. Satish Raheja)	October 6, 2006	December 23, 2006	Ceased to be Alternate Director
Mr. David Butorac	January 24, 2007	November 17, 2008	Resignation
Ms. May Oh (Alternate Director to Mr. David Butorac)	January 24, 2007	August 31, 2007	Ceased to be Alternate Director
Mr. K. Jayaraman	February 8, 2007	N.A.	N.A.
Mr. Satish Raheja	September 7, 2000	March 28, 2008	Resignation

Name of the Director	Date of appointment	Date of cessation	Reason
Mr. Sanjay Johar (Alternate Director to Mr. Satish Raheja)	January 24, 2007	March 28, 2008	Ceased to be Alternate Director
Mr. Paul Aiello	April 26, 2007	September 9, 2009	Resignation
Mr. Brahmal Vasudevan	April 26, 2007	N.A.	N.A.
Mr. Vijay K. Singh (Alternate Director to Mr. David Butorac)	October 24, 2007	February 11, 2008	Ceased to be Alternate Director
Mr. Uday Shankar (Alternate Director to Mr. Paul Aiello)	October 24, 2007	September 9, 2009	Ceased to be Alternate Director
Mr. Jagdish Kumar G. (Alternate Director to Mr. David Butorac)	February 12, 2008	August 25, 2008	Ceased to be Alternate Director
Mr. Viren Raheja	March 28, 2008	N.A.	N.A.
Mr. Sanjay Jain (Alternate Director to Mr. David Butorac)	August 26, 2008	October 14, 2008	Ceased to be Alternate Director
Mr. Jagdish Kumar G. (Alternate Director to Mr. David Butorac)	October 15, 2008	November 17, 2008	Ceased to be Alternate Director
Mr. Jagdish Kumar G.	November 17, 2008	N.A.	N.A.
Mr. Nitin Kukreja (Alternate Director to Mr. Jagdish Kumar G.)	September 10, 2009	September 14,2009	Ceased to be Alternate Director
Mr. Bharat Shah	September 10, 2009	N.A.	N.A.
Mr. Sasha Mirchandani	September 10, 2009	N.A.	N.A.
Mr. Sridhar Gorthi	September 10, 2009	N.A.	N.A.
Mr. Devendra Shrotri	September 10, 2009	N.A.	N.A.
Mr. Uday Shankar	September 9, 2009		N.A.

Management organisational structure



Our Key Management Personnel

Our Key Management Personnel are permanent employee's of the Company. Except for certain statutory benefits, there are no other benefits accruing to our Key Management Personnel. For details of the ESOP Scheme, please refer to the section titled "Capital Structure" beginning on page 24 of this Prospectus.

Brief details of our Key Management Personnel other than our Managing Director are set forth below. All Key Management Personnel are permanent employees of our Company. The Key Management Personnel have been

selected, based on the criteria set out in Regulation 2(s) of the SEBI ICDR Regulations.

Mr. Milind Karnik, (age 48 years, President – Finance and Company Secretary), joined our Company in 2000. He started his career with audit firms R.S.M & Co and A. F. Ferguson as a Senior Auditor. He has also worked in Hoechst India, Citicorp Information Technology Industries (iflex), Citicorp Securities and Investments (E-Serve), Birla Marlin Securities as the chief financial officer and Caspian Broking as the chief financial officer, and has 24 years of experience across finance and legal areas.Mr. Karnik is an Associate Chartered Accountant, Company Secretary and a Cost Accountant. He holds a Bachelors Degree in General Law from Ruparel College, affiliated to Mumbai University. The remuneration paid to him for Fiscal 2009 is Rs.5.73 million.

Mr. Jayant Changrani, (age 44 years, Senior Vice President – Broadband Networks and Commercial), was appointed as 'Deputy General Manager – Operations' with our Company with effect from June 16, 2000 pursuant to an appointment letter dated June 8, 2000. He started his career in the field of telecommunications and has 22 years of experience. Prior to joining our Company, he was Head of the Business Communication Division with Global Tele-Systems. He has also worked with Crompton Greaves. Mr. Changrani holds a Bachelors degree in Engineering (Electronics) from Mumbai University and further opportunity from the Association of Technical Scholarship from Japan through NEC Corporation. The remuneration paid to him for Fiscal 2009 is Rs.4.23 million.

Mr. D. Mahadevan, (age 52 years, Vice-President – Accounts & Finance) was appointed as 'Deputy General Manager – Corporate Accounts' with effect from December 2, 2002, pursuant to an appointment letter dated November 29, 2002. He currently heads the accounting, finance and taxation functions of our Company. He has 20 years of experience in accounting and finance, and has worked extensively in arranging for funds from both national & international banks & financial institutions. He has worked with Orkay Industries Limited, H & R Johnson India Limited and Shaw Wallace Limited before joining our Company. Mr. Mahadevan is a Chartered Accountant and holds a Bachelors Degree in Commerce from Mumbai University. He also underwent the Senior Management programme for management development conducted by the Indian Institute of Management, Ahmedabad in the year 2000. The remuneration paid to him for Fiscal 2009 is Rs.3.22 million.

Shareholding of our Key Management Personnel

None of our Key Management Personnel hold Equity Shares in our Company.

There is no bonus or profit sharing plan for the Key Management Personnel of our Company.

Interest of Key Management Personnel

None of our Key Management Personnel have any interest in our Company except to the extent of remuneration, benefits and reimbursement of expenses incurred by them in the ordinary course of business. None of our Key Management Personnel have been appointed pursuant to any arrangement or understanding with the Company's major shareholders, customers or suppliers or others.

For details on our ESOP Scheme, please refer to the section titled "Capital Structure" beginning on page 24 of this Prospectus.

Changes in our Key Management Personnel

There has been no change in our Key Management Personnel during the last three years preceding the date of filing this Prospectus.

Payment or benefit to our officers

Except as disclosed in this Prospectus and statutory payments made by our Company, our Company has not paid any sum to our employees in connection with superannuation and/or *ex gratia* payments or rewards and has not paid any non-salary amount or benefit to any of our officers. Except as stated in the section titled "Financial Information" beginning on page 204 of this Prospectus, none of the beneficiaries of loans and advances and sundry debtors are related to the Directors of the Company.

Relationship between the Directors and the Key Management Personnel

None of the Directors or the Key Management Personnel are related to each other, except for Mr. Rajan Raheja who is the father of Mr. Akshay Raheja and Mr. Viren Raheja.

OUR PROMOTERS AND GROUP COMPANIES

Our Promoters

The following individuals are the Promoters of our Company:

1. Mr. Akshay Raheja;
2. Mr. Viren Raheja

The details of our Promoters are provided below:



Mr. Akshay Raheja

PAN: ADNPR1084R
Passport Number: Z2026979
Voter ID Number: -
Driving License: MH02 20090022717



Mr. Viren Raheja

PAN: AEVPR7893D
Passport Number: Z2026970
Voter ID Number: -
Driving License: -

For additional details on the age, background, personal address, educational qualifications, experience, terms of appointment as Directors and other directorships of Mr. Akshay Raheja and Mr. Viren Raheja, please refer to the section titled "Our Management" beginning on page 167 of this Prospectus.

Other understandings and confirmations

We confirm that the PAN, bank account numbers and passport numbers of the Promoters have been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus with the Stock Exchanges.

Our Promoters, the members of the Group Companies and relatives of the Promoters have confirmed that they have not been identified as wilful defaulters by the RBI or any other governmental authority.

No violations of securities laws have been committed by our Promoters or members of our Group Companies in the past or are pending against them. None of (i) our Promoters, Promoter Group or the Group Companies or persons in control of or on the boards of bodies corporate forming part of our Group Companies (ii) the Companies with which any of the Promoters are or were associated as a promoters, directors or persons in control, are debarred or prohibited from accessing the capital markets for any reasons by the SEBI or any other authority or refused listing of any of the securities issued by any such entity by any stock exchange in India or abroad.

Common Pursuits

Except as disclosed in the section titled "Risk Factors" beginning on page xv of this Prospectus the Promoters do not have an interest in any venture that is involved in any activities similar to those conducted by our Company or any of the Group Companies.

Our Company has not adopted any measures for mitigating such conflict situations. For further details on the related party transactions, to the extent of which our Company is involved, please refer to the Section titled "Financial Information" beginning on page 204 of this Prospectus.

Interest of our Promoters

The shareholding of our Promoters in our Company is set forth in the section titled "Capital Structure" beginning on page 24 of this Prospectus. Other than as our shareholders, Promoters and to the extent of sitting

fees to be received by them in their capacity as Non-executive Directors, our Promoters do not have any other interest in the Company.

Interest of our Promoters in the promotion of our Company

The Promoters of our Company have also entered into certain agreements with other shareholders governing their rights in the Company. For details regarding the terms of these shareholder agreements, see the section "History and Certain Corporate Matters" beginning on page 102 of this Prospectus.

Interest in Property, Land and Construction

Our Promoters and the Group Companies do not have any interest in any property acquired by our Company or the Subsidiaries within two years preceding the date of filing this DHRP with SEBI or any property proposed to be acquired by the Company or the Subsidiaries or in any transaction with respect to the acquisition of land, construction of building or supply of machinery.

Payment of benefits to our Promoters during the last two years

Except as stated in the section titled "Financial Statements" beginning on page 204 of this Prospectus, there has been no amounts or benefits paid or given or intended to be paid or given to our Promoters or the Promoter Group within the two years preceding the date of filing of this Prospectus with SEBI.

Litigation

For details regarding litigation involving our Promoters and Group Companies, please refer to the section titled "Outstanding Litigation and Material Developments", beginning on page 241 of this Prospectus.

Related Party Transactions

For details of (i) payments or benefits to the Promoters and the Promoter Group during the two years preceding the date of filing of this Prospectus (ii) sales or purchases between our Company, its Subsidiaries and the Group Companies where such sales or purchases exceed in value in the aggregate 10% of the total sales or purchases of the Company; and (iii) business interests of Group Companies and the Subsidiaries, see the section titled "Financial Statements" beginning on page 204 of this Prospectus.

Disassociation by the Promoters in the last three years

Except as disclosed herein below, our Promoters have not disassociated from any of the Group Companies in the last three years:

(i) The Promoters sold 4,000 shares of Rs.100 each in Ala-Mona Contractors & Developers Private Limited on April 3, 2007 due to a re-alignment of shareholding within the Promoters and their relatives. The shares were sold at face value.

(ii) The Promoters sold 1,000 shares of Rs.100 each in Bay-Side Contractors & Developers Private Limited on April 3, 2007 due to a re-alignment of shareholding within the Promoter and their relatives. The shares were sold at face value.

Group Companies

The following companies, form part of our Group Companies:

S. No.	Name
Listed Companies	
1.	Sonata Software Limited
Unlisted Companies	
2.	Amalfi Properties Private Limited
3.	Ascona Properties Private Limited
4.	Fortune Films Private Limited
5.	Kalpitam Premises Private Limited
6.	Manali Builders Private Limited

S. No.	Name
7.	Meenakshi Builders Private Limited
8.	Shalini Developers Private Limited
9.	Shore Line Constructions Private Limited
10.	Sonal Properties Private Limited
11.	Windsor Realty Private Limited

Certain details of our Group Companies are as provided below.

In addition, except as stated below, none of our Group Companies have any contingent liabilities that have not been disclosed. Further, none of our Group Companies have any significant notes to accounts made by the auditors in the audited financial statements.

Other than in respect of their shareholding and representation on the board, the Promoters do not have any interest in any of the Group Companies.

The financial information given below for the Group Companies has been derived from their audited financial statements.

Listed Companies

1. Sonata Software Limited **("Sonata")**

Sonata was initially set up in 1986 as a division of Indian Organic Chemicals Limited and was spun off as an independent company namely, Sonata Software Limited in October, 1994. Sonata was incorporated on October 18, 1994, under the Companies Act, 1956 and received its certificate of commencement of business on February 03, 1995. The registered office of Sonata is situated at 208, T. V. Industrial Estate, S.K. Ahire Marg, Worli, Mumbai-400030 and its corporate office is at APS Trust Building, 1/4 Bull Temple Road, N. R. Colony, Bangalore – 560 019. The shares of Sonata are listed on the BSE, NSE and the Bangalore Stock Exchange.

Sonata was incorporated with the main object of carrying on software development and programming including systems implementation for data processing equipments and acting as consultants. It is currently engaged in the business of providing software.

Shareholding pattern as of December 31, 2009

Category	No. of Shares held	Percentage of Holding
Promoters	47,747,850	45.41
Banks, FIs, etc.	20,145	0.02
Mutual Funds / UTI	990,334	0.94
FIIs/NRIs	3,496,347	3.32
Bodies Corporate	5,696,047	5.42
Public/Others	47,208,583	44.89
Total	**105,159,306**	**100.00**

Directors as of December 31, 2009

1. Pradip P. Shah
2. Mukund Dharamdas Dalal
3. Shyam Bhupatirai Ghia
4. Viren Rajan Raheja
5. B. Ramaswamy
6. P. Srikar Reddy
7. S. N. Talwar
8. B. K. Syngal

Financial performance (Based on consolidated financial statements)

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009
Sales	8,945.72	14,283.69	15,912.68
Profit after tax	480.28	585.19	765.68
Equity capital (1)	105.16	105.16	105.16
Earnings per share (Rs.)	4.57	5.56	7.28
Earnings per share (on a diluted basis)	4.57	5.56	7.28
Net asset value	17.62	21.51	26.07
Reserves (excluding revaluation reserves)	1,762.41	2,183.37	2,662.87

(1) The face value of each equity share is Re. 1.

Sonata has not become a sick company under the meaning of SICA, it is not under winding-up and does not have a negative net worth.

Contingent liabilities not provided (as on 31st March, 2009)

(*Rs.million*)

	Particulars	Amount
1	Disputed income tax demands	26.80
2	Disputed KVAT from commercial tax department	6.80
3	Claims against Sonata not acknowledged as debt.	21.60
	Total	**55.20**

Price of the Sonata's scrip for the last six months on the Bombay Stock Exchange

Month	High	Low
August 2009	42.30	32.00
September 2009	39.95	35.00
October 2009	39.80	33.00
November 2009	39.60	31.25
December 2009	46.55	35.65
January 2010	63.15	44.25

Price of the Sonata's scrip for the last six months on the National Stock Exchange

Month	High	Low
August 2009	42.20	31.80
September 2009	39.80	35.05
October 2009	39.80	33.00
November 2009	39.60	31.30
December 2009	46.60	35.55
January 2010	63.35	44.45

Stock Market Data

Stock Market Data	Bombay Stock Exchange
High/Low in last 6 months *(From August 16, 2009 to February 15, 2010)*	High: 63.15 Low: 31.85
Market value as on filing this Prospectus with the Stock Exchanges / SEBI *(as on February 15, 2010])*	Rs. 5,983.55 million

Stock Market Data	National Stock Exchange
High/Low in last 6 months *(From [August 16, 2009 to February 15, 2010])*	High: 63.35 Low: 31.85
Market value as on filing this Prospectus with the Stock Exchanges / SEBI *(as on February 15, 2010)*	Rs. 6,004.58 million.

Promise versus performance

There has been no public / rights issue by Sonata during the period of last 3 years immediately preceding the date of filing this Prospectus with SEBI.

Mechanism for redressal of investor grievance

Sonata has constituted a Shareholders' / Investors' Grievance Committee comprising of:

Name of the Director	Designation in the Committee	Nature of Directorship
Shyam Bhupatirai Ghia	Chairman	Non-Executive Director
Mukund Dharamdas Dalal	Member	Executive Vice Chairman
B. Ramaswamy	Member	Managing Director & President

The Shareholders' / Investors' Grievance Committee met 4 (four) times during FY 2008-09 and there are no valid requests pending for share transfers as on March 31, 2009. Further, on the basis of the records maintained by the Shareholders' / Investor's Grievance Committee, no investor grievance is pending against Sonata for a period exceeding seven days.

Unlisted Companies

2. Amalfi Properties Private Limited *("***Amalfi***")*

Amalfi was incorporated on January 14, 2008 as a private limited company. The registered office of Amalfi is located at Rahejas, Corner of Main Avenue & V. P. Road, Santacruz West, Mumbai 400054. The Company was incorporated with the main object of carrying on the business of real estate development. Currently, Amalfi does not undertake any activity.

Shareholding pattern as on December 31, 2009

Shareholders	No. of equity shares	% shareholding
Mr. Akshay Raheja	500	50.00
Mrs. Suman Raheja	500	50.00
Total	**1,000**	**100%**

Directors as on December 31, 2009

1. Mr. Akshay Raheja
2. Mrs. Suman Raheja

Financial performance

Since Amalfi was incorporated on January 14, 2008, the first financial year for the company is from January 14, 2008 to March 31, 2009. As such figures for previous two years are not applicable.

(Rs.million except per share data)

	March 31, 2009
Sales	0.00
Profit/Loss after tax	(0.001)
Equity capital [(1)]	0.10
Earnings per share (Rs.)	(1.38)
Earnings per share (on a diluted basis)	(1.38)
Net Asset Value (Rs.)	87.77
Reserves (excluding revaluation reserves)	(0.001)

(1) The face value of each equity share is Rs.100.

Amalfi is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding- up and does not have a negative net worth.

3. **Ascona Properties Private Limited** *("***Ascona***")*

Ascona was incorporated on January 14, 2008 as a private limited company. The registered office of Ascona is located at Rahejas, Corner of Main Avenue & V. P. Road, Santacruz West, Mumbai 400054. Ascona was incorporated with the main object of carrying on the business of real estate development. Currently, Ascona does not undertake any activities.

Shareholding pattern as on December 31, 2009

Shareholders	No. of equity shares	% shareholding
Mr. Akshay Raheja	500	50.00
Mrs. Suman Raheja	500	50.00
Total	**1,000**	**100%**

Directors as on December 31, 2009

1. Mr. Akshay Raheja
2. Mrs. Suman Raheja

Financial performance

Since Ascona was incorporated on January, 14 2008, its first financial year is from January 14, 2008 to March 31, 2009.

(Rs.million except per share data)

	March 31, 2009
Sales	0.00
Profit/Loss after tax	(0.001)
Equity capital (1)	0.10
Earnings per share (Rs.)	(1.38)
Earnings per share (on a diluted basis)	(1.38)
Net Asset Value (Rs.)	87.77
Reserves (excluding revaluation reserves)	(0.001)

(1) The face value of each equity share is Rs.100.

Ascona is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding-up and does not have a negative net worth.

4. Fortune Films Private Limited *("***Fortune Films***")*

Fortune Films was incorporated on August 30, 1977 as a private limited company. The registered office of Fortune Films is located at Rahejas, Corner of Main Avenue & V. P. Road, Santacruz West, Mumbai 400054. Fortune Films was incorporated with the main object of carrying on the business of film making and investment in securities. Currently, Fortune Films does not undertake any activities.

Shareholding pattern as on December 31, 2009

Shareholders	No. of equity shares	% shareholding
Mr. Rajan Raheja jointly with Suman Raheja	490	49.00
Mr. Akshay Raheja jointly with Suman Raheja	250	25.00
Mr. Viren Raheja jointly with Suman Raheja	250	25.00
Mr. Rajan Raheja	10	1.00
Total	**1,000**	**100%**

Directors as on December 31, 2009

1. Mr. Akshay Raheja
2. Mrs. Suman Raheja
3. Mr. Viren Raheja

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009
Sales	0.00	0.00	0.00
Profit/Loss after tax	(0.003)	(0.003)	(0.003)
Equity capital (1)	0.10	0.10	0.10
Earnings per share (Rs.)	(3.34)	(3.26)	(3.26)
Earnings per share (on a diluted basis)	(3.34)	(3.26)	(3.26)
Net Asset Value (Rs.)	82.73	79.47	76.21
Reserves (excluding revaluation reserves)	(0.02)	(0.02)	(0.02)

(1) The face value of each equity share is Rs.100.

Fortune Films is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding-up and does not have a negative net worth.

5. Kalpitam Premises Private Limited *("***Kalpitam***")*

Kalpitam was incorporated on April 18, 1979 as a private limited company. The registered office of Kalpitam is located at Rahejas, Corner of Main Avenue & V. P. Road, Santacruz West, Mumbai 400054. Kalpitam was incorporated with the main object of carrying on the business of real estate development and investment in securities. Currently, Kalpitam does not undertake any activities.

Shareholding pattern as on December 31, 2009

Shareholders	No. of equity shares	% shareholding
Mr. Rajan Raheja jointly with Suman Raheja	490	49.00
Mr. Akshay Raheja jointly with Suman Raheja	250	25.00
Mr. Viren Raheja jointly with Suman Raheja	250	25.00
Mr. Rajan Raheja	10	1.00
Total	**1,000**	**100%**

Directors as on December 31, 2009

1. Mr. Akshay Raheja
2. Mrs. Suman Raheja
3. Mr. Viren Raheja

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009
Sales	0.00	0.00	0.00
Profit/Loss after tax	(0.004)	(0.003)	(0.003)
Equity capital (1)	0.10	0.10	0.10
Earnings per share (Rs.)	(3.74)	(3.46)	(3.39)
Earnings per share (on a diluted basis)	(3.74)	(3.46)	(3.39)
Net Asset Value (Rs.)	39.16	35.71	32.31
Reserves (excluding revaluation reserves)	(0.061)	(0.064)	(0.068)

(1) The face value of each equity share is Rs.100.

Kalpitam is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding-up and does not have a negative net worth.

6. Manali Builders Private Limited *("***Manali***")*

Manali was incorporated on September 7, 1981 as a private limited company. The registered office of Manali is located at Rahejas, Corner of Main Avenue & V. P. Road, Santacruz West, Mumbai 400054. Manali was

incorporated with the main object of carrying on the business of real estate development and investment in securities. Currently, Manali does not undertake any activities.

Shareholding pattern as on December 31, 2009

Shareholders	No. of equity shares	% shareholding
Mr. Akshay Raheja jointly with Suman Raheja	500	50.00
Mr. Rajan Raheja jointly with Suman Raheja	499	49.90
Mr. Rajan Raheja	1	0.10
Total	**1,000**	**100%**

Directors as on December 31, 2009

1. Mr. Akshay Raheja
2. Mrs. Suman Raheja
3. Mr. Viren Raheja

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009
Sales	0.00	0.00	0.00
Profit/Loss after tax	(0.003)	0.003	0.002
Equity capital (1)	0.10	0.10	0.10
Earnings per share (Rs.)	(3.30)	2.79	2.44
Earnings per share (on a diluted basis)	(3.30)	2.79	2.44
Net Asset Value (Rs.)	80.67	83.46	85.89
Reserves (excluding revaluation reserves)	(0.02)	(0.01)	(0.01)

(1) The face value of each equity share is Rs.100.

Manali is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding-up and does not have a negative net worth.

7. Meenakshi Builders Private Limited ("**Meenakshi**")

Meenakshi was incorporated on May 2, 1978 as a private limited company. The registered office of Meenakshi is located at Rahejas, Corner of Main Avenue & V. P. Road, Santacruz West, Mumbai 400054. Meenakshi was incorporated with the main object of carrying on the business of real estate development and investment in securities. Currently, Meenakshi does not undertake any activities.

Shareholding pattern as on December 31, 2009

Shareholders	No. of equity shares	% shareholding
Mr. Rajan Raheja jointly with Suman Raheja	490	49.00
Mr. Akshay Raheja jointly with Suman Raheja	250	25.00
Mr. Viren Raheja jointly with Suman Raheja	250	25.00
Mr. Rajan Raheja	10	1.00
Total	1,000	100%

Directors as on December 31, 2009

1. Mr. Akshay Raheja
2. Mrs. Suman Raheja
3. Mr. Viren Raheja

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009
Sales	0.00	0.00	0.00
Profit/Loss after tax	(0.005)	(0.004)	(0.004)
Equity capital (1)	0.10	0.10	0.10
Earnings per share (Rs.)	(5.13)	(4.07)	(3.53)
Earnings per share (on a diluted basis)	(5.13)	(4.07)	(3.53)
Net Asset Value (Rs.)	43.98	39.91	36.38
Reserves (excluding revaluation reserves)	(0.06)	(0.06)	(0.06)

(1) The face value of each equity share is Rs.100.

Meenakshi is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding-up and does not have a negative net worth.

8. Shalini Developers Private Limited *("***Shalini***")*

Shalini was incorporated on November 29, 1991 as a private limited company. The registered office of Shalini is located at Rahejas, Corner of Main Avenue & V. P. Road, Santacruz West, Mumbai 400054. Shalini was incorporated with the main object of carrying on the business of real estate development and investment in securities. Shalini is currently engaged in the business of real estate.

Shareholding pattern as on December 31, 2009

Shareholders	No. of equity shares	% shareholding
Mr. Rajan Raheja jointly with Suman Raheja	249	24.90
Mrs. Suman Raheja jointly with Rajan Raheja	248	24.80
Mr. Akshay Raheja jointly with Suman Raheja	249	24.90
Mr. Viren Raheja jointly with Suman Raheja	249	24.90
Mr. Rajan Raheja	1	0.10
Mrs. Suman Raheja	1	0.10
Mr. Akshay Raheja	1	0.10
Mr. Viren Raheja	1	0.10
Whitsun Contractors & Builders Private Limited	1	0.10
Total	**1,000**	**100**

Directors as on December 31, 2009

1. Mr. Akshay Raheja
2. Mrs. Suman Raheja
3. Mr. Viren Raheja
4. Mr. Sanjay Johar
5. Mr. Anthony Castelino
6. Mr. Gopal Narang

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009
Sales	-	-	-
Profit/Loss after tax	(0.40)	(0.40)	(0.41)
Equity capital (1)	0.10	0.10	0.10
Earnings per share (Rs.)	(398.29)	(400.92)	(410.07)
Earnings per share (on a diluted basis)	(398.29)	(400.92)	(410.07)
Net Asset Value (Rs.)	(3,526.59)	(3,927.51)	(4,337.57)
Reserves (excluding revaluation reserves)	(3.63)	(4.03)	(4.44)

(1) The face value of each equity share is Rs.100.

Shalini is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding-up but has a negative net worth.

9. Shore Line Constructions Private Limited *("***Shore Line***")*

Shore Line was incorporated on September 5, 1981 as a private limited company. The registered office of Shore Line is located at Rahejas, Corner of Main Avenue & V. P. Road, Santacruz West, Mumbai 400054. Shore Line was incorporated with the main object of carrying on the business of real estate development and investment in securities. Currently, Shore Line does not undertake any activities.

Shareholding pattern as on December 31, 2009

Shareholders	No. of equity shares	% shareholding
Mrs. Suman Raheja jointly with Rajan Raheja	250	25.00
Mr. Akshay Raheja jointly with Suman Raheja	250	25.00
Mr. Viren Raheja jointly with Suman Raheja	250	25.00
Mr. Rajan Raheja jointly with Suman Raheja	249	24.90
Mr. Rajan Raheja	1	0.10
Total	**1,000**	**100**

Directors as on December 31, 2009

1. Mr. Akshay Raheja
2. Mrs. Suman Raheja
3. Mr. Viren Raheja

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009
Sales	0.00	0.00	0.00
Profit/Loss after tax	(0.004)	0.001	(0.00)
Equity capital [(1)]	0.10	0.10	0.10
Earnings per share (Rs.)	(4.09)	0.64	(0.23)
Earnings per share (on a diluted basis)	(4.09)	0.64	(0.23)
Net Asset Value (Rs.)	55.13	55.77	55.54
Reserves (excluding revaluation reserves)	(0.04)	(0.04)	(0.04)

(1) The face value of each equity share is Rs.100.

Shore Line is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding-up and does not have a negative net worth.

10. Sonal Properties Private Limited ("**Sonal**")

Sonal was incorporated on December 18, 1974 as a private limited company. The registered office of Sonal is located at Rahejas, Corner of Main Avenue & V. P. Road, Santacruz West, Mumbai 400054. Sonal was incorporated with the main object of carrying on the business of real estate development and investment in securities. Currently, Sonal does not undertake any activities.

Shareholding pattern as on December 31, 2009

Shareholders	No. of equity shares	% shareholding
Mr. Akshay Raheja jointly with Suman Raheja	343	34.30
Mr. Viren Raheja jointly with Suman Raheja	343	34.30
Dr. Biharilal Raheja	294	29.40
Mrs. Suman Raheja jointly with Rajan Raheja	19	1.90
Mrs. Suman Raheja	1	0.10
Total	**1000**	**100**

Directors as on December 31, 2009

1. Mr. Akshay Raheja
2. Mrs. Suman Raheja
3. Mr. Viren Raheja

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009
Sales	0.00	0.00	0.00
Profit/Loss after tax	(0.004)	0.001	0.00
Equity capital (1)	0.10	0.10	0.10
Earnings per share (Rs.)	(4.04)	0.82	0.29
Earnings per share (on a diluted basis)	(4.04)	0.82	0.29
Net Asset Value (Rs.)	12.13	12.95	13.23
Reserves (excluding revaluation reserves)	(0.09)	(0.09)	(0.08)

(1) The face value of each equity share is Rs.100.

Sonal is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding-up and does not have a negative net worth.

11. Windsor Realty Private Limited *("***Windsor***")*

Windsor was incorporated on November 24, 1988 under name of Emgeen Holdings Private Limited as a private limited company and later on its name was changed with effect from 23rd November, 2007 to Windsor Realty Private Limited. The registered office of Windsor is located at "Windsor", Off C.S.T Road, Near Bandra-Kurla Complex, Santacruz (East), Mumbai – 400 098. Windsor was incorporated with the main object of carrying on the business of real estate development. Windsor is currently engaged in the real estate development business.

Shareholding pattern as on December 31, 2009

Shareholders	No. of equity shares	% shareholding
Mr. Akshay Raheja	250,000	25.00
Mr. Viren Raheja	250,000	25.00
Mr. Gopal Narang	125,000	12.50
Mrs. Sangeeta Narang	125,000	12.50
Master Soham Narang	125,000	12.50
Master Advait Narang	125,000	12.50
Total	1,000,000	100%

Directors as on December 31, 2009

1. Mr. Akshay Raheja
2. Mr. Rajan Raheja
3. Mr. Viren Raheja
4. Mr. Gopal Narang
5. Mrs. Sangeeta Narang

Financial performance

(Rs.million except per share data)

	March 31, 2007	March 31, 2008	March 31, 2009
Sales	0.00	8.72	224.09
Profit/Loss after tax	90.95	235.57	290.38
Equity capital (1)	10.00	10.00	10.00
Earnings per share (Rs.)	90.95	235.57	290.38
Earnings per share (on a diluted basis)	90.95	235.57	290.38
Net Asset Value (Rs.)	379.60	615.18	905.48
Reserves (excluding revaluation reserves)	369.60	605.18	895.48

(1) The face value of each equity share is Rs.10.

Windsor is an unlisted company and it has not made any public issue (including any rights issue to the public) in the preceding three years. It has not become a sick company under the meaning of SICA, it is not under winding-up and does not have a negative net worth.

Contingent liabilities not provided for as per the Balance Sheet as on March 31, 2009:

Windsor was required to pay an amount of Rs.3,754,000 to RPG Cables Limited ("**RPG Cables**") in terms of the memorandum of understanding dated August 14, 2003 executed between Windsor and RPG Cables. Out of the said amount, Windsor has paid RPG Cables an amount of Rs.375,000. The balance amount of Rs.3,379,000 is payable by Windsor, subject to the fulfilment of certain conditions by RPG Cables. As of March 31, 2009, RPG Cables has not fulfilled the required conditions.

Sick companies

None of our Group Companies have been declared as a sick company under the SICA. There are no winding-up proceedings against any of our Group Companies. Except as disclosed in this section, our Group Companies do not have a negative net worth. Further, no application has been made by any of our Group Companies to the relevant Registrar of Companies to strike their names off the register of companies.

Defunct companies

None of our Group Companies have remained defunct nor have any applications been made to the relevant registrar of companies to have the name of the Group Companies struck off during the five years preceding the date of filing this Prospectus with SEBI.

Common Pursuits of the Group Companies

Except as disclosed in the section "Our Promoters and Group Companies" beginning on page 191 of this Prospectus, the Group Companies do not have an interest in any venture that is involved in any activities similar to those conducted by the Company or any of the Promoters.

DIVIDEND POLICY

Under the Companies Act, the Company can pay dividends upon a recommendation by its Board and approval by a majority of its shareholders at the annual general meeting. The shareholders of the Company have the right to decrease not to increase the amount of dividend recommended by the Board. The dividend may be paid out of profits of the Company in the year which the dividend is declared or out of the undistributed profits or reserves of previous fiscal years or out of both. The Articles of Association also give the Board the discretion to declare and pay interim dividends without shareholder approval at an annual general meeting.

Our Company does not have any formal dividend policy for the Equity Shares. The declaration and payment of dividend are governed by the applicable provisions of the Companies Act and the Articles of Association of our Company and will depend on a number of other factors, including the results of operations, financial condition, capital requirements and surplus, contractual restrictions and other factors considered relevant by the Board. Further, under the terms of certain loans obtained by our Company, our Company may be required to obtain the prior written consent of the lenders of our Company before declaring any dividend.

Our Company has not declared any dividend on the Equity Shares in the last five years.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

S.No.	Contents	Page No.
1.	Auditors Report dated January 16, 2010, the restated consolidated financial statements of the Company and the annexures thereto.	F-1
2.	Auditors Report dated January 16, 2010, the restated standalone financial statements of the Company and the annexures thereto.	F- 47

FINANCIAL INDEBTEDNESS

As on November 30, 2009, our Company on a standalone basis, had an aggregate of Rs.3,932.53 million of secured loans outstanding. Set forth below is a brief summary of these loans:

Secured borrowings

Our Company has availed of the following term loan facilities:

Sr. No.	Lenders	Date of Execution of Loan Agreement and Sanction Letter	Total sanctioned amount (Rs.million)	Amount Outstanding as of November 30, 2009 (Rs.million)	Rate of Interest and Penalty	Tenure	Repayment and Prepayment Terms	Security created
1.	Axis Bank Limited - Term Loan	Sanction Letter dated April 7, 2006 Term Loan Agreement dated April 19, 2006	50.00	8.33	PLR less 3% per annum. In case of default in the payment of dues an additional interest charge at the rate of 2% may be charged over and above the applicable rate of interest on the entire outstanding amount from the date of such default.	Tenure shall be four years ending with the quarter in which the last installment has been paid.	Repayable in twelve equal quarterly instalments of Rs.4.17 million including a one year moratorium.	A first pari passu charge has been extended to cover the current assets and movable fixed assets of our Company.
2.	Axis Bank Limited – External Commercial Borrowing - Term Loan	Sanction letter dated December 21, 2006 Term Loan Agreement dated January 4, 2007	USD 3 million	97.67	LIBOR plus 2% per annum. In case of delay or default in the payment of dues or breach of the terms and conditions of the term loan agreement an additional interest charge at the rate of 2% may be charged over and above the applicable rate of interest on the entire outstanding amount from the date of such default.	Tenure shall be five years ending with the quarter in which the last installment has been paid.	Repayable in twenty quarterly instalments. In case our Company intends to prepay the outstanding amount of the loan, the prepayment shall be on the terms and conditions including prepayment premium to be decided by Axis Bank Limited.	A pari passu first charge has been created on the movable fixed assets of our Company.
3.	Yes Bank Limited – Medium Term Loan	Sanction Letter dated May 16, 2008 Loan Agreement	300.00	262.50	YBL PLR minus 3.5% p.a. **** In case of delay or default in the payment of dues	Tenure shall be five years ending on May 20, 2013.	Repayable in sixteen quarterly instalments with a moratorium	A first pari passu charge has been created on the movable and

Sr. No.	Lenders	Date of Execution of Loan Agreement and Sanction Letter	Total sanctioned amount (Rs.million)	Amount Outstanding as of November 30, 2009 (Rs.million)	Rate of Interest and Penalty	Tenure	Repayment and Prepayment Terms	Security created
		May 19, 2008 Sanction Letter dated August 28, 2009 as modified by sanction letter dated December 30, 2009.			or breach of the terms and conditions of the term loan agreement an additional interest charge at the rate of 2% may be charged over and above the applicable rate of interest on the entire outstanding amount from the date of such default. Yes Bank Limited also has the right to charge additional rate of interest at the rate of 1% per annum in case our Company does not make an initial public offering of at least Rs.3,500 million by March 31, 2010****.		of one year and three months.	immovable fixed assets and current assets of our Company. Personal Guarantee of Mr. Rajan Raheja.
4.	ICICI Bank Limited – Corporate Rupee Term Loan***	Corporate Rupee Loan Facility Agreement dated February 8, 2008 Sanction Letter dated February 6, 2008	300.00	255. 00	PLR less 4.05% per annum. In case any sum that has not been paid on the due date, the loan shall carry further interest at the maximum lending rate or the applicable rate of interest under the corporate rupee loan facility agreement, whichever is higher.	Tenure shall be six years ending with the quarter in which the last installment has been paid.	Repayable in twenty quarterly instalments with a moratorium of one year. Our Company may pay any of the outstanding tranches (in part or full), without any prepayment premium.	A first pari passu charge has been created on the movable and immovable fixed assets of our Company maintaining a security cover of 1:2 times. Personal Guarantee of Mr. Rajan Raheja.
5.	HDFC Limited – Term Loan Facility	Term Loan Agreement dated October 17, 2005	200.00	33.33	HDFC Corporate PLR less 2.50% per annum. In case the	Tenure shall be four years and eight months	Repayable in twelve equal quarterly instalments	A pari passu charge has been created on all present and future,

Sr. No.	Lenders	Date of Execution of Loan Agreement and Sanction Letter	Total sanctioned amount (Rs.million)	Amount Outstanding as of November 30, 2009 (Rs.million)	Rate of Interest and Penalty	Tenure	Repayment and Prepayment Terms	Security created
		Offer Letter dated September 22, 2005			principal/interest is not paid on the due dates specified an additional charge at the rate of 2% per month shall be payable over the amount outstanding as and by way of liquidated damages from the date the payment becomes due.	ending June 30, 2010. Six month USD LIBOR rate (USD LIBOR BBA) plus 450 basis actual / 360 days basis.	with a moratorium of one year and eleven months. At the request of our Company, HDFC Limited may permit prepayment of the facility on such terms as to prepayment charges, etc., as it may prescribe.	fixed assets of our Company. Letter of Comfort from Mr. Rajan Raheja.
6.	HDFC Limited – Term Loan	Term Loan Agreement dated March 29, 2006 Offer Letter dated March 27, 2006	100.00	50.00	HDFC Corporate PLR less 2.50% per annum. In case the principal/interest is not paid on the due dates specified an additional charge at the rate of 2% per month shall be payable over the amount outstanding as and by way of liquidated damages from the date such payment becomes due.	Tenure shall be three years from April 1, 2008.* Six month USD LIBOR rate (USD LIBOR BBA) plus 450 basis actual / 360 days basis.	Repayable in twelve quarterly instalments of Rs.8.33 million each. At the request of our Company, HDFC Limited may permit prepayment of the facility on such terms as to prepayment charges, etc., as it may prescribe.	A pari passu charge has been created on all the fixed assets of our Company. Letter of Comfort from Mr. Rajan Raheja.
7.	HDFC Limited – Non Residential Premises Loan	Loan Agreement dated September 8, 2006 Offer Letter dated September 5, 2006	275.00	75.00	HDFC Corporate PLR less 2.50% per annum. In case of delay in payment of principal amount/interest, our Company shall be rendered liable to pay	Tenure shall be three years from May 1, 2008.**	Repayable in twelve equal quarterly instalments of Rs.12.5 million each starting from July 31, 2008.	A pari passu charge has been created on all fixed assets of our Company. Personal Guarantee of Mr. Rajan Raheja.

Sr. No.	Lenders	Date of Execution of Loan Agreement and Sanction Letter	Total sanctioned amount (Rs.million)	Amount Outstanding as of November 30, 2009 (Rs.million)	Rate of Interest and Penalty	Tenure	Repayment and Prepayment Terms	Security created
					additional interest at the rate of 24% per annum on such delayed payments.		At the request of our Company, HDFC Limited may permit prepayment of the facility on such terms as to prepayment charges, etc., as it may prescribe.	
8.	HDFC Limited – Non Residential Premises Loan	Loan Agreement dated September 8, 2006 Offer Letter dated September 5, 2006	75.00	42.86	HDFC Corporate PLR less 2.50% per annum, payable monthly. In case of delay in payment of principal amount/interest, our Company shall be rendered liable to pay additional interest at the rate of 24% per annum on such delayed payments.	Tenure shall be five years and three months ending with the quarter in which the last installment has been paid.	Repayable within fourteen equal quarterly instalments, commencing twenty-one months from September, 2006. At the request of our Company, HDFC Limited may permit prepayment of the facility on such terms as to prepayment charges, etc., as it may prescribe.	A pari passu charge has been created on all fixed assets of our Company. Personal Guarantee of Mr. Rajan Raheja.
9.	HDFC Limited – Non Residential Premises Loan	Loan Agreement dated March 31, 2008 Offer Letter dated - March 26, 2008	200.00	200.00	HDFC Corporate PLR less 2.50% per annum. In case of delay in payment of principal amount/interest, our Company shall be rendered liable to pay additional interest at the	Tenure shall be two years.	Repayable within eight quarterly instalments. At the request of our Company, HDFC Limited may permit prepayment	A pari passu charge has been created on all fixed assets of our Company. Letter of Comfort from Mr. Rajan Raheja.

Sr. No.	Lenders	Date of Execution of Loan Agreement and Sanction Letter	Total sanctioned amount (Rs.million)	Amount Outstanding as of November 30, 2009 (Rs.million)	Rate of Interest and Penalty	Tenure	Repayment and Prepayment Terms	Security created
					rate of 24% per annum on such delayed payments.		of the facility on such terms as to prepayment charges, etc., as it may prescribe.	A promissory note dated March 28, 2008 for Rs.200.00 million.
10.	HDFC Limited – Term Loan for working capital requirements	Master Facility Agreement dated June 11, 2009 Offer Letter dated June 1, 2009	200.00	192.86	HDFC Corporate PLR less 2.50% per annum. In case of delay in payment of principal amount/interest, our Company shall be rendered liable to pay additional interest at the rate of 24% per annum on such delayed payments.	Tenure shall be seven years ending June 30, 2016.	Repayable in twenty-eight equal quarterly installments of Rs.7.14 million with a three month moratorium. At the request of our Company, HDFC Limited may permit prepayment of the facility on such terms as to prepayment charges, etc., as it may prescribe.	A pari passu charge has been created on all fixed and movable assets of our Company. Letter of comfort from Mr. Rajan Raheja. A promissory note dated June 11, 2009 for Rs.200.00 million.
11.	IDFC Limited – Rupee Term Loan	Rupee Loan Agreement dated June 28, 2008 Letter of Intent dated May 13, 2008	500.00	487.50	IDFC benchmark rate plus 4.03% per annum. In case of default in payment of principal/interest, our Company shall be rendered liable to pay default interest at the rate of 2% per annum over and above the applicable rate of interest compounded from the due date till the date of actual payment.	Tenure shall be six years with the last payment falling due on May 15, 2014.	Repayable in twenty quarterly instalments with a one year moratorium. Our Company may after obtaining consent of IDFC Limited prepay the loan in full but not in part at the prepayment rate set by the bank.	A pari passu first charge has been created on all fixed assets and current assets, operating cash flows, book debts, receivables, commissions, revenues of our Company. A Pari passu first charge has been created on all intangibles including

Sr. No.	Lenders	Date of Execution of Loan Agreement and Sanction Letter	Total sanctioned amount (Rs.million)	Amount Outstanding as of November 30, 2009 (Rs.million)	Rate of Interest and Penalty	Tenure	Repayment and Prepayment Terms	Security created
								goodwill and uncalled capital of our Company. A pari passu first charge has been created on all movable properties of our Company. Personal Guarantee of Mr. Rajan Raheja.
12.	SREI Infrastructure Finance Limited – Rupee Term Loan	Loan Agreement dated February 5, 2009 Sanction Letter dated February 2, 2009	300.00	300.00	SREI Benchmark Rate. Our Company shall be rendered liable to pay penal interest at the rate of 36% per annum on the entire outstanding amount for the period of default/non-compliance in case of non payment/delayed payment of installment and/or interest or in case of non-compliance of any terms and conditions under the loan documents.	Tenure shall be five years ending with the month in which tohe last installment has been paid.	Repayable in forty-eight equated monthly instalments with a moratorium of one year and one month. Facility may be foreclosed at any time by giving thirty days notice subject to payment of foreclosure premium i.e. (i) for the first 12 months from drawdown there will be no foreclosure premium payable by the borrower; and (ii) for the remaining	A pari passu charge has been created over the entire fixed and current assets of our Company. Demand promissory executed by our Company in favour of SREI Infrastructure Finance Limited Post dated cheques issued by our Company. Pledge of 202,000 fully paid up equity shares of Gujarat Telelink Private Limited in favour of SREI Infrastructure Finance Limited.

Sr. No.	Lenders	Date of Execution of Loan Agreement and Sanction Letter	Total sanctioned amount (Rs.million)	Amount Outstanding as of November 30, 2009 (Rs.million)	Rate of Interest and Penalty	Tenure	Repayment and Prepayment Terms	Security created
							term of the loan, a foreclosure premium of 2% on the outstanding principal amount is to be paid by our Company.	
13.	Bank of India – Term Loan	Hypothecation cum Loan Agreement March 9, 2009 Sanction Letter dated March 5, 2009	500.00	500.00	Bank of India PLR subject to a minimum of 12.50% per annum. Our Company shall be rendered liable to pay penal rate of interest over and above the applicable rate of interest at the following rates: (i) at 1% per annum for any default in complying with terms of sanction within stipulated time; (ii) at 2% in case of default either in payment of interest or the principal amounts as and when due and payable from the respective due dates.	Tenure shall be six years ending with the quarter in which the last instalment has been paid.	Repayable in twenty quarterly instalments of Rs.25.00 million each with a one year moratorium. At the request of our Company, Bank of India in its sole discretion may allow prepayment of the said facility on such terms and conditions as it may decide.	A pari passu first charge has been created on all fixed assets and current assets of our Company.

*Note: By a letter dated November 20, 2008 issued by HDFC Limited in favour of our Company, the repayment of the term loan facility for Rs.100.00 million has been further extended for a period of thirty-six months commencing from April 1, 2008.

**Note: By letter dated November 20, 2008 issued by HDFC Limited in favour of our Company, the repayment of the term loan facility for Rs.275.00 million has been further extended for a period of thirty-six months commencing from May 1, 2008.

***Note: As per the sanction letter dated February 6, 2008 and Corporate Rupee Loan Facility Agreement dated February 8, 2008, any initial public offering proceeds/private equity placements in excess of Rs.4,640 million by our Company, may at the discretion of ICICI Bank Limited be utilized to prepay the outstanding rupee term loan and buyers credit obligation if any.

****As per addendum dated December 30, 2009, the terms of the sanction letter dated August 28, 2009 were modified and which included a change in the rate of interest to 4% less than YBL's PLR..

(a) By a sanction letter dated January 14, 2010 HDFC Limitedhas sanctioned a loan of Rs.500 million to the Company at an interest rate of 12.25% per annum. The principal amount of the loan is to be repaid in eight quarterly installments commencing from the 15th month from the date of first disbursement. The security to be created for the said loan is a pari – passu charge on all the fixed assets, present & future, with minimum asset cover of 1.33 and / or any other security of equivalent or higher value as may be acceptable to HDFC Limited.

(b) By a sanction letter dated August 24, 2009 and a letter modifying certain terms dated December 10, 2009 Vijaya Bank has sanctioned a term loan of Rs.500 million to the Company at an interst rate of BPLR (currently 12.25%) – 0.25% + 0.25% (TP). The loan has to be repaid in twenty quarterly instalments commencing after a period of one year from the date of disbursement. The prepayment of the loan by the Company shall be subject to the prior approval of Vijaya Bank with a prepayment premium of 1.1% of the amount to be prepaid. The security for the said facility is the following: (i) first pari – passu charge on the tangible/ intangible fixed assets created/ to be created out of the expansion plan for which the loan is availed with other co-lenders; (ii) pari passu charge on entire fixed assets of the Company – tangible and intangible fixed assets as at March 31, 2008 and (ii) pari paasu charges on entire current assets of the Company.

Some of the events of default under the various loan documents entered into by our Company are as follows:

1. any representation/statements made by our Company are found to be false;
2. any breach of the terms and conditions of the loan documents executed between the concerned bank and our Company;
3. any default in payment of principal/interest;
4. in case there is any deterioration or impairment or sale or disposal of security which has been created in favour of the bank;
5. in case the security created in favour of the concerned bank is attached or there is distraint on such security or such security is not adequately insured or the security created in not inadequate;
6. if there is failure on the part of our Company to create security in favour of a bank or there is failure to furnish information/documents as stipulated in the loan documents entered into between the Company and such bank;
7. any attachment, distress or execution order against our Company
8. in case of any death, insolvency, failure in business, commission of an act of bankruptcy, general assignment for the benefit of the bank or if the borrower suspends payment to any creditor or threatens to do so by filing a petition of bankruptcy;
9. if our Company goes into liquidation for the purpose of amalgamation or reconstruction, except with prior written approval of the concerned bank;
10. if the receiver or liquidator is appointed;
11. if our Company ceases or threatens to cease or carry on business;
12. if a Chartered Accountant appointed by the concerned bank certifies that the liabilities of our Company exceeds its assets or that our Company is carrying on its business at a loss;
13. if our Company, without the prior written consent of the concerned bank creates a charge/encumbrance on the assets secured in favour of such bank;
14. Any action that jeopardizes the security created in favour of the concerned bank;
15. if a loan or any part thereof is utilized for any purpose other than the purpose for which such loan is sanctioned;
16. upon the happening of any substantial change in the constitution and management of our Company without the previous consent of the concerned bank or if the management of our Company ceases to enjoy the confidence of such bank;
17. in case on a standalone basis, the total debt/adjusted net worth ratio is less than or equal to 2:1; the long term debt/adjusted net worth ratio is less than or equal to 1:1; and the total debt/net cash accrual ratio is less than or equal to 5:1, calculated at the end of every financial year;
18. in case there is any change in control of our Company;
19. in case our Company defaults under any loan facility/arrangement;
20. in case there is any action or threatened action by any governmental (including any political or administrative sub-division thereof), governmental authority, agency, official or entity takes or threatens any action for the dissolution of our Company or any action which deprives or threatens to

deprive our Company from conducting its business or operations or of the use of its assets or revoke or terminate or to refuse to provide or renew any authorization or impose onerous conditions on such authorization or if it asserts administrative control over our Company; and

21. inability of our Company to obtain a no objection certificate from any lender.

22. In addition, the loan documents executed with ICICI Bank Limited provide that in case our Company does not undertake the proposed addition to equity in form of an initial public offering or if our Company otherwise fails to expand the equity share capital to the extent of Rs.4,640 million by the end of financial year 2009 an event of default shall have occurred.

Our Company has availed of the following working capital facilities:

Sr. No.	Lenders	Date of Sanction Letter	Total sanctioned amount (Rs.million)	Amount Outstanding as of November 30, 2009 (Rs.million)	Rate of Interest/Charges	Security created
1.	Axis Bank Limited – Cash Credit	Sanction Letter dated July 30, 2008	500.00	500.00	PLR less 3.50% per annum	A first pari passu charge has been created on the current assets and movable fixed assets of our Company. Letter of comfort from Mr. Rajan Raheja.
2.	Axis Bank Limited – Letter of Credit (with a sub limit of Bank Guarantee of Rs.400.00 million)	Sanction Letter dated July 30, 2008 Letter dated August 26, 2008 for increasing the Bank Guarantee limit from Rs.50.00 million to 200.00 million Letter dated November 17, 2008 for increasing Bank Guarantee limit from Rs.200.00 million to Rs.400.00 million	600.00	346.42	For Letter of Credit facility: 50% of Axis Bank's standard charges as commission charges For Bank Guarantee facility: (i) performance bank guarantee at 1.25% per annum; and (ii) financial bank guarantee at 1.75% per annum.	Goods procured under letter of credit A first pari passu charge has been created on the current assets and movable fixed assets of our Company. Letter of comfort from Mr. Rajan Raheja Counter guarantee of the Company for the for the repayment Bank Guarantee facility.
3.	Yes Bank	Facility	250.00**	112.09	75% of Foreign	33% fixed

Sr. No.	Lenders	Date of Sanction Letter	Total sanctioned amount (Rs.million)	Amount Outstanding as of November 30, 2009 (Rs.million)	Rate of Interest/Charges	Security created
	Limited – Sight Letter of Credit (with sub-limits of (i) Usance Letters of Credit to the extent of Rs.250 million; (ii) Letter of undertaking for Buyers Credit to the extent of Rs.for Rs.250 million)**	Letter dated February 19, 2007 Addendum to Facility Letter dated August 28, 2007 Addendum to Facility Letter dated December 28, 2007 Addendum to Facility Letter dated May 16, 2008. Addendum to Facility Letter dated August 28, 2009 as amended by way of addendum dated December 30, 2009.			Exchange Dealer's Association of India charges per annum are payable upfront	deposit receipt margin and goods acquired under Letter of Credit. An exclusive charge on all equipments and goods acquired under the letter of credit.
4.	ICICI Bank Limited –Letter of Credit (in foreign currency)/Buyer's Credit*	Sanction Letter dated February 6, 2008 Facility Agreement dated March 29, 2008 Letter of Credit Facility Agreement dated	500.00	419.28	Non-refundable commission/charges payable quarterly at the rate of 2.15% per annum	A first pari passu charge on all the assets and equipments procured under the facility. Personal Guarantee of Mr. Rajan Raheja.

Sr. No.	Lenders	Date of Sanction Letter	Total sanctioned amount (Rs.million)	Amount Outstanding as of November 30, 2009 (Rs.million)	Rate of Interest/Charges	Security created
		February 8, 2008				
5.	ICICI Bank Limited – Cash Credit	Sanction Letter dated February 8, 2008	50.00	49.68	PLR less 3.50% plus cash credit risk premium of 0.5% per annum	First charge has been created by way of hypothecation of inventory and book debts of our Company. Personal Guarantee of Mr. Rajan Raheja.

*Note: As per the sanction letter dated February 6, 2008 and Corporate Rupee Loan Facility Agreement dated February 8, 2008, any initial public offering proceeds/private equity placements in excess of Rs.4,640 million by our Company, may at the discretion of ICICI Bank Limited be utilized to prepay the outstanding rupee term loan and buyers credit obligation if any.

** By way of an addendum dated December 30, 2009, Yes Bank Limited has modified the existing terms of the saction letter dated August 28, 2009, wherein the total sanctioned amount and the sub-limits under each of the existing facilities have been increased from the previous limits of Rs.250 million to Rs.500 million. Further, the following additional sub-limits have been added under the existing facility: (i) Working Capital Demand Loan to the extent of Rs.250 million and (ii) Cash Credit to the extent of Rs.50 million.

Some of the corporate actions for which we require the prior written consent of our lenders include the following:

1. buy-back, cancel, retire, reduce, redeem, re-purchase, purchase or otherwise acquire any of its share capital, issue any further share capital whether on preferential basis or change of capital structure in any manner;
2. permit any change in ownership or control of our Company whereby the effective beneficial ownership or control of our Company shall change;
3. to amend our Memorandum and Articles of Association;
4. to transfer, mortgage, sell, lease, exchange or create any charge, lien or encumbrance of any kind on specified undertakings, assets, security secured with the lender and change use of the assets;
5. pull down or remove any buildings or structures forming part of the security created in favour of lender;
6. repay/prune any fund brought in by our Promoter/Directors/principal owners and/or other related parties;
7. issue corporate guarantee nor mortgage/pledge/hypothecate its assets for third party borrowings;
8. change its financial year, or its accounting policies/methods;
9. undertake any new project or augment, modernize, expand or otherwise change the scope of the project for which the loan is taken;
10. prepay any existing debt;
11. engage in any business, other than the projects and related activities, create any subsidiaries, change its name or change the location of its registered office;
12. to implement any scheme of expansion/modernization/diversification/renovation or to acquire any fixed assets during any accounting year, except under a scheme approved by the lender/when in ordinary course of business;
13. to declare or pay dividends when any amount due to the lenders is still outstanding;
14. to undertake or permit any merger, de-merger, consolidation, re-organization, consolidation, dissolution, scheme or arrangement or compromise with our creditors or shareholders or effect any scheme of amalgamation or reconstruction;

15. to make any investments either by way of deposits, loans or investments in share capital or otherwise in any concern or provide any credit or give any guarantee, indemnity or similar assurance;
16. to utilize the loans for purposes other than provided for;
17. to implement a new scheme of expansion or take up an allied line of business or manufacture or acquire property or assets; and
18. to vary the shareholding of our Directors, principal shareholders and our Promoters.

We have obtained the approvals for the Issue from the following lenders from whom we require approvals under the respective loan documents:

1. Axis Bank Limited
2. Yes Bank Limited
3. ICICI Bank Limited
4. HDFC Limited
5. IDFC Limited
6. Bank of India Limited
7. SREI Infrastructure Finance Limited

SECTION VI: MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion is based on and should be read in conjunction with our restated unconsolidated and consolidated financial statements, as of and for (i) the six months ended September 30, 2009, and (ii) Fiscal years March 31, 2009, 2008, 2007, 2006, and 2005, together with the related notes thereto and other financial information, which are included elsewhere in this document. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results may differ significantly from those projected in the forward-looking statements. Factors that might cause future results to differ significantly from those projected in the forward-looking statements include, but are not limited to, those discussed below and elsewhere in this document, particularly in "Risk Factors." Our consolidated financial statements have been presented in Indian Rupees and prepared in accordance with Indian GAAP for all periods presented. Indian GAAP differs in certain material respects from U.S. GAAP. Unless otherwise indicated, references in this discussion and analysis to our results of operations or financial condition for a specified year are to our Fiscal year ended March 31 of such year. In this section, any reference to "we", "us" or "our" refers to Hathway Cable & Datacom Limited on a consolidated basis.

OVERVIEW

We are the leading cable television services provider in India (Source: *MPA Report*), as well as one of the leading cable broadband services providers (Source: *MPA Report*). We offer analog and digital cable television services across 125 cities and towns and high-speed cable broadband services across 18 cities, operating in geographical regions which we believe to constitute important markets for advertisers and broadcasters. We have won a number of awards for our cable television services such as being named "Best cable operator of the year" by the Indian Telly Awards in six out of the last seven years. We own and operate cable networks that reach approximately eight million cable homes across India, supported by 71 analog head-ends, 19 digital head-ends and more than approximately 15,000 kilometers of HFC network.

As of November 30, 2009, we had 1,347,491 subscribers for our analog cable television services and 1,002,482 digital cable television subscribers, comprised of 259,392 CAS subscribers and 743,090 voluntary subscribers (*See "Industry Overview - Television Distribution Industry – Conditional Access System"* for an explanation of Government-mandated CAS in India). As a portion of voluntary digital subscribers pay us analog rates, we capture these subscribers under "analog subscribers" for the purposes of calculating our total paying subscribers. As such, and as of November 30, 2009, we had a total of 1,606,883 paying subscribers, which is comprised of the 1,347,491 analog subscribers and 259,392 CAS digital subscribers referred to above. In addition, we had 322,135 broadband subscribers as of November 30, 2009.

We have a track record of growth through the acquisition of smaller MSOs, ICOs and LCOs. This consolidation has provided us with a strong presence in the cable television market and a large analog subscriber base. On such acquisition, when we convert secondary analog subscribers to primary subscribers (*See "Cable Television Services – Customers"* for the distinction between primary and secondary subscribers), we improve the quality of the connection by upgrading the "last mile connection" and often are able to convert our analog subscribers into digital subscribers. As a result, we are able to charge higher subscription fees. In addition, our significant market share in important markets for advertisers and broadcasters, allows us to negotiate higher placement and carriage fees with broadcasters. We also focus on primary subscribers for cross-selling our broadband services.

We believe that we have been successful in digitizing our subscriber base and according to the (Source: *MPA Report)*, we are the largest distributor of digital cable in India. As of December 31, 2008, our digital television subscriber base constituted approximately 42% of the total digital cable television market in India (Source: *MPA Report*). We believe that converting subscribers from analog to digital platforms will allow us to charge higher subscription fees, which we have already been able to realize in selected markets.

We hold a pan-India ISP license and were the first cable television services provider to offer broadband internet services. We are currently India’s largest cable broadband services provider, with 964,383 two-way broadband enabled homes passed, as on November 30, 2009. As of December 31, 2008, our subscriber base constituted approximately 54% of the total cable broadband market in India (Source: *MPA Report*). We believe that our strategy of cross-selling broadband services to our cable television subscribers provides us with an opportunity to increase revenues from our broadband services with a comparatively low capital expenditure. Our broadband subscribers primarily comprise domestic households. We also provide services to corporate subscribers.

In addition to our cable television and broadband service offerings, we also generate advertising and airtime revenue from advertisements aired for and on behalf of channels owned by third parties, such as the Hindi movie channel, *Cine Channel,* and the music channel, *iTV.*

We generated consolidated revenues of Rs.3,086.31 million, Rs.4,346.65 million, Rs.6,732.27 million and Rs.3,649.16 million in Fiscal 2007, Fiscal 2008, Fiscal 2009 and for the six months ended September 30, 2009 respectively. In addition, our consolidated EBITDA increased from Rs.221.87 million in Fiscal 2007 (decreasing to Rs.213.03 million in Fiscal 2008) to Rs.1,037.33 million in Fiscal 2009. Our consolidated EBITDA for the six months ended September 30, 2009 was Rs.718.58 million. However, we incurred consolidated net losses of Rs.624.50 million, Rs.668.13 million, Rs.627.47 million and Rs.424.23 million in Fiscal 2007, Fiscal 2008 Fiscal 2009 and for the six months ended September 30, 2009 respectively.

BASIS OF PREPARATION OF FINANCIAL STATEMENTS

We prepare our consolidated financial statements in accordance with the requirements of Accounting Standard 21 – Consolidated Financial Statements ("AS–21"), Accounting Standard 23 – Accounting for Investments in Associates in Consolidated Financial Statements ("AS–23"), and Accounting Standard 27 – Financial Reporting of Interests in Joint Ventures ("AS–27") issued by the Company (Accounting Standard) Rules 2006.

The financial statements of the Company and its subsidiary companies have been combined on a line-by-line basis by adding together book values of similar items such as assets, liabilities, income and expenses, after eliminating intra-group balances and transaction in accordance with AS–21. Investments in associate companies have been accounted in accordance with the equity method as per AS–23.

Interests in joint ventures have been accounted for in accordance with the proportionate consolidation method as per AS–27. This standard is applied in accounting for interests in joint ventures and the reporting of joint venture assets, liabilities, income and expenses in the financial statements of the investing company. The investing company in its consolidated financial statements is required to report its interest in a joint venture using proportionate consolidation. The proportionate consolidation method under AS–27 requires the investing company to include its share of assets and liabilities as well as income and expenses in the joint venture in its financial statements.

PRINCIPAL FACTORS AFFECTING OUR RESULTS OF OPERATIONS

Our business, results of operations and financial condition are affected by a number of factors, including:

Number and mix of subscribers

Our revenues are significantly impacted by our ability to increase the number of our subscribers (for both our cable television and our broadband services). Our cable television subscribers have increased from 770,018 as of March 31, 2007 to 1,624,467 as of March 31, 2009, and decreased to 1,606,883 as of November 30, 2009, due to an isolated churn of 64,407 digital CAS subscribers in Chennai during the months of April and May 2009. However, in the months of April to November, we gained 46,822 analog subscribers in the rest of our network in India, thereby reducing the net effect of the churn to a decrease of 17,585 subscribers. Our revenues from cable television subscriptions increased from Rs.2,287.80 million in Fiscal 2007 to Rs.5,356.56 million in Fiscal 2009. Our broadband internet subscribers have increased from 124,431 as of March 31, 2007 to 341,015 as of March 31, 2009, and decreased to 322,135 as of November 30, 2009, owing to a similar one-off churn of 18,880 broadband internet subscribers in city of Chennai, Coimbtore and Trichy between April and November of 2009. Our revenues from broadband subscriptions increased from Rs.551.80 million in Fiscal 2007 to Rs.1,055.31 million in Fiscal 2009. Our cable television subscription and broadband subscription revenue for the six months ended September 30, 2009 were Rs.2,800.44 million and Rs.649.47 million respectively. A majority of our subscription income is generated by cable television and broadband subscription fees.

Our subscriber numbers are significantly affected by, among other factors:

- *Economic conditions in India* — Substantially all of our revenue and expenses are generated from India-based activities. As a result, our financial condition and results of operations have been, and are expected to continue to be, affected by fluctuations in the Indian economy. India has a population of 1,148.1 million and a per capital gross national product of Rs.50,073 in 2008;

- *Our geographic reach across India*;

- *Our relationships with existing LCOs* — To maintain our secondary subscriber based, it is critical to maintain a healthy relationship with our LCOs in order to avoid such LCOs from considering alternatives to our cable television services; and

- *Competition* — Our cable television services business faces competition from national cable television service providers as well as providers of television services through alternative technology platforms, such as DTH satellite television and IPTV. Our key competition for broadband Internet access service is ADSL technology, provided by companies such as BSNL/MTNL, Airtel, Tata Communication and Reliance

A majority of our cable television subscribers are secondary subscribers. However, a significant portion of our subscriber base consists of primary subscribers. Increasing our primary subscriber numbers is important because we benefit from higher revenues per subscriber because we do not have to share subscription fees with LCOs. For our secondary cable television subscribers, we reach an agreement with each LCO and set an aggregate fixed fee to be paid by the LCOs to us. The fee is typically renegotiated on an annual basis and we recognize this fee as part of our subscription income. We also agree with the LCO as to the per unit rate such fee represents. We derive our secondary subscriber numbers (for both analog and voluntary digital cable television services) by dividing the aggregate fixed fee by the agreed per unit rate.

In addition, in respect of our analog secondary subscribers we do not have the ability to independently determine the number of such 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. This under-reporting adversely affects our revenues and results of operations.

In terms of our digital and analog cable television subscriber mix, we have analog subscribers, voluntary digital subscribers and CAS digital subscribers. A portion of voluntary digital subscribers pay us analog rates and we capture these subscribers under "analog subscribers" for purposes of calculating our total paying subscribers. CAS digital subscribers pay a premium for digital cable television services.

Placement/carriage fees

We receive placement/carriage fees from certain television broadcasters to ensure that we place their channels on their preferred signal and frequency band. Given the extensive competition for viewers, preferred frequencies command a premium in the market and broadcasters are willing to pay us for placing their channels on these frequencies. Placement and carriage fees are determined by the households we reach, the availability of preferred frequency bandwidth, the geographic regions in which we operate and competition among television broadcasters for the preferred frequency band. We typically enter into placement contracts for a period of one year and we recognize placement revenue at the end of each month on a pro-rata basis. A significant portion of our subscription income is generated from placement and carriage fees.

Acquisitions

Our growth strategy has been driven by the acquisition of majority interests in established MSOs, ICOs and LCOs to expand our geographic reach. These acquisitions have been funded through a combination of equity financing, debt financing and internal accruals. Our strategy is to continue to acquire the "last mile" connections from LCOs and selected MSOs and ICOs. These acquisitions will require substantial investments going forward. We propose to fund this from the objects of the issue as well as internal accruals.

Once we have acquired these MSOs, ICOs and LCOs, significant capital expenditure is required to further our strategy of digitization and broadband. For investments where we have a majority interest, but not a 100% interest, our required capital investments are limited to our ownership stake.

Capital expenditure

We have incurred capital expenditure (1) to purchase set-top boxes (which we sell and lease to subscribers on a subsidized basis) as part of our digitization strategy and (2) to upgrade the "last mile connections" that we

acquire through our acquisition strategy and (3) for upgrading our network to become two-way enabled for our broadband services. Historically, we have paid for this expenditure using a combination of equity financing, debt financing and internal accruals. In addition, we have incurred and expect to continue to incur significant depreciation expenses for our digital equipment (particularly set-top boxes) and broadband equipment, as well amortization expenses for acquisitions of LCOs. Our depreciation/amortization expenses were Rs.392.61 million in Fiscal 2007, Rs.588.80 million in Fiscal 2008, Rs.960.95 million in Fiscal 2009 and Rs.617.26 million for the six months ended September 30, 2009. The expenses have been a significant factor in the net losses we incurred in Fiscal 2007, 2008, 2009 and for the six months ended September 30, 2009. As we continue to expand via acquisitions, we expect our depreciation and amortization expenses will continue to increase, and this may have may have a material adverse effect on our results of operations. For details regarding our planned capital expenditure, see "Management's Discussion and Analysis of Financial Condition and Results of Operations - Capital Expenditure - Planned Capital Expenditure" and "Objects of the Issue" beginning on pages 236 and 39, respectively.

Broadband spread and density

We believe India's low Internet penetration rate, 2.4% of households as of December 2008, offers a significant growth potential over time. The key reason for low broadband penetration in India has been lack of supply. High speed broadband is available only in limited pockets of larger cities. With our widespread cable infrastructure network of an estimated 8.02 million homes passed, we have access to a large potential broadband subscriber base. Switching from dial-up internet connections and personal computer penetration are key factors affecting the increase in our broadband subscribers.

Regulation

Our business is subject to regulation by the Telecom Regulatory Authority of India ("TRAI"), the Ministry of Information and Broadcasting ("MIB"), Department of Telecommunication ("DoT") and other government bodies. Changes in regulations influence our business strategies and thus our financial performance. The subscription fees that we levy on our cable television subscribers are limited by applicable regulation. Under the 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 directly to subscribers. The tariffs applicable are fixed set by TRAI. For 2009, TRAI has allowed tariffs to be increased by up to 7% from the prior year. As a result, the prices which broadcasters charge us to include pay channels in our bouquets, and the prices we charge our subscribers for pay channels, are subject to ceilings fixed by TRAI.

KEY COMPONENTS OF OUR INCOME STATEMENT

Income from operations

Our income from operations primarily consists of subscription income, advertisement income, rental income from cable television and internet access devices and other operational income.

The following table sets forth our income from operations:

	For the year ended March 31						For the six months ended September 30	
	2007		2008		2009		2009	
Particulars	Rs. million	%	Rs. million	%	Rs. million	%	Rs. million	%
Cable Television subscription income.....	2,287.80	75.91	3,221.96	77.71	5,356.57	80.75	2,800.44	77.29
Broadband Internet subscription income.....	551.80	18.31	733.42	17.69	1,055.31	15.91	649.47	17.93
Advertisement income.....	139.62	4.63	119.39	2.88	126.53	1.91	79.42	2.19
Rental income from cable television and internet access devices.....	11.32	0.38	55.38	1.34	67.19	1.01	35.19	0.97
Service charges earned	20.84	0.69	13.98	0.34	0.94	0.01	0.79	0.02

Other operational income	1.54	0.05	0.80	0.02	26.85	0.40	57.84	1.60
Sale of internet access devices net)	0.89	0.03	0.70	0.02	0.51	0.01	-0.02	(0.00)
Total	3,013.81	100.00	4,145.63	100.00	6,633.90	100.00	3,623.13	100.00

Subscription income

Our subscription income includes subscription fees from analog and digital cable television subscribers, subscription fees from broadband subscribers and placement and carriage fees from broadcasters. A majority of our subscription income is generated by cable television and broadband subscription fees. However, a significant portion of our subscription income is generated from placement and carriage fees. The following table sets forth our subscription income for the periods indicated:

Advertisement income

Advertisement income consists of advertising revenues we generate from our in-house cable movie and music channels.

Rental income from cable television and internet access devices

Rental income from cable television and internet access devices consists of rental income from the set-top boxes and cable modems that we lease to our subscribers.

Other operational income

Other operational income consists of wiring charges, activation charges, SMTP charges, line maintenance charges, facilitation charges, commission income and portal revenue.

Other income

Other income primarily consists of interest on loans (inter-corporate deposits), write-backs of accounts payable and profits on sales of non-trade investments.

Expenses

Operating Expenses

The following table shows our operating expenses for the past three financial years.

	For the year ended March 31						For the six months ended September 30	
	2007		2008		2009		2009	
Particulars	**Rs. million**	**%**	**Rs. million**	**%**	**Rs. million**	**%**	**Rs. million**	**%**
Pay channel costs	1,356.23	72.61	1,907.50	72.70	2,782.19	77.07	1,428.69	76.95
Bandwidth and lease line costs	47.69	2.55	118.36	4.51	177.93	4.93	133.89	7.21
Commission.....	234.46	12.55	259.01	9.87	227.85	6.31	119.11	6.42
Other operating expenses.....	229.44	12.28	338.92	12.92	422.07	11.69	174.84	9.42
Total.....	1,867.82	100.00	2,623.79	100.00	3,610.04	100.00	1,856.53	100.00

Pay channel costs

Pay channel costs consist of the cost we pay to include certain pay television channels (such as *STAR*, *Sony*, *Zee*, *ESPN*, *STAR Sports* and various regional pay channels) as part of our programming packages.

Bandwidth and lease line costs

Bandwidth and lease line costs primarily consist of lease rentals for international bandwidth capacity and connectivity, local lease circuits, local cable connectivity and underground ducts. These costs also include lease line costs for obtaining intra-city and inter-city fiber connectivity.

Commission

Commission expenses include commissions paid to (1) distributors appointed in certain of our territories to handle cable television subscription collections from affiliated LCOs and (2) LCOs for providing "last mile" access for our broadband services.

Other operating expenses

Other operating expenses includes electricity and rent for head ends, general repair and maintenance costs, consultancy and technical fees, freight charges, content charges and licenses fees for our subscriber management system.

Staff cost

Staff costs include costs of salaries and allowances paid to employees, contribution to provident and retirement funds and staff welfare expenses.

Administrative expenses

Administrative and general expenses include, among other items, advertisement and publicity expenses for both our cable television and broadband businesses, service charges for outsourcing, selling and distribution charges (including payments to direct selling agents for our FoS offering), electricity charges for our offices, travel expenses, communication charges, auditors' remuneration, managers' remuneration for our subsidiaries' management and business promotion expenses.

Provision for doubtful debts

Provision for doubtful debts represents amounts provided for in respect of doubtful subscriber balances owed to us. We have maintained a consistent approach in respect of provisions for doubtful debts throughout the periods discussed.

(Profit)/loss on sale of set-top boxes

We provide a subsidy on deployment of set-top boxes to our subscribers. The difference between the purchase price of the set-top box and the sale price is accounted for as a loss in our profit and loss account.

Interest

Interest expenses include interest charged on loans from banks and financial institutions, working capital loans and other financing costs.

Depreciation and amortization

Depreciation expenses primarily consist of depreciation of our head end equipment, cable plants and HFC network, set-top boxes, cable modems and other items. Amortization expenses include amortization of intangible assets such as bandwidth rights, movie rights and goodwill as a result of our acquisitions.

Exceptional items

In Fiscal 2007, we incurred exceptional items of Rs.247.47 million on account of implementation of CAS in the areas of South Mumbai and South Delhi, which resulted in a substantial one time deployment cost. We also incurred an exceptional item of Rs.50.92 million which represented a provision on advances given, the recovery of which was considered to be doubtful. In Fiscal 2008, we incurred exceptional items of Rs.34.35 million which represented a provision on advances given, the recovery of which was considered to be doubtful. In

Fiscal 2009, we incurred exceptional items of Rs.50.48 million which represented provisions on advances given the recovery of which was considered to be doubtful. In the six months ended September 30, 2009, we incurred exceptional items of Rs.54.92 million for a provision for bad and doubtful debts for Chennai and Rs.5.94 million for the impairment of certain tangible and intangible assets for Chennai.

Provision for Tax

Tax expenses include current taxes payable, including wealth and fringe benefit taxes, taxes payable for earlier years and deferred taxes.

Minority interest

Gains or losses from minority interests reflect our share of profits or losses in companies in which we have a minority interest.

OVERVIEW OF OUR RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our revenues, expenses and profits on a consolidated basis, for the periods indicated.

	For the year ended March 31										For the half year ended September 30
	2006	2007			2008			2009			2009
Particulars	Rs. million	Rs. million	% Growth YOY in 07 over 06	% of Total Revenue	Rs. million	% Growth YOY in 08 over 07	% of Total Revenue	Rs. million	% Growth YOY in 09 over 08	% of Total Revenue	Rs. million
Total Revenue	2,532.38	3,086.31	21.87		4,346.65	40.84		6,732.27	54.88		3,649.16
Operating Expenses	1,664.22	1,867.82	12.23	60.52	2,623.79	40.47	60.36	3,610.04	37.59	53.62	1,856.54
Staff Cost	201.81	295.92	46.63	9.59	429.98	45.30	9.89	722.40	68.01	10.73	370.11
Provision for Doubtful Debts	121.56	172.34	41.77	5.58	352.92	104.78	8.12	260.12	-26.29	3.86	185.70
Administrative expenses	412.69	528.36	28.03	17.12	726.93	37.58	16.72	1,102.38	51.65	16.37	518.23
EBITDA	132.10	221.87	67.96	7.19	213.03	-3.98	4.90	1,037.33	386.94	15.41	718.58
Less :- Interest & Finance Charges	90.44	145.90	61.32	4.73	221.03	51.49	5.09	430.54	94.79	6.40	279.31
Loss / (Gain) on Foreign Exchange Fluctuation (Net)	2.25	-	-	-	-29.29	0.00	-0.67	78.15	-366.81	1.16	-2.92
Exceptional Items	5.62	298.39	5,209.43	9.67	34.35	-88.49	0.79	50.48	46.96	0.75	95.85
Depreciation/Amortization	365.19	392.61	7.51	12.72	588.80	49.97	13.55	960.95	63.20	14.27	617.26
Profit Before Tax & Minority Interest	-331.40	-615.03	85.59	(19.93)	-601.86	-2.14	-13.85	-482.79	-19.78	-7.17	-270.92
Tax	9.07	10.97	20.95	0.36	46.70	325.71	1.07	121.93	161.09	1.81	85.40
Profit after Tax	-340.47	-626.00	83.86	(20.28)	-648.56	3.60	-14.92	-604.72	-6.76	-8.98	-356.32
Minority Interest & Adjustment	0.44	1.50	240.91	0.05	-19.57	-1,404.67	-0.45	-22.75	16.25	-0.34	-67.91
Net Profit/(Loss)	(340.03)	(624.50)	83.66	(20.23)	-668.13	6.99	-15.37	-627.47	-6.09	-9.32	-424.23

SIX MONTHS ENDED SEPTEMBER 30, 2009

Income from operations

Our income from operations was Rs.3,623.13 million for the six months ended September 30, 2009.

Subscription income

Our subscription income was Rs.3,449.91 million for the six month ended September 30, 2009. Cable television subscription income was Rs.2,800.44 million. We had 1,606,008 cable television subscribers as of September 30, 2009.

Our broadband subscription income was Rs.649.47 million for the six months ended September 30, 2009. We had 329,663 broadband subscribers as of September 30, 2009.

Advertisement income

Our advertisement income was Rs.79.42 million for the six months ended September 30, 2009.

Rental income

Our rental income from cable television and internet access devices was Rs.35.19 million.

Other operational income

Other operational income was at Rs.57.84 million.

Other income

Other income was Rs.26.03 million for the six months ended September 30, 2009.

Expenditure

Our total expenditure was Rs.2,930.58 million for the six months ended September 30, 2009, accounting for 80.30% of our total income compared to 84.59% for Fiscal 2009.

Operating expenses

Our operating expenses were Rs.1,856.54 million.

Pay channel costs

Our pay channel costs were Rs.1,428.69 million for the six months ended September 30, 2009.

Bandwidth and lease line costs

Our bandwidth and lease line costs were Rs.133.89 million for the six months ended September 30, 2009.

Commission

Our commission expenses were Rs.119.11 million for the six months ended September 30, 2009.

Other operating expenses

Other operating expenses were Rs.174.84 million for the six months ended September 30, 2009.

Staff cost

Our staff costs were Rs.370.11 million for the six months ended September 30, 2009.

Provision for Doubtful Debts

Our provision for doubtful debts was Rs.185.70 million for the six months ended September 30, 2009.

Administrative expenses:

Our administrative expenses were Rs.518.23 million for the six months ended September 30, 2009.

Profit/(loss) before exceptional items, finance costs, depreciation and amortization

As a result of the foregoing, profit after operating expenses was Rs.718.58 million, which represented 19.69% of our total income for the six months ended September 30, 2009; compared to 15.41% for Fiscal 2009.

Interest

Our interest expenses were Rs.279.31 million accounting for 7.65% of our total income which was due to borrowings in connection with our acquisitions and capital expenditure for the six months ended September 30, 2009 compared to 6.40% for Fiscal 2009.

Loss/(Gain) on foreign exchange fluctuation (net)

Gain on foreign exchange fluctuation (net) was Rs.2.92 million for the six months ended September 30, 2009.

Loss on sale of set-top boxes

Loss on sale of set top boxes for the period six months ended September 30, 2009 was Rs.2.06 million.

Depreciation and amortization

Our depreciation and amortization costs was Rs.617.26 million for the six months ended September 30, 2009.

Profit/(loss) before tax

Principally for the reasons described above, our (loss) before tax and minority interest was Rs.270.92 million, for the six months ended September 30, 2009 compared to 7.17% for Fiscal 2009.

Provision for tax

Our provision for tax was Rs.85.40 million, for the six months ended September 30, 2009.

Profit/(loss) after tax

As a result of the foregoing, loss after tax decreased was Rs.356.32 million for the six months ended September 30, 2009.

Minority interest

Minority interest was a loss of Rs.64.96 million for the six months ended September 30, 2009.

Net profit/(loss)

As a result of the foregoing, our net loss was Rs.424.23 million for the six months ended September 30, 2009.

YEAR ENDED MARCH 31, 2009 COMPARED TO YEAR ENDED MARCH 31, 2008

Income from operations

Our income from operations increased by 60% from Rs.4,145.63 million in Fiscal 2008 to Rs.6,633.90 million in Fiscal 2009.

Subscription income

Our subscription income increased by 62% from Rs.3,955.38 million in Fiscal 2008 to Rs.6,411.88 million in Fiscal 2009. Cable television subscription income increased by 66% from Rs.3,221.96 million in Fiscal 2008 to Rs.5,356.56 million in Fiscal 2009, primarily due to a significant increase in placement and carriage fees (partially due to certain MSO and ICO acquisitions which occurred during Fiscal 2008). In addition, our acquisition of certain MSOs and ICOs occurred during Fiscal 2008, and we first recognized a full year of those subscribers' subscription fees in Fiscal 2009. Our total cable television subscribers increased by 17% from 1,392,859 in Fiscal 2008 to 1,624,467 in Fiscal 2009.

Broadband subscription income increased by 44% from Rs.733.42 million in Fiscal 2008 to Rs.1,055.31 million in Fiscal 2009, primarily due to growth in subscribers from 231,167 to 341,015.

Advertisement income

Our advertisement income increased by 6% from Rs.119.39 million in Fiscal 2008 to Rs.126.53 million in Fiscal 2009. While our advertising rates declined slightly, this was offset by increases in revenue due to increased viewership of our channels.

Rental income

Our rental income from cable television and internet access devices increased by 21% from Rs.55.38 million in Fiscal 2008 to Rs.67.19 million in Fiscal 2009, primarily due to increased number of set-top boxes deployed.

Other operational income

Other operational income increased by 3256% from Rs.0.8 million in Fiscal 2008 to Rs.26.85 million in Fiscal 2009 primarily due to the recovery of line maintenance charges from LCOs in Fiscal 2009, and lease charges from third party users of underground duct charges in Fiscal 2009 (and which charges only arose in Fiscal 2009).

Other income

Other income decreased by 51% from Rs.201.02 million in Fiscal 2008 to Rs.98.37 million in Fiscal 2009, primarily due to certain inter-corporate loans being repaid to us, lower write-backs on accounts payable and decreases in profits from the sale of non-trade investments.

Expenditure

Our total expenditure increased by 38% from Rs.4,133.62 million in Fiscal 2009 to Rs.5,694.94 million in Fiscal 2008.

Operating expenses

Our operating expenses increased by 38% from Rs.2,623.79 million in Fiscal 2008 to Rs.3610.04 million in 2009.

Pay channel costs

Our pay channel costs increased by 46% from Rs.1,907.50 million in Fiscal 2008 to Rs.2,782.19 million in Fiscal 2009, primarily due to our acquisition of certain MSOs and ICOs during Fiscal 2008, which resulted in higher pay channel costs being due to pay cable television channels as a result of our increased cable television subscriber base. In addition, certain channels increased their charges, while other channels changed from free to air channels into pay channels.

Bandwidth and lease line costs

Our bandwidth and lease line costs increased by 50% from Rs.118.36 million in Fiscal 2008 to Rs.177.93 million in Fiscal 2009, primarily due to the increase in our broadband subscriber base.

Commission

Our commission expenses decreased by 12% from Rs.259.01 million in Fiscal 2008 to Rs.227.85 million in Fiscal 2009, primarily due to reduced reliance on distributors in certain locations where we operate.

Other operating expenses

Our other operating expenses increased by 25% from Rs.338.92 million in Fiscal 2008 to Rs.422.07 million in Fiscal 2009, primarily due to higher repair and maintenance charges incurred as a result of our larger cable television and broadband network.

Staff cost

Our staff costs increased by 68% from Rs.429.98 million in Fiscal 2008 to Rs.722.40 million in Fiscal 2009, primarily due to increases in headcount as a result of our acquisitions.

Provision for Doubtful Debts

Our provision for doubtful debts decreased from Rs.352.92 million to Rs.260.12 million. In Fiscal 2007 we recognized significantly higher amounts of doubtful debts due to slower payments by LCOs as a result of a slowdown in the Indian economy.

Administrative expenses:

Our general and administrative expenses increased by 52% from Rs.726.93 million in Fiscal 2008 to Rs.1,102.38 million in Fiscal 2009, due to, among other reasons, higher services charges for outsourced staff, higher selling and distribution charges and higher legal and professional charges.

Profit/(loss) before exceptional items, finance costs, depreciation and amortization

As a result of the foregoing, profit after operating expenses increased by 387% from Rs.213.03 million in Fiscal 2008 to Rs.1037.33 million in Fiscal 2009.

Interest

Our interest expenses increased by 95% from Rs.221.03 million in Fiscal 2008 to Rs.430.54 million in Fiscal 2009, primarily due to increased borrowings in connection with our acquisitions and capital expenditure.

Loss/(Gain) on foreign exchange fluctuation (net)

Loss/(Gain) on foreign exchange fluctuation (net) changed by 167% from a gain of Rs.29.29 million in Fiscal 2008 to a loss of Rs.78.15 million in Fiscal 2009, as a result of the appreciation of the U.S. Dollar during Fiscal 2009 which increased the cost of set-top boxes and cable modems in Rupee terms.

Loss on sale of set-top boxes

Our loss on sale of set-top boxes decreased by 41% from Rs.43.1 million in Fiscal 2008 to Rs.25.3 million in Fiscal 2009, due to the fact that we focused on leasing set-top boxes rather than sales.

Depreciation and amortization

Our depreciation and amortization expenses increased by 63% from Rs.588.80 million in Fiscal 2008 to Rs.960.95 million in Fiscal 2009, primarily due to higher depreciation for set-top boxes, digital head ends and internet access devices as well as amortization expenses of goodwill in connection with our acquisitions.

Profit/(loss) before tax

As a result of the foregoing, loss before tax decreased by 20% from Rs.601.86 million in Fiscal 2008 to Rs.482.79 million in Fiscal 2009.

Provision for tax

Our provision for tax increased by 161% from Rs.46.70 million in Fiscal 2008 to Rs.121.93 million in Fiscal 2009, primarily due to an increase in fringe benefit tax as a result of our higher employee base and increased acquisitions.

Profit/(loss) after tax

As a result of the foregoing, loss after tax decreased by 7% from Rs.648.56 million in Fiscal 2008 to Rs.604.72 million in Fiscal 2009.

Minority interest

Minority interest increased by 666% from a loss of Rs.7.60 million in Fiscal 2008 to a loss of Rs.58.29 million in Fiscal 2009.

Net profit/(loss)

As a result of the foregoing, our net loss decreased by 6% from Rs.668.13 million in Fiscal 2008 to Rs.627.47 million in Fiscal 2009.

YEAR ENDED MARCH 31, 2008 COMPARED TO YEAR ENDED MARCH 31, 2007

Income from operations

Our income from operations increased by 38% from Rs.3,013.81 million in Fiscal 2007 to Rs.4,145.63 million in Fiscal 2008.

Subscription income

Our subscription income increased by 39% from Rs.2,839.60 million in Fiscal 2007 to Rs.3,955.38 million in Fiscal 2008. Cable television subscription income increased by 41% from Rs.2,287.6 million in Fiscal 2007 to Rs.3,221.96 million in Fiscal 2008, primarily due to a significant increase in placement and carriage fees because of an increase in the number of channels that we carried and an increase in the placement and carriage fees we were able to charge broadcasters. In addition, our total cable television subscribers increased by 81% from 770,018 in Fiscal 2007 to 1,392,859 in Fiscal 2008. Our percentage increase in cable television subscribers was higher than our increase in cable television subscription revenues because we did not recognize a full year of revenues for the subscribers we acquired during the year.

Broadband subscription income increased by 33% from Rs.551.80 million in Fiscal 2007 to Rs.733.42 million in Fiscal 2008, primarily due to growth in subscribers from 124,431 to 231,167. Our percentage increase in broadband subscribers was higher than our increase in broadband subscription revenues because we did not recognize a full year of revenues for the subscribers we acquired during the year.

Advertisement income

Our advertisement income decreased by 14% from Rs.139.61 million in Fiscal 2007 to Rs.119.39 million in Fiscal 2008. This decrease was due to our advertising rates declined slightly and increased competition for advertising.

Rental income

Our rental income from cable television and internet access devices increased by 390% from Rs.11.32 million in Fiscal 2007 to Rs.55.38 million in Fiscal 2008, primarily due to an increased number of set-top boxes deployed in CAS areas. CAS was introduced in January 2007, so we were able to benefit from CAS fully only in Fiscal 2008. In addition, our voluntary digital subscribers increased from 91,711 to 273,237.

Other income

Other income increased by 177% from Rs.72.50 million in Fiscal 2007 to Rs.201.02 million in Fiscal 2008 primarily due to increased interest on certain inter-corporate loans owed to us and increases in profits from the sale of non-trade investments.

Expenditure

Our total expenditure increased by 44% from Rs.2,864.44 million in Fiscal 2007 to Rs.4,133.62 million in Fiscal 2008.

Operating expenses

Our operating expenses increased by 40% from Rs.1,867.82 million in Fiscal 2007 to Rs.2,623.79 million in Fiscal 2008.

Pay channel costs

Our pay channel costs increased by 41% from Rs.1,356.23 million in Fiscal 2007 to Rs.1,907.50 million in Fiscal 2008, primarily due to our acquisition of certain MSOs and ICOs during Fiscal 2007, which resulted in higher pay channel costs being due to pay cable television channels as a result of our increased cable television subscriber base. In addition, certain channels changed increased their charges, while other channels changed from free to air channels into pay channels.

Bandwidth and lease line costs

Our bandwidth and lease line costs increased by 148% from Rs.47.69 million in Fiscal 2007 to Rs.118.36 million in Fiscal 2008 primarily due to the increase in our broadband subscriber base.

Commission

Our commission expenses increased by 10% from Rs.234.46 million in Fiscal 2007 to Rs.259.01 million in Fiscal 2008, primarily due to higher commissions to LCOs as a result of an increase in broadband subscribers.

Other operating expenses

Our other operating expenses increased by 48% from Rs.229.44 million in Fiscal 2007 to Rs.338.92 million in Fiscal 2008, primarily due to higher repair and maintenance charges incurred as a result of our larger cable television and broadband network.

Staff cost

Our staff costs increased by 45% from Rs.295.92 million in Fiscal 2007 to Rs.429.98 million in Fiscal 2008, primarily due to increases in headcount as a result of our acquisitions.

Provision for doubtful debts

Our provision for doubtful debts increased by 105% from Rs.172.34 million in Fiscal 2007 to Rs.352.92 million in Fiscal 2008. In Fiscal 2008 we recognized significantly higher amounts of doubtful debts due to slower payments by LCOs as a result of the slowdown in the Indian economy.

Administrative expenses

Our general and administrative expenses increased by 38% from Rs.528.36 million in Fiscal 2007 to Rs.726.93 million in Fiscal 2008, due to, among other reasons, higher services charges for outsourced staff and higher legal and professional charges.

Profit/(loss) before exceptional items, finance costs, depreciation and amortization

As a result of the foregoing, profit after operating expenses decreased marginally by 4% from Rs.221.87 million in Fiscal 2007 to Rs.213.03 million in Fiscal 2008.

Interest

Our interest expenses increased by 51% from Rs.145.90 million in Fiscal 2007 to Rs.221.03 million in Fiscal 2008, primarily due to increased borrowings in connection with our acquisitions and capital expenditure.

Loss on sale of set-top boxes

Our loss on sale of set-top boxes was Rs.43.1 million in Fiscal 2008, due to increased sales of set-top boxes in Fiscal 2008. Loss on the sale of set-top boxes was accounted for as an exceptional item in Fiscal 2007.

Depreciation and amortization

Our depreciation and amortization expenses increased by 50% from Rs.392.61 million in Fiscal 2007 to Rs.588.8 million in Fiscal 2008, primarily due to increased depreciation for set-top boxes and digital head ends and amortization for bandwidth rights and other intangible assets.

Profit/(loss) before tax

As a result of the foregoing, loss before tax decreased by 2% from Rs.615.03 million in Fiscal 2007 to Rs.601.86 million in Fiscal 2008.

Provision for tax

Our provision for tax increased by 326% from Rs.10.97 million in Fiscal 2007 to Rs.46.70 million in Fiscal 2008, primarily due to an increase in fringe benefit tax as a result of our higher employee base and increased acquisitions.

Profit/(loss) after tax

As a result of the foregoing, loss after tax increased by 3.60% from Rs.626.00 million in Fiscal 2007 to Rs.648.56 million in Fiscal 2008.

Minority interest

Minority interest changed by 407% from a gain of Rs.1.50 million in Fiscal 2007 to a loss of Rs. 7.60 million in Fiscal 2008.

Net profit/(loss)

As a result of the foregoing, our net loss increased by 7% from Rs.624.50 million in Fiscal 2007 to Rs.668.13 million in Fiscal 2008.

YEAR ENDED MARCH 31, 2007 COMPARED TO YEAR ENDED MARCH 31, 2006

Income from operations

Our income from operations increased by 21% from Rs.2,500.67 million in Fiscal 2006 to Rs.3,013.81 million in Fiscal 2007.

Subscription income

Our subscription income increased by 22% from Rs.2,329.58 million in Fiscal 2006 to Rs.2,839.60 million in Fiscal 2007. Cable television subscription income increased by 22% from Rs.1,879.23 million in Fiscal 2006 to Rs.2,287.80 million in Fiscal 2007, primarily due to an increase in placement and carriage fees because of an increase in the number of channels that we carried and an increase in the placement and carriage fees we were

able to charge broadcasters. In addition, our total cable television subscribers increased from 685,908 to 770,018. Among other reasons, our subscriber numbers increased because certain cities switched to CAS and reporting of subscribers became more accurate accordingly.

Broadband subscription income increased by 23% from Rs.450.36 million in Fiscal 2006 to Rs.551.80 million in Fiscal 2007, primarily due to growth in subscribers from 74,352 to 124,431. Our percentage increase in broadband subscribers was higher than our increase in broadband subscription revenues because we did not recognize a full year of revenues for the subscribers we acquired during the year.

Advertisement income

Our advertisement income decreased by 2.5% from Rs.143.21 million in Fiscal 2006 to Rs.139.61 million in Fiscal 2007.

Rental income

Our rental income from cable television and internet access devices decreased by 33% from Rs.16.91 million in Fiscal 2006 to Rs.11.32 million in Fiscal 2007, primarily due to a decrease in the charges for internet devices in order to increase our broadband penetration.

Other income

Other income increased by 129% from Rs.31.67 million in Fiscal 2006 to Rs.72.50 million in Fiscal 2007, primarily due to increased write-backs of accounts payable and increases in profits from the sale of non-trade investments.

Expenditure

Our total expenditure increased by 19% from Rs.2,400.28 million in Fiscal 2006 to Rs.2,864.44 million in Fiscal 2007.

Operating expenses

Our operating expenses increased by 12% from Rs.1,664.22 million in Fiscal 2006 to Rs.1,867.82 million in Fiscal 2007.

Pay channel costs

Our pay channel costs increased by 19% from Rs.1,143.95 million in Fiscal 2006 to Rs.1,356.23 million in Fiscal 2007, primarily due to our acquisition of certain ICOs during Fiscal 2007, which resulted in higher pay channel costs being due to pay cable television channels as a result of our increased cable television subscriber base. In addition, certain channels increased their charges and Star and Zee introduced new bouquets of channels which increased our costs.

Bandwidth and lease line costs

Our bandwidth and lease line costs decreased by 60% from Rs.119.7 million in Fiscal 2006 to Rs.47.69 million in Fiscal 2007, due to signing up to long-term contracts for international bandwidth capacity, which reduced our expenses.

Commission

Our commission expenses increased by 18% from Rs.198.72 million in Fiscal 2006 to Rs.234.46 million in Fiscal 2007, primarily due to higher commissions to LCOs as a result of an increase in broadband subscribers.

Other operating expenses

Our other operating expenses increased by 14% from Rs.201.85 million in Fiscal 2006 to Rs.229.44 million in Fiscal 2007, primarily due to higher repair and maintenance charges incurred as a result of our larger cable television and broadband network.

Staff cost

Our staff costs increased by 47% from Rs.201.81 million in Fiscal 2006 to Rs.295.9 million in Fiscal 2007, primarily due to increases in headcount and increases in average salaries.

Provision for doubtful debts

Our provision for doubtful debts increased by 42% from Rs.121.56 million in Fiscal 2006 to Rs.172.34 million in Fiscal 2007, primarily due to non-receipt of certain receivables due from LCOs.

Administrative expenses

Our general and administrative expenses increased by 28% from Rs.412.69 million in Fiscal 2006 to Rs.528.36 million in Fiscal 2007, due to, among other reasons, increased advertisement and publicity fees in connection with the launch of CAS and promoting our broadband services, as well as higher legal and professional charges.

Profit/(loss) before exceptional items, finance costs, depreciation and amortization

As a result of the foregoing, profit after operating expenses increased by 68% from Rs.132.10 million in Fiscal 2006 to Rs.221.87 million in Fiscal 2007.

Interest

Our interest expenses increased by 61% from Rs.90.44 million in Fiscal 2006 to Rs.145.90 million in Fiscal 2007, primarily due to increased borrowings in connection with our acquisitions and capital expenditure.

Loss on sale of set-top boxes

Our loss on sale of set-top boxes was Rs.4.7 million in Fiscal 2006. In Fiscal 2007, loss on the sale of set-top boxes was accounted for as an exceptional item.

Depreciation and amortization

Our depreciation and amortization expenses increased by 8% from Rs.365.19 million in Fiscal 2006 to Rs.392.61 million in Fiscal 2007, primarily due to increased amortization for bandwidth rights and other intangible assets.

Profit/(loss) before tax

As a result of the foregoing, loss before tax increased by 86% from Rs.331.40 million in Fiscal 2006 to Rs.615.03 million in Fiscal 2007.

Provision for tax

Our provision for tax increased by 21% from Rs.9.07 million in Fiscal 2006 to Rs.10.97 million in Fiscal 2007, primarily due to an increase in fringe benefit tax as a result of our higher employee base.

Profit/(loss) after tax

As a result of the foregoing, loss after tax increased by 84% from Rs.340.47 million in Fiscal 2006 to Rs.626 million in Fiscal 2007.

Minority interest

Minority interest increased by 275% from a gain of Rs.0.4 million in Fiscal 2006 to a gain of Rs.1.5 million in Fiscal 2007.

Net profit/(loss)

As a result of the foregoing, our net loss increased by 84% from Rs.340.0 million in Fiscal 2006 to Rs.624.5 million in Fiscal 2007.

LIQUIDTY AND CAPITAL RESOURCES

We have funded our working capital and capital expenditure requirements from cash flow from our operations, equity financing, credit facilities and long term loans from banks and financial institutions.

As of March 31, 2009, we had cash and bank balances totaling Rs.432.12 million. We expect that our principal use of cash for Fiscal 2010 and Fiscal 2011 will be for our operations and for investing in business opportunities in its existing areas of our business.

We expect to meet our working capital, capital expenditure, debt repayments and investment requirements for the next twelve to eighteen months primarily from the proceeds of the Fresh Issue, vendor credit and the internal accruals.

We may also from time to time seek other sources of funding, which may include debt or equity financing, including Rupee and foreign currency denominated loans from Indian and foreign banks and financial institutions, and vendor credit depending on our financing needs and market conditions.

Cash Flow Data

The following table sets forth certain information about our consolidated cash flows for the periods indicated.

	For the year ended March 31			For the six months ended September 30
	2007	**2008**	**2009**	**2009**
				(Rs. million)
Net cash (used in)/generated from operating activities	(139.05)	(516.85)	754.76	373.17
Cash (used in) investing activities.....	(315.45)	(2,522.84)	(3,987.52)	(851.70)
Cash (used in)/generated from financing activities	658.98	2,972.37	3,509.52	297.97
Cash and cash equivalents at end of period.....	222.65	155.36	432.12	251.55

Six months ended September 30, 2009

As at September 30, 2009, we had cash and cash equivalents of Rs.251.55 million.

Our loss after tax and prior period adjustments was Rs.424.23 million. We adjusted this amount for non-cash items including Rs.617.26 million for depreciation and amortization, Rs.279.31 million for interest and finance charges and Rs.185.70 million for provisions for doubtful debts. Our operating profit before working capital changes was Rs.787.70 million. This amount was partially offset due to working capital changes for increases of sundry debtors of Rs.493.52 million and increase in loans and advances of Rs.61.20 million. However, we also generated cash from working capital changes including Rs.146.72 million due to increase in current liabilities and provisions. As a result of the foregoing, net cash generated from operating activities was Rs.373.17 million.

During the year, net cash used in investing activities was Rs.851.70 million. This was primarily due to Rs.812.24 million used to purchase new digital infrastructure such as head ends, set-top boxes, broadband infrastructure such as cable modems and distribution equipment.

Net cash realized from financing activities was Rs.297.97 million. This was mainly due to Rs.627.64 million generated from additional net borrowings from banks and financial institutions.

Year ended March 31, 2009

As at March 31, 2009, we had cash and cash equivalents of Rs.432.12 million.

Our loss after tax and prior period adjustments was Rs.627.47 million. We adjusted this amount for non-cash items including Rs.962.09 million for depreciation and amortization, Rs.384.20 million for interest and finance charges and Rs.207.45 million for provisions for doubtful debts. Our operating profit before working capital changes was Rs.1,040.13 million. This amount was partially offset due to working capital changes for increases of sundry debtors of Rs.1,023.61 million and increases in loans and advances of Rs.662.84 million. However, we also generated cash from working capital changes including Rs.1,396.08 million due to an increase in current liabilities and provisions. As a result of the foregoing, net cash generated from operating activities was Rs.754.76 million.

During the year, net cash used in investing activities was Rs.3,987.52 million. This was primarily due to Rs.4,155.66 million used to purchase new digital infrastructure such as head ends, set-top boxes, broadband infrastructure such as cable modems and distribution equipment, and acquisitions of LCOs.

Net cash realized from financing activities was Rs.3,509.52 million. This was mainly due to Rs.2,472.40 million generated from the issuance of compulsory convertible debentures and Rs.1,470.9` million generated from additional net borrowings from banks and financial institutions.

Year ended March 31, 2008

As at March 31, 2008, we had cash and cash equivalents of Rs.155.36 million.

Our loss after tax and prior period adjustments was Rs.668.13 million. We adjusted this amount for non-cash items including Rs.588.80 million for depreciation and amortization, Rs.202.53 million for interest and finance charges and Rs.348.74 million for provisions for doubtful debts. Our operating profit before working capital changes was Rs.404.10 million. This amount was offset due to working capital changes for increases of sundry debtors of Rs.851.72 million and increases in loans and advances of Rs.411.96 million. However, we also generated cash from working capital changes including Rs.366.63 million due to an increase in current liabilities and provisions. As a result of the foregoing, net cash used in operating activities was Rs.516.84 million.

During the year, net cash used in investing activities was Rs.2,522.84 million. This was primarily due to Rs.2,480.98 million used to purchase new digital infrastructure such as head ends, set-top boxes, broadband infrastructure such as cable modems and distribution equipment, and acquisitions of LCOs.

Net cash realized from financing activities was Rs.2,972.38 million. This was mainly due to Rs.2,647.20 million generated from the issuance of equity shares and Rs.636.45 million generated from additional net borrowings from banks and financial institutions.

Year ended March 31, 2007

As at March 31, 2007, we had cash and cash equivalents of Rs.222.65 million.

Our loss after tax and prior period adjustments was Rs.624.50 million. We adjusted this amount for non-cash items including Rs.392.61 million for depreciation and amortization, Rs.123.76 million for interest and finance charges and Rs.163.17 million for provisions for doubtful debts. Our operating profit before working capital changes was Rs.96.73 million. This amount was offset due to working capital changes for increases of sundry debtors of Rs.293.15 million and increases in loans and advances of Rs.181.74 million. However, we also generated cash from working capital changes including Rs.260.59 million due to an increase in current liabilities and provisions. As a result of the foregoing, net cash used in operating activities was Rs.139.05 million.

During the year, net cash used in investing activities was Rs.315.46 million. This was primarily due to Rs.397.23 million used to purchase bandwidth rights and other capital expenditure.

Net cash realized from financing activities was Rs.658.98 million. This was mainly due to Rs.782.74 million generated from additional net borrowings from banks and financial institutions. This was partially offset by Rs. 123.76 million used for interest and finance charges.

INDEBTEDNESS

Our total amount of consolidated secured loans was Rs.4268.23 million as at September 30, 2009. Our secured loans comprised of term loans and cash credit facilities. All our loans are Indian Rupee denominated, except in the following cases:

- U.S. Dollar denominated Buyers Credit facility from ICICI Bank Limited, Axis Bank Limited and YES Bank Limited; and

- U.S. Dollar denominated External Commercial borrowing from Axis Bank Limited.

For further details, please refer to the section titled "Financial Indebtedness" beginning on page 205 of this RHP.

The following table sets forth our principal repayment obligations as per the terms of the underlying loan agreements.

	Fiscal 2010	Fiscal 2011	Fiscal 2012	After Fiscal 2012
Principal Repayment (Rs. million)	1,277.22	1,020.62	785.33	1,185.06

Some of our subsidiaries also have unsecured loans due in Fiscal 2010 of Rs.162.05 million as of September 30, 2009.

CAPITAL EXPENDITURE

Historical capital expenditure

Historically, we have paid for our capital expenditure using a combination of equity financing, debt financing and internal accruals. The table below sets forth our consolidated capital expenditure for the periods indicated:

	For the year ended March 31			For the six months ended September 30	
Capital expenditure	**2007**	**2008**	**2009**	**2009**	**Total**
					(Rs. million)
Intangible Assets					
Goodwill	62.10	32.37	656.37	92.00	842.84
Goodwill on Consolidation	0.13	1369.29	106.74	41.39	1517.55
Cable Television Franchisee	6.00	217.69	700.53	170.72	1094.94
Movie and Serial Rights	18.74	15.37	5.90	0.71	40.72
Software	20.23	16.28	19.45	4.37	60.33
Bandwidth Rights	31.09	51.16	177.50	0.00	259.75
Total of Intangible Assets	138.29	1702.17	1,666.48	309.19	3816.13
Tangible Assets					
Plant and Machinery	805.57	1,437.88	2,717.97	581.83	5,543.25
Air Conditioners	5.85	5.78	4.66	0.75	17.04
Structural Fittings	2.36	3.56	5.51	1.12	12.55
Land & Buildings	0.00	29.36	11.78	3.28	44.42
Furniture & Fixtures	8.69	37.09	24.06	7.12	76.96
Mobile, Pagers & Telephones	1.55	5.10	1.85	0.35	8.85
Computers	13.30	22.19	21.53	7.24	64.26
Office Equipments	1.89	6.76	7.50	6.41	22.56
Electrical Fittings	1.24	7.21	6.18	0.97	15.60
Motor Vehicles	5.95	28.34	5.47	6.63	46.39
Movie Master Tapes	0.00	0.36	0.00	0.00	0.36
Total of Tangible Assets	846.40	1,583.63	2,806.51	615.70	5,852.24
Grand Total	984.69	3,285.80	4472.99	924.89	9,668.37

Planned capital expenditure

The following table shows our planned expenditures for the year ending March 31, 2010. Our capital expenditure plans are based on management estimates and are subject to a number of variables, including: possible cost overruns, availability of financing on acceptable terms, changes in our views of the desirability of current plans and macroeconomic factors such as India's performance and interest rates. There can be no assurance that we will execute our capital expenditure plans as contemplated at or below estimated costs.

Planned Capital Expenditure	Year ending March 31, 2010
	(Rs. million)
Acquisition of customers	250
Development of digital capital expenditure, services and set-top boxes	164
Development of broadband infrastructure, capital expenditure and services	83
Total	497

For additional details of our expenditure plans, see "Objects of the Issue" on page 39 of this Prospectus.

CONTRACTUAL OBLIGATIONS, COMMITMENTS, CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

The following table summarizes our contractual obligations and commitments to make future payments as of March 31, 2009, and the effect that such obligations and commitments are expected to have on liquidity and cash flow in future periods:

	As of September 30, 2009					
	As of March 31, 2009	Total	Within First Year	Second Year	Third to Fifth Year	After Five Years
						(Rs. million)
Long-term loans	3,297.90	3,260.19	768.81	1,028.44	1,387.94	75.00
Short-term Loans	392.08	1,008.04	1,008.04	-	-	-
Other Capital Commitments	394.29	307.02	307.02	-	-	-
Total Contractual Obligations	4,084.27	4,575.25	2,083.87	1,028.44	1,387.94	75.00

Contingent liabilities

As at September 30, 2009, we had the following liabilities which have not been provided for in our consolidated financial statements:

Contingent Liability:	(Rs. million)
Bank Guarantees	12.96
Corporate Guarantees	256.03
Letters of Credit	92.19
Claims against the Company (not acknowledged as debt)	470.36
Total	831.54

Off-balance sheet arrangements

We do not have any off-balance sheet arrangements.

QUANTITATIVE AND QUALITATIVE DISCLOSURE OF MARKET RISK

We are, in the normal course of business, exposed to interest rate, foreign currency and liquidity risks. Our risk management strategy aims to minimize the adverse effects of financial risk on our financial performance.

Interest Rate Risk

As at September 30, 2009, all of our outstanding indebtedness, Rs.4,268.23 million, was subject to floating interest rates. As a result, our results of operations may be materially affected by fluctuations in interest rates. We have not entered into any hedging transactions with respect to interest rates. In the future, we plan to incur fixed rate indebtedness rather than floating rate indebtedness.

Inflation

We do not believe that inflation has had a material impact on our business, financial condition and results of operations. If India were to experience significant inflation, we may not be able to fully offset the resulting higher costs through rate increases to subscribers or advertisers. Our failure or inability to do so could adversely affect our business, financial condition and results of operations.

Seasonality

We do not face significant seasonality issues in our business.

Foreign currency risk

All our input costs, such as pay-channel cost, band width and lease line costs and other input costs are denominated in Rupees. As a result, there is no foreign currency risk with respect to these purchases. However, our set-top boxes and cable modem purchases are imported and denominated in U.S. Dollars. In such circumstances, a decline in the value of the Rupee against the U.S. Dollar would increase the cost of purchase of such equipment. This would in turn result in increased depreciation costs for this equipment.

In addition, some of our borrowings are denominated in U.S. Dollars. As a result, a decline in the value of the Rupee against the U.S. Dollar would increase our interest expenses for such indebtedness.

SIGNIFICANT ACCOUNTING POLICIES

Our consolidated financial statements have been prepared in accordance with Indian GAAP. Our significant accounting policies are set forth in note 4A to our consolidated financial statements included in the Auditors' report on page F-1 of this RHP. Indian GAAP requires that we adopt accounting policies and make estimates that our directors believe are most appropriate in the circumstances for the purposes of giving a true and fair view of our results of operations and the understanding of our financial condition and results of operations. The impact and any associated risks related to these policies on our business operations is discussed throughout the "Management's Discussion and Analysis of Financial Condition and Results of Operations" where such policies affect our reported financial results. The preparation of our financial statements requires us to make difficult, complex and subjective judgments in selecting the appropriate estimates and assumptions that affect the amounts reported in our financial statements. By their nature, these judgments are subject to an inherent degree of uncertainty. These judgments are based on our historical experience, terms of existing contracts, our observance of trends in the industry, information provided by our customers and information available from other outside sources, as appropriate. There can be no assurance that our judgments will prove correct or that actual results reported in future periods will not differ from our expectations reflected in our accounting treatment of certain items.

While we believe that all aspects of our financial statements should be studied and understood in assessing our current and expected financial condition and results, we believe that the following critical accounting policies warrant additional attention:

Use of Estimates

The preparation of the financial statements in conformity with Indian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Such estimates are on a reasonable and prudent basis taking into account all available information; actual results could differ from estimates. Differences on account of revision of estimates actual outcome and existing estimates are recognized prospectively once such results are known / materialized in accordance with the requirements of the respective accounting standard, as may be applicable.

Revenue Recognition

Income from operations is recognized on accrual basis based on agreements / arrangements with the concerned parties.

Revenue from sale of prepaid Internet service plans, which are active at the end of a year, is recognized on a time proportion basis.

Subscription income from cable television services is accrued monthly based on the number of connections declared by LCOs. We bill LCOs on a monthly basis. In the event of a dispute with LCOs regarding such bill, we recognize revenue as per the invoice raised. Adjustments for the year, if any, arising on settlement is adjusted against our revenue. Provisions for doubtful debts are made wherever ultimate realization is considered uncertain.

Interest income is recognized on an accrual basis.

Fixed Assets and Intangible Assets

Intangible Assets

- Intangible assets are recognized only if they are separately identifiable and we expect to receive future economic benefits arising out of such intangible assets. Such assets are stated at cost less accumulated amortization and impairment, if any.

- Intangible assets comprise of cable television franchise rights, movie and serial rights, bandwidth rights, goodwill (including consideration for non-compete agreements) and software.

- The aggregate consideration paid to acquire cable television or broadband subscribers, along with network infrastructure assets and all the rights attached thereto, are accounted for as cable television franchise rights. In cases where network infrastructure assets can be separately valued, these assets are capitalized.

- We estimate the useful life of cable television franchise rights exceeds 20 years. Accordingly, these rights have been amortized over a period of twenty years from date of acquisition.

Tangible Assets

- Fixed assets are stated at cost less accumulated depreciation and impairment, if any. Cost comprises all expenses incurred in bringing the assets to their present location, including installation and commissioning expenses. The indirect expenditure incurred during the pre-commencement period is allocated proportionately over the cost of the relevant assets.

- Set-top boxes and Internet access devices on hand at the year-end are included in capital work in progress. On installation, such devices are capitalized or treated as sold depending on scheme opted by the customers.

Depreciation and Amortization

Intangible assets are amortized on a straight line basis over their expected useful lives as follows:

(a) Cable television franchise is amortized over a period of twenty years.

(b) Non-compete fees included in goodwill is amortized over the non-compete period or ten years in the event of absence of specific tenor in the relevant agreement.

(c) Goodwill arising on acquisition of businesses, subsidiaries or joint ventures that we believe have indefinite useful economic life has not been amortized.

(d) Software is amortized over the license period or five years in the event of absence of specific tenor in license.

(e) Movie and serial rights are amortized on exploitation over the balance license period in equal installments.

(f) Bandwidth Rights are amortized over the period set forth in the underlying agreements.

Depreciation of tangible fixed assets, except set-top boxes, is computed using the written down value method at the rates prescribed in Schedule XIV to the Companies Act, 1956. In case of additions or subtractions during the year, depreciation is computed from the month in which such assets are put to use and up to the month of sale or disposal as the case may be. After impairment, the asset is depreciated based on the revised carrying amount over its remaining useful life.

The cost of set-top boxes, net of estimated realizable value, is depreciated using the straight-line method over a period of 5 years.

Foreign Currency Transaction

(a) Foreign currency transactions are recorded at the exchange rate prevailing at the date of the transactions. Exchange difference arising on settlement of transactions is recognized as income or expense in the year in which they arise except for transactions covered under (c) below.

(b) Monetary assets and liabilities related to foreign currency transactions remaining unsettled at the end of a year are restated at the year-end exchange rate. Differences in translations and realized gains/(losses) on foreign currency transactions are recognized in the profit & loss account except for transactions covered under (c) below.

(c) In respect of any accounting period commencing on or after December 7, 2006, (1) exchange differences on settlement/conversion other than in respect of long term monetary items, are recognized in the profit and loss account and (2) exchange difference in respect of long-term monetary items, to the extent they relate to the acquisition of depreciable capital assets, are added to or deducted from the cost of the assets and are depreciated over the balance life of the assets.

Provisions, Contingent Liabilities and Contingent Assets

A provision is recognized when we have a present obligation as a result of past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are reviewed on each balance sheet date and are adjusted to effect the current best estimate.

Contingent liabilities are disclosed separately through a note to our financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in case of

- a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
- a possible obligation, unless the probability of outflow of resources is considered to be remote.

Contingent Assets are neither recognized, nor disclosed.

Leases

As Lessee — Operating Lease

Lease rentals in respect of assets taken on 'Operating Lease' are charged to Profit and Loss Account on the basis of underlying agreements.

As Lessor — Operating Lease

Assets subject to operating leases are accounted for as fixed assets. Lease income (such as set-top box and internet access device rentals) is recognized in the Profit and Loss Account on the basis of underlying agreements over the lease term. Operating lease costs, including depreciation, are recognized as an expense in the Profit & Loss Account.

As Lessee — Finance Lease

Assets acquired through finance leases which transfer the risk and rewards of ownership to us capitalized as assets at the value of the related lease agreements and depreciated as per the applicable policy.

Lease rentals payable is apportioned between principal and finance charges using the internal rate of return method. The finance charge is allocated over the lease term so as to produce a constant periodic rate of interest on the remaining balance of liability.

Earnings Per Share

Basic earnings per share are calculated by dividing the net profit for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

Impairments

We assess at each balance sheet whether there is any indication that assets may be impaired. If any such indications exist, we estimate the recoverable amount of the assets or the cash-generating unit and if the same is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

SECTION VII: LEGAL & 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, our Subsidiaries, Directors, Promoters and Group Companies, and there are no defaults, non-payment of statutory dues, over-dues to banks/financial institutions, defaults against banks/financial institutions, defaults in dues payable to holders of any debenture, bonds and fixed deposits and arrears of preference shares issued by our Company, defaults in creation of full security as per terms of issue/other liabilities, proceedings initiated for economic/civil/any other offences (including past cases where penalties may or may not have been awarded and irrespective of whether they are specified under paragraph (I) of Part 1 of Schedule XIII of the Companies Act) other than unclaimed liabilities of our Company or Subsidiaries and no disciplinary action has been taken by SEBI or any stock exchanges against our Company, Promoter or Directors. Unless stated to the contrary, the information provided below is as of the date of this Prospectus.

Neither our Company nor our Promoters, members of the Group Companies, Subsidiaries, associates nor our Directors have been declared as wilful defaulters by the RBI or any other Governmental authority and, except as disclosed in this section in relation to litigation, there are no violations of securities laws committed by us in the past or pending against us.

I. Outstanding litigation and material developments / proceedings initiated against our Company

Criminal

1. *Rajesh Mittal v. Hathway and others* (*Diary No. 2635 of 2003*)

   Mr. Rajesh Mittal filed a criminal complaint under Section 133 of the Code of Criminal Procedure against our Company and several other MSOs on June 23, 2003 before the Sub Divisional Magistrate (Hauz Khas), South Mehrauli, New Delhi. Mr. Rajesh Mittal has alleged that our Company along with the other MSOs have been spreading wires on streets through electricity poles, telephones poles and buildings without due authorization from the concerned authority. Mr. Mittal has alleged that this has been a cause of public nuisance and that such acts are dangerous and hazardous to the public at large. The case is currently pending and a reply is due to be filed by our Company on February 26, 2010.

2. *State of Delhi N.C.R. v. Surinder Kumar Dhupal (F.I.R. 400 /2008 dated December 30, 2008 under sections 63, 65 and 68 of the Copyrights Act, 1957)*

   ESPN Software (I) Private Limited ("**ESPN**") lodged a first information report ("**FIR**") with the Janakpuri Police Station, New Delhi on December 30, 2008 against Mr. Surinder Dhupal, in his capacity as a consultant to our Company. In the F.I.R, ESPN has alleged that our Company is exhibiting and transmitting signals from ESPN without proper authorisation from ESPN. ESPN has further alleged that such acts amount to piracy and abetting piracy on the part of our Company. Our Company is not a party to the F.I.R. Mr. Dhupal was granted bail on December 31, 2008 and the chargesheet in this matter is yet to be filed.

3. *State of Maharashtra v. Hathway; Mr. K.Jayaraman; Mr.Sanjay Ghagre; Mr. Manoj Dere on behalf of Hathway (Criminal Complaint No. 504/PS/06 to 519/PS/06; 591/PS/06 to 598/PS/06; 600/PS/06 to 603/PS/06; 606/PS/06; 609/PS/06; 612/PS/06)*

   Several composite complaints for violation of the provisions of Sections 5, 17(1) and 17(2) of the Cable Television Network (Regulation) Act, 1995 read with Rule 6(1) of the Cable Television Network Rules, 1994 were filed against our Company and its officers as well as against other MSOs and their officers on August 21, 2006 before the Chief Metropolitan Magistrate, Mumbai alleging *inter alia* that our Company and the other MSOs had been broadcasting certain films that were not suitable for unrestricted public exhibition pursuant to directions by the Bombay High Court in a public interest litigation filed by Ms. Pratibha Nathani in this regard. The Chief Metropolitan Magistrate issued process under Section 16(1)(a) of the Cable Television Network (Regulation) Act, 1995, in connection with such complaints. These complaints have currently been stayed pursuant to orders of the Sessions Court and the Bombay High Court passed in appeals filed by our Company against the order of issue of process by the Chief Metropolitan Magistrate.

4. *Sun TV Network Limited (represented by its Manager-Programmes) v. Mr. K.Jayaraman, Mr. Senthil Kumaran, Mr. Luxmanan, Mr Laxminarayan, Mr. Rajkumar, Mr. Satyamurthy and Mr Laxmiganthan, officers on behalf of our Company (Criminal Petition No. 12597 of 2008 and 12598 of 2008)*

   Sun TV Network Limited ("**Sun TV**") filed criminal complaints against our Company and its officers on November 21, 2008 before the 11th Metropolitan Magistrate, Saidapet. Sun TV has alleged that our Company and its officers have telecast certain audio visual content in relation to a song of a film whose copyright is allegedly exclusively owned by Sun TV and therefore our Company has violated the provisions of the Copyright Act, 1957. Summons in relation to the same have been served on Mr. K. Jayaraman. The matter has been adjourned to March 3, 2010 for arguments.

5. *State of Karnataka v. Mr. Dayanand Nagabhushan Rao, Assistant Manager (Operations) on behalf of our Company (Criminal Petition No. 22964 of 2004)*

   An FIR was filed at the Indira Nagar Police Station, Bangalore against Mr. Dayanand Nagabhushan Rao on February 5, 2005, alleging a negligence on the part of Mr. Rao that resulted in the death of a child. The child had allegedly died due to an electric shock suffered on coming into contact with a live wire. Our Company had contented that the cable belonged to a local cable operator. Pursuant to this F.I.R a complaint was filed before the Additional Chief Metropolitan Magistrate, Bangalore. The prosecution alleged that the cause of the death of the child was due to negligence on Mr. Rao's part in fixing cables on the electric poles. The matter has been adjourned for hearing of evidence to February 20, 2010.

6. *Upendra Namdev Jalgaonkar v. Ganesh Nirgude on behalf of Hathway (FIR No. 3005 of 2009)*

   A FIR was filed against Mr. Ganesh Mahadev Nirgude, a technician of our Company at one of the police station at Pune on January 17, 2009, under section 63 and 69 of Copyright Act 1957 by Mr. Upendra Jalagaonkar on behalf of Novex Communication Private Limited ("**Novex**") alleging that our Company had telecast a film without holding a valid license for the same from Novex. The investigation is concluded and chargesheet bearing no. 19/09 is filed.

Civil

1. *Teledatacom Private Limited v. Hathway (Summary Suit No. 399 of 2006)*

   Teledatacom Private Limited ("**Teledatacom**") had filed a summary suit against our Company on February 10, 2006 before the High Court of Bombay. Teledatacom had alleged that our Company had failed to pay certain amounts due to Teledatacom towards the purchase of cable modems amounting to Rs.3,488,763. Our Company has alleged that the cable modems supplied by Teledatacom were not in conformity with the quality standards as prescribed under the contract between the parties and therefore no payment was due to Teledatacom. The summons for judgement will come up for hearing in due course.

2. *North Bombay Cable Network Private Limited v. Hathway (Complaint no.365/08)*

   A Complaint has been filed by North Bombay Cable Network Private Limited before the Judicial Magistrate First Class III Court at Kalyan on October 25, 2007. The Complaint has been filed under sections 379, 411 and 34 of the Indian Penal Code, 1860 and also under sections 16 and 17 of Cable Television Network (Regulations) Act, 1995. The Complainant has alleged that our Company has in collusion with Accused Nos. 2 to 9 has abetted and supported the act of theft purported to have been committed by Accused No. 1. Process has been issued and in pursuance thereof summons has been served upon the Company. Next date of hearing is April 1, 2010.

3. *Super Cassette Industries v. Hathway and WCDPL (Suit No. 1315 of 2001)*

   A suit had been filed by Super Cassette Industries on July 7, 2001 before the Additional District Judge of the Tis Hazari Court against our Company and WCDPL alleging that the movie, "TUM BIN" was broadcasted by one of our LCOs without having a valid license to do the same. Super Cassette Industries has claimed damages amounting to Rs.5,00,000 on account of alleged losses suffered. The parties are

currently involved in settlement talks. The case is currently pending for directions on April 13, 2010.

4. *M/s Paramount Communications Limited v. Hathway (Suit No. 1037/09)*

A summary suit was filed by M/s. Paramount Communications Limited ("**Paramount**") on July 22, 2009 before the District Judge, Delhi against our Company alleging *inter alia* that our Company had failed to pay the amounts due to Paramount for the purchase of certain cables. Paramount has claimed a sum of Rs.427,374. A vakalatnama has been filed by our Company's advocate. The matter is currently pending.

5. M/s*. Meghana Vision v. Hathway (Appeal No. 257 of 2006)*

An appeal had been filed by M/s Meghana Vision ("**Meghana**") on November 8, 2006 before the Court of the Chief Judge of the City Civil Court, Hyderabad against the order of the Vth Senior Civil Judge, Civil Court, Hyderabad for the recovery of an amount of Rs.31,80,639, allegedly due to Meghana under a business transfer agreement that had been executed between the parties. Our Company's contention is that Meghana has breached the provisions of the business transfer agreement executed between the parties and was therefore not entitled to the alleged amounts. The City Civil Court rejected the petition filed by Meghana on jurisdictional grounds under the aforementioned order. The appeal has been admitted by the court, the interim stay prayed for against our Company has been rejected.

6. *M/s. Vishnusha Vision v. Hathway (Appeal no.258 0f 2006)*

An appeal had been preferred by M/s. Vishnusha Vision ("**Vishnusha**") on November 8, 2006 before the Court of the Chief Judge of the City Civil Court, Hyderabad against the order of the Vth Senior Civil Judge, Civil Court, Hyderabad for the recovery of an amount of Rs.6,672,850, allegedly due to Vishnusha under a business transfer agreement that had been executed between the parties. Our Company's contention is that Vishnusha has breached the provisions of the business transfer agreement executed between the parties and was therefore not entitled to the alleged amounts. The City Civil Court rejected the petition filed by Vishnusha on jurisdictional grounds under the aforementioned order. The appeal has been admitted by the court, however the interim stay prayed for against our Company has been rejected. The Appeal is pending for hearing.

7. *M/s. Vaishali Cable Vision v. Hathway Appeal No. 95 of 2006)*

An appeal had been filed by M/s. Vaishali Cable Vision ("**Vaishali**") on March 23, 2007 before the Court of the Chief Judge of the City Civil Court, Hyderabad against the order of the Vth Senior Civil Judge, Civil Court, Hyderabad for the recovery of an amount of Rs.607,675, allegedly due to Vaishali under a business transfer agreement that had been executed between the parties. Our Company's contention is that Vaishali has breached the provisions of the business transfer agreement executed between the parties and was therefore not entitled to the alleged amounts. The City Civil Court rejected the petition filed by Vaishali on jurisdictional grounds under the aforementioned order. The appeal has been admitted by the court, however the interim stay prayed for against our Company has been rejected. The Appeal is pending for hearing.

8. *M/s. Yamini Vision v. Hathway (Appeal no. 259 of 2006)*

An appeal had been filed by M/s. Yamini Vision ("**Yamini**") on November 8, 2006 before the Court of the Chief Judge of the City Civil Court, Hyderabad against the order of the Vth Senior Civil Judge, Civil Court, Hyderabad for the recovery of an amount of Rs.1,441,024, allegedly due to Yamini under a business transfer agreement that had been executed between the parties. Our Company's contention is that Yamini has breached the provisions of the business transfer agreement executed between the parties and was therefore not entitled to the alleged amounts. The City Civil Court dismissed the suit rejected the petition filed by Yamini on jurisdictional grounds under the aforementioned order. The appeal has been admitted by the court, however the interim stay prayed for against our Company has been rejected.

9. *B.V. Rama Narsimha Reddy v. Hathway (Appeal no. 96 of 2007)*

An appeal was filed by Mr. B.V. Rama Narsimha Reddy on November 8, 2006 before the Court of the Chief Judge of the City Civil Court, Hyderabad against the order of the Vth Senior Civil Judge, Civil Court, Hyderabad for the recovery of an amount of Rs.770,000 allegedly due to Mr. Reddy under a

business transfer agreement that had been executed between the parties. Our Company's contention is that Mr. Reddy has breached the provisions of the business transfer agreement and was therefore not entitled to the alleged amounts claimed against the Company. The City Civil Court rejected the petition filed by Mr. Reddy on jurisdictional grounds under the abovementioned order. The appeal has been admitted by the court, however the interim stay prayed for against our Company has been rejected. The appeal is currently pending.

10. *B.V. Rama Narsimha Reddy v. Hathway (O.S No. 255 of 2005)*

A suit was filed by Mr. B.V. Narsimha Reddy against our Company before the XIV Additional Chief Judge, City Civil Court, Hyderabad on January1, 2005 for the recovery of Rs.18,52,264 allegedly due in the nature of reimbursements to Mr. Reddy from our Company for cable network materials that had been purchased by Mr. Reddy on behalf of our Company. Our Company has denied the existence of any such arrangement with Mr. Reddy under which any amounts would be due to him as reimbursement. The case is currently pending for hearing on February 25, 2010.

11. *ESPN Star Sports and another v. TRAI and others (SLP Civil 2327/ 2007)*

A special leave petition had been filed by ESPN Software India Private Limited ("**ESPN**") before the Supreme Court of India on April, 15, 2007, challenging the judgment passed by the High Court of Delhi dated February 27, 2007 dismissing the petition that was filed by ESPN challenging the notification issued by the TRAI fixing a price of Rs.5 per channel in the CAS areas. TRAI has filed its counter affidavit. The matter will be listed in due course.

12. *Set Discovery Private Limited v. TRAI and others (SLP Civil 3448/2007)*

A special leave petition was filed by Set Discovery Private Limited ("**Set Discovery**") before the Supreme Court of India on July 9, 2007, challenging the final judgment dated February 27, 2007 passed by the TDSAT. The TDSAT had pursuant to such order dismissed the appeal that was filed by Set Discovery challenging the tariff order dated August 31, 2006 issued by the TRAI fixing a maximum retail price of Rs.5 per channel in the CAS areas on the ground that TRAI had acted in breach of principles of natural justice by arbitrarily fixing the maximum retail price at Rs.5 per channel. Our Company is an affected party in such matters and has filed its reply to the special leave petition. TRAI has filed its counter affidavit. The matter will be listed in due course.

13. *Neo Sports Broadcasts Private Limited v. Hathway (Civil Appeal No. 6247 of 2009)*

An appeal was filed by Neo Sports Broadcasts Private Limited ("**Neo Sports**") under section 18 of the TRAI Act before the Supreme Court of India on August 8, 2009 challenging the judgment and order dated May 13, 2009 passed by the TDSAT in Petition No. 209 (C) of 2008 which was filed by our Company. In Petition No. 209(c) it was, *inter alia*, contended by our Company that under the terms of an agreement dated April 12, 2008 with Neo Sports, the latter was to provide its signals in the whole territory of India to all existing networks of our Company, including our Company's joint ventures and distributors, irrespective of whether such joint ventures and/or distributors had an existing subscription agreement with Neo Sports as on April 12, 2008. Neo Sports, on the other hand, contended that those joint ventures and/or distributors which had an existing subscription agreement with it, did not form part of the agreement executed by Neo Sports with our Company. In particular, the issue was with Gujarat Telelink Private Limited ("**GTPL**") that operated in certain areas of Gujarat. Further, the legality and sustainability of a public notice dated September 12, 2008 issued by Neo Sports threatening disconnection of signals on grounds of non-provision of details of the subscribers and non-clearance of its dues towards subscription charges was also challenged by our Company in this petition. The TDSAT pursuant to its order dated May 13, 2008, held, *inter alia*, the following (i) GTPL formed part of the agreement dated April 12, 2008 and therefore Neo Sports was obliged to provide its signals to GTPL, and (ii) Hathway shall be required to make the payment of the amount due to Neo Sports. Hathway has made the payment required under the above TDSAT order. Neo Sports has filed the present appeal in the Supreme Court against the above order of the TDSAT. Pursuant to an order dated September 16, 2009, Hathway was ordered to file a counter affidavit within four weeks and the next date of hearing is February 15, 2010.

14. *RMV Communication Centre v. Hathway (Suit No. 1441/ 2006)*

A suit was filed against our Company by RMV Communication Centre ("**RMV**"), an LCO operating in Bangalore, on March 31, 2006, before the City Civil Court, Bangalore, seeking a permanent injunction to restrain our Company from transmitting signals to any other entity in the same territory as RMV. Currently no interim order has been passed in favour of RMV. The case is pending production of evidence by RMV before the court to support its suit on April 10, 2010.

15. *Sun TV Network Limited v. Hathway (Suit No. 962 of 2003)*

A suit has been filed against our Company by Sun TV Network Limited ("Sun TV") before the High Court of Madras on December 29, 2003 to restrain our Company from telecasting certain songs, the copyright of which was exclusively owned by Sun TV and thereby infringing Sun TV's copyright with respect to the same. The case is currently pending for hearing.

16. *Alayam Production v. Hathway (Suit no. 755 of 2001)*

A suit had been filed against our Company by Alayam Production before the High Court of Madras on September 27, 2001. Alayam Productions has alleged that our Company had relayed the film titled 'Bombay' to its subscribers without a valid license from Alayam Production to do the same. The application made by Alayam for interim orders against our Company has been dismissed by the court and the case is currently pending for framing of issues.

17. *State of Maharashtra v. Hathway (Kalyan Criminal Court 58/08)*

A complaint had been filed by the State of Maharashtra at the instance of Dombivali Police Station against the officials of our Company before the Judicial Magistrate, First Class, Kalyan pursuant to the FIR filed by Mr. Manjit Singh, on behalf of Zee Turner Limited ("**Zee**"). Mr. Singh had alleged that our Company had indulged in the act of piracy and thereby violated the provisions of the Copyright Act, 1957 by providing cable television signals in the territory of Dombivali without a valid authorisation from Zee to do the same. The police officials concluded the investigation and filed their chargesheet. Subsequently, the matter has been amicably resolved by the parties and our Company entered into a memorandum of understanding with Zee, for subscribing to the signals of the televisions channels provided by Zee. An application is yet to be made to discharge the officials of our Company. The matter is pending for hearing on April 12, 2010.

18. *Sukanya Holdings and Others v. Jayesh H. Pandya (Appeal no. 555 of 2005)*

An appeal had been filed by Mr. Jayesh H. Pandya before the Bombay High Court on June 28, 2005 against an order passed by the Single Judge of the Bombay High Court in a suit that was filed by Mr. Pandya against Sukanya Holdings, a partnership firm. Mr. Pandya and Sukhanya Holdings were partners in M/s Hetali Construction Company. Mr. Pandya had filed the suit against Sukanya Holdings in his capacity as one of the partners of M/s Hetali Construction Company in relation to a plot of land owned by M/s Hetali Construction Company and a building that was constructed on the said land. By an order dated November 27, 2002, the Court Receiver was directed to recover compensation at the market rate from the various occupants. Our Company was made a party to the suit since our Company were tenants of the building. However, in the appeal, no relief has been claimed by Mr. Pandya against our Company. Subsequently, our Company had vacated the premises and is no longer a tenant of the building. The appeal filed by Mr. Pandya is pending final hearing.

19. *Santosh Kumar v. Hathway (Suit No. 5196 of 2006)*

A suit was filed by Mr. Santosh Kumar, an LCO against our Company before the City Civil Court, Bangalore on July 13, 2006 seeking a mandatory injunction to restrain our Company from disconnecting the feed signals on account of non-payment of dues by Mr. Santosh Kumar to our Company. The suit is pending for hearing on February 26, 2010.

20. *Neo Sports Broadcasts Private Limited v. Hathway (M.A. No. 91 of 2009 in Petition No. 209 (c) of 2008)*

Neo Sports filed an application before the TDSAT under section 19 of the TRAI Act read with order 21 of the Code of Civil Procedure 1908 for executing the judgement and order dated May 13, 2009 passed by the TDSAT in petition No. 209 (c) of 2008. Neo Sports had alleged that our Company had failed to provide the monthly subscriber line reports to Neo Sports as per the provisions of the subscription agreement and had

failed to pay the monies allegedly due to Neo Sports. Our Company has filed its reply to the execution application and both parties have requested more time for further filings. Currently, the matter has been adjourned to March 15, 2010.

21. *Neo Sports Broadcasts Private Limited v. Hathway (M.A. No. 32 of 2010 in Petition No. 209 (c) of 2008)*

Neo Sports filed an application before the TDSAT under section 20 of the TRAI Act on February 2, 2010, alleging that our Company has committed a breach of the TDSAT order dated May 13, 2009 and subsequent orders dated August 17, 2009 and December 16, 2009 in relation to petition No. 209 (c) of 2008. Neo Sports has alleged that, despite being directed by the TDSAT to furnish the monthly subscriber line reports to Neo Sports, our Company has failed to do so. The application is listed for admission on March 15, 2010.

Consumer Cases

22. *Prakash Amichand Khandelwal v. Hathway (Complaint No.273 of 2009)*

A complaint has been filed on June 19, 2009 by Mr. Prakash Khandelwal before the Consumer Disputes Redressal Forum, Pune District against Hathway and others alleging that Hathway has failed to provide regular internet services and has failed to restore Internet services. Mr. Khandelwal has claimed an amount of Rs.10,700 from Hathway, out of which Rs.1,500 is towards refund of Internet charges, Rs.7,200 is towards compensation and Rs.2,000 is towards the charges of legal notice. Currently the matter is listed for filing written statement by Hathway on February 28, 2010.

23. *Pravin Kalani v. Hathway (Complaint No. : CC/09/511of 2718)*

A complaint has been filed on June 18, 2009 by Mr. Pravin Kalani before the District Consumer Disputes Redressal Forum, Aurangabad against Hathway alleging that Hathway has wrongly disconnected Internet services and has failed to restore such services. Mr. Kalani has claimed an amount of Rs.1,00,000 out of which Rs.90,000 is towards damages on account of mental and physical harassment and Rs 10,000 towards costs and restoring internet services. An application for interim relief of restoring internet services was also filed on June 18, 2009. The matter is now reserved for orders.

24. *Rajiv Kumar Gupta v. Guddu Kushwala and others, on behalf of Hathway (Case no. 413/09)*

A complaint was filed by Mr. Rajiv Gupta, a cable TV subscriber on August 12, 2009 before the District Consumer Forum, Allahabad in relation to a public notice dated July 27, 2009 issued by our Company informing the subscribers that the Company will disconnect the signals of the Neo Sports channel, within 21 days from the issue of the said notice, since the transmission of the same is not commercially viable to our Company. The case is pending for hearing on June 7, 2010.

25. *Sandeep Pulla v. Hathway (First Appeal 796/2007)*

An appeal was filed before the State Consumer Disputes Redressal Forum, Hyderabad by Mr. Sandeep Pulla on September 21, 2006 against the order of the District Consumer Redressal Forum dated July 17, 2006 that was passed in favour of our Company. Mr. Pulla alleged that due to certain power surges his computer had stopped working. Mr. Sandeep Pulla has claimed an amount of Rs.1,49,000 from our Company. The complaint was decided in favour of our Company, therefore an appeal has been preferred against this order. The appeal is currently pending.

26. *A.B Color Private Limited and others v. Hathway (CM/MUM/55/2009)*

A complaint was filed by A.B. Colors Private Limited and others on March 3, 2009 against our Company before the Consumer Dispute Redressal Forum, Mumbai alleging that the internet services provided by our Company were deficient in nature and that our Company had been negligent in providing prompt service to rectify errors. They have claimed an amount of Rs.10,00,000 towards compensation and Rs.14,000 as expenses from our Company. The matter is listed for arguments on February 25, 2010

27. *Mr. Ganesh Devidas Shrigandhi Vs. Hathway (CC no. PDF/310/2008)*

A complaint has been filed on October 9, 2009 by Mr. Ganesh Devidas Shrigandhi before the District Consumer Dispute Forum, Pune against Hathway for delay in providing a new internet connection. Mr. Ganesh Devidas Shrigandhi has claimed an amount of Rs.55,000 as loss of academic, legal expense and mental distress and an amount of Rs.5000 for costs. Currently the matter is listed for filing written statement by Hathway on March 11, 2010.

Notices

1. Our Company had received a show cause notice from the Ministry of Information & Broadcasting ("**MIB**") on February 2, 2005, alleging that objectionable songs were telecast on the local channel 'i TV'. Pursuant to receipt of the notice, a reply was filed by our Company stating that our Company had immediately discontinued telecasting the songs. The MIB by its order dated February 27, 2006, issued a warning to our Company for violating the programme code and directed our Company to run a continuous warning scroll on the Company's channel for a period of three days and thereafter submit the recording of such warning scroll to the MIB as proof of compliance. Subsequently, the MIB issued another show cause notice against our Company stating that our Company had not submitted the compliance report. Our Company has complied with the said order of the MIB.

2. Our Company had received a show cause notice from the MIB dated July 6, 2006 for the telecasting objectionable advertisements. Our Company filed a reply to the said notice stating that the advertisement had been discontinued since November 2005 and since then the Company has not received any further notice in this regard from the MIB.

3. Our Company had received a demand notice for the payment of entertainment tax from the Entertainment Tax Authority, Hyderabad dated February 20, 2007. Our Company had filed a reply to the notice stating that the issue regarding the payment of entertainment tax by a MSO was *sub judice* as a writ petition had been filed by our Company in the High Court of Andhra Pradesh and therefore requested that the proceedings initiated pursuant to the demand notice be stayed. Our Company has not received any further communication in this regard from the Entertainment Tax Authority.

4. Our Company had received a demand notice for the payment of entertainment tax from the Entertainment Tax Authority, Hyderabad dated September 8, 2005. Our company had filed a reply to the notice stating that the issue regarding the payment of entertainment tax by a MSO was *sub judice* since a writ petition had been filed by our Company in the High Court of Andhra Pradesh in relation to the same and therefore requested that the proceedings initiated by the demand notice be stayed. Our Company has not received any further communication in this regard from the Entertainment Tax Authority.

5. Our Company had received a demand notice for the payment penalty amounting to Rs.278,000 for non payment of entertainment tax for its primary point business from the Entertainment Tax Authority, Maharashtra dated July 11, 2006. Our company had filed an appeal against the same before the Appellate Authority, namely the Commissioner, Konkan Division and an injunction has been granted in favour of our Company, thus restraining the Entertainment Tax Authority from acting upon the said notice.

6. Our Company had received a closure order dated June 13, 2006 from the DoT in relation to the misuse of the broadband services provided by our Company to one of its customers. The customer was allegedly using our Company's broadband services for routing international calls via the internet. Our Company replied to the letter of the DoT, confirming that the customer's internet connection had been disconnected.

7. Our Company had received a notice from the MIB dated August 31, 2006 pursuant a writ petition filed by Mr. Har Govind Arora in the Delhi High Court for issuance of directions to various media operators to stop publishing, broadcasting or propagating objectionable advertisements. Our Company filed a reply to the said notice stating that our Company was in compliance with the programme code set out in the Cable TV Rules.

8. Our Company had received a notice from the Santacruz Police Station, Mumbai dated April 9. 2007 pursuant to a complaint filed by M/s. Noor Jahan Films alleging that our Company had screened the movie "Faisala", illegally without due authorisation from M/s. Noor Jahan Films. Our Company filed a reply against the said notice and also produced the agreement dated June 7, 2006 under which the cable television rights of the said film had been assigned to our Company.

9. Our Company had received a show cause notice dated September 27, 2007 from Prasar Bharati Doordarshan Kendra alleging violations of the provisions of the Cable TV Act by failing to transmit three Doordarshan channels in prime band. Our Company had filed a reply to the said notice, stating that the Company is in compliance with the provisions of the Cable TV Act. Our Company has not received any further notices.

10. Our Company had received a notice dated April 4, 2008 under section 91 of the Criminal Procedure Code from the Dombivali Police Station seeking information on whether our Company had the authority to distribute the signals received by our Company of the Star pay channels in Dombivali as on February 2, 2008. Our Company has filed a reply to the said notice stating *inter alia* that the Company had a valid memorandum of understanding executed between the parties as on February 2, 2008 by which our Company was authorized to transmit the signals received from Star. Pursuant to the reply to the notice, our Company has not received any further notices in this regard.

11. Our Company had received a notice from TRAI dated May 27, 2009 stating that our Company had not met the benchmarks of quality of service as prescribed in the Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television CAS Areas) Regulations, 2006. In this regard, a letter dated July 2, 2009 was submitted to TRAI, assuring it that, the Company would meet the benchmarks as prescribed under the Standards of Quality of Service (Broadcasting and Cable Services) (Cable Television CAS Areas) Regulations, 2006 in future.

12. Our Company had received a notice dated July 24, 2009 from TRAI alleging that our Company was transmitting signals of channels which were not permitted by the MIB. Our Company had replied to the notice stating that appropriate steps will be taken by the Company.

13. Our Company had received a show cause cum demand notice from the Commissioner of Service Tax, Mumbai dated April 20, 2009 alleging that our Company had utilized the CENVAT credit exceeding 35% up to September 9, 2004 and 20% up to August 20, 2007 of the service tax payable on the taxable output services of the Company without maintaining separate accounts for receipts, consumption and inventory of inputs and input services in relation to such output services and was therefore in contravention of the provisions of Rule 6(3)(c) of the Cenvat Credit Rules 2004. The said notice stated that an amount of Rs.36,978,507 towards CENVAT credit utilized in excess of the permissible limits and interest on the amount of service tax due and payable be paid by our Company under Rule 14 of the Cenvat Credit Rules, 2004 read with Section 73(1) of the Finance Act, 1994. Company has filed a reply dated May 5, 2009.

14. Our Company had received a show cause cum demand notice from the Commissioner of Service Tax, Mumbai dated February 17, 2009 alleging that our Company was involved in providing business auxiliary services to "TV Today" by signing a placement contract with them. The notice demanded the recovery of service tax amounting to Rs.2,900,418 under Section 73 of the Finance Act, 1994 for business auxiliary services provided by our Company during the period of October 2003 to September 2004. The notice required our Company to show cause as to why service tax amounting to Rs.2,900,418 should not be deducted and recovered in addition to the interest thereon and any amounts in the nature of a penalty should not be imposed on our Company under Section 76 and Section 77 of the Finance Act, 1994. Our Company had replied to the said notice on March 12, 2009 stating, *inter alia,* that pursuant to the placement contract, the Company was neither promoting nor marketing the channels of "TV Today" and hence it did not provide any business auxiliary services. Further, such notice was time barred. Currently the notice is pending adjudication.

15. Our Company has received a notice bearing ref. no.CNO./4-16/33/2008 dated October 6, 2009 from the office of the Commissioner of Customs and Central Excise Service Tax Cell Hyderabad – II Commissionerate requiring Hathway to show cause why (i) an amount of Rs.52,361 being the credit attributable to the portion of written off amount should not be recovered in terms of Rule 14 of the Central Credit Rules, 2004 read with proviso to subsection (1) of Section 73 of the Finance Act, 1994 (ii) interest at the applicable rate should not be demanded on the amount demanded under section 75 of Finance Act, 1994 (iii) a penalty should not be imposed on them in terms of Rule 15 of Cenvat Credit Rules, 2004 read with Section 78 of Finance Act, 1994. The said notice alleges that Hathway has failed to reverse CENVAT credit availed of by them in respect of services against which amounts due were written off. Hathway has replied to the notice through a letter dated November 6, 2009.

16. Our Company had received a letter from TRAI dated November, 9, 2009 under which TRAI had forwarded

a complaint made by one of our customers in Bangalore. The customer had alleged in the complaint that our Company had not refunded the initial deposit paid by the customer. By way of letter dated November 18, 2009, our Company replied to TRAI *inter alia* clarifying that the initial deposit of Rs.967/- (Rupees Nine Sixty Seven Only) had already been refunded to the customer along with the payment details of the same.

17. Our Company had received a letter from TRAI dated October 12, 2009 under which TRAI had forwarded a Complaint made by Anubhav Group & Other Companies Investors Association regarding the monthly cable charges for 'mass-TV-owners' in Pune. Pursuant to letter dated October 29, 2009, we replied to TRAI *inter alia* clarifying that the monthly subscription charges are levied upon the subscribers of Pune in accordance with the applicable Tariff Order issued by TRAI.

18. SEBI had sent a notice dated December 4, 2009 to Morgan Stanley, one of the GCs, enclosing complaints received from Space Cable Vision Network Private Limited and Mr. Govind Mehra (collectively, the "**Complainants**") regarding certain deficiencies in the disclosures made in the DRHP. The GCs and the BRLM have responded to SEBI and to each of the complainants.

19. Our Company had received a letter dated November 25, 2009 from the Joint Commissioner of Labour, Hyderabad ("**Joint Commissioner**"), enclosing a letter dated April 28, 2008 from the Hathway Cable Net Work Private Limited Employees Union ("**Union**") regarding non-fulfillment of certain demands made by the Union to the management of our Company. Our Company's representative attended the office of the Joint Commissioner on December 1, 2009, pursuant to which our Company has been asked to file its reply to the letter received from the Union. The matter has been adjourned and the next date of hearing will be notified to the Company by the Joint Commissioner.

20. Pursuant to an examination of our Company's records, the Commercial Tax Officer, Gowliguda Circle, Hyderabad ("**CTO**") passed an order dated May 30, 2009 for payment of Rs.528,521 as total tax allegedly due to the department by our Company. Subsequently on July 13, 2009, our Company filed an appeal against the order of the CTO before the Appellate Deputy Commissioner, Secunderabad Division, Hyderabad along with the payment of 12.5% of the disputed tax amount. By way of an order dated August 7, 2009, the Appellate Deputy Commissioner, Secunderabad Division, Hyderabad rejected the appeal filed by our Company. Our Company received a notice dated December 19, 2009 from the Assistant Commercial Tax Officer, Hyderguda Circle, Hyderabad in relation to the alleged arrears of value added tax and the penalties in relation thereto due from the Company amounting to Rs.581,373. Subsequently our Company has made payments amounting to Rs.508,701 in relation to the same under protest and is proposing to file an appeal before the sales tax tribunal against the order passed by the Appellate Deputy Commissioner, Secunderabad Division, Hyderabad.

21. Four summons have been issued by the Metropolitan Magistrate's Court, Saidapet, Madras to Mr. Rajasekhar in his capacity as the managing director of M/s. "C" Channel, which is the local cable channel operating in the Hyderabad owned by our Company. However, the said summons have not been served on the Company. The matter is currently pending.

22. Our Company received a sales tax assessment order dated January 29, 2003 from the Sales Tax Officer, Bandra Division, Mumbai ("**STO**") for the period from April 1, 1999 to March 31, 2000 in relation to a purchase tax demand including penalty thereon amounting to Rs.155,987. Our Company filed an appeal against the said assessment order on April 30, 2005 before the Assistant Commissioner of Sales Tax (Appeals). However, the Assistant Commissioner of Sales Tax (Appeals) dismissed our appeal by way of its order dated June 13, 2005. Subsequently, our Company filed its second appeal against the said assessment order before the Maharashtra Sales Tax Tribunal, Mumbai ("**MSTT**"). The MSTT by way of its order dated September 8, 2009, partly allowed the second appeal filed by our Company and reduced the total purchase tax levied by the STO to Rs.121,157 and remanded the matter to the assessing authority to rework the interest payable on the refund legally due. The Commissioner of Sales Tax, Mumbai has filed a reference application dated December 10, 2009 against the judgement of the MSTT to refer the said matter to the High Court of Bombay.

23. Three notices bearing nos. (a) 389/ R – ACP/ TMS/ EOW/ crime branch; New Delhi dated September 15, 2009, (b) 337/ R – ACP/ TMS/ EOW/ crime branch; New Delhi dated August 31, 2009, and (c) 402/ R – ACP/ TMS/ EOW/ crime branch; New Delhi dated September 24, 2009 have been issued by the office of the Assistant Commissioner of Police : IPR & TN Section , Economic Offences Wing , Crime Branch to the Company informing the company that Novex Communications Private Limited has filed a complaint

alleging that the company has been unauthorisedly distributing the signals of Shemaroo Entertainment Private Limited. The company has been called upon to appear before the Inspector on the date specified in the notice with relevant papers to prove that the company is authorized to distribute the signals. The company representatives attended the office of the inspector on January 12, 2010. A reply has been filed along with documents on January 12, 2010. No further notices have been received by the company.

24. Two statutory notices under Sections 433 and 434 of the Companies Act dated January 9, 2010 and January 14, 2010 have been sent to the Company by Zee Turner Limited ("**Zee Turner**") claiming an aggregate amount of Rs.139,750,209 from the Company pursuant to agreements/arrangements between Zee Turner and the Company, each stating that if the claimed amounts are not paid within three weeks of the date of receipt of such notice, winding up proceedings will be initiated by Zee Turner against the Company in order to recover such amounts. The Company has not yet filed replies to the notices.

25. Our Company has received a letter from TRAI dated February 2, 2010, enclosing a complaint received from Zee Turner dated December 23, 2009 and letters to our Company dated November 6, 2009 and December 18, 2009. Zee Turner has alleged that our Company and some other MSOs have not executed a subscription agreement for digital transmission of its signals in non - CAS areas and are providing services to customers who haven't been disclosed to Zee Turner. Our Company has not yet filed its response to the notice.

26. Hathway received an undated notice on November 18, 2009 from the Assistant Assessor and Collector (K/E Ward) of the Municipal Corporation of Greater Mumbai (**"MCGM"**). The notice was issued under Section 155 of Mumbai Municipal Corporation of Greater Mumbai Act, 1888, requesting Hathway to furnish the particulars and the leave and license agreement of the premises that is currently being occupied by Hathway at Sarla Software Park, Plot No. 369, Marol Maroshi Road, Andheri (East), Mumbai, to enable the Municipal Commissioner to determine the rateable value of the said premises.

Income Tax Notice

27. Our Company had received a notice from the Assistant Commissioner of Income Tax, Mumbai, for the assessment year 2006-2007 under Section 143 (1) of the Income Tax Act, 1961 on December 3, 2007. The Income Tax Department disallowed claims made by our Company of software development expenses of Rs.2,005,000 and service tax payment of Rs.5,471,000, less insurance claims received for block of plant and machinery. Our Company filed an appeal against the denial of claims by the Income Tax Department and the next date of hearing is March 10, 2010.

28. Our Company had received a notice from the Assistant Commissioner of Income Tax, Mumbai, for the assessment year 2007-2008 under Section 143(2) of Income Tax Act, 1961 dated August 7, 2009 to attend and appear before the Assistant Commissioner of Income Tax on September 4, 2009 and requested that our Company produce the necessary documents and other evidence to support the returns that have been filed by our Company for the financial year 2007-2008. Subsequently on November 19, 2009 and December 28, 2009, our Company's representative appeared before the Assistant Commissioner of Income Tax and submitted the required documents. Thereafter, the Assistant Commissioner of Income Tax, Mumbai passed an assessment order dated December 29, 2009 disallowing the receipts and expenses that had been claimed by our Company.

29. Hathway Media Vision, which has now been merged into our Company, had received a notice issued by the Assistant Commissioner of Income Tax, Mumbai for the assessment year 2006-2007 under Section 143 (2) of the Income Tax Act, 1961 on October 5, 2007. HMV had filed its tax returns on November 28, 2006 and declared a loss of Rs.33,801,797. The claim was disallowed by the Income Tax Department against which HMV had filed an appeal with Commissioner of Income Tax (Appeal). Currently the notice of hearing of appeal is pending.

30. Hathway Media Vision, which has now been merged into Hathway, had received a notice dated June 12, 2009, from the Assistant Commissioner of Income Tax Mumbai. The said notice was issued under Section 143(2) of Income Tax Act, 1961 for the assessment year 2008 - 2009 to produce documents and other evidence to support the returns filed by Hathway Media Vision for the financial year 2007-2008. Subsequently on November 23, 2009 the necessary documents were submitted to the Assistant Commissioner of Income Tax, Mumbai. Thereafter, the Assistant Commissioner of Income Tax, Mumbai passed an assessment order dated November 27, 2009 and ordered a refund of Rs.2,97,362/- (Rupees Two Lakh Ninety Seven Thousand Three Hundred Sixty Two Only).

Labour

1. Hathway v. Gangadhar (SEMP 7/2005)

Our Company had filed an interim application in the Labour Department of Hyderabad on December 22, 2004 raising preliminary objections to the interim order passed by the Labour Department directing our Company to pay a sum of Rs.120,000 to Mr. Gangadhar, who was one of our employees, on his application against our Company for reinstatement into service with our Company with back wages. Our Company's interim application has been heard and the same has been reserved for orders.

II. Outstanding Litigation and Material development/ proceedings initiated by our Company

Criminal

1. *Hathway v. Abdul Sattar, sole proprietor of M/s Video King (Criminal Complaint No. 4342 of 2009)*

   A complaint was filed by our Company before the Bandra Metropolitan Magistrate Court, Bandra, Mumbai on July 22, 2009 under sections 138 and 141 of the Negotiable Instruments Act, 1881 regarding the dishonour of two cheques for an aggregate amount of Rs.75, 000 issued by M/s Video King, to our Company towards outstanding feed charges due and payable by Ms. Video King. The matter has been adjourned for the summons report until February 25, 2010.

2. *Hathway v. M/s Magic Media Cable Network Private Limited and others (Complaint No. 4762 of 2003)*

   A complaint was filed by our Company before the Judicial Magistrate, First Class, Pune on April 24, 2003 under sections 138, 141 and 142 of the Negotiable Instruments Act, 1881 regarding the dishonour of a cheque for an amount of Rs.300,000 issued by M/s Magic Media Cable Network Private Limited, to our Company towards the outstanding feed charges due and payable by Magic Media Cable Network Private Limited. The matter has been adjourned until February 25, 2010 for recording of evidence by the parties.

3. *State of Maharashtra V/s. Jeetendra Fernandes C. R. No. 88/03 (1071/PW/05) Bandra Metropolitan Magistrate AND C. R. No. 228/03 (1070/PW/05) Bandra Metropolitan Magistrate*

   Mr. Jeetendra Fernandes was an employee of Hathway who connived with two vendors and has fraudulently siphoned off monies of the company. Our Company had registered two F.I.R. against him being 1071/PW/2005 under Section 467,468, 471,420, 408, 114 & 465 of Indian Penal Code 1860 and being 1070/PW/2005 under Section 467, 468 , 471,420 of Indian Penal Code. The Complaints are pending before Bandra Metropolitan Magistrate Court and have now reached the evidence stage. The next date of the matter is April 1, 2010.

Civil

1. *Hathway v. M/s Golden Cable Network (262 (c) of 2008)*

   Our Company had filed a petition against M/s. Golden Cable Network ("**Golden Cable**"), a LCO, in Pune, before the TDSAT on December 17, 2008 for the recovery of Rs.166,879 towards clearance of outstanding dues by Golden Cable to our Company. An injunction has been granted in favour of our Company, whereby Golden Cable has been restrained from migrating and taking cable television signals from any other competing MSOs prior to paying the amounts outstanding towards our Company. A rejoinder has been filed by our Company. The matter is listed for hearing and cross examination of witness on March 9, 2010.

2. *Hathway v. M/s Golden Cable Network (M.A. No. 81 of 2008 In 262(c) 2008)*

   Our Company had filed an application before the TDSAT against Golden Cable on May 29, 2009 under section 20 of TRAI Act, 1994, alleging that Golden Cable Network had wilfully violated the order passed by the TDSAT in the petition no. 262 (c) of 2008 and therefore had committed a contempt of court. The matter is listed for directions on March 9, 2010.

3. *Hathway v. M/s Sky Link Cable Network (260 (c) of 2008)*

   Our Company had filed a petition against M/s. Sky Link Cable Network ("**Sky Link**"), a LCO in Pune, before the TDSAT on December 17, 2008 for the recovery of Rs.570,173 towards clearance of outstanding dues by Sky Link to our Company. An injunction has been granted in favour of our Company, whereby Sky Link has been restrained from migrating and taking cable television signals from any other competing MSOs prior to paying the amounts outstanding towards our Company. A rejoinder has been filed by our Company on November 9, 2009. The matter is listed for hearing and cross examination of witnesses on March 9, 2010.

4. *Hathway v. Karanjkar Cable Network (261 (c) of 2008)*

   Our Company had filed a petition against M/s. Karanjkar Cable Network ("**Karanjkar**"), a LCO in Pune, before the TDSAT on December 17, 2008 for the recovery of Rs.99,270 towards clearance of outstanding dues by Karanjkar to our Company. An injunction has been granted in favour of our Company, whereby Karanjkar has been restrained from migrating and taking cable television signals from any other competing MSOs prior to paying the amounts outstanding towards our Company. A rejoinder has been filed by our Company on November 9, 2009. The matter is listed for hearing and cross examination of witnesses on March 9, 2010.

5. *Hathway v. Karanjkar Cable Network (M.A No. 80 of 2008 in 261(c) of 2008*)

   Our Company had filed an application before the TDSAT against Karanjkar Cable on May 29, 2009 before the TDSAT under section 20 of TRAI Act, 1994 as Karanjkar Cable Network had wilfully violated the order passed by the TDSAT in petition no. 261 (c) of 2008 and therefore had committed contempt of court. The matter is listed for directions on March 9, 2010.

6. *Hathway v. Sonal Multivision (263 (c) of 2008)*

   Our Company had filed a petition against M/s. Sonal Multivision ("**Sonal**"), a LCO in Pune, before the TDSAT on December 17, 2008 for the recovery of Rs.429,845 towards clearance of outstanding dues by Sonal to our Company. An injunction has been granted in favour of our Company, whereby Sonal has been restrained from migrating and taking cable television signals from any other competing MSOs prior to paying the amounts outstanding towards our Company. A rejoinder has been filed by our Company on November 9, 2009. The matter is listed for hearing and cross examination of witnesses on March 9, 2010.

7. *Hathway v. Vikrant Enterprise (185 (c) of 2006)*

   Our Company had filed a petition against Vikrant Enterprise ("**Vikrant**"), a LCO in Pune, before the TDSAT on July 10, 2006 for the recovery of Rs.112,240 towards clearance of outstanding dues by Vikrant to our Company. The matter is listed for directions on February 23, 2010.

8. *Hathway v. Star Den Media Services Private Limited (189 (c) of 2008*)

   Our Company filed a petition against Star Den Media Services Private Limited ("**Star Den**") on September 25, 2008 before the TDSAT to restrain Star Den from disconnecting the cable television signals that were being provided by Star Den to our Company in Lucknow. Star Den had alleged that our Company was distributing signals that were being provided by Star Den to areas that we were not authorised to, under the contract between Star Den and our Company. The case is pending for cross examination of Star Den's witnesses on February 23, 2010.

9. *Hathway v. Star Den Media Services Private Limited (Writ Petition (Civil) 6643/2008)*

   Our Company filed a writ petition before the Delhi High Court on September 10, 2008 under Article 227 of the Constitution of India challenging the interim order dated September 8, 2008 passed by TDSAT. By the said interim order, the TDSAT refused to grant an injunction to our Company against Star Den, restraining them from disconnecting the cable television signals in the city of Lucknow. The case has been disposed. We are awaiting receipt of the final copy of the order.

10. *Hathway v. Jeetendra Fernandes (SLP Criminal 7371/ 2007)*

Our Company has filed a complaint against Mr. Jeetandra Fernandes on May 15, 2003 before the Court of Judicial Magistrate, First Class (A.C.), Pune under Section 138 and 142 of the Negotiable Instruments Act, 1881, regarding dishonour of a cheque for an amount of Rs.50,000 towards the repayment of a loan from our Company and process was issued against him. Mr. Fernandes filed a revision application in the Court of Additional Sessions, Judge, Pune which was dismissed by an order dated January 30, 2007. Consequently, Mr. Fernandes filed a criminal writ petition in the High Court of Bombay which pursuant to its order dated August 22, 2007 compounded the complaint filed against him upon payment of the sum due. Our Company has filed a SLP against this order of the High Court. The counter affidavit has been filed by Mr. Jeetendra Fernandes. Our Company has sought further time to file its rejoinder. The matter is listed on for directions on April 5, 2010.

11. *Hathway v. M/s. Senior Media (Case No. 388 of 2009)*

    Our Company had filed a petition before the District Judge, Patiala House on March 25, 2009 for the recovery of Rs.1,980,855 due and payable by M/s Senior Media to our Company towards feed charges. The case is pending for admission and denial of documents on March 15, 2010.

12. *Hathway v. Society of Catalysts (WP (Civil) 8836/2007)*

    Our Company filed a writ petition before the Delhi High Court on November 27, 2007 challenging the order dated November 19, 2007 of the State Consumer Commission, Delhi, pursuant to which an application filed by our Company and others, raising the issue of absence of jurisdiction of the Consumer Commission to entertain matters within the exclusive jurisdiction of the TDSAT was dismissed. This writ is currently pending for arguments and the next date of hearing is on February 17, 2010.

13. *Hathway v. Alliance Broadcasting (Case No. 1099/01/2009*)

    A complaint had been filed by our Company against Alliance Broadcasting on April 16, 2009 before the Patiala House District Court under section 138 of Negotiable Instruments Act, 1881 for dishonour of the cheque of an amount of Rs.146,400 issued by Alliance Broadcasting to our Company towards placement fees due and payable by Alliance Broadcasting to our Company. The accused appeared before the court on November 19, 2009 after which bail has been granted to the accused. The matter is now listed for evidence on May 7, 2010.

14. *Hathway v. Deep Chandra Dixit and others (Arbitration Application No 450/2008)*

    Our Company filed a petition under Section 11 of the Arbitration Act and Conciliation Act, 1996 in the Delhi High Court on October 16, 2008 for the appointment of an arbitrator in relation to a dispute that had arisen pursuant to a breach of the non- compete covenant by one of its joint venture partners. Our Company has raised a claim of Rs.24,226,264 payable by its joint venture partners towards damages suffered by our Company for the loss of profit and has claimed a refund of the amount of investment made by our Company in the joint venture company, Hathway Jai Mata Di Sherawali Private Limited. The matter is currently pending.

15. *Hathway v. M/s Shravan Cable Network & Others*

    Our Company initiated arbitration proceedings before the sole arbitrator Mr Justice K.J. Shetty (appointed pursuant to the Bombay High Court order dated March 7, 2008) against its joint venture partners in Hathway Mysore Cable Network Private Limited on March 26, 2009. Our Company had claimed an amount of Rs.24,000,000 as damages payable to our Company on account of losses suffered by our Company due to the breach of the non-compete agreement dated December 13, 2003 and shareholders agreement dated December 13, 2003 executed between the parties. M/s. Shravan Cable filed a reply cum counter claim and claimed an amount of Rs.6,781,000 as a loss on the return on investment made by the joint venture partners in the joint venture. The arbitration is at the stage of cross-examination of the claimant's witness. The next date of hearing for cross-examination of the Company's witnesses is yet to be notified.

16. *Hathway v. M/s. Globe Vision*

Our Company had made a claim in an arbitration proceeding against M/s Globe Vision on October 21, 2005 before the sole arbitrator Mr. M.M Singh Sethi for an amount of Rs.2,010,237 and a counter claim had been made by M/s. Globe Vision against our Company for an amount of Rs.8,500,000. The dispute had arisen between the parties on account of our Company disconnecting the cable television signals that were provided to M/s. Globe Vision since an amount of Rs.2,010,237 was due and payable by M/s. Globe Vision to our Company. M/s Globe Vision had filed a counter claiming relation to the same. M/s. Globe Vision was a proprietorship concern and its proprietor has expired. Our Company has filed an application for bringing the legal heirs of the M/s. Globe Vision on record. The date for *ex-parte* evidence to be heard is March 5, 2010.

17. *Hathway v. Hathway Jai Mata Di Sherawali Cable and Datacom Private Limited (Company Petition 310/2008*)

A petition had been filed by our Company on October 14, 2008 before the Delhi High Court for instituting winding-up proceedings against Hathway Jai Mata Di Sherawali Cable and Datacom Private Limited ("**HJMD**'), in its capacity as a contributory of HJMD on the grounds that it was just and equitable that HJMD be wound up. HJMD is a joint venture company in which our Company is a fifty percent shareholder. This petition had been filed by our Company as the other shareholders of HJMD were acting against the interest of HJMD and were in breach of the provisions of the joint venture agreement executed between the partiers including the non-compete covenant. The petition is pending filing of the rejoinder and is to be listed for final hearing on April 8, 2010.

18. *Hathway v. Old City Communications Private Limited (Company Petition 57/2006)*

A petition had been filed by our Company on March 2, 2006 before the High Court of Delhi for winding-up of Old City Communications Private Limited, a MSO in Hyderabad and Secunderabad, on grounds that it was unable to pay its debts including those of our Company. The outstanding dues owed by Old Communications to our Company for the cable television signals supplied by our Company to Old Communications is Rs.5,766,164. A short synopsis of the matter has to be submitted to the court by May 19, 2010.

19. *Hathway v. Ram Avtar Yadav & Others (3381/1/2008)*

An application had been made by our Company under section 156 (3) of Criminal Procedure Code, 1873 in the District Court of Patiala House on December 13, 2008 *inter alia* praying that the magistrate direct the officers of the concerned police station to commence their investigation against Ram Avtar Yadav, our joint venture partner in Hathway Cable Entertainment Private Limited ("**HCEPL**"), in Gurgaon. The cause of action as stated in the compliant arises from the fact that Ram Avtar Yadav has breached the non-compete covenant of the joint venture agreement between the parties and has fraudulently transferred the network belonging to HCEPL to another party. The application has been placed for directions on April 2, 2010.

20. *Hathway v. S.V Health Care and another (1284/01/09)*

A complaint was filed by our Company before the Chief Metropolitan Magistrate, Delhi on June 26, 2009 under Section 138 and 142 of Negotiable Instruments Act, 1881 for the dishonour of a cheque issued by S.V Health Care in favour of our Company for an amount of Rs.144,500 towards charges payable for advertisements placed on the local channel. A non-baliable warrant has been issued against the Mr. Ravi Gupta, the proprietor of S.V. Health Care. The matter is pending hearing.

21. *Hathway v. M/s. Kable One Entertainment TV Network India Private Limited & Ors. (C.C No. 879 of 2010)*

A complaint has been filed by our Company before the Additional Chief Metropolitan Magistrate, Hyderabad on January 29, 2010 under section 138 and 142 of the Negotiable Instruments Act, 1881 in relation to three dishonoured cheques issued by Kable One Entertainment TV Network India Private Limited ("**Kable**") in favour of our Company for an aggregate total of Rs.10,418,723/-. These cheques were issued to our Company towards placement charges payable by Kable to our Company. The matter has been adjourned to February 19, 2010 for issuance of summons to the accused .

22. *Hathway v. Karnataka Power Transmission Corporation Limited and Bangalore Electricity Supply*

Company (Suit no. 7012 of 2004)

Our Company had filed a suit against the Karnataka Power Transmission Corporation Limited ("**KPTCL**") and Bangalore Electricity Supply Company ("**BESCOM**") on September 24, 2004 before the Court of City Civil Judge, Bangalore seeking permanent and mandatory injunction to restrain KPTCL and BESCOM from dismantling or tampering with the optical fibre cables that belonged to our Company and installed by us on electric poles within the city of Bangalore in accordance with the terms of an agreement dated March 26, 2001 between them as renewed from time to time. An interim relief was granted to our Company. KPTCL and BESCOM had alleged that our Company's license to install the cables had expired. The matter is currently pending.

23. *Hathway v. Shivam Communications Private Limited (Company Petition 141 of 2006)*

Our Company had filed a winding-up petition against Shivam Communications Private Limited ("**Shivam**") before the High Court of Andhra Pradesh on March 23, 2006 since Shivam was unable to pay its debts due and payable to our Company on account of the outstanding feed charges amounting to Rs.9,743,558 Shivam has sought time to file its reply.

24. *Hathway v. M/s. Vanasthali Communications Private Limited (Company Petition 148 of 2006)*

Our Company had filed a winding-up petition against M/s. Vanasthali Communications Private Limited ("**Vanasthali**") before the High Court of Andhra Pradesh on March 23, 2006 since Vanasthali was unable to pay its debts due and payable to our Company on account of the outstanding feed charges amounting to Rs.3,534,283. Vanasthali has sought time to file its reply.

25. *Hathway v. M/s Secunderabad Communications Private Limited (Company Petition 149 of 2006)*

Our Company had filed a winding-up petition against M/s. Secunderabad Communications Private Limited ("**Secunderabad Communications**") before the High Court of Andhra Pradesh on March 23, 2006 since Secunderabad Communications was unable to pay its debts due and payable to our Company on account of the outstanding feed charges amounting to Rs.6,984,367. Secunderabad Communications has sought time to file its reply.

26. *Hathway v. Javed Shaikh*

Our Company had initiated arbitration proceedings before the sole arbitrator Mr Rahul Chitnis against Mr. Javed Shaikh, a LCO, on May 3, 2004. Our Company had claimed an amount of Rs.6,976,750 as damages payable to our Company on account of the losses suffered by our Company due to breaches of the provisions of the non-compete agreement executed between the parties. Mr. Javed Shaikh had filed a reply cum counter claim against our Company towards amounts that were due and payable to him under the business transfer agreement in relation to the transfer of the Reshma Network to Shree Channel which was subsequently transferred to our Company. Mr. Javed Shaikh's affidavit of evidence has been filed. The matter is listed for cross-examination of witnesses and is currently pending.

27. *Hathway v. V.G. Selvan (Arbitration Petition No. 457 of 2006)*

Our Company had initiated arbitration proceedings before a sole arbitrator against V.G.Selvan, a LCO on August 31, 2004. Our Company had claimed an amount of Rs.5,610,633 as damages payable to our Company by Mr. Selvan for losses suffered by our Company towards loss of business, non payment of feed charges, loss of equipments, etc. Mr. Selvan had filed a counter claim against our Company for an amount of Rs.5,671,230 as damages towards loss of equipment charges, losses or not providing different cable television channels and proper cable television facilities. An Award was passed by the sole arbitrator dismissing the counter claim made by V.G Selvan and granting a partial award in favour of our Company for an amount of Rs.859,703along with interest. V.G Selvan had filed an appeal as Arbitration Petition No. 370 of 2006 before the Bombay High Court on July 19, 2006 challenging the award passed by the sole arbitrator. The matter is pending.

28. *Hathway v. N. Jayalakshmi (Arbitration Petition No. 680 of 2008)*

Our Company filed an appeal against the arbitration award dated June 18, 2008 before the Bombay High Court on October 18, 2008 claiming an amount of Rs.3,200,000 against N. Jayalakshmi. Our Company had

initiated arbitration proceedings against N. Jayalakshmi pursuant to the business transfer agreement executed between the parties wherein the estimated revenue to be generated after the due diligence conducted by our Company was not the same as estimate by N. Jayalakshmi. However, out of the total consideration of Rs.800,000 paid by our Company only Rs.100,000 was refunded by N. Jayalakshmi. N. Jayalakshmi also made a counter claim against our Company claiming the balance amount due under the business transfer agreement. An award dated June 18, 2008 was passed against our Company and the counter claim was allowed. This petition is currently pending admission.

29. *Hathway v. BBC Advertising Private Company. (Company Petition 336 of 2006)*

Our company had filed a winding-up petition before the Bombay High Court on June 10, 2006 against BBC Advertising Private Company ("**BBC Advertising**"), an advertising company, on the grounds that BBC Advertising was unable to pay its debts legally due and payable to our Company. The petition is currently pending for hearing.

30. *Hathway v. B.V. Rama Narasimha Reddy and others (Arbitration Applications Nos - 1 of 2006, 2 of 2006; 3 of 2006 and 4 of 2006*

Our Company filed an application under section 11 of the Arbitration and Conciliation Act 1996, before the High Court of Bombay on November 22, 2006 for the appointment of an arbitrator to preside over the arbitration proceedings with respect to the disputes and differences that have arisen between our Company and Mr. Reddy in connection with the business carried on pursuant to a business transfer agreement between our Company and Mr. Reddy. Mr. Reddy had not accepted the appointment of an arbitrator as nominated by our Company under the business transfer agreement. Currently the application is pending for arguments.

31. *Hathway v. Pandit D.P Sharma on behalf of Himtaj Oil (3619 of 2004)*

Our Company had filed a summary suit before the High Court of Bombay on October 30, 2004, for the recovery of advertisement revenue from Pandit D.P Sharma. The summary suit is currently pending for filing of affidavits.

32. *Hathway v. State of Maharashtra (W.P. No.124 of 2008; W.P. No.126 of 2008; W.P. No.127 of 2008; W.P. No.128 of 2008; W.P. No.129 of 2008; W.P. No.130 of 2008; W.P. No.131 of 2008; W.P. No.132 of 2008; W.P. No.133 of 2008; W.P. No.134 of 2008; W.P. No.135 of 2008; W.P. No.136 of 2008; W.P. No.137 of 2008; W.P. No.138 of 2008; W.P. No.139 of 2008; W.P. No.140 of 2008; W.P. No.141 of 2008; W.P. No.142 of 2008; W.P. No.143 of 2008; W.P. No.144 of 2008; W.P. No.145 of 2008; W.P. No.146 of 2008; W.P. No.147 of 2008; W.P. No.245 of 2008)*

Our Company and its officers had filed various writ petitions before the Bombay High Court on January 18, 2006 under section 482 of Criminal Procedure Coder, 1973. These writ petitions had been filed for quashing, setting aside and recalling the order dated September 22, 2006 passed by the 37th Court of the Additional Chief Metropolitan Magistrate, Esplanade Court, for the seizure of the equipment of our Company on the allegation that certain films containing content not suitable for unrestricted public view had been shown by our Company The writ petitions have been admitted and is pending final hearing.

33. *Hathway v. State of Maharashtra (Criminal Revision Application Nos. 378 of 2007 to 389 of 2007)*

Our Company and its officers had filed criminal revision applications before the Sessions Court, Greater Bombay on February 5 2007 under section 397 of Criminal Procedure Code, 1973. These revision applications had been filed for revision of an order passed by the 37th Court of the Additional chief Metropolitan Magistrate, Esplanade Court dated August 21, 2006 for setting aside and quashing the impugned orders passed in the criminal complaints *inter alia* issuing process and also for quashing the complaints themselves. The complaints had been made on the ground that the broadcasters and cable operators are exhibiting content which is not meant for unrestricted public exhibition. Currently the criminal complaint proceedings have been stayed till further orders.

34. *Hathway v. Sachin Shah (Summary Suit 4775/2006)*

Our Company, as a media concessionaire, had filed a summary suit before the City Civil Court, Mumbai on August 24, 2006 for recovery of charges for advertisements placed by Career Avenue on the local cable channel for recovery of an amount of Rs.25,000 from Sachin Shah, the sole proprietor of Career Avenues. The suit is pending for directions and will come up for hearing on March 26, 2010.

35. *Hathway v.R.B. Sahani (Summary Suit No. 4776 of 2006)*

Our Company, as a media concessionaire, had filed a summary suit before the City Civil Court, Mumbai on

August 24, 2006 for recovery of charges for advertisements placed by the Cambridge College on the local cable channel for recovery of an amount of Rs.22,647 from R.B. Sahani, the sole proprietor of Cambridge College. The suit is pending for directions and will come up for hearing on March 26, 2010.

36. *Hathway v. Creative Ventures (Summary Suit No.SS/136/2007)*

Our Company had filed a summary suit before the High Court of Bombay on January 16, 2007 for recovery of an amount of Rs.1,59,883 for advertisements placed by Creative Ventures on the local cable channel belonging to our Company. The suit is pending for final hearing and will be listed in due course.

37. *Hathway v. M/s. Lotus Builders and Developers (842 of 2003)*

A summary suit was filed by our Company before the Bombay High Court for the recovery of the amount of Rs.700,000 which was paid by our Company as a security deposit under a leave and license agreement dated October 5, 1998 between our Company and Lotus Builders and Developers Limited in respect of the premises situated at Lotus Commercial Complex 12- A, Dr. Annie Besant Road, Worli, Mumbai – 400 018. Currently the matter is pending for the Company to file its rejoinder.

38. *Hathway v. State of Andhra Pradesh and others (Writ Petition No.26567 of 2006*)

Our Company filed a writ petition before the Andhra Pradesh High Court challenging the amendments made in the Andhra Pradesh Entertainment Tax Act, 1939 pursuant to which entertainment tax is levied on MSOs. The State had levied a sum of Rs.5,813,760 as an amount being the arrears of entertainment tax from our Company for the period of May 1, 2005 to June 30, 2006. Pending the hearing of this writ petition, the demand notice issued by commercial tax officer for the payment of arrears of entertainment tax has been stayed. The petition will be listed for hearing in due course.

39. *Hathway v. State of Karnataka (Appeal No. 1122 of 2009)*

Our Company had received a communication dated April 27, 2007 from the Deputy Commissioner of Commercial Taxes, Bangalore stating that the Artificially Created Light Energy created by Hathway in the OFC network which was used for the purpose of transmission of data/information from one place to another in the OFC network was liable to be treated as goods and would be liable for levy of sales tax under Section 5(1) of Karnataka Sales Tax Act, 1957 under the category "non-scheduled goods". Our Company filed a writ petition challenging the same *inter alia* on the grounds that broadband is a service and cannot be termed as goods liable to value added tax ("**VAT**"). The division bench ruling of the Karnataka High Court held that VAT was applicable to the instant case. Our Company filed an appeal in the Supreme Court and was remanded to the first appellate authority with directions that the matter should be considered afresh. Our Company has therefore accordingly filed an appeal before the Appellate Tribunal of Sales Tax which on January 19, 2010 has passed an order permitting Hathway to withdraw our appeal with liberty to file the appeal with the Joint Commissioner, Commercial Taxes, Bangalore.

40. *Hathway v. State of Karnataka and others (Writ Petition No. 2399 of 2006)*

Our Company filed a writ petition under Article 226 of the Constitution of India before the High Court of Karnataka on February 14, 2006 challenging *inter alia*, the constitutional validity of certain provisions inserted in the Karnataka Entertainment Taxes Act, 1958 pursuant to which Entertainment Tax is sought to be imposed on MSOs on the basis that such tax violates the fundamental right of both the MSO and the viewers. The Company has challenged the issuance of demand notices issued under section 4(g) of the Karnataka Entertainment Tax, 1958. By an order dated July 10, 2007 the petition was admitted and the petitioner was permitted to pay taxes as contemplated in Section 4 G of Karnataka Entertainment Taxes Act 1958 in addition to the taxes contemplated in Sec 4 C of the said act pending the hearing and final disposal of the writ petition. The petition is currently pending for final disposal.

41. *Hathway v. State of Karnataka (Writ Petition 7321 of 2007)*

Our Company had filed a writ petition before the High Court of Karnataka on April 25, 2007 for challenging the action of the State to issue orders of assessment, demand notices and prosecution notices under Section 4(g) of the Karnataka Entertainment Tax Act, 1958 in disregard of the matter of constitutional validity of such provisions being *sub-judice*. The writ petition is pending for hearing.

42. *Hathway v. Sahara Sanchar Limited & Ors (Petition No.245 (C) of 2009)*

A recovery petition has been filed by our Company before the TDSAT on November 05, 2009 for the recovery of Rs.89,56,776/- against M/s Sahara Sanchar Limited ("**Sahara Sanchar**") as amount due and payable towards carriage and placement charges for the territory of Delhi. Sahara Sanchar has filed its reply before the TDSAT. Our Company has sought time to file its rejoinder. The matter is now listed for cross examination of witness on February 24, 2010.

43. *Hathway v. ESPN Software India Private Limited (Petition no. 242 (c) of 2009)*

Our Company filed a petition against ESPN Software India Private Limited ("**ESPN**") on October 30, 2009 before the TDSAT to restrain ESPN from disconnecting the cable television signals that were being provided by ESPN to Hathway in Bengaluru. ESPN claims that Hathway has not paid ESPN its dues and that the agreement between Hathway and ESPN in relation to the provision of signals by ESPN to Hathway has expired. By an interim order dated November 3, 2009, Hathway has been directed to pay ESPN a sum of Rs.1.33 crores within three days. Subject to such payment, ESPN gave an understanding that it will not disconnect its signals provided to the Company. Hathway failed to pay such sum of Rs.1.33 crores within the stipulated time and such undertaking given by ESPN was discharged. The case is now listed for framing of issues on March 16, 2010.

44. *Hathway v. ESPN Software India Private Limited (Petition no. 246 (c) of 2009)*

Hathway has filed a petition against ESPN Software India Private Limited ("**ESPN**") on November 9, 2009 before the TDSAT to restrain ESPN from disconnecting the cable television signals that were being provided by ESPN to Hathway in the area of Dombivali, Mumbai. ESPN had claimed that Hathway has not paid the outstanding dues to ESPN in relation to the supply of ESPN's signals. The TDSAT has directed Hathway to make payment of an amount of Rs.25,00,000/- and has further directed that signals shall be supplied only on payment of this amount to ESPN. The case is listed for framing of issues on March 16, 2010.

45. *Hathway v. ESPN Software India Private Limited (Petition no. 247 (c) of 2009)*

Hathway has filed a petition against ESPN Software India Private Limited ("**ESPN**") on November 9, 2009 before the TDSAT to restrain ESPN from disconnecting cable television signals that were being provided to our Company in Thane district. ESPN has claimed that Hathway has not made paid ESPN its outstanding dues for the supply of ESPN signals. Hathway has disputed ESPN's claims on the ground that there has been a reduction of the subscriber base on account of LCOs migrating to Hathway's competitors. The TDSAT has not granted any relief to Hathway. A reply was filed by ESPN on November 17, 2009 seeking dismissal of the petition and stated that ESPN had deactivated its services to Hathway on November 6, 2009. Pursuant to an application for amendment made by Hathway, the petition has been amended. ESPN has sought time to file its reply to the amended petition. The matter is listed for framing of issues on March 16, 2010.

46. *Hathway & others v. ESPN Software (I) Private Limited (Petition 225 (C) of 2009)*

Hathway and certain of its subsidiaries Hathway Bhawani Cabletel & Datacom Limited, Win Cable and Datacom Private Limited, Hathway Krishna Cable Network Private Limited, Hathway Software Developers Private Limited, UTN Cable Communications Private Limited, Hathway VCN Cablenet Private Limited, and Hathway Nashik Cable Network Private Limited have a filed a petition on October 12, 2009 before the TDSAT challenging the legality of five public notices dated between September 23, 2009 and September 24, 2009, all issued by ESPN Software (I) Private Limited ("**ESPN**") regarding the potential deactivation of ESPN's signals in the following areas namely Delhi, Mumbai, Chembur, Mumbra, Nashik, Pune, Bangalore and Hyderabad, on the ground that Hathway and its above mentioned subsidiaries have been distributing ESPN's signals through digital (unencrypted) mode without having a written agreement for such distribution. ESPN has filed its reply to the petition. The matter is now listed for evidence.

47. *Hathway v Star Den Media Services Private Limited (Petition No. 26 of 2010)*

Our Company has filed a petition against Star Den Media Services Private Limited ("**Star Den**") before the TDSAT on February 3, 2010 in relation the supply of signals of the channels distributed by Star Den to our Company in Lucknow pursuant to a subscription agreement that had expired on December 31, 2008. Our Company had filed a petition being Petition No. 189(C) of 2008 against Star Den to restrain / injunct Star Den from disconnecting the signals of the channels distributed by Star Den. The said petition is pending adjudication. Our Company has requested Star Den to renew the said agreement on reasonable and non-discriminatory terms and to restrain Star Den from disconnecting its signals. Star Den has sought time to file its reply. The matter is now listed for directions on March 8, 2010.

48. *Hathway v Assistant Commissioner of Income Tax (Appeal No. CIT(A)-XI/ITO-11/V(2)/IT505/06-07)*

Hathway Media Vision, which has now been merged into Hathway, had received a notice dated December 21, 2006 from the Income Tax Officer, Mumbai for the assessment year 2004-2005 under Section 143 (3) of the Income Tax Act, 1961 on December 21, 2006 in relation to certain claims that were made by Hathway Media Vision that were disallowed by the Income tax Officer. These claims pertain to certain amounts that were appropriated by Hathway towards travel and conveyance expenses, repairs and maintenance expenses, communication expenses, etc. Hathway Media Vision had filed an appeal with the Commissioner of Income Tax (Appeal) which was heard on October 28, 2009. The Commissioner of Income Tax (Appeals) – XI passed an order dated October 6, 2009 partly allowing the appeal.

49. *Hathway v. Commissioner of Income Tax (Appeal No. IT 72/ 09-10)*

Hathway has filed an appeal dated January 29, 2008 before the Commissioner of Income Tax (Appeals) – VI challenging the assessment order passed by the Assistant Commissioner of Income Tax, Central Circle 34, Mumbai in relation to certain claims made by Hathway that were not allowed by the Commissioner of Income Tax for the assessment year 2005-06. These claims pertain to certain deductions that were claimed by Hathway on account of revenue expenditure, provision of retirement benefits, outstanding service tax liabilities, etc. The next date of hearing is March 10, 2010.

50. *Hathway Media Vision (now merged with Hathway) v. Spider Cable (99 (c) 2005)*

A recovery petition had been filed by Hathway Media Vision ("**HMV**") on September 25, 2005 before the TDSAT against Spider Cable, a LCO. HMV had alleged that an amount of Rs.6,981,834 is due and payable by Spider Cable as the outstanding due and payable to our Company. The case is pending for hearing.f As per the terms of the counter claim dated December 6, 2005 filed by Spider before TDSAT, an amount of Rs.3,008,994/- has been claimed by Spider from HMV.

51. *TRAI v. Set Discovery Private Limited and others. (Civil Appeal No. 829 of 2009)*

An appeal had been filed by the TRAI before the Supreme Court of India against the order of the TDSAT dated January 15, 2009 with respect to various appeals that had been filed by number of broadcasters and MSOs challenging the Telecommunication (Broadcasting and Cable Services) (Second) Tariff (Eighth Amendment) Order 2007, dated October 4, 2007 ("**Tariff Order 2007**"). The TDSAT in the said order has *inter alia* held that the impugned Tariff Order 2007 violates the principles of transparency as laid down in Section 11(4) of the TRAI Act. The TDSAT set aside the impugned Tariff Order 2007 with a direction that TRAI should study the matter afresh and issue a comprehensive order. The Supreme Court has admitted the appeal made by TRAI and has directed TRAI to submit its report on or before June 30, 2010.

III. Litigation involving Directors of our Company

1. *State of Maharashtra. K. Jayaraman (Criminal Complaints under section 16 of CATV Act; 591/PS/06 : 592/PS/06: 593/PS/06 ;595/PS/06; 596/PS/06 ;597/PS/06 ; 598/PS/06; 600/PS/06; 601/PS/06; 602/PS/06; 603/PS/06 ; 606/PS/06; 609/PS/06; 612/PS/06; 504/PS/06; 505/PS/06; 506/PS/06;507/PS/06;508/PS/06; 509/PS/06; 510/PS/06; 511/PS/06; 512/PS/06; 513/PS/06; 514/PS/06; 515/PS/06; 516/PS/06; 517/PS/06; 518/PS/06 519/PS/06)*

Several composite criminal complaints for violation of Section 5 and Section 17 (1) and Section 17 (2) of the Cable Television Network (Regulation) Act 1995 read with Section 6 (1) of the Cable Television Network Rules, 1994 had been filed against our Company and its officers as well as against other MSOs and their officers on August 21, 2006 before the Metropolitan Magistrate Court, Mumbai alleging *inter alia*

that our Company along with the other MSOs had been broadcasting certain films that were not suitable for unrestricted public exhibition pursuant to directions by the Bombay High Court in a Public Interest Litigation filed by Ms. Pratibha Nathani in this regard. These criminal complaints have currently been stayed pursuant to orders of the Sessions Court and the Bombay High Court.

2. *Sun TV Network v. Mr. K. Jayaraman on behalf of our Company (Criminal Petition No. 12597 of 2008 and 12598 of 2008)*

   Sun TV Network (Sun TV) filed criminal complaints against our Company and its officers on November 21, 2008 before the 11th Metropolitan Magistrate, Saidapet. Sun TV has alleged that our Company and its officers have telecast certain audio visual content in relation to a song of a film whose copyright is allegedly exclusively owned by Sun TV and therefore our Company has violated the provisions of the Copyright Act, 1957. Summons in relation to the same have been served on Mr. K. Jayaraman. The matter has been adjourned to March 3, 2010.

3. There are two criminal cases filed against Mr. Uday Shankar and Others in respect of telecast of programmes on Star News channel in 2007. One case is before the Chief Judicial Magistrate, Gautam Budh Nagar Noida and pertains to alleged defamation of the petitioner and his family by showing the programme. The Notice has been issued to other respondents but not to Uday Shankar. The other case is before the Single Judge, Delhi High Court and pertains to telecast of a program showing certain discrepancy in the CBSE office and the involvement of the Petitioner. This case is listed in September for disposal in view of settlement arrived between the parties. Both cases have been filed against Mr. Uday Shankar in his capacity as the former editor and CEO of Media Content & Communications Services (India) Private Limited, the entity which owns and operates the Star News channel in India.

4. There is a dispute over tax deductibility of interest charged on loan availed by Jagdish Kumar to acquire shares in Space TV under Section 57(iii) of the Income-tax Act, 1961 pertaining to the assessment year 2003-04 in respect of the assessment order passed by the Assistant Commissioner of Income-tax, Range 26(1), Mumbai. Appeals filed against the original assessment order: (a) the Commissioner of Income-tax (Appeals) – first appeal decided against Jagdish Kumar; and (b) the Income-tax Appellate Tribunal ('ITAT') – second appeal currently pending adjudication. The appeal hearing in respect of the matter pending before that ITAT has been adjourned in view of another decision of the ITAT expected to be issued shortly in a similar case. The conclusions in such an order of the ITAT are likely to be followed in Jagdish Kumar's case. There is no monetary demand on Mr. Jagdish Kumar and even if the ITAT was to decline the request in appeal the result would be denial of refund to Jagdish Kumar.

5. An Appeal has been filed by Akasaka Electronics Limited ("**Akasaka**") in which Mr. Sasha Mirchandani is a director, before the Central Excise & Service Tax Appellate Tribunal in respect of excise duty demand pertaining to financial year 1991-1992, 1992-1993, 1995-1996, 1996-1997, 1997-1998 and 1999-2000. The amount demanded under the notices aggregates to Rs.2,280,000.

6. *Ms. Meena Sanjay Gupta v. HBCL & Ors. (Regular Case No.1008/2009)*

   A criminal complaint has been filed by Ms. Meena Sanjay Gupta under sections 406, 420 read with section 34 of the Indian Penal Code, 1806 against HBCL and its directors which includes Mr. K. Jayaraman, one of the directors of our Company before the court of the Judicial Magistrate First Class – Vashi at Central Business District, Belapur alleging that HBCL had entered into to a consultancy agreement dated December 1, 2001 with Mr. Sanjay Gupta, her late husband pursuant to which HBCL had agreed to pay a sum of Rs.17,500/- per month to Ms. Meena Gupta for a period of ten years from the date of demise of Mr. Sanjay Gupta. Ms. Meena Gupta further alleged that HBCL had commenced payment of the agreed amount after the demise of Mr. Sanjay Gupta but started deliberately avoiding the payment of the agreed sum after a certain period. Ms. Meena Gupta alleged that HBCL had cheated her and hence was liable for criminal breach of trust. HBCL and its directors received summons dated January 2, 2010, directing them to appear before the Judicial Magistrate First Class – Vashi at Central Business District , Belapur on March 3, 2010.

7. Four cases have been filed by the Bombay Municipal Corporation ("**BMC**") in the Metropolitan Magistrate, 39th Court Vile Parle, Mumbai against Mr. Rajan Raheja, in his capacity as a director of Juhu Beach Resorts Limited ("**Juhu Resorts**") on account of Juhu Resorts storing trichlorocynaric acid in excess of the prescribed limits, carrying on repairing and servicing of refrigerators and kitchen appliances, keeping a tailoring shop and manufacturing of wooden furniture, without the necessary license for conducting such

activities. He has received summons for the same on November 16, 2009. All the said cases have been adjourned to March 10, 2010.

8. *Outlook Publishing (India) Pvt. Ltd. v. Planman Consulting India Pvt. Ltd. & Anr.*

   A complaint no. 3829 of 2009 had been filed by Planman Consulting India Private Limited ("**Planman**") before the Metropolitan Magistrate - Karkardooma Court, New Delhi *inter alia* against Mr. Rajan Raheja, Mr. Akshay Raheja and Mr. Viren Raheja, in their capacities as directors and major shareholders of Outlook Publishing (India) Private Limited ("**Outlook**") alleging that Outlook had published false and defamatory news articles regarding Planman. A petition for stay of said order has been filed by Outlook Publishing (India) Private Limited. The proceedings in the said matter have been stayed by the Delhi High Court by its order dated December 10, 2009. The next date of hearing before the Metropolitan Magistrate - Karkardooma Court, New Delhi is March 11, 2010.

Penalties imposed on our Directors

1. A compounding fee of Rs.7,000 was levied by the Inspector of Legal Metrology on Mr. Rajan Raheja, in his capacity as a director of Juhu Beach Resorts Limited ("**Juhu Resorts**"), the owner of J.W. Marriott Hotel at Juhu, Mumbai under the Standard of Weights & Measures Act, 1976 for compounding the offences committed by Juhu Resorts under the Packaged Commodity Rules 1977. Such compounding fee was paid by Juhu Resorts on September 28, 2007.

2. Several penalties were imposed by BMC against Mr. Rajan Raheja, in his capacity as a director of Juhu Resorts, on account of Juhu Resorts storing hydrochloric acid, inorganic oxidizing agent and rubber solution in excess of the prescribed limits and conducting certain other activities without the required licenses for the same. A penalty of Rs.10,500 was imposed on account of each violation aggregating to an amount of Rs.52,500, which was paid by Juhu Resorts on March 5, 2008.

3. Several penalties were imposed by the BMC against Mr. Rajan Raheja, in his capacity as a director of Juhu Resorts on account of Juhu Resorts *inter alia* storing of compressed natural gas and nitrogen, repairing and servicing of refrigerators, manufacturing of wooden furniture, storing trichlorocynaric acid and oxidising agents without the necessary license for conducting such activities. A penalty of Rs.10,000 was imposed on account of each violation aggregating to an amount of Rs.70,000, which was paid by Juhu Resorts on March 18, 2009.

4. Several penalties were imposed by the Superintendent of State Excise, Mumbai against Mr. Rajan Raheja, in his capacity as a director of Juhu Resorts on account of band rolls found missing at five restaurants and relevant papers not being produced for inspection. An aggregate penalty of Rs.65,000 was paid by Juhu Resorts on July 17, 2008

5. Several penalties were imposed by the BMC against Mr. Rajan Raheja, in his capacity as a director of Juhu Resorts on account of Juhu Resorts storing hydrochloric acid, inorganic oxidizing agent and rubber solution in excess of the prescribed limits and manufacturing wooden furniture without the necessary license for conducting such activities. An aggregate penalty of Rs.50,000 was paid by Juhu Resorts on March 25, 2009.

6. A compounding fee of Rs.5,000 was levied by the Regional Director, Western Region, Ministry of Corporate Affairs on Mr. Rajan Raheja in his capacity as a director of Innovasynth Technologies (India) Limited ("**Innovasynth**"), for not mentioning the constitution of the audit committee in the accounts for the year ending on March 31, 2004. It was alleged that Innovasynth was in violation of the provisions of Section 292A of the Companies Act, 1956. The same was paid by Innovasynth on October 24, 2007.

7. Several penalties were imposed by the BMC on Mr. Rajan Raheja and Mr. Akshay Raheja, in their capacity as directors of Globus Stores Private Limited ("**Globus**") for several violations relating to the display of advertisement and signage without the permission of BMC at various stores, non-display of name board in Marathi at Bandra store and accumulation of water in basement of the Bandra store. An aggregate amount of Rs.26,200 and Rs.21,000 was paid by Globus on behalf of Mr. Rajan Raheja and Mr. Akshay Raheja respectively.

8. Several penalties were imposed by the Inspector of Legal Metrology on Mr. Rajan Raheja, Mr. Akshay Raheja, Mr. Viren Raheja and Mr. Vinayak Aggarwal, in their capacity as directors of Globus for compounding of offences committed under the Packaged Commodity Rules, 1977 at various stores in Mumbai. An aggregate amount of Rs.40,000, each was paid by Globus on behalf of Mr. Rajan Raheja, Mr. Akshay Raheja , and Mr. Viren Raheja and an amount of Rs.35,000 was paid by Globus on behalf of Mr, Vinayak Aggarwal.

9. Compounding fees were imposed by the Inspector of Legal Metrology on Mr. Rajan Raheja and Mr. Akshay Raheja, in their capacity as directors of H & R Johnson (India) Limited ("**H.R. Johnson**"), for compounding of offences committed by H.R Johnson under the Packaged Commodity Rules 1977. An aggregate amount of Rs.22,000 and Rs.45, 000 was paid by H.R. Johnson on behalf of Mr. Rajan Raheja and Mr. Akshay Raheja, respectively.

Notices

1. A show cause notice was issued to Mr. Rajan Raheja, in his capacity as a director of EIH Limited by the Commissioner of Customs wherein it was alleged that EIH Limited had used an imported aircraft contrary to the conditions of the relevant customs notification. EIH Limited contended that the use of the imported aircraft was in accordance with the prescribed norms and clarification issued by the relevant authorities. The proceedings are currently pending.

2. A notice was issued by the Superintendent of Stamps alleging deficiency in stamp duty payable on the order of amalgamation of erstwhile Akasaka with Imercius Technologies (India) Limited (currently known as Akasaka Electronics Limited), of which Mr. Sasha Mirchandani is a director. The amount involved in the notice is Rs.5,436,000.

IV. Litigation involving our Promoters

1. A complaint no. 3829 of 2009 had been filed by Planman Consulting India Private Limited ("**Planman**") before the Metropolitan Magistrate - Karkardooma Court, New Delhi *inter alia* against Mr. Rajan Raheja, Mr. Akshay Raheja and Mr. Viren Raheja, in their capacities as directors and major shareholders of Outlook Publishing (India) Private Limited ("**Outlook**") alleging that Outlook had published false and defamatory news articles regarding Planman. A petition for stay of said order has been filed by Outlook Publishing (India) Private Limited. The proceedings in the said matter have been stayed by the Delhi High Court by its order dated December 10, 2009. The next date of hearing before the Metropolitan Magistrate - Karkardooma Court, New Delhi is March 11, 2010.

V. Litigation involving our Subsidiaries and Joint Ventures

***Win Cable & Datacom Private Limited** ("**WCDPL**")*

1. *Bobby Suresh Shah v. Shehnaz Soni & Others (SLP 12293 / 2007)*

   A special leave petition had been filed by Mr. Bobby Suresh Shah against Ms. Shehnaz Soni and others in the Supreme Court of India on July 16, 2007 against the final judgement and order dated June 16, 2007 of the High Court of Bombay in civil application 1918/2007 in First Appeal No. 1076/2007. The main issue in this case relates to a memorandum of understanding entered into between Mr. Shah and Ms. Soni. The dispute arose when Ms. Soni created a right in favour of WCDPL inspite of a restriction on creation of third party interest in the memorandum of understanding. In his petition, Mr. Shah has asked that the agreements entered into between Ms. Soni and WCDPL be declared null and void. The suit is currently pending final hearing.

   WCDPL has been joined as a necessary and proper party and relief has been sought against WCDPL to provide its cable TV signals directly to the Mr. Shah.

2. *Time Warner Entertainment Company Private Limited v. WCDPL (Case no. 2409 of 2000)*

   A suit was filed by Time Warner in the High Court of Delhi on October 31, 2000 against WCDPL for permanent and mandatory injunction restraining WCDPL from telecasting and broadcasting on their cable network any cinematographic film, the copyright of which vests with Time Warner or its

affiliates and to hand over all infringing copies of such films. Time Warner had alleged that exclusive copyrights of certain films vest with them and despite not licensing the same to WCDPL, the latter exhibited the same. An interim injunction was granted in favour of Time Warner restraining WCDPL from exhibiting these films. The amount claimed by Time Warner as damages against WCDPL is Rs.2,524,392. Currently the matter is pending for admission and production of documents. The next date of hearing is on March 15, 2010.

3. *Anil Sharma v. WCDPL*

   Arbitration proceedings were initiated by Mr. Anil Sharma, a LCO against WCDPL before Mr. M.M Sethi, the arbitrator, on January 28, 2003, for restoration of signal and for damages arising out of loss of business. The signals had been disconnected as Mr. Sharma had failed to pay the amount of Rs.440,000 due to WCDPL. WCDPL has filed a counter claim against Mr. Sharma for the same. Mr. Anil Sharma's claim has been rejected by the arbitrator. However, the order by the arbitrator in relation to WCDPL's counter claim is pending.

4. *State of Delhi v. Narain, Chunnu, technical executives of WCDPL (F.I.R 207 of 2007)*

   A complaint has been registered under sections 52A, 63 and 68 of the Copyright Act, 1957 against Mr. Narian and Mr. Chunnu, the technical executives of WCDPL on behalf of WCDPL before the Metropolitan Magistrate, Kakaduma on September 4, 2000 by Mr. Satish Kapoor Chairman Prime Protection Private Limited. Mr. Kapoor has alleged that WCDPL has screened the film '*Hamara Dil Apke Pas Hai*' in the area of Mayur Vihar, New Delhi. The next date of hearing (for examination of the prosecution witness) is May 6, 2010.

5. *The Society of Catalysts v. WCDPL and Hathway (Complaint No. 07/35/2641 of 2007)*

   A complaint was filed by a consumer association, the Society of Catalyst, against WCDPL and our Company before the State Consumer Commission, Delhi on 2007 claiming that no additional charges should be payable for cable services for multiple TV sets in the same house and alleging that the service providers were overcharging and providing deficient services. Further, pursuant to an order dated November 19, 2007, the State Consumer Commission dismissed the application of the petitioners raising the issue of the absence of jurisdiction of the Consumer Commission to entertain the complaints. Our Company had filed a writ petition in the Delhi High Court on November 27, 2007 challenging the jurisdiction of the consumer forum to try and entertain the complaint on the ground that TDSAT has exclusive jurisdiction in such matters. The complaint is currently pending final orders before the State Consumer Commission.

6. *WCDPL v Grass Link Advertising Private Limited & Others (Civil Suit No. 655 of 2008)*

   A suit was filed by WCDPL before the High Court, Delhi on April 11, 2008 for recovery of certain amounts payable by Grass Link Advertising, an advertising agency, towards advertisement fees owed to WCDPL amounting to Rs.2, 469,079. A written statement is to be filed by Grass Link Advertising Private Limited and is listed for completion of pleading on February 19, 2010.

7. *WCDPL v. Grass Link Private Limited & TCL Electronics Private Limtied (Civil Suit No.61 of 2008)*

   A suit was filed by WCDPL before the Additional District Judge, Tis Hazari District Court, Delhi on February 25, 2008 for recovery of certain amounts payable by Grass Link Advertising, an advertising agency, towards advertisement fees owed to WCDPL amounting to Rs.8,84,563. A written statement has been filed by Grass Link.

8. *WCDPL v. Grass Link & Hair Appliances Private Limited (Civil Suit No. 149 of 2008)*

   A suit was filed by WCDPL before the Senior Civil Judge, Delhi on February 23, 2008 for recovery of certain amounts payable by Grass Link Advertising, an advertising agency, towards advertisement fees owed to WCDPL amounting to Rs.72,923. The next date of hearing is March 4, 2010.

9. *WCDPL v. SSC Network (Complaint No. 717 of 2002)*

WCDPL had filed a complaint in the Tis Hazari District Court, Delhi on October 14, 2002 under section 138 of the Negotiable Instruments Act, 1881 against SSC Network for a dishonored cheque of an amount of Rs.36,000, issued to WCDPL for amounts payable by SSC Network to WCDPL for cable television charges. Currently, a non - bailable warrant has been issued against SSC Network and next date of hearing is July 12, 2010.

10. *WCDPL v. Xact Times and others (Complaint No. 758 of 2008)*

WCDPL filed a complaint against Xact Times before the Chief Metropolitan Magistrate, Delhi on February 4, 2008 under section 138 and 142 of the Negotiable Instruments Act, 1881 in connection with a dishonored cheque for an amount of Rs.75,000, that had been issued by Xact Times for advertisement fees payable to WCDPL. The case has been transferred to Metropolitan Magistrate Dwaraka and the summons is yet to be issued by Metropolitan Magistrate, Dwaraka.

11. *WCDPL v. Asraar Hussain (Criminal Complaint No. 313 of 2003)*

A complaint was filed by WCDPL against Mr. Asraar Husain before the Metropolitan Magistrate Court, Rohini, on February 11, 2003 under section 138 of Negotiable Instruments Act, 1881. The cheque for an amount of Rs.303,000 had been issued by Asraar Hussain for payment of cable operator charges, which has been dishonoured. Non–bailable warrants have been issued against the Mr. Hussain and the next date of hearing is October 18, 2010.

12. *WCDPL v. Win Cable Entertainment Private Limited (Petition No. 310 of 2007)*

WCDPL had filed a recovery petition for an amount of Rs.3,237,286 in the TDSAT on November 26, 2007 against Win Cable Entertainment Private Limited for outstanding money payable by Win Cable Entertainment Private Limited towards cable TV signals supplied by WCDPL. Additional evidence by way of affidavit has been filed by WCDPL. In this regard, the next date for the cross examination of Win Cable Entertainment Private Limited's witnesses is February 18, 2010.

13. *WCDPL v. Hum Video (Petition No. 63 (c) of 2007*)

A recovery petition had been filed before the TDSAT by WCDPL against Hum Video, an LCO for an outstanding amount of Rs.4,618,220 payable as feed charges before the TDSAT on February 27, 2007. Pursuant to an order dated August 10, 2009, Hum Video was ordered to pay Rs.4,500,000 by August 31, 2009 and an additional payment of Rs.150,000 per month thereafter. The matter is listed for final hearing on March 3, 2010.

14. *WCDPL v. Indrajit Singh (C.S. No. 65 of 2005)*

Mr. Indrajit Singh, a LCO, has filed a civil suit in the Ludhiana District Court on April 23, 2005 for restraining WCDPL from disconnecting its cable TV signals. The next date of hearing is April 7, 2010.

15. *WCDPL v Assistant Commissioner of Income Tax, Mumbai (Appeal No. 1211/Mum-2009 dt.10-12-2008)*

A notice was issued against WCDPL by Assistant Commissioner of Income Tax, Mumbai in the assessment year 2004-2005 under Section 143(1) of the Income Tax Act, 1961 on January 2, 2005. During the course of the proceedings, it was alleged that certain discrepancies were discovered in the income of WCDPL. Therefore, the Income Tax Department disallowed an amount of Rs.3,890,571 and an amount of Rs.614,111 from being set off as expenses and appropriated these amounts towards the income of WCDPL. WCDPL filed an appeal which was subsequently rejected by the Income Tax Department by its order dated December 10, 2008. WCDPL filed another appeal against the said order before the Income Tax Appellate Tribunal. The matter is pending before the Income Tax Appellate Tribunal and the next date of hearing is February 23, 2010.

16. *WCDPL v Deputy Commissioner of Income Tax, Mumbai (Appeal No. CIT(A)20/9(3)/IT493/07-08)*

A notice was issued against WCDPL by the Deputy Commissioner of Income Tax, Mumbai, for setting off losses and other items amounting to a total of Rs.11,466,734 for the assessment year 2005-2006

under section 143(2) of the Income Tax Act, 1961 on October 26, 2006. An appeal has been filed before the Commissioner of Income Tax (Appeals) by WCDPL on January 3, 2008. The appeal was fixed for hearing before the Commissioner of Income Tax (Appeals) on October 29, 2009 but since the Commissioner of Income Tax (Appeals) was on leave, the said hearing did not take place. The notice for the next date of hearing of the appeal is pending.

17. *WCDPL v Deputy Commissioner of Income Tax, Mumbai (Appeal No. CIT(A)20/9(3)/IT493/07-08)*

    A notice was issued by the Deputy Commissioner of Income Tax, Mumbai against WCDPL for the assessment year 2006-2007 on November 29, 2007 under Section 143(2) of the Income Tax Act, 1961. WCDPL had claimed a total loss of Rs.154,523,991 in its return filed on November 29, 2006, which was disputed by the Income Tax Department. An appeal has been filed by WCDPL before the Commissioner of Income Tax (Appeals) on January 26, 2009. The notice of hearing in the appeal is pending and is still to be received by us.

18. *WCDPL v. Space Vision (Complaint No. 970 of 2006)*

    A complaint has been registered by WCDPL under section 138 of the Negotiable Instruments Act, 1881 before the Patiala House District Court, which has been subsequently transferred to Dwaraka Courts, Delhi on May 16, 2006 against Space Vision for dishonoring two cheques, each amounting to Rs.20,000/- each issued to WCDPL for amounts payable by Space Vision to WCDPL in relation to cable feed charges. The matter is listed for evidence on March 8, 2010.

19. *WCDPL v. Space Vision (Complaint No. 971 of 2006)*

    A complaint has been registered by WCDPL under section 138 of the Negotiable Instruments Act, 1881 before the Patiala House District Court, which has been subsequently transferred to Dwaraka Courts, Delhi on May 16, 2006 against Space Vision for dishonoring three cheques, each amounting to Rs.20,000/- each issued to WCDPL for amounts payable by Space Vision to WCDPL in relation to cable feed charges. The matter is listed for evidence on March 8, 2010.

20. *Link Vision (through sole Proprietor Bobby Shah) v. Mr. Bharat Harwani & Ors. (No. 5(c) of 2010)*

    A petition was filed before TDSAT by Link Vision (through sole Proprietor Bobby Shah- cable Operator) against Mr. Bharat Harwani and Ors alleging that Mr. Bharat Harwani has wrongfully disconnected cable TV signals to Link Vision and has sought compensation from the Respondents for loss of business due to the wrongful disconnections of cable signals. WCDPL has been made a party to the Petition as Respondent No.2. The matter has been admitted and is listed for further directions on February 17, 2010.

Notice

21. WCDPL had received a notice dated October 9, 2009 from the office of the Income Tax Officer under section 142 (1) of Income Tax Act, 1961, for the assessment year 2007-2008, to furnish certain documents and a hearing was fixed on October 16, 2009. A notice under section 271 read with 279 of the Income Tax act, 1961, due to failure to submit the required documents was issued to WCDPL on December 30, 2009 and WCDPL was requested to appear within 15 days from the date of receipt of such notice to show cause why no penalty should be imposed. Pursuant to submission of documents WCDPL has received an assessment order dated January 5, 2010.

22. WCDPL has received three statutory notices under Sections 433 and 434 of the Companies Act dated January 14, 2010 by Zee Turner claiming an aggregate amount of subscription fee of Rs.18,657,856 from WCDPL pursuant to agreements/arrangements between Zee Turner and WCDPL, each notice stating that if the claimed amounts are not paid within three weeks from the date of receipt of such notice, winding up proceedings will be initiated by Zee Turner against WCDPL in order to recover such amounts. WCDPL has filed its interim replies to the said notices.

Hathway Internet Satellite Private Limited ("HISPL") and Binary Technologies and Transfers Private Limited ("Binary Technologies")

1. *HISPL and Binary Technologies v. Space Vision Cable Network Private Limited (Arbitration Petition no. 952 of 2009)*

   HISPL, Binary Technology and Space Vision Cabletel Private Limited ("**SVCPL**") formed a partnership firm, M/s. Hathway Space Vision, in 2001 to carry on business as a cable operator/MSO in various parts of Mumbai. In the course of business, certain disputes and differences arose between the petitioners and SVCPL in connection with the finances of the firm, and certain other matters such as such as alleged non-cooperation by SVCPL in finalization of accounts, siphoning off and misappropriation of funds by SVCPL, non-cooperation by SVCPL in filing tax returns and arbitrarily switching off certain channels without consulting HISPL and Binary Technology. While HISPL and Binary Technology have claimed an amount of Rs.71,456,812, SVCPL has made a counter claim of Rs.516,706,852. HISPL and BTTPL have filed an appeal in the Bombay High Court on November 5, 2009 under section 34 of the Arbitration and Conciliation Act 1996 ("**Arbitration Act**") setting aside the arbitration award dated September 14, 2009 as it was against public policy. Pursuant to the terms of this award, the claims made by HISPL and BTTPL and the counter claims made by SVCPL have been dismissed. The appeal is pending for hearing.

   Both HISPL and BTTPL have also filed a petition on October 7, 2009 (Arbitration Petition 881 of 2009) in the Bombay High Court under section 9 of the Arbitration Act seeking an extension of interim orders dated May 12, 2004 and March 22, 2005 passed by the Bombay High Court, which had placed certain restrictions on SVCPL. This petition is currently pending hearing.

Hathway Bhaskar Multinet Private Limited (HBMPL)

1. *Super Cassettes Industries Limited v. Assistant General Manager of Bhaskar Multinet Limited (BML, now merged with HBMPL) (Suit No.1156/07)*

   A civil suit had been filed by the Super Cassettes Industries Limited against the Assistant General Manager of BML on August 23, 200 before the High Court of Delhi. Super Cassettes Industries Limited claimed that BML had without license and authorization communicated to the public, the artistic works owned by Super Cassettes Industries Limited. Super Cassettes Industries Limited had claimed for damages of Rs.2,005,400, rendition of account and profits and for permanent injunction against BML from the alleged infringement of Super Cassettes Industries Limited's copyright in the said artistic works. The matter is currently pending and fixed for hearing on April 29, 2010.

2. *HBMPL v. Subham Communication* (*Petition No. 109 (c) of 2009)*

   HBMPL filed a petition for the recovery of amount of Rs.1,621,777 against Subham Communication, an LCO, in the TDSAT on May 14, 2009. An ad - interim injunction in favour of HBMPL restraining Subham Communication from shifting to any other MSO without paying its debts with HBMPL. A reply to the petition has been filed. The issues have been framed. HBMPL has to file a rejoinder and an affidavit of evidence of its witness. The matter is listed for evidence on March 18, 2010.

3. *HBMPL v. Star Communication (Petition No. 110 (c) of 2009)*

   HBMPL filed a petition for the recovery of an amount of Rs.1,509,443 against Star Communication, an LCO, in the TDSAT on May 14, 2009 and ad- interim injunction in favour of HBMPL restraining Star Communication from shifting to any other MSO without first paying its debts with HBMPL. A reply to the petition is to be filed. The issues have been framed. HBMPL has to file a rejoinder and an affidavit of evidence of its witness. The matter is listed for evidence on March 18, 2010.

4. *HBMPL v. Home Cable (Petition No. 111 (c) of 2009)*

   HBMPL filed a petition for the recovery of an amount of Rs.303,575 against Home Cable, a LCO in the TDSAT on May 14, 2009 and for an ad- interim injunction in favour of HBMPL restraining Home Cable from shifting to any other MSO without paying its debts with HBMPL. A reply to the petition is to be filed. The matter was heard on February 10, 2010 and an ex-parte decree was passed by the TDSAT. HMBPL is awaiting receipt of a copy of the same.

5. *HBMPL v. Amar Cable T.V. Centre (Petition No. 108 (c) of 2009)*

HBMPL had filed a recovery petition for an amount of Rs.834,410 against Amar Cable T.V. Centre, an operator of HBMPL, in the TDSAT on May 14, 2009 and for an ad- interim injunction in favour of HBMPL restraining Amar Cable T.V. Centre from shifting to any other MSO without paying its debts with HBMPL. A reply to the petition is to be filed. The issues have been framed. HBMPL has to file a rejoinder and an affidavit of evidence of its witness. The matter is listed for evidence on March 18, 2010.

6. *HBMPL v. Chaudhari Network (Petition No. 107 (c) of 2009)*

   HBMPL filed a recovery petition for the recovery of an amount of Rs.Rs.5,39,773 against Chaudhari Network, an LCO, in the TDSAT on May 14, 2009 and for an ad- interim injunction in favour of HBMPL restraining Chaudhari Network from shifting to any other MSO without first paying its debts with HBMPL. A reply to the petition is to be filed. The issues have been framed. The matter is listed for evidence on March 18, 2010.

7. *HBMPL v. G.G Cable Network (Petition No. 99 (c) of 2009)*

   HBMPL had filed a petition for the recovery of an amount of Rs.538,050 against G.G Cable Network, an LCO, before the TDSAT on April 27, 2009 and for an ad- interim injunction in favour of HBMPL restraining G.G Cable Network from shifting to any other MSO without first paying its debts with HBMPL. The issues have been framed. The matter is listed for evidence on March 18, 2010.

8. *HBMPL v. Bakliwal Cable Service (Petition No. 100 (c) of 2009)*

   HBMPL had filed a petition for the recovery of an amount of Rs.Rs.539,773 in relation to the outstanding payable by Bhakliwal Cable (LCO) Service, before the TDSAT on May 1, 2009. The issues have been framed. The matter is listed for evidence on March 18, 2010.

Hathway Bhawani Cabletel & Datacom Limited ("HBCL")

1. *HBCL v. ESPN Software India Private Limited (Petition No. 187 (c) of 2009)*

   A public notice had been issued by ESPN against HBCL on August 28, 2009 for disconnection of signals. It had been alleged that HBCL had failed to execute a subscription agreement with ESPN and therefore no valid contract subsists between HBCL and ESPN. The reply and the rejoinder have been filed by the respective parties. ESPN has filed an application for vacating the interim stay order of the TDSAT dated August 31, 2009. HBCL has filed its reply to the application made by ESPN for vacation of the stay order. The matter is listed for framing of issues on March 16, 2010.

2. *HBCL v. M/s B. R Cable (Petition No. (31 (c) of 2008))*

   HBCL had filed a recovery petition for an amount of Rs.175,083 in relation to the outstanding payable fee charges by M/s B.R Cable, an operator of HBCL before the TDSAT on February 25, 2008. HBCL has also prayed that pending the final disposal of the petition, M/S B R Cable should be restrained from alienating or encumbering its business. The case is currently pending and the cross examination of witnesses is ongoing. The matter is pending the order of the TDSAT.

3. *HBCL v. Jawaharlal Nehru Port Trust ("**JNPT**") (Suit No. 439 of 2009)*

   HBCL had filed a suit against the Jawaharlal Nehru Port Trust on December 22, 2008 before the Bombay High Court in respect of the services provided to the township of JNPT under a contract. At the time of signing of contract HBCL was required to furnish a performance Bank Guarantee. JNPT invoked this bank guarantee after the expiry of the bank guarantee. HBCL had challenged the illegal invocation of the performance bank guarantee by JNPT. The Notice of Motion was disposed off in favour of HBCL. The suit is currently pending for admission.

4. *Devdas Battu v. HBCL*

   Mr. Devdas Battu, an LCO initiated arbitration and pursuant to the appointment of the arbitrator Mr.

Shailesh Shah, the LCO filed a claim against HBCL on July 26, 2006 praying for an award of the sum of Rs.2,100,000 for the failure on HBCL's part in providing cable TV signals to him. HBCL had stopped giving Cable TV signals because the LCO had allegedly committed a breach of the franchisee agreement entered into between the LCO and HBDL.

HBCL has filed a counter claim against Mr. Battu for a sum of Rs.11,422,981 for damages and compensation towards non – utilization of assets belonging to HBCL and deployed in the network of the LCO, towards business loss and amount spent by HBCL in the upgradation of the network. Currently the matter is pending for arguments on February 16, 2010.

5. *Ms. Meena Sanjay Gupta v. HBCL & Ors. (Regular Case No.1008/2009)*

A criminal compliant has been filed by Ms. Meena Sanjay Gupta under sections 406, 420 read with section 34 of the Indian Penal Code, 1806 against HBCL and its directors which includes Mr. K. Jayaraman, one of the directors of our Company before the court of the Judicial Magistrate First Class – Vashi at Central Business District, Belapur alleging that HBCL had entered into to a consultancy agreement dated December 1, 2001 with Mr. Sanjay Gupta, her late husband pursuant to which HBCL had agreed to pay a sum of Rs.17,500/- per month to Ms. Meena Gupta for a period of ten years from the date of demise of Mr. Sanjay Gupta. Ms. Meena Gupta further alleged that HBCL had commenced payment of the agreed amount after the demise of Mr. Sanjay Gupta but started deliberately avoiding the payment of the agreed sum after a certain period. Ms. Meena Gupta alleged that HBCL had cheated her and hence was liable for criminal breach of trust. HBCL and its directors received summons dated January 2, 2010, directing them to appear before the Judicial Magistrate First Class – Vashi at Central Business District , Belapur on March 3, 2010.

Notice

6. A notice had been issued by the Assistant Commissioner of Income Tax, Mumbai against HBCL for the Assessment year 2006-2007 under Section 143(2) on October 3, 2007. HBCL had filed its return on November 30, 2006 declaring its loss as Rs.111,361. HBCL's claim was disallowed by the Income Tax Department by an assessment order dated November 30, 2008 against which an appeal was filed by HBCL. The appeal is currently pending for notice of hearing.

7. HBCL received a notice dated October 23, 2009 from the Income Tax Officer under Section 142(1) of the Income Tax Act, 1961 for the assessment year 2007-2008. By the said notice the Income Tax Officer had called upon HBCL to produce certain documents, which were submitted by HBCL's representative on October 30, 2009. Further, pursuant to a notice of demand under section 156 dated December 12, 2009, a sum of Rs, 333,596 was payable by HBCL. Pursuant to the submission of the documents, HBCL received an assessment order dated January 5, 2010.

Hathway Mysore Cable Network Private Limited (HMPL)

Criminal

1. *State of Karnataka v. B. K. Kumar & Ors. (Cr. No. 0174/2009)*

ESPN Software India Private Limited ("**ESPN**") has lodged an First Information Report ("**FIR**") on October 15, 2009 with the Lakshipuram Police Station, District Mysore, Karnataka under sections 379 and 406 of the Indian Penal Code 1860 under sections 51, 63 and 65 of the Copyright Act, 1957, Cable Television Network (Regulation) Act, 1995 and under sections 3, 5 and 10 of the Indian Wireless Telegraphic Act, 1933 against Mr. B. K. Kumar in his capacity as director of HMPL. In the FIR, ESPN has alleged that HMPL has been committing theft of ESPN's signals and has been accessing ESPN's service without proper authorization from ESPN and that such acts amount to theft, criminal breach of trust and piracy. Mr. B. K. Kumar has been granted bail on October 28, 2009 and a chargesheet is yet to be filed against him.

Civil

2. *HMPL v. State of Karnataka (9176 of 2006)*

HMPL had filed a writ petition before the High Court of Karnataka on July 6, 2006 challenging the

constitutional validity of an amendment in Section 4(G) of Karnataka Entertainment Tax Act, 1958 *inter alia* challenging the action of the state to issue orders of assessment and demand and recovery notices under Section 4(G) of the Karnataka Entertainment Tax Act, 1958. The writ petition is pending for hearing.

3. *HMPL v. ESPN Software(I) Private Limited (199 (c) of 2009)*

   HMPL had filed a petition before the TDSAT on September 17, 2009 against ESPN Software(I) Private Limited ("**ESPN**") to direct ESPN to provide its cable television signals to HMPL on reasonable terms and conditions acceptable to both parties. ESPN had alleged that HMPL had failed to pay its dues to ESPN and has not executed a subscription agreement for the supply of such signals from ESPN. The matter came up for hearing on ad interim reliefs on September 18, 2009, wherein the TDSAT directed the parties to negotiate and resolve the dispute amicably. ESPN has filed its reply, in response to which HMPL has filed its rejoinder. The matter has been listed for framing of issues on March 16, 2010.

Notice

1. HMPL has received a statutory notice under Sections 433 and 434 of the Companies Act dated January 14, 2010 by Zee Turner claiming an amount of subscription fee of Rs.10,401,748/- from HMPL pursuant to agreements/arrangements between Zee Turner and HMPL, each notice stating that if the claimed amounts are not paid within three weeks from the date of receipt of such notice, winding up proceedings will be initiated by Zee Turner against HMPL in order to recover such amounts. HMPL has filed its interim reply to the said notice.

Hathway VCN Cablenet Private Limited ("HVCNPL")

1. *HVCNPL v. State of Karnataka and another (7322 of 2007)*

   HVCNPL had filed a writ petition before the High Court of Karnataka on April 25, 2007 for challenging the constitutional validity of an amendment in Section 4 G of Karnataka Entertainment Tax Act, 1958 *inter alia* challenging the action of the state to issue orders of assessment and demand and recovery notices under Section 4(G) of the Karnataka Entertainment Tax Act, 1958. The writ Petition is pending for hearing.

Hathway Nashik Cable Network Private Limited ("HNCNL")

1. *Hathway Nashik Cable Network Private Limited v. ESPN Software India Private Limited (Petition No. 195 (c) of 2009)*

   A public notice had been issued by TDSAT against HNCNL on August 27, 2009 for disconnection of signals. It was alleged that HNCNL had failed to execute a subscription agreement with ESPN and therefore no valid contract subsisted between HBCL and ESPN. HNCNL has filed its reply, in response to which ESPN has filed its rejoinder. The matter is listed for framing of issues on March 16, 2010.

Hathway Internet Satellite Private Limited

1. *Hathway Internet Satellite Private Limited ("Hathway Internet") & Binary technology Transfers Private Limited ("Binary Technology") Vs/ Space Vision Cable network Pvt. Limited (Arbitration Petition No. 184 of 2009)*

   This Arbitration Petition has been filed under section 9 of the Arbitration Act 1996, by Hathway Internet and Binary Technology before the High Court of Bombay, on March 2, 2009 seek interim reliefs from the High Court pending the hearing and final disposal of the Arbitration which is pending before Mr. Justice Bharucha (Retd). By this petition, Hathway Internet and Binary Technology have prayed that the court appoint a Court Receiver, in order to carry out the activity of collection of the cable TV subscription from the customers as the Respondents have not been regularly carrying out the activity of collection which act is being committed with a view to put the business in losses. Hathway Internet and Binary Technology along with the Respondents are carrying on business as partners in the firm name and

style M/s Hathway Space Vision. The petition is currently pending.

Hathway MCN Private Limited ("Hathway MCN")

Notice

1. Hathway MCN has received a statutory notice under Sections 433 and 434 of the Companies Act dated January 14, 2010 by Zee Turner claiming an amount of subscription fee of Rs.7,206,784/- from Hathway MCN pursuant to agreements/arrangements between Zee Turner and Hathway MCN, each notice stating that if the claimed amounts are not paid within three weeks from the date of receipt of such notice, winding up proceedings will be initiated by Zee Turner against Hathway MCN in order to recover such amounts. Hathway MCN has filed its interim reply to the said notice.

Hathway Cable MCN Nanded Private Limited ("Hathway Cable MCN")

Notice

1. Hathway Cable MCN has received a statutory notice under Sections 433 and 434 of the Companies Act dated January 14, 2010 by Zee Turner claiming an amount of subscription fee of Rs.4,518,764/- from Hathway Cable MCN pursuant to agreements/arrangements between Zee Turner and Hathway Cable MCN, each notice stating that if the claimed amounts are not paid within three weeks from the date of receipt of such notice, winding up proceedings will be initiated by Zee Turner against Hathway Cable MCN in order to recover such amounts. Hathway Cable MCN has filed its interim reply to the said notice.

Hathway Latur MCN Cable & Datacom Private Limited ("Hathway Latur")

Notice

1. Hathway Latur has received a statutory notice under Sections 433 and 434 of the Companies Act dated January 14, 2010 by Zee Turner claiming an amount of subscription fee of Rs.6,382,654/- from Hathway Latur pursuant to agreements/arrangements between Zee Turner and Hathway Latur, each notice stating that if the claimed amounts are not paid within three weeks from the date of receipt of such notice, winding up proceedings will be initiated by Zee Turner against Hathway Latur in order to recover such amounts. Hathway Latur has filed its interim reply to the said notice.

Hathway Gwalior Cable & Datacom Private Limited ("Hathway Gwalior")

1. Hathway Gwalior has received a statutory notice under Sections 433 and 434 of the Companies Act dated January 14, 2010 by Zee Turner claiming an amount of subscription fee of Rs.1,043,981/- from Hathway Gwalior pursuant to agreements/arrangements between Zee Turner and Hathway Gwalior, each notice stating that if the claimed amounts are not paid within three weeks from the date of receipt of such notice, winding up proceedings will be initiated by Zee Turner against Hathway Gwalior in order to recover such amounts. Hathway Gwalior has filed its interim reply to the said notice.

V. Litigation involving the Group Companies

Sonata Software Limited*. ("**Sonata**")*

1. *Assistant Commissioner of Income Tax, Range 7(2), Mumbai v. Sonata (Appeal numbers 1419-1422/M/06 for the Assessment Years from 1997-98 to 2000-01)*

   Various appeals were filed by the Assistant Commissioner of Income Tax, Mumbai before the Income Tax Appellate Tribunal, Mumbai, against the orders passed by the Commissioner of Income Tax (Appeals) VII, Mumbai, deleting the additions made by the Assessing Officer under Section 40(a) (i) of the Income Tax Act. 1961. The aggregate amount of tax demanded is Rs.797,700,000. The case is currently pending for hearing.

2. *The Commissioner of Income Tax, Bangalore v. Sonata (ITA No. 866 to 868 and ITA No. 2987 to 2989 for the Assessment Years 2000-2001 to 2002-2003)*

Three reference applications were filed by The Commissioner of Income Tax, Bangalore before the High Court of Karnataka challenging the order passed by the Income Tax Appellate Tribunal, Bangalore against the demand raised by Income Tax Officer – International Taxation, Bangalore for Rs.157,900,000 (inclusive of interest) for non-deduction of TDS on royalty on imported software. The case is currently pending for hearing.

3. *The Commissioner of Income Tax, Mumbai v. Sonata (Appeal number 440/05 for the Assessment Year 1996-1997)*

   A reference application was filed by the Commissioner of Income Tax, Mumbai on March 24, 2005 before the High Court of Bombay, against the order passed by the Income Tax Appellate Tribunal, Mumbai dated July 6, 2004 which allowed the claim by Sonata under Section 80(O) of the Income Tax Act, 1961. The Commissioner of Income Tax claimed an amount of Rs.26,800,000 from Sonata which has been paid.

4. *Calcutta Creative Printers Private Limited v. Sonata and NICCO UCO Financial Service Limited (Suit No. 227 of 1997)*

   A reference application was filed by Calcutta Creative Printers Private Limited ("**Calcutta Creative**") against Sonata before the High Court of Calcutta claiming damages due to the losses amounting to Rs.6,900,000 that had been allegedly sustained by Calcutta Creative on account of Sonata's failure to supply the required equipment to Calcutta Creative and to integrate the systems, due to which they could not carry on their business. The case is currently pending for hearing.

5. *The Commissioner of Income Tax, Mumbai v. Sonata (Appeal number 311 of 2004 for the Assessment Year 1998-1999*

   A reference application was filed by the Commissioner of Income Tax, Mumbai before High Court of Bombay against the order passed by the Income Tax Appellate Tribunal, Mumbai which allowed Sonata's claim under Section 10A of the Income Tax Act, 1961. This claim had been earlier disallowed by the assessing officer. The appeal is pending for admission.

6. *The Commissioner of Income Tax, Mumbai v. Sonata (Appeal number 309 of 2004 for the Assessment Year 1999-2000*

   A reference application was filed by the Commissioner of Income Tax, Mumbai before High Court of Bombay against the order passed by the Income Tax Appellate Tribunal, Mumbai which allowed Sonata's claim under Section 10A of the Income Tax Act, 1961. This claim had been earlier disallowed by the assessing officer. The appeal is pending for admission.

7. *Mrs. Uma Jain v. Sonata, Delhi, Hewlett Packard India Limited, Rajendra Palace, New Delhi, Sonata, Bangalore, Hewlett Packard India Limited, Kasturba Gandhi Marg, New Delhi and Sonata, Mumbai (Consumer Complaint number 68/95)*

   A complaint had been filed by Mrs. Uma Jain ("**Complainant**") against Sonata and some other companies before the District Consumer Disputes Redressal Forum, Jagdalpur alleging a deficiency in services provided by Sonata and the other parties. The District Consumer Disputes Redressal Forum directed the parties on December 21, 2000 to replace the product that had been purchased by the Complainant for deficiency in service. However, an order was passed by the State Consumer Disputes Redressal Commission dated September 27, 2002 directing the District Forum to decide the case afresh. The case is currently pending for hearing before the District Consumer Disputes Redressal Forum.

8. *M/s Acharya Paatashala Educational Trust v. Sonata and Mr.A.P.Acharya (Suit No. 1795 of 2009)*

   A reference application filed by M/s. Acharya Paatshala Educational Trust ("**Plaintiff**") against Sonata and Mr. A.P Acharya ("**Defendants**") before the City Civil Court, Bangalore for evicting the Defendants from the premises of the Plaintiff. The Plaintiff had let out on rent office premises to Sonata vide lease deed effective from April 1, 06, wherein it was agreed between the parties to mutually increase the rent for the said premises from April 1, 2007. However, the parties were unable to agree on a mutually acceptable rate. The written statement has been filed by the Defendant and the case is currently pending for appearance of

both the parties.

Windsor Realty Pvt. Limited. ("WRPL")

Notice

Two notices, both dated December 17th, 2008 were issued by the income tax authorities against WRPL under section 271(1) (c) the Income Tax Act, 1961 for assessment years 2003-04 and 2004-05 pursuant to certain additions made by the assessing officer during the assessment proceedings vide order dated December 17, 2008. WRPL filed an appeal before the Commissioner of Appeals (Income Tax) against the additions made in such orders dated December 17, 2008. Currently pending disposal of the appeals, the show cause notice has been kept in abeyance.

Hathway Ice Television Private Limited ("HITPL")

Notice

HITPL had received a show cause notice from the District Magistrate, Allahabad – Entertainment Tax Department dated January 7, 2010 alleging that two Local Cable Channels operated by HITPL namely "CCC Allahabad" and "Hathway ICE" are not registered with MIB as prescribed under down-linking policy Guidelines which is in violation with Downlinking Policy Guidelines and section 6 of Cable Television Network Regulation Act, 1995 and rule 6(6) Cable Television Network Regulation Rules, 1994. Our Company is yet to file its reply before the authority.

GOVERNMENT AND OTHER APPROVALS

In view of the approvals/licenses listed below, our Company can undertake this Issue and our current business activities. No further major approvals/licenses from any governmental or regulatory authority or any other entity are required to undertake the Issue or continue our business activities. Unless otherwise stated, these approvals are all valid as of the date of this Prospectus. It must be distinctly understood that, in granting these approvals, the Government of India, the Reserve Bank of India or any other authority does not take any responsibility for our financial soundness or for the correctness of any of the statements made or opinions expressed in this behalf. For further details in connection with the regulatory and legal framework within which we operate, please refer to the section titled "Regulations and Policies in India" beginning on page 93 of this Prospectus.

Approvals related to the Issue

1. The Board of Directors has, pursuant to a resolution passed at its meeting held on September 21, 2009, authorised the Fresh Issue subject to the approval of the shareholders of our Company under Section 81(1A) of the Companies Act and approvals by such other authorities as may be necessary.

2. The shareholders of our Company have, pursuant to a resolution dated September 23, 2009 under Section 81(1A) of the Companies Act, authorized the Fresh Issue.

3. The IPO Committee, pursuant to its resolution dated September 28, 2009 had approved the Draft Red Herring Prospectus dated September 28, 2009.

4. The IPO Committee, pursuant to its resolution dated January 27, 2010 has approved and authorized the Red Herring Prospectus.

5. The IPO Committee, pursuant to its resolution dated February 17, 2010 has approved and authorized this Prospectus.

6. The IPO Committee, pursuant to its resolution dated February 13, 2010 has approved the Issue Price.

7. Our Company has obtained in-principle listing approvals from the BSE and the NSE dated October 30, 2009 and October 28, 2009 respectively.

8. Our Company has obtained the approval of the FIPB dated November 24, 2009 for participation by foreign investors in the Issue and to increase the foreign shareholding in our Company upto 49%.

9. Our Company has obtained the approval of the RBI dated December 9, 2009 for the Offer for Sale.

10. Monet and MSPI have obtained approval for the Offer for Sale pursuant to their board resolutions dated September 16, 2009 and September 24, 2009, respectively.

Approvals related to our Company

1. Certificate of incorporation: A fresh certificate of incorporation was issued pursuant to the change in name of the Company from Hathway Cable & Datacom Private Limited to Hathway Cable & Datacom Limited on September 7, 2009.

2. Corporate Identification Number: U74994MH1959PLC011421.

3. Permanent Account Number: AAACC6814B.

Sr. No.	Issuing Authority	License No.	Date	Purpose	Validity
1.	Registrar of Companies, Maharashtra	-	August 7, 1959	Certificate of Incorporation in the name of "Chics Display Services Private Limited".	N. A.
2.	Registrar of Companies,	-	February 16, 1999	Certificate of Incorporation consequent on change of	N. A.

Sr. No.	Issuing Authority	License No.	Date	Purpose	Validity
	Maharashtra			name to "Hathway Cable & Datacom Private Limited".	
3.	Registrar of Companies, Maharashtra	-	September 7, 2009	Certificate of Incorporation in the name of "Hathway Cable & Datacom Limited".	N.A.
4.	Income Tax Department, Government of India	MUMH07346D	May 17, 2004	Tax deduction account number – for deducting tax at source.	N.A.
5.	Employees Provident Fund Organisation	MH/6964	April 19, 1999	To register and maintain an employees provident fund.	N.A.
6.	Director General Service Tax	AAACC6814B ST006	November 10, 2008	Service tax registration number – for the payment of service tax.	N.A.

Approvals under Section 297 of the Companies Act obtained

Sr. No.	Issuing Authority	Approval No. and Date	Name of the Contracting Party	Purpose	Estimated Value of the Contract	Period of Contract	Common Directors/ Members
1.	Registrar of Companies, Maharashtra	RD/297/ 10/4/2009/ 1658 dated May 29, 2009	Gujarat Telelink Private Limited	For providing consultancy for technical services, placement/carriage deals, movie rights, internet services and for providing equipments to Gujarat Telelink Private Limited	Consultancy services – Rs.40 million per annum Commission for placement / carriage deals – Rs.5 million per annum Commission for movie rights – Rs.5 million per annum Providing internet services – Rs.6 million Providing equipments – Rs.4 million	Three years from June 1, 2009	Mr. K. Jayaraman
2.	Registrar of Companies, Maharashtra	RD/297/ 441 dated March 31, 2009	RMC Readymix (India) Private Limited and	For providing internet services, selling modems/routers, including web housing corporate mailing solutions and co-location on our website to RMC	Rs.5 million per annum	Three years from April 1, 2009	Mr. Rajan Raheja; Mr. Vinayak Aggarwal; and Mr. Akshay Raheja

Sr. No.	Issuing Authority	Approval No. and Date	Name of the Contracting Party	Purpose	Estimated Value of the Contract	Period of Contract	Common Directors/ Members
				Readymix (India) Private Limited			
3.	Registrar of Companies, Maharashtra	442/02/ 2009/1794 9 dated March 31, 2009	Outlook Publishing (India) Private Limited	For providing internet services, selling modems/routers, including web housing corporate mailing solutions and co-location on our website to Outlook Publishing (India) Private Limited	Rs.1 million per annum	Three years from April 1, 2009	Mr. Rajan Raheja; Mr. Vinayak Aggarwal; Mr. Akshay Raheja; and Mr. Viren Raheja
4.	Registrar of Companies, Maharashtra	140/7/ 2009/ 6584 dated November 3, 2009	Globus Stores Private Limited	For selling modems, routers and providing other value added services	Upto Rs.3 million per annum	Three years from October 22, 2009.	Mr. Rajan Raheja; Mr. Vinayak Aggarwal; Mr. Akshay Raheja; and Mr, Viren Raheja
5.	Registrar of Companies, Maharashtra	RD/297/ 512/3/2009 /1615 dated May 29, 2009	Hathway	For availing consultancy for technical services, placement/carriage deals, movie rights, internet services and for purchasing equipments from Hathway	Availing consultancy services – Rs.40 million per annum Commission for placement /carriage deals – Rs.5 million per annum Commission for movie rights – Rs.5 million per annum Availing of internet services – Rs.6 million Purchasing equipments – Rs.4 million	Three years from June 1, 2009	Mr. K. Jayaraman
6.	Registrar of Companies, Maharashtra	RD:297/ 219/219/3/ 02/5101	Bhawani Engineering Works (a partnership	To acquire by way of an assignment all the present and	Not exceeding Rs.1.44 million	One time contract	Mr. Kuldeep Puri

Sr. No.	Issuing Authority	Approval No. and Date	Name of the Contracting Party	Purpose	Estimated Value of the Contract	Period of Contract	Common Directors/ Members
			firm)	future rights, title and interest with all tangible and intangible benefits of 480 cable tv primary point subscribers situated at Bharat Petroleum Corporation Limited Colony located at Azizi Baug, Chembur from Bhawani Engineering Works, a partnership firm.			

Approvals under Section 297 of the Companies Act applied for

Sr. No.	Authority	Application Date	Name of the Contracting Party	Purpose	Estimated Value of the Contract	Period of Contract	Common Directors/ Members
1.	Regional Director, Registrar of Companies, Mumbai	November 30, 2009	Hathway	For providing on lease basis the digital head-end and/or other incidental equipment/material and selling of fixed assets required for cable television business by Hathway Bhaskar Multinet Private Limited.	Rs.10,000,000 per annum	Three years	Mr. Rajan Raheja, Mr. Akhshay Raheja and Mr. K. Jayaraman

Approvals obtained by various business units of our Company

Sr. No.	Issuing Authority	License No.	Date of Registration	Purpose	Validity
(i) Mumbai					
1.	Inspector under the Bombay Shops and Establishments Act, 1948	HW003571/ Commercial II	December 11, 2009	For registering the establishment at Kusum Kunj 3 and 4, ground floor, 371 Linking Road, Khar (West), Mumbai	December 31, 2010
2.	Inspector under the Bombay Shops and Establishments Act, 1948	GS009659/ Commercial II	December 15, 2009	For registering the establishment at Trade World, B Wing, 10th Floor, Kamla Mills, Lower Parel	December 31, 2010
3.	Inspector under the	D014172 /	December 15,	For registering the	December 31,

Sr. No.	Issuing Authority	License No.	Date of Registration	Purpose	Validity
	Bombay Shops and Establishments Act, 1948	Commercial II	2009	establishment at No. 9 ground floor, Noor Mahal, Sir Ratan Tata Road, Tardeo, Mumbai	2010
4.	Inspector under the Bombay Shops and Establishments Act, 1948	760043978/ Commercial II	December 11, 2009	For registering the establishment at Plot No. 102, Marol Cooperative Industrial Estate, MV Road, Marol, Andheri (East)	December 31, 2010
5.	Inspector under the Bombay Shops and Establishments Act, 1948	PS010776/ Commercial II	December 14, 2009	For registering the establishment at 3/1/4 Malad Kokil Cooperative Housing Society, Sunder Nagar, Malad (West), Mumbai	December 31, 2010
6.	Inspector under the Bombay Shops and Establishments Act, 1948	760081854/ Commercial II	January 15, 2009	For registering the establishment at Sarla Software Park, 369, Marol Maroshi Road, Andheri (East), Mumbai	December 31, 2011
7.	Mahim Head Post Office, Mumbai-400016.	MH/CTO/Regn. /88/HCD/2009	October 7, 2009	For running Cable television network at Trade World "B" Wing, 10th floor, Kamala Mills Comp, S.B. Marg, Lower Parel (W), Mumbai – 13.	August 12, 2010.
(ii) Thane					
1.	Senior Post Master, Head Post Office, Thane	THO/600/ 2009-10	October 7, 2009	For running cable television network at S-1, 2nd floor, Vedant Commercial Complex, opposite, Kores Tower, Vartak Nagar, Thane	September 10, 2010.
(iii) Pune					
1.	Senior Post Master, Pune City Head Post Office	PNC-29/00-2001	July 1, 2008	For running cable television network at 1206/B 19, 3rd floor, Sterling Plaza, above UTI Bank, J.M. Road, Deccan Gymkhana, Pune	June 30, 2011
2.	Inspector under the Bombay Shops and Establishments Act, 1948	SHIVAJI/TI/30434	October 17, 2008	For registering the establishment at Amogh Chandra Apartments, 2nd floor, Lane No. 15 Prabhat Road, Erandwane, Opposite Global House, Pune	December 31, 2010
3.	Inspector under the Bombay Shops and Establishments Act, 1948	KOTHRUD/IT/ 13833	January 18, 2008	For registering the establishment at Shop No. 14, 15, 16 and 17, Survey No. 89-90, Lokmanya Road, Kothrud, Pune	December 31, 2010
4.	Inspector under the	KHADKEE/II/	January 18,	For registering the	December 31,

Sr. No.	Issuing Authority	License No.	Date of Registration	Purpose	Validity
	Bombay Shops and Establishments Act, 1948	2244	2008	establishment at Shop No. 6, Nita Apartment, near Excelsior Theatre, Khadkee, Pune	2010
5.	Inspector under the Bombay Shops and Establishments Act, 1948	SHIVAJI/II/256	January 18, 2008	For registering the establishment at Jangali Maharaj Road	December 31, 2010
6.	Inspector under the Bombay Shops and Establishments Act, 1948	M/II/14995	January 18, 2008	For registering the establishment at 3rd floor, Sai Terrace, Paud Phata, Karve Road, Pune	December 31, 2010
7.	Inspector under the Bombay Shops and Establishments Act, 1948	BIBAWEWADI/II/ 3820	January 15, 2008	For registering the establishment at New Gajara CHS, Shop No. 6, Room No. 635 /1, Bibawewadi	December 31, 2010
(iv) Hyderabad					
1.	Chief Post Master, Hyderabad G.P.O.	163/111	September 2, 2009	For running cable television network at 603 and 604, Mahaveer Chambers, Hyderabad	September 1, 2010
2.	Department of Posts, India	170	January 5, 2010	For running cable television network at 18 – 7 – 206/ 122/A, Moghalpura, Hyderabad – 500 002	December 31, 2010
(v) Bangalore					
1.	Deputy Chief Postmaster, Bangalore G.P.O.	20	October 10, 2009	For running cable television network at No. 73, 4th Floor, Shree Complex, St. Johns Road, Bangalore	October 15, 2010
(vi) Chennai					
1.	The Postmaster, Mylapore Head Post Office, Chennai	261	November 23, 2009	For running cable television network at No. 1, Ramasamy Naicker Street, T.T.K. Road, Alwarpet, Chennai	November 22, 2010
2.	Head Post Master, Park Town H.P.O.	198	February 15, 2009	For running cable television network at 677, East Main Road, Anna Nagar, Chennai	February 14, 2010
3.	Head Post Master, Park Town H.P.O.	RC. 36	September 16, 2009	For running cable television network at 103, New Avadi Road, Chennai	October 8, 2010.
(vii) Delhi					
1.	Office of the Commissioner of Excise, Entertainment and Luxury Tax	9/71/270/ETO (2000/2001)/South	July 30, 2002	For the payment of entertainment tax in the city of Delhi	---

Sr. No.	Issuing Authority	License No.	Date of Registration	Purpose	Validity
2.	Senior Postmaster, Lodi Road H.P.O	LR/CT-484/2008-2009	March 7, 2009	For running cable television network at 1297/11 Govindpuri, New Delhi	March 8, 2010
3.	Senior Post Master, Krishna Nagar H.O.	KN/CTNW/358/09-10	July 2, 2009	For running cable television network at A-9 Swati Complex, 3rd floor, Acharya Niketan Mayur Vihar, Delhi	July 1, 2010
8.	Senior Post Master, Krishna Nagar H.O.	KN/CTNW/560/09-10	May 28, 2009	For running cable television network at C-32/2 Gali No. 12, Madhu Vihar pat par Ganj, Delhi	May 27, 2010
9.	Senior Post Master, Krishna Nagar H.O.	KN/CTNW/494/09-10	April 26, 2009	For running cable television network at 3 G.F., Dayanand Vihar, Delhi	April 25, 2010
10.	Senior Post Master, Ashok Vihar H.P.O.	1321	August 11, 2009	For running cable television network at F-6 DDA Market, A-4, near Hatoda Ram Park, Keshav Puram, Delhi	August 10, 2010
11.	Senior Post, Krishna Nagar H.O.	KN/CTNW/561/09	May, 28, 2009	For running cable television network at Plot No 5, 3rd floor, LSC Prince Kothari Opposite I.P. Extension, Delhi	May 27, 2010
12.	Senior Post Master, Lodi Road H.P.O.	LR/CT-384/2008-2009	March 16, 2009	For running cable television network at 77, Madanagir Village, New Delhi	March 15, 2010
14.	Senior Post Master, Nagar H.P.O.	1376	July 15, 2009	For running cable television network at A-4, Shop No. 38, Balaji Market, New Delhi	July 14, 2010
15.	Senior Post Master, Ashok Vihar H.P.O.	1458	August 11, 2009	For running cable television network at D-4, Local Shopping Centre, Vivekanand Puri, Sarai Rohilla, Delhi	August 10, 2010
21.	Senior Post Master, Lodi Road H.P.O.	LR/CT-385/2008/2009	March 16, 2009	For running cable television network at E-7, 3rd Floor, Kalkaji, New Delhi	March 15, 2010
22.	Senior Post Master, Ashok Nagar H.P.O.	1457	August 10, 2009	For running cable television network at H. No. 9, 2nd Floor, Nirankari Colony, Main Road Dheerpur, Delhi	August 9, 2010
23.	Senior Post Master, Nagar H.P.O.	1377	July 15, 2009	For running cable television network at 709, Jaina Tower, District Centre, Janakpuri, New Delhi	July 14, 2010

Sr. No.	Issuing Authority	License No.	Date of Registration	Purpose	Validity
24.	Assistant Director, Department of Posts, Office of the Director, New Delhi G.P.O.	NDHO/Cable-207/2009-10	June 1, 2009	For running cable television network at 103, 1st Floor, 9A/1, WEA, Karol Bagh, New Delhi	May 31, 2010
25.	Assistant Director, Department of Posts, Office of the Director, New Delhi G.P.O.	NDHO/Cable-326/2009-10	June 1, 2009	For running cable television network at WZ- 257/6, 2nd Floor, Inderpuri, New Delhi	May 31, 2010
26.	Assistant Director, Department of Posts, Office of the Director, New Delhi G.P.O.	NDHO/Cable-328/2009-10	May 30, 2009	For running cable television network at 18/30, Third Floor, East Patel Nagar, New Delhi	May 29, 2010
27.	Assistant Director, Department of Posts, Office of the Director, New Delhi G.P.O.	NDHO/Cable-331/2009-10	August 8, 2009	For running cable television network at A/249, DDA Flat, New Ranjit Nagar, New Delhi	August 7, 2010
28.	Senior Post Master, Ashok Vihar, H.P.O., Delhi	1472	September 23, 2009	For running cable television network at 10 LSC, Gujarwala Tower, New Delhi	September 22, 2010
29.	Senior Post Master, Ashok Vihar, H.P.O., Delhi	1474	September 23, 2009	For running cable television network at C – 8/5, IIIrd floor, Sector 7, Rohini, New Delhi	September 22, 2010
30.	Senior Post Master, Ashok Vihar, H.P.O., Delhi	1473	September 23, 2009	For running cable television network at Plot No. 5, Pocket C, Sector 7, Rohini, New Delhi	September 22, 2010
31.	Senior Postmaster, Lodi Road H.P.O.	LR/CT-445/ 2009-2010	October 12, 2009	For running cable television network at 61, 1st floor, Jorbagh, New Delhi	July 15, 2010
32.	Senior Postmaster, Lodi Road H.P.O	LR/CT-444/ 2009-2010	October 12, 2009	For running cable television network at Shop No 34, Pocket E, Sarita Vihar, New Delhi	July 15, 2010
(viii) Surat					
1.	Inspector under the Bombay Shops and Establishments Act, 1948	B-26/12694	January 1, 2008	For registering the establishment at 302/302, Tilak Complex, 15 Prakash Colony, Surat	December 31, 2010
(ix) Nashik					
1.	Senior Post Master, Nashik Head Post Office	424	September 11, 2009	For running cable television network at 2nd floor, Shredhar Bhavan, Shingada Talao, Nashik	September 10, 2010
(x) Chandigarh					
1.	Senior Postmaster, GPO, Chandigarh	CH:GPO/CTN/331	June 26, 2006	For running cable television at SCO-16-17, Sector 34-A, Top Floor, Chandigarh	June 22, 2010.

Investment approvals obtained

Sr. No.	Authority	Approval No.	Date	Description of approval
1.	RBI	Registration No. FC00 BYG 2075	December 22, 2000	To take on record the issue of 8,238,500 equity shares of Rs.10 each to Starfish International Limited, Mauritius and the allotment of a registration number.
2.	FIPB	FC.II: 78(2007)/55(2007)	April 2, 2007	Approval for increase from 26% to 36.83% of our equity share capital by way of issuance of additional 1,412,304 equity shares of Rs.10 each to the Asian Cable Systems Private Limited, Mauritius and 4,019,633 equity shares of Rs.10 each to Monet Limited, Mauritius. For Monet Limited, Mauritius to subscribe to an additional 1,412,304 equity shares in case Asian Cable Systems Private Limited, Mauritius does not subscribe to the 1,412,304 equity shares offered to it.
3.	RBI	Registration No. FC 07 BYG 0033	February 12, 2008	To take on record the issue of 164,770,000 bonus equity shares of face value of Rs.1 each to Asian Cable Systems Private Limited, Mauritius and 108,638,740 bonus equity shares of face value of Rs.1 each to Monet Limited, Mauritius.
4.	FIPB	FC.II: 78(2007)/55(2007) - Amend	April 15, 2008	Approval to issue 11,850 fully mandatory convertible debentures to Infrastructure Indian Holdings Fund LLC, Mauritius and 9,875 compulsorily convertible debentures to Morgan Stanley Asia Limited and/or its affiliates at face of Rs.100,000 each convertible into 55,686,090 equity shares and 46,405,075 equity shares of Rs.1 each representing 4.58% and 3.82% of our equity share capital respectively.
5.	FIPB	FC.II: 78(2007)/55(2007)	August 25, 2008	Approval to issue 4,306 compulsorily convertible debentures to M/s India Cable Partners I Limited, Mauritius at face value of Rs.100,000 each convertible into 18,560,344 equity shares of Rs.1 each representing 1.50% of our equity share capital.

Approvals related to our business

We require various approvals to carry on our business in India. The approvals that we require include the following:

Approvals/licenses obtained

Registrations under the Cable Television Act, the Cable Television Rules, the Telegraph Act, the TRAI Act and the Wireless Telegraph Act

The following are licenses and registration obtained by our Company under the Cable Television Act, the Cable Television Rules, the Telegraph Act, the TRAI Act and the Wireless Telegraph Act:

Sr. No.	Issuing Authority	Registration No.	Date of Registration	Purpose	Validity
1.	Ministry of Information & Broadcasting	License No. 9/51/2006 BP&L	September 30, 2006	The license has been granted to permit our Company for operating as an MSO in the cities of Mumbai, Delhi and Chennai, i.e, areas where CAS is applicable.	Permission granted by the Ministry of Information and Broadcasting is provisional and is subject to security clearance by the Ministry of Home Affairs
2.	Ministry of Communication & Information Technology (Department of Telecommunications)	License No. 820-222/ 2002-LR	May 3, 2002 (Aforesaid license amended for including internet telephony)	Our Company has been issued a 'Category A' internet service provider license (including for internet telephony) to establish, maintain and operate internet service throughout India.	From September 13, 1999 to September 12, 2014
3.	Ministry of Communication & Information Technology (Department of Telecommunications)	Registration Certificate No: 139/06	October 30, 2006	Our Company has been issued the Infrastructure Provider Category – I registration to establish and maintain dark fibres, right of way, duct space and tower to grant on lease/rent/sale basis to licensees of telecom services licensed under section 4 of the Telegraph Act.	---

Approvals relating to intellectual property

Approvals obtained

Sr. No.	Registration No.	Class	Name of the Trademark	Date of Application	Date of Registration
1.	901402	9	Hathway Cable Internet	February 3, 2000	February 21, 2005
2.	901403	16	Hathway Cable Internet	February 3, 2000	June 29, 2005
3.	901401	9	Hathway	February 3, 2000	February 21, 2005
4.	966287	9	C News	October 24, 2000	August 5, 2005
5.	1288120	16	Hathway	June 4, 2004	September 16, 2005
6.	1288119	16	Hathway	June 4, 2004	September 16, 2005
7.	966286	9	Win Cable	October 24, 2000	August 5, 2005
8.	903697	16	CCC	February 15, 2000	December 21, 2005
9.	966281	16	C News	October 24, 2000	October 27, 2005
10.	1211206	9	C Channel	July 3, 2003	February 5, 2006
11.	1180365	9	C Bangalore	March 5, 2003	January 9, 2006.

Sr. No.	Registration No.	Class	Name of the Trademark	Date of Application	Date of Registration
12.	1180366	9	C Bangalore	March 5, 2003	June 5, 2006.
13.	903686	16	i TV	February 15, 2000	December 22, 2005
14.	966285	9	I TV	October 24, 2000	October 13, 2005
15.	1180368	16	C Pune	March 5, 2003	September 12, 2006
16.	852828	16	C News	April 23, 1999	September 2, 2006
17.	906288	9	CCC	February 28, 2000	October 5, 2006
18.	1211207	16	C Channel	July 3, 2003	November 3, 2006
19.	852827	9	C News	April 23, 1999	October 31, 2006
20.	813300	9	CCC	August 4, 1998	October 31, 2006
21.	813301	16	CCC	August 4, 1998	October 31, 2006
22.	906286	9	Win Cable	February 28, 2000	October 4, 2006
23.	1180367	9	i TV	March 5, 2003	February 2, 2007
24.	966282	16	CCC	October 24, 2000	March 27, 2007
25.	905145	9	i TV Select	February 22, 2000	June 26, 2007
26.	905144	9	Hathway Cable Internet	February 22, 2000	October 5, 2006
27.	1288121	9	Hathway	June 4, 2004	March 25, 2008
28.	1180369	16	C Pune Get Involved - Label	March 5, 2003	July 10, 2008

Approvals/licenses applied for

Cable television services approvals/licenses applied for renewal

Sr. No.	Issuing Authority	License No.	Date of Renewal Application	Purpose
(i) Pune				
1.	Office of the Collector, Pune District	ENT-1098/ PRA.KRA.193/T-1	February 3, 2009	For the payment of entertainment tax in the city of Pune
(ii) Chennai				
1.	Head Post Master, Head Post Office, Chennai	RC. 173	November 2 2009	For operating cable television network at 34, First Main Road, Jawahar Nagar, Chennai.
(iii) Delhi				
1.	Senior Post Master, Krishna Nagar H.O.	KN/CTNW/264/09-10	January 15, 2010	For running cable television network at B-301, Gupta Arcade, Mayur Vihar, Samachar Apartment, Delhi - 110 091
2.	Senior Post Master, Lodi Road H.P.O.	LR/CT- 467/2008-2009	November 16, 2009	For running cable television network at E-143, - A, 3rd Floor, Greater Kailas-II, New Delhi
3.	Senior Post Master, Lodi Road H.P.O.	LR/CT- 462/2008-2009	November 16, 2009	For running cable television network at C-

Sr. No.	Issuing Authority	License No.	Date of Renewal Application	Purpose
				92, 2nd Floor, B.K. Dutt Colony, Karbala, New Delhi
4.	Senior Post Master, Krishna Nagar H.O.	KN/CTNW/542/08-10	February 4, 2010	For running cable television network at 42, Ram Nagar, Delhi.
5.	Senior Post, Krishna Nagar H.O.	KN/CTNW/543/08	February 4, 2010	For running cable television network at 7/14B-15B, Aditya Complex, Preet Vihar, New Delhi.
6.	Senior Post Master, Sarojni Nagar H.P.O.	287	January 29, 2010	For running cable television network at AB-9, 3rd Floor, Safdarjung Enclave, New Delhi.
7.	Senior Post Master, Sarojni Nagar H.P.O.	288	January 29, 2010	For running cable television network at AB-6, Safdarjung Enclave, New Delhi.
(iv) Hyderabad				
1.	Inspector and Joint Commissioner of Labour, Hyderabad (Twin Cities)	DCL/HYD/75/2001	November 17, 2009	For registering the establishment at Ward No. 12, 6th Floor, Marredpally, Hyderabad
2.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/55/2002	November 17, 2009	For registering the establishment at H.No.6-2-941/1/1, Chintal Basthi, Khairthabad, Hyderabad
3.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/60/2008	November 17, 2009	For registering the establishment at 1-2-33/24/10, Plot No. 92, Prashant Nagar, Hydernager, Balanagar, Hyderabad
4.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/56/2002	November 17, 2009	For registering the establishment at 603 and 604, Mahavir Chambers, Liberty, Hyderabad
5.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/109/2007	November 17, 2009	For registering the establishment at House No. L: 6-1-188/7 Madhura Nagar, CRPF Lane, Padma Rao Nagar, Secunderabad
6.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/74/2001	November 17, 2009	For registering the establishment at D. NO.6-3-903/A/8, Street No. 10, House No. 456, Surya Nagar, Somajiguda, Hyderabad
7.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/54/2002	November 17, 2009	For registering the establishment at House No. 8-2-317/D/1/2, Flat No. 2, Amrutha Enclave,

Sr. No.	Issuing Authority	License No.	Date of Renewal Application	Purpose
				Road No. 7, Banjara Hills, Hyderabad
8.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/58/2008	November 17, 2009	For registering the establishment at 1-4-46/2/A, Near DTDC Courier, Moti Nagar, Hyderabad
9.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/66/2002	November 17, 2009	For registering the establishment at H.No. 18-14, Road No. 5, Kamala Nagar, Dilsukhnagar, Hyderabad
10.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/61/2008	November 17, 2009	For registering the establishment at 61, HIG-139, 6th phase, behind Malasian Township, KPHB Colony, Hyderabad
11.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/73/2001	November 17, 2009	For registering the establishment at House No. 3-6-290/21, 2nd floor, Sadhana Building., Hyderguda, Hyderabad
12.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/63/2002	November 17, 2009	For registering the establishment at House No. 12-7-110,/I/2, 1st floor, Keshav Nagar Colony, Mettaguda, Secunderabad
13.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/65/2002	November 17, 2009	For registering the establishment at House No. 12-1-262, Shanti Nagar, North, Lalaguda, Secunderabad
14.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/70/2002	November 17, 2009	For registering the establishment at 3rd Floor, Tirumala Towers, Opposite Lane Andhra Bank, Malakpet, Hyderabad
15.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/62/2002	November 17, 2009	For registering the establishment at House No. 10-2-176, Flat No. G-1, Padmavathi, West Marredpally, Secunderabad
16.	Assistant Commissioner of Labour, Hyderabad	ACL/RR/935/2009	November 17, 2009	For registering the establishment at 2-23, 1st Floor, Sai Nagar, Satyanarayanpuram, Gaddiannaram village, Saroor Nagar, Ranga Reddy District, Hyderabad

Sr. No.	Issuing Authority	License No.	Date of Renewal Application	Purpose
17.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/60/2002	November 17, 2009	For registering the establishment at House No. 6-3-609/65/4, Premises of post office, Anand Nagar, Hyderabad
18.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/59/2002	November 17, 2009	For registering the establishment at House No. 6-3-1091/13 to 15, Somajiguda, Hyderabad
19.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/61/2002	November 17, 2009	For registering the establishment at Flat No. 102, My Home Plaza, Masab Tank, Hyderabad – 500 028
20.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/68/2002	November 17, 2009	For registering the establishment at 301/ 301A, Meera Mansion Lane, adjacent to A.P. Civil Supplies Bhavan, Somajiguda, Hyderabad
21.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/69/2002	November 17, 2009	For registering the establishment at House No. 1-10-98/4, Flat No. 201 / A, Vijayasri Apartments, Chikoti Garden, Begumpet, Hyderabad
22.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/59/2008	November 17, 2009	For registering the establishment at 18/7/206/122-A, Moghalpura, Bewi Bazar, 'X' Roads, Hyderabad
23.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/67/2002	November 17, 2009	For registering the establishment at F-76, Ground Floor, F Block, Madhura Nagar, Hyderabad
24.	Inspector and Joint Commissioner Labour, Hyderabad (Twin Cities)	DCL/HYD/64/2002	November 17, 2009	For registering the establishment at Plot No. 872, RT, 2nd Floor, Kalee Manzil, S.R. Nagar, Hyderabad
(v) Thane				
1.	Office of the Deputy Commissioner of Labour, Thane	CE-24825	January 04, 2010	For registering the establishment at Vedant Commercial Complex, BLDS-2, opposite Kores Tower, Vartak Nagar, Thane (West)
2.	Entertainment tax Officer, Entertainment tax Department, Thane.	ENT/Karya-5/Zone-5/Te2/SR/ Thane/325	November 30, 2009	For the payment of entertainment tax in district of Thane

Sr. No.	Issuing Authority	License No.	Date of Renewal Application	Purpose
(vi) Mumbai				
1.	Collector Mumbai, Entertainment Tax Department	ENT/Karya-5/Zone-9/ 2009/297	January 08, 2010	For the payment of entertainment tax in the city of Mumbai

Intellectual property

Approvals/licenses applied for

Our Company has filed the following trademark applications with the trademarks registry, Government of India for grant of certificates under the Trade Mark Rules 2002, all of which are currently pending registration.

Sr. No.	Application No.	Class	Name of the Trademark	Date of filing
1.	903685	16	C News - Word	February 15, 2000
2.	905143	9	C News - Label (colour logo)	February 22, 2000
3.	905147	9	C News - Label in Black & White	February 22, 2000
4.	966288	9	CCC - Word	October 24, 2000
5.	905146	9	CCC - Label in Black & White	February 22, 2000
6.	1180372	16	i TV - Label (Black & White logo)	February 25, 2003
7.	966284	16	i TV Select- Color logo	October 24, 2000
8.	903687	16	Win Cable - Word	February 15, 2000
9.	906285	9	Win Cable Label	February 20, 2000
10.	966283	16	Win Cable Label (colour logo)	October 24, 2000
11.	906284	9	Mega Bytes in mini seconds	February 28, 2000
12.	1180371	16	C Bangalore - Label	February 25, 2003
13.	1180370	16	C Bangalore Get Involved - Label	February 25, 2003
14.	1180363	9	C Pune - Label	February 25, 2003
15.	1180364	9	C Pune Get Involved - Label	February 25, 2003
16.	179354	9	Hathway Broadband Internet (colour logo)	December 3, 2008
17.	1759355	38	Hathway Broadband Internet (colour logo)	December 3, 2008
18.	1759356	38	Hathway (colour logo)	December 3, 2008

Our Company will apply for other statutory approvals as and when required.

Approvals/licenses obtained by operational subsidiaries of our Company

The following are the approvals/licenses obtained by operational subsidiaries of our Company:

Win Cable and Datacom Private Limited

Sr. No	Issuing Authority	License No.	Date of Registration	Purpose	Validity
(i) Mumbai					
2.	Senior Post Master, Head Post Office, Palghar	80	January 11, 2010	For running cable television network at Shital Nagar, Mira Road	December 3, 2012

Hathway Mysore Cable Network Private Limited

Sr. No	Issuing Authority	License No.	Date of Registration	Purpose	Validity

(i) Mysore					
1.	Assistant Post Master, Mysore	CTV/207/2005	April 14, 2009	For running cable television network at No.1056, Kavitha Vilas, 2nd Floor, M. G. Road, Chamaraja Mohalla, Mysore	April 13, 2010

Gujarat Telelink Private Limited

Sr. No	Issuing Authority	License No.	Date of Registration	Purpose	Validity
(i) Ahmedabad					
1.	Post Master, Revdi Bazaar H.O.	2	December 23, 2009	For running cable television network at 202, Sahajanand Shopping Center, 2nd floor, Opposite Swaminarayan Mandir, Shahibag, Ahmedabad	December 24, 2010
(ii) Gandhidham					
1.	Head Post Master, Bhuj H.O.	46	September 11, 2009	For running cable television network at Plot no. 272, Sector 1/A, Gandhidham – Kachchh	September 10, 2010
(iii) Vadodra					
1.	Senior Post Master, Vadodra Fateh Ganj H.O.	02	March 30, 2009	For running cable television network at 6th Floor, Monalisa Complex, Next to World Trade Centre, Sayagiganj, Vadodara	March 31, 2010
(iv) Navsari					
1.	Senior Post Master, Head Post Office, Navsari	C-TV-43	September 10, 2009	For running cable television network at 302, Ravikiran Apartment, Behind Sandhkuwa Gate, Navsari	September 9, 2010
(v) Surat					
1.	Senior Post Master, Surat H.O.	L2/CTV/498/ 2009-10	April 1, 2009	For running cable television network at Sai Lila building, 9/288 Vigneshwar Mahadev Street, behind Amisha Hotel, Mancharpura, Surat	March 31, 2010

Hathway Palampur Cable Network Private Limited

Sr. No	Issuing Authority	License No.	Date of Registration	Purpose	Validity
(i) Palampur					
1.	Head Post Master, Palampur H.O.	HP/PLP/05	May 16, 2009	For running cable television network at Lohana Banagala,	May 15, 2010

				Palampur	

Hathway New Concept Cable & Datacom Private Limited

Sr. No	Issuing Authority	License No.	Date of Registration	Purpose	Validity
(i) Delhi					
1.	Deputy Chief Post Master, Department of Posts, Office of the Chief Post Master, Delhi G.P.O.	G-2/50/Cable Tv/581/08-09	February 10, 2009	For running cable television network at 1907, Chandani Chowk, Sis Ganj, Gurudwara, Delhi	February 9, 2010

Hathway MCN Latur Private Limited

Sr. No	Issuing Authority	License No.	Date of Registration	Purpose	Validity
(i) Latur					
1.	Post Master, Latur H.O.	626	February 9, 2010	For running cable television network at Shelke Bldg.,Usha Road, Latur	February 8, 2011

Hathway Cable MCN Nanded Private Limited

Sr. No	Issuing Authority	License No.	Date of Registration	Purpose	Validity
(i) Nanded					
1.	Head Post Master, Head Post Office	H1/NND/CTV/ 142/09	July 10, 2009	For running cable television network at Lohiya Complex, Nanded	July 9, 2010

Hathway Krishna Cable and Datacom Private Limited

Sr. No	Issuing Authority	License No.	Date of Registration	Purpose	Validity
(i) Bangalore					
1.	Head Post Master, Basavanagudi H.O.	281	October 6, 2009	For running cable television network at 455, 17th 'C' Main, 5th Block, KHB Colony Basavanagudi, Bangalore	October 6, 2010

UTN Cable Communications Private Limited

Sr. No	Issuing Authority	License No.	Date of Registration	Purpose	Validity
(i) Bangalore					
1.	Deputy Chief Post Master, Bangalore G.P.O.	19	September 24, 2009	For running cable television network at No. 288, 2nd Floor, Chinappa	September 29, 2010

				Layout, Kammanahalli, Bangalore	

Hathway Software Developers Private Limited

Sr. No	Issuing Authority	License No.	Date of Registration	Purpose	Validity
(i) Bangalore					
1.	Senior Post Master, Head Post Office, Basavanagudi	221	September 22, 2009	For running cable television network at 2nd Floor, Shyamsingh Complex, Basavanagudi, Bangaloire	September 26, 2010

Hathway VCN Cablenet Private Limited

Sr. No	Issuing Authority	License No.	Date of Registration	Purpose	Validity
(i) Bangalore					
1.	Senior Post Master, Rajaji Nagar H.O.	251	April 30, 2009	For running cable television network at 150/E, 2nd Floor, 17th Main, MM Complex, Vijayanagar, Bangalore	April 29, 2010

Hathway Bhawani Cabletel & Datacom Limited

Sr. No	Issuing Authority	License No.	Date of Registration	Purpose	Validity
(i) Mumbai					
1.	Postmaster, Head Post Office, Chembur	CHR/Cable Opt/61/09-10	June 23, 2009	For running cable television network at 5th floor, Sanjone Complex, Hemu Kalani Marg, Plot No 11-A, Sindhi Society, Chembur	June 22, 2010
(ii) Khopoli					
1.	Head Post Master, Panvel H.O.	559	May 17, 2008	Nead Chandra Vilas lodge, Ambika Niwas, Khopoli	May 17, 2010
(iii) Karjat					
1.	Head Post Master, Panvel H.O.	560	May 17, 2008	Siddha Kala, Vishar Vihar Apartments, opposite Government Hospital, Karjat	May 17, 2010

Hathway Marathwada Cable Network Private Limited

Sr. No	Issuing Authority	License No.	Date of Registration	Purpose	Validity
(i) Aurangabad					
1.	Senior Post Master, Aurangabad H.O.	904	January 1, 2010.	For running cable television network at 310-311, Akshaydeep	January 4, 2011

				Plaza, CIDCO, Jalna Road, Aurangabad.	

Hathway Sai Star Cable & Datacom Private Limited

Sr. No	Issuing Authority	License No.	Date of Registration	Purpose	Validity
(i) Mumbai					
1.	Post Master, Borivali H.O.	BOR HO/309/99	January 8, 2010	For running cable television network at Gokul Nagar, Shop No. 2, Opp. Thakur Complex, Surya Village, Borivali, Mumbai	December 09, 2012

Approvals under Section 297 of the Companies Act obtained

Sr. No.	Issuing Authority	Approval No. and Date	Name of the Contracting Party	Purpose	Estimated Value of the Contract	Period of Contract	Common Directors/ Members
1.	Registrar of Companies, Maharashtra	RD/297/ 512/3/ 2009/ 1615 dated May 29, 2009	Hathway	For availing consultancy for technical services, placement/carriage deals, movie rights, internet services and for purchasing equipments from Hathway	Availing consultancy services – Rs.40 million per annum Commission for placement/ carriage deals – Rs.5 million per annum Commission for movie rights – Rs.5 million per annum Availing of internet services – Rs.6 million Purchasing equipments – Rs.4 million	Three years from June 1, 2009	Mr. K. Jayaraman
2.	Registrar of Companies, Maharashtra	RD:297/219/219/3/02/5101	Bhawani Engineering Works (a partnership firm)	To acquire by way of an assignment all the present and future rights, title and interest with all tangible and intangible benefits of 480 cable tv primary point subscribers situated at Bharat Petroleum	Not exceeding Rs.1.44 million	One time contract	Mr. Kuldeep Puri

Sr. No.	Issuing Authority	Approval No. and Date	Name of the Contracting Party	Purpose	Estimated Value of the Contract	Period of Contract	Common Directors/ Members
				Corporation Limited Colony located at Azizi Baug, Chembur from Bhawani Engineering Works, a partnership firm.			

Approvals/licenses applied for renewal by our operational subsidiaries

Our operational subsidiaries have applied for renewals of the following approvals/licenses:

Hathway Rajesh Multi Channel Private Limited

Sr. No.	Issuing Authority	License No	Date of Renewal Application	Purpose
(i) Mumbai				
1.	Head Post Master, Chembur	CHR/Cable Opt/R-36/08-09	July 6, 2009	For running cable television network at 41/2, Parvati Sadan, Tilak Road, Ghatkopar (East)

Hathway Ice Television Private Limited

Sr. No.	Issuing Authority	License No	Date of Renewal Application	Purpose
(i) Allahabad				
1.	Senior Post Master, Allahabad H.O.	94/08-09	November 25, 2009	For running cable television network at Alok Parikh, 3rd Floor, Om Tower, Civil Lines, Allahabad

Gujarat Telelink Private Limited

Sr. No.	Issuing Authority	License No	Date of Renewal Application	Purpose
(i) Surat				
1.	Senior Post Office, Nanpura H.O.	171	February 10, 2010	For running cable television network at 149, Vinayak Nagar, Opposite BRC Gate Udhna, Surat

SECTION VIII: OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on September 21, 2009, authorised the Fresh Issue subject to the approval of the Shareholders of our Company under Section 81(1A) of the Companies Act, and such other authorities as may be necessary.

Our Company has received an approval dated November 24, 2009 from the FIPB for participation by foreign investors in the Issue and to increase the foreign shareholding in our Company upto 49%.

Our Company has received an approval on December 9, 2009 from the RBI for the Offer for Sale.

The shareholders of the Company have, pursuant to a resolution dated September 23, 2009 under Section 81(1A) of the Companies Act, authorised the Fresh Issue.

The IPO Committee, through its resolution dated September 28, 2009 has approved the Draft Red Herring Prospectus and through its resolution dated January 27, 2010 approved the Red Herring Prospectus.

The IPO Committee, through its resolution dated February 17, 2010 has approved the Prospectus.

The IPO Committee, pursuant to its resolution dated February 13, 2010 has approved the Issue Price.

Monet and MSPI have obtained approval for the Offer for Sale pursuant to their board resolutions dated September 16, 2009 and September 24, 2009, respectively.

Prohibition by SEBI

We confirm that neither (i) Our Company, its Subsidiaries, our Promoters, persons in control of the Company, the Promoter Group, our Directors and our Group Companies, nor (ii) companies with which any of the Promoters, Directors or persons in control of the Company are or were associated as a promoter, director or person in control are debarred or have been prohibited from accessing the capital markets under any order, direction passed by SEBI or any other authority.

None of our Directors are associated with the securities market in any manner, other than Mr. Bharat Shah, who is a director on the board of HDFC Securities Limited, which is a SEBI registered stock broking entity and Mr. Vinayak Aggarwal and Mr. Rajan Raheja who are directors on the board of ING Investment Management (India) Private Limited, which is an asset management company.

SEBI has not initiated any action against any of our Directors.

The listing of securities of our Company has never been refused at any time by any stock exchange in India.

Prohibition by RBI

None of our Company, our Promoters, our Group Companies or any of the relatives of our Promoters has been declared as wilful defaulters by the RBI or any other authority.

Eligibility for the Issue

The Company is eligible for the Issue in accordance with Regulation 26(2) of the SEBI ICDR Regulations, which states as follows:

"*26 (2) An issuer not satisfying any of the conditions stipulated in sub-regulation (1) may make an initial public offer if:*

(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

(b)(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;

AND

(b) (i) the minimum post-issue face value capital of the issuer is ten crore rupees;

OR

b(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 SEBI ICDR Regulations and are therefore required to meet both the conditions detailed in Regulation 26(2)(a) and (b) of the SEBI ICDR Regulations.

- We are complying with Regulation 26(2)(a) of the SEBI ICDR Regulations and at least 60% of the 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 also complying with Regulation 26(2)(b)(i) of the SEBI ICDR Regulations and the post-Issue face value capital of the Company shall be Rs.1,428.57million which is more than the minimum requirement of Rs.10 crore, i.e. Rs.100 million.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, the Company will ensure that the number of prospective allottees will not be less than 1,000.

Further, the Issue is subject to the fulfillment of the following conditions as required by Rule 19(2)(b) of the SCRR:

- A minimum of 2 million 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 at least 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 TO MEAN THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE ISSUE IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS,

MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED AND UBS SECURITIES INDIA PRIVATE LIMITED AND THE BOOK RUNNING LEAD MANAGER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH SEBI (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED ISSUE.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS AND THE 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-ORDINATORS AND BOOK RUNNING LEAD MANAGERS MORGAN STANLEY INDIA COMPANY PRIVATE LIMITED AND UBS SECURITIES INDIA PRIVATE LIMITED AND THE BOOK RUNNING LEAD MANAGER, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED SEPTEMBER 29, 2009 WHICH READS AS FOLLOWS:

1. **"WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID ISSUE.**

2. **ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE ISSUE, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY,**

   WE CONFIRM THAT:

   (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH SEBI IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE ISSUE;

   (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE SAID ISSUE AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED / ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND

   (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL-INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED ISSUE AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, 1956, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 AND OTHER APPLICABLE LEGAL REQUIREMENTS;

3. **WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THE DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE ALL SUCH REGISTRATIONS ARE VALID.**

4. **WHEN UNDERWRITTEN, WE SHALL SATISFY OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS.**

5. **WE CERTIFY THAT WRITTEN CONSENTS FROM THE PROMOTERS HAVE BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN AND THAT THE EQUITY SHARES PROPOSED TO FORM PART OF THE PROMOTERS' CONTRIBUTION SUBJECT TO LOCK-IN, SHALL NOT BE DISPOSED OF/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THE DRAFT RED HERRING PROSPECTUS WITH SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.**

6. **WE CERTIFY THAT REGULATION 33 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHICH RELATES TO SPECIFIED SECURITIES INELIGIBLE FOR COMPUTATION OF PROMOTERS CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS.**

7. **WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE ISSUE. WE UNDERTAKE THAT AN AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO THE BOARD. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE ISSUER ALONG WITH THE PROCEEDS OF THE PUBLIC ISSUE. [NOT APPLICABLE]**

8. **WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE ISSUER FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT ISSUE FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE ISSUER AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.**

9. **WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE ISSUE ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB-SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE ISSUE AND THE ISSUER SPECIFICALLY CONTAINS THIS CONDITION. [TO BE COMPLIED WITH]**

10. **WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE EQUITY SHARES IN DEMAT OR PHYSICAL MODE. [NOT APPLICABLE AS PER SECTION 68B OF THE COMPANIES ACT, PURSUANT TO WHICH ALLOTMENT SHALL BE IN DEMAT FORM ONLY]**

11. **WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.**

12. **WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:**

(A) AN UNDERTAKING FROM THE ISSUER THAT, AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE ISSUER; AND

(B) AN UNDERTAKING FROM THE ISSUER THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME

13. **WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENTS IN TERMS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, WHILE MAKING AN ISSUE.**

14. **WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OR THE ISSUER, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS EXPERIENCE , ETC.**

15. **WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY."**

The filing of the 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/or other clearances as may be required for the purpose of the proposed Issue. SEBI further reserves the right to take up at any point of time, with the Global Co-ordinators and Book Running Lead Managers and the Book Running Lead Manager, any irregularities or lapses in the Prospectus.

Disclaimer Clause of the NSE

As required, a copy of the Draft Red Herring Prospectus has been submitted to the NSE. The NSE has *vide* its letter bearing ref.: NSE/LIST/121520-E dated October 28, 2009, granted permission to the Company to use the NSE's name in this Prospectus as one of the Stock Exchanges on which the Company's securities are proposed to be listed. The NSE has scrutinized this Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. It is to be distinctly understood that the aforesaid permission given by the NSE should not in any way be deemed or construed that the Prospectus has been cleared or approved by the NSE nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that this Company's securities will be listed or will continue to be listed on the NSE; nor does it take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company.

Every person who desires to apply for or otherwise acquire any securities of the Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the 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.

Disclaimer Clause of the BSE

The BSE has *vide* its letter bearing ref: DSC/IPO/NP/IPO-IP/821/2009-10 dated October 30, 2009 granted permission to this Company to use the BSE's name in this offer document as one of the stock exchanges on which this Company's securities are proposed to be listed. The BSE has scrutinized this Prospectus for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The BSE does not in any manner:-

- warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; or

- warrant that this Company's securities will be listed or will continue to be listed on the BSE; or

- take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;

and it should not for any reason be deemed or construed that this Prospectus has been cleared or approved by the BSE. Every person who desires to apply for or otherwise acquires any securities of this Company may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the 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 from the Company, the Selling Shareholders, the GCs and the BRLM

Our Company, the Selling Shareholders, the GCs and the BRLM accept no responsibility for statements made otherwise than those contained in this Prospectus or in any advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.hathway.com, or the website of any Subsidiaries, Promoter Group company, or of any affiliate or associate of our Company or its Subsidiaries, would be doing so at his or her own risk.

Caution

The GCs and the BRLM accept no responsibility, save to the limited extent as provided in the Issue Agreement entered into among the GCs, the BRLM and our Company dated September 24, 2009 and in the Underwriting Agreement dated February 13, 2010 entered into among the Underwriters and our Company.

All information shall be made available by us, the GCs and the BRLM to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever including at road show presentations, in research or sales reports or at bidding centres or elsewhere.

Neither our Company nor the Syndicate shall be liable to the Bidders for any failure in downloading the Bids due to faults in any software/hardware system or otherwise.

Note:

Investors that bid in the Issue will be required to confirm and will be deemed to have represented to our Company, 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 the 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, Hindu Undivided Families (HUFs), companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Mutual Funds, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), Trusts registered under the Societies Registration Act, 1860, as amended from time to time, or any other trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds and to non-residents including NRIs and FIIs. The Prospectus does not, however, constitute an offer to sell or an invitation to subscribe to Equity Shares offered hereby in any other jurisdiction to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession the 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 Mumbai, 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 the Draft Red Herring Prospectus has been filed with SEBI for

observations and SEBI has given its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction. Neither the delivery of this Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been any change in the affairs of our Company since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

Disclaimer Clause under Rule 144A of the U.S. Securities Act

The Equity Shares are being offered and sold (i) within the United States to "qualified institutional buyers" in reliance on Rule 144A under the Securities Act and (ii) outside of the United States to non-U.S. Persons in reliance on Regulation S. The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act. The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Underwriting Agreement provides that the GCs and the BRLM may directly or through its U.S. broker-dealer affiliates arrange for the offer and resale of the securities within the United States only to qualified institutional buyers in reliance on Rule 144A. In addition, until 40 days after the first date upon which the securities were bona fide offered to the public, an offer of the securities within the United States by a dealer may violate the registration requirements of the Securities Act. Each purchaser of the securities will be deemed to have made the acknowledgements, representations and agreements as described in “Transfer Restrictions” below.

Transfer Restrictions

Because the following restrictions will apply to the Issue, purchasers are advised to consult their own legal counsel prior to making any offer, resale, pledge or transfer of the Equity Shares.

Rule 144A:

Each purchaser of the Equity Shares within the United States, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that:

(1) It is (a) a qualified institutional buyer within the meaning of Rule 144A, (b) aware the seller of the Equity Shares may be relying on an exemption from registration under the Securities Act provided by Rule 144A, and (c) purchasing the Equity Shares for its own account or the accounts of qualified institutional buyers with respect to which it exercises sole investment discretion.

(2) It understands that the Equity Shares have not and will not be registered under the Securities Act or the securities laws of any State of the United States and may be offered, sold, pledged or otherwise transferred only (a) outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act, (b) pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or (c) to a person whom it reasonably believes is a qualified institutional buyer that is purchasing for its own account or for the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A, in each case in accordance with any applicable securities laws of any State of the United States.

(3) It understands that the Equity Shares will constitute “restricted securities” within the meaning of Rule 144 under the Securities Act, and, for so long as they remain “restricted securities”, such Equity Shares may not be transferred except as described in paragraph (2) above.

Prospective purchasers are hereby notified that sellers of the Equity Shares in the Issue may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Regulation S

Each purchaser of the Equity Shares outside the United States, by accepting delivery of this document,

will be deemed to have represented and agreed that it is purchasing the Equity Shares outside the United States in an offshore transaction in accordance with Regulation S under the Securities Act.

Each purchaser of the Equity Shares, by accepting delivery of this document, will be deemed to have represented, agreed and acknowledged that:

(1) It is relying on this document and not on any other information or representation concerning us or the Equity Shares and neither we nor any other person responsible for this document or any part of it, nor the GCs nor the BRLM, will have any liability for any such other information or representation.

(2) We, the GCs, the BRLM and their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements.

Each person in a Member State of the European Economic Area which has implemented the Prospectus Directive (each, a "Relevant Member State") who acquires any Equity Shares under the offers contemplated in this Prospectus will be deemed to have represented and agreed that:

(a) it is a qualified investor within the meaning of the law implementing Article 2(1)(e) of the Prospectus Directive; and

(b) In the case of any Equity Shares acquired by a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, such financial intermediary will be deemed to have represented and agreed that the Equity Shares acquired by it in the Issue have not been acquired on behalf of, nor have they been acquired with a view to their offer or resale to persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Directive, or in circumstances in which the prior consent of the GCs, the BRLM has been given to the offer or resale.

For the purposes of this representation, the expression an "offer of Equity Shares to the public" in relation to any Equity Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC and includes any relevant implementing measure in each Relevant Member State.

Filing

A copy of the Draft Red Herring Prospectus had been filed with SEBI at Corporation Finance Department, Plot No. C4-A, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai 400 051. A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 60B of the Companies Act, has been delivered to the RoC, Everest Building,100, Marine Drive, Mumbai – 400 002, Maharashtra, India. A copy of the Prospectus required to be filed under Section 60 of the Companies Act will be delivered for registration with the concerned RoC upon closure of the Issue and finalisation of the Issue Price.

Listing

Applications have been made to the BSE and the NSE for permission to deal in and for an official quotation of our Equity Shares. The NSE will be the Designated Stock Exchange with which the basis of allotment will be finalised.

If the permissions to deal in and for an official quotation of our Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company will forthwith repay, without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus and the Prospectus. If such money is not repaid within eight days after our Company become liable to repay it, i.e. from the date of refusal of such permission or within 10 weeksfrom the Bid/Issue Closing Date, whichever is earlier, then our Company and every Director of our Company who is an officer in default shall, on and from such 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 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 finalisation 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 subscription, 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 Statutory Auditors, Bankers to the Issue; and (b) the GCs, the BRLM and Syndicate Members, Escrow Collection Bankers, Registrar to the Issue, the domestic legal advisors to the Company, the domestic legal advisors to the GCs and the BRLM and the international legal advisors to the GCs and the BRLM, to act in their respective capacities, have been obtained and shall 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 shall not be withdrawn up to the time of delivery of the Prospectus for registration with the RoC.

In accordance with the Companies Act and the SEBI ICDR Regulations, M/s. G M Kapadia & Co., the Auditors of our Company have agreed to provide their written consent to the inclusion of their report dated September 21, 2009 on restated financial statements and auditor's report relating to the possible tax benefits, as applicable, which may be available to our Company and its shareholders, included in this Prospectus in the form and context in which they appear therein and such consent and reports will not be withdrawn up to the time of delivery of the Prospectus to the RoC.

CRISIL Limited, the SEBI registered credit agency engaged by us for the purpose of obtaining an IPO Grading in respect of this Issue, has given its written consent to the inclusion of its report in the form and context in which it appears 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 to the Designated Stock Exchange and the RoC.

Expert opinion

Except for the report of CRISIL Limited in respect of the IPO grading of this Issue annexed herewith and as stated in this Prospectus, we have not obtained any expert opinions.

Issue related expenses

The expenses of this Issue include, among others, underwriting and management fees, selling commissions, SCSBs' commission/ fees, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees.

The estimated Issue expenses are as under:

Activity	Expenses (Rs. in million)	As a % of Issue size	As a % of Total Issue Expenses
Lead management fee, underwriting and selling commissions	199.80	3.00	54.85
Registrar's fees	0.40	0.01	0.11

Advisor's fees, including legal fees.	39.36	0.59	10.81
Fee's paid to the Bankers to the Issue	0.00	0.00	0.00
SCSBs' commission	0.00	0.00	0.00
Advertising and marketing expenses	44.50	0.67	12.22
Printing and stationery	41.80	0.63	11.48
IPO grading expenses	1.00	0.02	0.27
Others (listing fee, etc.)	37.38	0.56	10.26
Total estimated Issue expenses	**364. 24**	**5.47**	**100.00**

The lead managers' fees, underwriting commissions,brokerage, SEBI filing fees and Stock exchange fees for usage of book building facility will be shared between the Company and the Selling Shareholders in the proportion of the Equity Shares being issued /offered in the Fresh Issue and Offer for Sale respectively.

All other Issue expenses, such as printing, advertisement, listing fee, auditors fees, registrar fee, legal fees, etc will be paid by the Company.

Fees, brokerage and selling commission payable to the Global Co-ordinators and Book Running Lead Managers, Co-Book Running Lead Manager and the Syndicate Members

The total fees payable to the GCs, the BRLM and the Syndicate Members (including underwriting commission and selling commission) is as stated in the engagement letter dated September 28, 2009, among our Company and the GCs and the BRLM, a copy of which will be made available for inspection at our Registered Office.

Fees payable to the Registrar to the Issue

The fees payable 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 memorandum of understanding between our Company and the Registrar to the Issue dated September 24, 2009.

The Registrar to the Issue will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Issue to enable it to send refund orders or Allotment advice by registered post/speed post/under certificate of posting.

IPO grading

This Issue has been graded by CRISIL Limited and has been assigned the grade of "3/5" indicating average fundamentals, through its letter dated December 23, 2009. The IPO grading is assigned on a five point scale from 1 to 5 wherein an **"**IPO Grade 5" indicates strong fundamentals and an "IPO Grade 1" indicates poor fundamentals. A copy of the report provided by CRISIL Limited, will be made available for inspection at our Registered Office from 10.00 am to 4.00 pm on working days from the date of the Red Herring Prospectus until the Bid/Issue Closing Date.

Summary of rationale for grading by the IPO Grading Agency

"*The IPO grade assigned to Hathway reflects the current position of the company as one of the leading multi service operators (MSOs) in the country. As on March 31, 2009, the company's paying subscriber base stood at 1.6 million. Of these, the digital subscriber base accounted for 1.0 million. Given its scale, Hathway is well-placed to capitalise on the opportunities arising from consolidation and digitisation in the cable industry. The grading also takes into account the company's experienced management and its demonstrated ability to acquire and integrate MSOs and local cable operators (LCOs). The company's efforts to consolidate its subscriber base through the acquisition of MSOs and LCOs, and convert analog subscribers to digital are expected to yield benefits over the medium-term. The ability to execute this strategy within a faster timeframe would be critical for the company's growth. However, the large scale of acquisitions envisaged is likely to pose significant management challenges. The grading is also constrained by the high competition the company faces, particularly from direct-to-home (DTH) operators, many of whom have strong parentage and financial muscle".*

Previous rights and public issues

We have not made any previous rights and public issues, and are an "Unlisted Company" in terms of the SEBI ICDR Regulations and this Issue is an "Initial Public Offering" in terms of the SEBI ICDR Regulations.

Previous issues of Equity Shares otherwise than for cash

Except as stated in the Sections titled "Capital Structure" and "History and Certain Corporate Matters" beginning on pages 24 and 102, respectively, of this Prospectus, we have not issued any Equity Shares for consideration other than for cash.

Underwriting Commission and Brokerage on Previous Issues

We have not made any previous public issues. Therefore, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring for, or agreeing to procure subscription for any of the Equity Shares of our Company since its inception.

Companies under the same Management

There are no companies under the same management within the meaning of former section 370 (1B) of the Companies Act, other than Spur Cable and Datacom Private Limited. No company under the same management as our Company within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years.

Promise v/s performance

Our Company is an "Unlisted Company" in terms of the SEBI ICDR Regulations, and this Issue is an "Initial Public Offering". For details of promise v performance of our Group Companies, please refer to the section titled "Our Promoters and Group Companies" beginning on page 191 of this Prospectus.

Outstanding debentures, bonds, redeemable preference shares and other instruments issued by our Company

Our Company has no outstanding debentures or bonds. The Company has issued redeemable preference shares in the past. For details, please refer to the section titled "Capital Structure" beginning on page 24 of this Prospectus.

Stock market data for our Equity Shares

This being an initial public issue of our Company, the Equity Shares of our Company are not listed on any stock exchange.

Mechanism for redressal of investor grievances

The memorandum of understanding to be entered into by the Registrar to the Issue and us will provide for retention of records with the Registrar to the Issue for a period of at least three years from the last date of dispatch of the letters of allotment, demat credit and refund orders to enable the investors to approach the Registrar to the Issue for redressal of their grievances.

All grievances relating to the Issue may be addressed to the Registrar to the Issue, giving full details such as name, address of the applicant, 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 SCSBs, giving full details such as name, address of the applicant, number of Equity Shares applied for, amount paid on application and the Designated Branch of the SCSB where the Bid cum Application Form was submitted by the ASBA Bidder.

We estimate that the average time required by us or the Registrar to the Issue or the SCSBs 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.

Our Board by a resolution dated September 10, 2009, constituted a Shareholders/Investors Grievance

Committee. The composition of the Shareholders/Investors Grievance Committee is as follows:

Name of the Director	Designation in the Committee	Nature of Directorship
Mr. Vinayak Aggarwal	Chairman	Non-Executive
Mr. K. Jayaraman	Member-Director	Executive
Mr. Viren Raheja	Member-Director	Non-Executive

For further details, please refer to the Section titled "Our Management" beginning on page 167 of this Prospectus.

We have also appointed Mr. Milind Karnik as the Compliance Officer for this Issue and he may be contacted at the registered office of our Company. His contact details are as follows:

Mr. Milind Karnik;
"Rahejas", 4th Floor
Corner of Main Avenue & V.P. Road,
Santacruz (West),
Mumbai - 400 054
Maharashtra, India.
Tel: (91 22) 2600 1306;
Fax: (91 22) 2600 1307;
E-mail: investorgrievance@hathway.net

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

Disposal of investor grievances by listed companies under the same management as the Company

No company under the same management as our Company within the meaning of Section 370(1B) of the Companies Act has made any public issue (including any rights issues to the public) during the last three years.

Change in Auditors

There have been no changes in the Company's auditors in the last 3 years.

Capitalisation of reserves or profits

The details regarding capitalisation of reserves are enumerated in the Section titled "Capital Structure" beginning on page 24 of this Prospectus. Other than as mentioned therein, we have not capitalised any of our reserves or profits.

Revaluation of assets

We have not revalued our assets in the last five years.

SECTION IX: ISSUE INFORMATION

TERMS OF THE ISSUE

The Equity Shares being issued / transferred are subject to the provisions of the Companies Act, our Memorandum of Association and Articles of Association, the terms of the Draft Red Herring Prospectus, the terms of the Red Herring Prospectus, 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 laws, guidelines, notifications and regulations relating to the issue of capital and listing of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, RBI, RoC, FIPB and/or other authorities, as in force on the date of the Issue and to the extent applicable.

Authority for the Issue

The Board of Directors has, pursuant to a resolution passed at its meeting held on August 18, 2009, authorised this Issue subject to the approval of the shareholders of our Company, and such other authorities as may be necessary.

The Shareholders of our Company have, pursuant to a resolution dated September 10, 2009, under Section 81(1A) of the Companies Act, authorised this Issue.

Our Company has obtained the approval of the FIPB dated November 24, 2009 for participation by foreign investors in the Issue and to increase the foreign shareholding in our Company up to 49%.

Our Company has obtained the approval of the RBI dated December 9, 2009 for the Offer for Sale.

The IPO Committee, pursuant to its resolution dated September 28, 2009 has approved and authorised the DRHP, by its resolution dated January 27, 2010, has approved and authorised the Red Herring Prospectus and by its resolution dated February 17, 2010, has approved and authorised this Prospectus.

The IPO Committee, pursuant to its resolution dated February 13, 2010 has approved the Issue Price.

Our Company has obtained in-principle listing approvals dated October 30, 2009 and October 28, 2009 from the BSE and the NSE, respectively.

Monet and MSPI have obtained the approval for the Offer for Sale pursuant to their board resolutions dated September 16, 2009 and September 24, 2009, respectively.

Ranking of Equity Shares

The Equity Shares being issued / transferred shall be subject to the provisions of our Memorandum and Articles of Association and shall rank *pari passu* with the existing Equity Shares including rights in respect of dividends. The Allottees of the Equity Shares in this Issue shall be entitled to dividends and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see the section titled “Main Provisions of the Articles of Association” on page 351 of this Prospectus.

Mode of Payment of Dividend

Our Company shall pay dividend to the shareholders of our Company in accordance with the provisions of the Companies Act.

Face value and Issue Price

The Equity Shares with a face value of Rs.10 each will be issued in terms of the Prospectus at a price of Rs.240 per share. At any given point of time, there shall be only one denomination for the Equity Shares of our Company, subject to applicable laws. The Anchor Investors will be issued shares at a price of Rs. 240 per Equity Shares.

Option to Subscribe

Equity Shares being offered through the Prospectus can be applied for in dematerialized form only.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, the equity shareholders of our Company shall have the following rights:

- 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 or other preferential claims being satisfied;
- right of free transferability of Equity Shares, subject to applicable foreign direct investment policy, foreign exchange regulations and other applicable laws; and
- such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the terms of the listing agreements executed with the Stock Exchanges, and our Company's Memorandum and Articles of Association.

For further details on the main provisions of our Company's Articles of Association including those dealing with voting rights, dividend, forfeiture and lien, transfer and transmission and/or consolidation/splitting, please refer to the section titled 'Main Provisions of our Articles of Association' beginning on page 351 of this Prospectus.

Market Lot and Trading Lot

As per the applicable law, the allotment and trading of our Equity Shares shall only be in dematerialised form for all investors. Since trading of our Equity Shares will be in dematerialised form, the tradable lot is one Equity Share. In terms of Section 68B of the Companies Act, the Equity Shares shall be allotted only in dematerialised form. Allotment in this Issue will be done only in electronic form in multiples of one Equity Share subject to a minimum Allotment of 25 Equity Shares to successful Bidders.

Jurisdiction

Exclusive jurisdiction for the purpose of this Issue is with the competent courts/authorities in Mumbai, India.

Nomination Facility to the Investor

In accordance with Section 109A of the Companies Act, the sole or first Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the bidders, as the case may be, the Equity Shares transferred, 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. A fresh nomination can be made only on the prescribed form available on request at the registered office of our Company or at the registrar and transfer agent of our Company.

In accordance with Section 109B of the Companies Act, any person who becomes a nominee by virtue of the provisions of Section 109A of the Companies Act, shall upon the production of such evidence as may be required by the Board, elect either:

a. to register himself or herself as the holder of the Equity Shares; or

b. to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the allotment of Equity Shares in this Issue will be made only in dematerialized mode, there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investors require a change the nomination, they are requested to inform their respective depository participant.

Minimum subscription

If our Company does not receive the minimum subscription of 90% of the Fresh Issue to the Public, including devolvement of the Underwriters, if any, within 60 days from the Bid/Issue Closing Date, our Company shall forthwith refund the entire subscription amount received forthwith, but not later than 10 weeks of the Bid / Issue Closing Date.

If atleast 60% of the Issue cannot be allotted to QIBs, then the entire application money will be refunded forthwith. If there is a delay beyond eight days after our Company becomes liable to pay the amount, our Company shall pay interest as per Section 73 of the Companies Act.

Our Company shall ensure that the number of prospective allottees to whom Equity Shares in the Issue will be allotted will be not less than 1,000 failing which we shall forthwith refund the entire subscription amount received.

Application under Rule 144A of the U.S. Securities Act

The Equity Shares are being offered and sold (i) within the United States to "qualified institutional buyers" in reliance on Rule 144A under the U.S. Securities Act and (ii) outside of the United States to non-U.S. Persons in reliance on Regulation S under the Securities Act ("Regulations S"). The Equity Shares have not been and will not be registered under the Securities Act and may not be offered or sold within the United States except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

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 and FIIs registered with SEBI or FVCIs registered with SEBI. All NRIs, FIIs and foreign venture capital funds, multi-lateral and bilateral development financial institutions and any other foreign investor applicants will be treated on the same basis with other categories for the purpose of allocation. As per existing regulations, OCBs cannot participate in the Issue.

Arrangements for disposal of odd lots

Since our Equity Shares will be traded in dematerialized form only, the market lot for our Equity Shares will be one, no arrangements for disposal of odd lots are required.

Restriction on transfer and transmission of shares

There are no restrictions on transfers and transmission of shares/ debentures and on their consolidation/ splitting except as provided in our Articles of Associations. For details, please refer to the Section titled "Main Provisions of our Articles of Association" beginning on page 351 of this Prospectus. For details on restrictions

on foreign ownership, please refer to the section titled “Regulations and Policies” beginning on page 93 of this Prospectus.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

SECTION X: ISSUE STRUCTURE

The Issue of up to 27,750,000 Equity Shares for cash at a price of Rs.240 per Equity Share including a share premium of Rs.230 per Equity Share, aggregating to Rs.6,660 million, is being made through the 100% Book Building Process, comprising of the Fresh Issue of up to 20,000,000 Equity Shares by the Company and the Offer for Sale of 7,750,000 Equity Shares by the Selling Shareholders. The Issue would constitute 19.43 % of the post Issue paid-up capital of our Company.

If at least 60% of the Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith.

	QIBs	Retail Individual Bidders	Non Institutional Bidders
Number of Equity Shares[1]	At least 16,650,000 Equity Shares	Not less than 8,325,000 Equity Shares or Issue Size less allocation to QIB Bidders and allocation to Non Institutional Bidders shall be available for allocation.	Not less than 2,775,000 Equity Shares or Issue Size less allocation to QIB Bidders and allocation to Retail Individual Bidders shall be available for allocation.
Percentage of the Issue Size available for allotment/allocation	At least 60% of the Issue being allocated. However, up to 5% of the QIB Portion (excluding the Anchor Investor Portion), shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation will also be eligible for allocation in the remaining QIB portion. The unsubscribed portion in the Mutual Fund reservation will be available to the remaining QIBs. Up to 30% of the QIB Portion, equal to a maximum 4,995,000 of Equity Shares of the Company to be allocated to Anchor Investors on a discretionary basis, out of which 1,665,000 Equity Shares shall be reserved for Mutual Funds.	Not less than 30% of the Issue or Issue less allocation to the QIB Portion and allocation to Non Institutional Bidders.	Not less than 10% of the Issue or Issue less allocation to the QIB Portion and allocation to Retail Individual Bidders.
Basis of Allotment / Allocation if respective category is oversubscribed[2]	Proportionate as follows: (a) 832,500 Equity Shares constituting 5% of the QIB portion shall be available for allocation on a proportionate basis to Mutual Funds.[3] (b) 15,817,500 Equity Shares shall be allotted on a proportionate basis to all QIBs including Mutual Funds receiving allocation as per (a) above.	Proportionate	Proportionate

	QIBs	Retail Individual Bidders	Non Institutional Bidders
Minimum Bid	Such number of Equity Shares, in multiples of 25 Equity Shares, so that the Bid Amount exceeds Rs.100,000	25 Equity Shares and in multiples of 25 Equity Share such that the Bid Amount does not exceed Rs.100,000.	Such number of Equity Shares, in multiples of 25 Equity Shares, so that the Bid Amount exceeds Rs.100,000
Maximum Bid	Such number of Equity Shares not exceeding the Issue Size, subject to applicable limits.	Such number of Equity Shares in multiples of 25 Equity Shares such that the Bid Amount does not exceed Rs.100,000.	Such number of Equity Shares not exceeding the Issue Size, subject to applicable limits.
Mode of Allotment	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.	Compulsorily in dematerialised form.
Trading Lot	One Equity Share	One Equity Share	One Equity Share
Who can Apply [4]	Public financial institutions, as specified in Section 4A of the Companies Act, scheduled commercial banks, Mutual Funds, FII's registered with SEBI other than FIIs sub-accounts who are foreign companies or foreign individuals, multilateral and bilateral development financial institutions, and State Industrial Development Corporations, permitted insurance companies registered with the Insurance Regulatory and Development Authority, provident funds with minimum corpus of Rs.250 million, pension funds with minimum corpus of Rs.250 million in accordance with applicable law, the 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 and insurance funds set up and managed by the army, navy or air force of the Union of India.	Resident Indian individuals, eligible NRIs and HUFs (in the name of the *karta*).	Resident Indian individuals, eligible NRIs, HUFs (in the name of the *Karta*), companies, corporate bodies, scientific institutions societies and trusts and FIIs and their sub-accounts which is a foreign corporate or foreign individual.
Terms of Payment	Margin Amount applicable to QIBs shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.	Margin Amount applicable to Retail Individual Bidders shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members.[5]	Margin Amount applicable to Non-Institutional Bidders shall be payable at the time of submission of Bid cum Application Form to the Syndicate Members[5].
Margin Amount	At least 10% of the Bid	Full Bid Amount on	Full Bid Amount on

	QIBs	Retail Individual Bidders	Non Institutional Bidders
	Amount.[6]	bidding.	bidding.

[1] *Subject to valid Bids being received at or above the Issue Price and subject to a minimum of 60% of the Issue being allotted to QIBs. The Issue is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated to Qualified Institutional Buyers on a proportionate basis out of which 5% 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 Issue cannot be allocated to QIBs, then the entire application money will be refunded forthwith. Further, not less than 10% of the Issue would be available for allocation to Non Institutional Bidders and not less than 30% of the Issue would be available for allocation to Retail Individual Bidders on a proportionate basis, subject to valid bids being received from them at or above the Issue Price. Under-subscription, if any, in the Non Institutional Bidders category and the Retail Individual Bidders category would be met with the spill over from any other category at the sole discretion of our Company in consultation with the GCs and the BRLM. Such inter-se spillover if any, would be effected in accordance with applicable laws, rules, regulations and guidelines.*

The Company has allocated 4,995,000 Equity Shares to the Anchor Investors, on a discretionary basis, in accordance with applicable SEBI ICDR Regulations. Allocation to all categories, except the Anchor Investor Portion, if any, shall be made on a proportionate basis. The QIB Portion includes Anchor Investor Portion, as per the SEBI ICDR Regulations. Anchor Investor Margin Amount shall be payable at the time of submission of the application form by the Anchor Investor.

[2] *Mutual Funds participating in the aforesaid 5% of the QIB portion will also be eligible for allocation in the remaining QIB portion. The unsubscribed portion in the Mutual Fund reservation portion will be available to the remaining QIBs. If the aggregate demand by Mutual Funds is less than 832,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will first be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids.*

[3] *The Mutual Fund Portion would be 5% of the QIB Portion, as reduced after the allocation of Equity Shares to the Anchor Investors.*

[4] *In case the Bid cum Application Form is submitted in joint names, the investors should ensure that the demat account is also held in the same joint names and are in the same sequence in which they appear in the Bid cum Application Form.*

[5] *In case of ASBA Bidders, SCSBs shall be authorised to block such funds in the bank accounts of the ASBA Bidders that are specified in the Bid cum Application Form.*

[6] *After the Bid / Issue Closing Date, depending upon the level of subscription, additional margin amount, if any, may be called from the QIBs.*

Withdrawal of the Issue and Conditions Subsequent to Allotment

The Company, in consultation with the GCs and the BRLM, reserves the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Board meeting for Allotment. If the Company withdraws from the Issue, it shall issue a public notice giving reasons therefore within two days of the closure of the Issue. The public notice shall be issued in the same newspapers where the pre-Issue advertisements had appeared and the Company shall also promptly inform the Stock Exchanges. If the Company withdraws the Issue after the Bid/Issue Closing Date and thereafter determines that it will proceed with an initial public offering of its Equity Shares, it shall file a fresh draft red herring prospectus with the SEBI.

We are also required to obtain final acknowledgement of the Prospectus from the RoC after it is filed with the RoC. Notwithstanding the foregoing, subsequent to Allotment, the Issue is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which the Company shall apply for only after Allotment.

Letters of Allotment or Refund Orders

The Company shall credit each beneficiary account with its depository participant within two working days of the date of Allotment. Applicants having bank account at any of the 68 centres, as mentioned in the paragraph titled 'Mode of making refunds' on page 334 of this Prospectus will receive refunds only through ECS (subject to availability of all information for crediting the refund through ECS) except where the applicant is eligible to receive refunds through direct credit, NEFT or RTGS. In the case of other applicants the Company shall ensure the dispatch of refund orders, if any, of value up to Rs.1,500 by "Under Certificate of Posting", and shall dispatch refund orders above Rs.1,500, if any, by registered post or speed post at the sole or First Bidder's, sole risk within 15 days of the Bid/Issue Closing Date. Applicants to whom refunds are made through electronic transfer of funds will be sent a letter (refund advice) through ordinary post informing them about the mode of credit of refund, within 15 days of the Bid/Issue Closing Date.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and SEBI ICDR Regulations, our Company undertakes that:

- Allotment shall be made only in dematerialised form within 15 days from the Bid/ Issue Closing Date;
- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 15 days from the Bid/Issue Closing Date;
- Instructions to SCSBs to unblock the funds in the relevant ASBA Account for withdrawn rejected or unsuccessful Bids shall be made within 15 days of the Bid/Issue Closing Date;
- It 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 through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 15 days of the Bid/Issue Closing Date.

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 by cheques, pay orders or demand drafts drawn on any one or more of the Escrow Collection Banks/ Refund Banker(s) and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Account to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Bid/Issue Program

BID/ISSUE OPENED ON	**February 9, 2010**
BID/ISSUE CLOSED ON	**February 11, 2010**

Our Company has allocated 4,995,000 Equity Shares to Anchor Investors, on a discretionary basis, in terms of the SEBI ICDR Regulations on the Anchor Investor Bidding Date.

Bids and any revision in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) during the Bid/Issue Period as mentioned above at the bidding centres mentioned on the Bid cum Application Form except that on the Bid/Issue Closing Date, Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) (excluding ASBA Bidders) and uploaded until (i) 4.00 p.m. in case of Bids by QIB Bidders and Non-Institutional Bidders where the Bid Amount is in excess of Rs.100,000 and (ii) until 5:00 p.m., in case of Bids by Retail Individual Bidders, where the Bid Amount is up to Rs.100,000. Due to limitation of time available for uploading the Bids on the Bid/Issue Closing Date, the Bidders are advised to submit their Bids one day prior to the Bid/Issue Closing Date and, in any case, no later than 1:00 p.m. (Indian Standard Time) on the Bid/Issue Closing Date. Bidders are cautioned that in the event a large number of Bids are received on the Bid/Issue Closing Date, as is typically experienced in public offerings, which may lead to some Bids not being uploaded due to lack of sufficient time to upload, such Bids that cannot be uploaded will not be considered for allocation under the Issue. If such Bids are not uploaded, the Issuer, GCs, BRLM, Syndicate Member and the

SCSBs will not be responsible. Bids will only be accepted on Business Days, i.e. any day other than Saturday or Sunday on which commercial banks in Mumbai, India are open for business. Bids by ASBA Bidders shall be uploaded by the SCSBs in the electronic system to be provided by the NSE and the BSE.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid form, for a particular Bidder, the details as per physical application form of that Bidder may be taken as the final data for the purpose of allotment. In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical or electronic ASBA Form, for a particular ASBA Bidder, the Registrar to the Issue shall ask the relevant SCSB for rectified data.

On the Bid/Issue Closing Date, extension of time may be granted by the Stock Exchanges only for uploading the Bids received from Retail Individual Bidders (other than ASBA Bidders) after taking into account the total number of Bids received up to the closure of timings for acceptance of Bid cum Application Forms and ASBA Forms as stated herein and reported by the GCs and the BRLM to the Stock Exchange within half an hour of such closure.

Our Company in consultation with the GCs and the BRLM, reserves the right to revise the Price Band during the Bidding/Issue Period in accordance with the SEBI ICDR Regulations provided that the Cap Price is less than or equal to 120% of the Floor Price. The Floor Price can be revised upwards or downwards to a maximum of 20% of the Floor Price advertised at least one day before the Bid/Issue Opening Date.

In case of any revision in the Price Band, the Bidding/Issue Period shall be extended for 3 additional working days after such revision, subject to the total Bidding/Issue Period not exceeding 10 working days. Any revision in the Price Band, and the revised Bidding/Issue Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the websites of the GCs and the BRLM and the terminals of the other members of the Syndicate.

ISSUE PROCEDURE

In terms of Rule 19(2)(b) of the SCRR, this being an Issue for less than 25% of the post-Issue share capital, is being made through the 100% Book Building Process wherein at least 60% of the Issue shall be allocated on a proportionate basis to QIBs (excluding the Anchor Investor Portion), out of which 5% 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 QIB Bidders including Mutual Funds, subject to valid Bids being received from them at or above the Issue Price. If at least 60% of the Issue cannot be Allotted to QIB Bidders, then the entire application money will be refunded forthwith. In addition, in accordance with Rule 19(2)(b) of the SCRR, a minimum of two million securities are being offered to the public and the size of the Issue shall aggregate to at least Rs.1,000 million. Further, not less than 10% of the Issue shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 30% of the Issue shall be available for allocation on a proportionate basis to Retail Individual Bidders, subject to valid Bids being received from them at or above the Issue Price. All Bidders (except a QIB Bidder), may participate in this Issue through ASBA under which the corresponding Bid Amount shall be blocked in their respective ASBA Accounts by the SCSBs.

Bidders are required to submit their Bids through the Syndicate. Further, QIB Bids can be procured only through the GCs and the BRLM or their affiliates. In the case of QIB Bidders, our Company, in consultation with the GCs and the BRLM, may reject Bids at the time of acceptance of the Bid cum Application Form provided that the reasons for such rejection shall be disclosed to such Bidder in writing. In the cases of Non-Institutional Bidders and Retail Individual Bidders, our Company will have a right to reject the Bids only on technical grounds.

Investors should note that Allotment to all successful Bidders will only be in dematerialised form. Bidders will not have the option of receiving 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. The Bidders shall have the option to make a maximum of three Bids in the Bid cum Application Form and such options shall not be considered as multiple Bids. Upon determination of the Issue Price 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 the 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 Indians and Eligible NRIs applying on a non-repatriation basis	White
Eligible NRIs applying on a repatriation basis, FIIs and their sub-accounts registered with SEBI other than a sub-account which is a foreign corporate or foreign individual, FVCIs, registered Multilateral and Bilateral Development Financial Institutions and other Non-Residents applying on a repatriation basis	Blue

The physical ASBA shall be white in colour.

(a) QIBs cannot participate in the Issue through ASBA.

(b) In accordance with the SEBI ICDR Regulations, only QIBs can participate in the Anchor Investor Portion.

Who can Bid?

1. Persons eligible to invest under all applicable laws, rules, regulations and guidelines;

2. Indian nationals resident in India who are not minors in single or joint names (not more than three);

3. Hindu Undivided Families 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;

4. Eligible NRIs on a repatriation basis or a non-repatriation basis subject to compliance with applicable laws. NRIs, other than Eligible NRIs, are not permitted to participate in this Issue;

5. Sub accounts of FII's registered with SEBI, which are foreign corporates or foreign individuals, only under the Non-Institutional Bidders category and FII's registered with SEBI and sub accounts of FII's which are not foreign corporates or foreign indivuduals under the QIB portion;

6. State industrial development corporations;

7. Insurance companies registered with the Insurance Regulatory and Development Authority, India;

8. NIF;

9. Provident Funds with a minimum corpus of Rs.250 million and who are authorised under their constitution to invest in equity shares;

10. Pension funds with a minimum corpus of Rs.250 million and who are authorised under their constitution to invest in equity shares;
11. Companies, corporate bodies and societies registered under applicable laws in India and authorised to invest in equity shares;

12. VCFs;

13. FVCIs;

14. Mutual Funds;

15. Indian financial institutions, commercial banks (excluding foreign banks), regional rural banks, co-operative banks (subject to the RBI regulations and the SEBI ICDR Regulations and regulations, as applicable);

16. Insurance funds set up and managed by the army, navy or air force of the Union of India;

17. Multilateral and bilateral development financial institutions;

18. Trusts registered under the Societies Registration Act, 1860, as amended, or under any other law relating to trusts and who are authorised under their constitution to hold and invest in equity shares; and

19. Scientific and/or industrial research organisations in India authorised to invest in equity shares.

As per existing regulations, OCBs and sub-accounts of FIIs which are foreign corporates or foreign individuals cannot Bid in the Issue. For further details, please see section titled 'Terms of the Issue' beginning on page 305 of this Prospectus.

Participation by Associates/Affiliates of the GCs, the BRLM and Syndicate Members

Associates/affiliates of GCs, the BRLM and Syndicate Members may Bid and subscribe to Equity Shares in the Issue either in the QIB Portion or in the Non-Institutional Portion as may be applicable to such investors. Such bidding and subscription may be on their own account or on behalf of their clients. Allotment to all investors including associates/affiliates of GCs, the BRLM and Syndicate Members respectively shall be on a proportionate basis.

The GCs, the BRLM and Syndicate Members shall not be allowed to subscribe to the Anchor Investor Portion in any manner except towards fulfilling their underwriting obligations. However, associates and affiliates of the

GCs, the BRLM, and Syndicate Member, who are QIBs and who manage third party funds, such as mutual funds, insurance companies and scheduled commercial banks, may subscribe to or purchase Equity Shares in the Anchor Investor Portion

However, the GCs, the BRLM and Syndicate Members shall not be entitled to subscribe to this Issue in any manner except towards fulfilling their underwriting obligation.

Bids by Mutual Funds

Under the SEBI ICDR Regulations, at least one-third of the Anchor Investor Portion will be available for allocation to Mutual Funds only on a discretionary basis. An eligible Bid by a Mutual Fund shall first be considered for allocation proportionately in the Mutual Funds Portion. In the event that the demand is greater than 832,500 Equity Shares, allocation shall be made to Mutual Funds on a proportionate basis to the extent of the Mutual Funds Portion. The remaining demand by Mutual Funds shall, as part of the aggregate demand by QIB Bidders, be made available for allocation proportionately out of the remainder of the QIB Portion, after excluding the allocation in the Mutual Funds Portion.

In the case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme for which the Bid has been made.

In accordance with 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 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 capital carrying voting rights.

Bids by Eligible NRIs

Bid cum Application Forms have been made available for Eligible NRIs at the Registered Office and with members of the Syndicate and the Registrat to the Issue.

Eligible NRI Bidders should note that only such Bids as are accompanied by payment in free foreign exchange shall be considered for Allotment under the Eligible NRI category. The Eligible NRIs who intend to make payment through the NRO Account shall use the Bid cum Application form meant for Resident Indians (white form).

Bids by FIIs

In accordance with the current regulations, the following restrictions are applicable for investments by FIIs:

The issue of Equity Shares to a single FII should not exceed 10% of our post-Issue issued capital (i.e. 10% of 142,857,100 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, the aggregate FII holding in our Company cannot exceed 49 % of our total issued capital, subject to FIPB approval, pursuant to a shareholders resolution dated September 23, 2009.

Subject to compliance with all applicable Indian laws, rules, regulations guidelines and approvals in terms of regulation 15A(1) of the SEBI (Foreign Institutional Investor) Regulations, 1995, an FII or its Sub-Account may issue, deal or hold, off shore derivative instruments such as "Participatory Notes", equity-linked notes or any other similar instruments against underlying securities listed or proposed to be listed on any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or sub-account shall also ensure that no further downstream issue or transfer of any instrument referred to herein is made to any person other than a regulated entity.

Associates and affiliates of the Underwriters, including the GCs, the BRLM, that are FIIs or its sub-account may issue offshore derivative instruments against Equity Shares allocated to them in the Issue.

Bids by SEBI-registered Venture Capital Funds and Foreign Venture Capital Investors

The SEBI (Venture Capital Funds) Regulations, 1996, as amended and the SEBI (Foreign Venture Capital Investors) Regulations, 2000, as amended prescribe investment restrictions on venture capital funds and foreign venture capital investors registered with SEBI. For example, the holding by any individual VCF should not exceed 25% of the corpus of the VCF in one venture capital undertaking. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offer.

Pursuant to the SEBI ICDR Regulations, the shareholding of SEBI-registered VCF and FVCI held in a company prior to making an initial public offering would be exempt from lock-in requirements only if the shares have been held by them for at least one year prior to the time of filing the draft prospectus with SEBI.

The above information is given for the benefit of the Bidders. The Bidders are advised to make their own enquiries about the limits applicable to them. Our Company, its Directors and officers, the GCs and the BRLM do not accept any responsibility for the completeness and accuracy of the information stated hereinabove. Our Company, its Directors and officers, the GCs and the BRLM are not liable to inform the investors of any amendments or modifications or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

Maximum and Minimum Bid Size

a) **For Retail Individual Bidders:** The Bid must be for a minimum of 25 Equity Shares and in multiples of 25 Equity Shares 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. Where the Bid Amount is over Rs.100,000 due to revision of the Bid or revision of the Price Band or on exercise of the option to Bid at Cut-off Price, the Bid would be considered for allocation under the Non-Institutional Portion. The Cut-off Price option is given only to Retail Individual Bidders where the Bid Amount does not exceed Rs.100,000 indicating their agreement to the Bid and to purchase the Equity Shares at the Issue Price as determined at the end of the Book Building Process.

b) **For Non-Institutional Bidders and QIB Bidders:** The Bid must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.100,000 and is a multiple of 25 Equity Shares. A Bid cannot be submitted for more than the Issue size. However, the maximum Bid by a QIB should not exceed the investment limits prescribed for them under applicable laws. **Under the SEBI ICDR Regulations, a QIB Bidder cannot withdraw its Bid after the Bid/Issue Closing Date and is required to pay the QIB Margin Amount upon submission of the Bid.**

c) **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 25 Equity Shares thereafter a Bid cannot be submitted for more than 30% of the QIB Portion. For the purposes of this clause, Bids by individual schemes of Mutual Fund will be clubbed together to calculate the miminum application of Rs.100 million.

   In case of the revision of Bids, the Non-Institutional Bidders, who are individuals, have to ensure that the Bid Amount is greater than Rs.100,000 in order to be 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 Non-Institutional Portion would be considered for allocation under the Retail Portion. Non-Institutional Bidders and QIB Bidders are not allowed to Bid at the Cut-off Price.

Bidders are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or regulation or as specified in the Red Herring Prospectus and the Prospectus.

Refund amounts following a permitted withdrawal or rejection of a Bid shall be paid in the manner described under paragraph “Issue Procedure-Payment of Refund” beginning on page 333 of this Prospectus.

Information for the Bidders:

1. Our Company filed the Red Herring Prospectus with the RoC on January 27, 2010, which was more than three days before the Bid/Issue Opening Date.

2. Our Company, the GCs and the BRLM declared the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and have also published the same in two national newspapers (one each in English and Hindi) and one Marathi regional newspaper, each with wide circulation. The Floor Price is 24 times the face value and the Cap Price is 26.5 times the face value. The Price Band and the Minimum Bid Size have been decided by the Company in consultation with the GCs and BRLM and advertised by the company at least two (2) working days prior to the Bid / Issue Opening Date.

3. The members of the Syndicate circulated copies of the Bid cum Application Form to potential investors respectively, and at the request of potential investors, copies of the Red Herring Prospectus. Any investor (who is eligible to invest in our Equity Shares) who wished to obtain the Red Herring Prospectus and/or the Bid cum Application Form would have obtained the same from the Registered Office or from any of the members of the Syndicate.

4. Eligible investors who are interested in subscribing for the Equity Shares should approach any of the GCs, the BRLM, Syndicate Members or their authorised agent(s), as applicable to register their Bids. ASBA Bidders should approach the SCSBs to register their Bids.

5. The Bids should only be submitted on the prescribed Bid cum Application Form. Bid cum Application Forms should bear the stamp of the member of the Syndicate. Bid cum Application Forms which do not bear the stamp of a member of the Syndicate will be rejected.

6. The Price Band has been decided by the Company in consultation with the GCs, and the BRLM at least two working days prior to the opening of the Issue and has beenpublished in all editions of Financial Express and Jansatta and the Mumbai edition of Navshakti. Further, it has also been displayed on the website of the Company, www.hathway.com. The Bidders can Bid at any price within the Price Band, in multiples of 25 Equity Shares. In accordance with the SEBI ICDR Regulations, our Company in consultation with the GCs and the BRLM, reserves the right to revise the Price Band during the Bidding/Issue period. The cap on the Price Band will not be more than 120% 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.

7. In case the Price Band is revised, the Bidding/Issue period shall be extended, by an additional three days, subject to the total Bidding/Issue period not exceeding 10 working Days. The revised Price Band and Bidding/Issue period, if applicable, will be widely disseminated by notification to the Stock Exchanges, and by publishing in two national newspapers (one each in English and Hindi) and one Marathi regional newspaper, with wide circulation in the place where our Registered Office is situated and also by indicating the change on the websites of the GCs and the BRLM and at the terminals of the members of the Syndicate.

8. Our Company in consultation with the GCs and the BRLM, shall finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the Bidders.

Method and Process of Bidding

1. Our Company along with the GCs and the BRLM declared the Bid/Issue Opening Date and the Bid/Issue Closing Date in the Red Herring Prospectus filed with the RoC and have also published the same in two circulated national newspapers (one each in English and Hindi) and one Marathi regional newspaper, each with wide circulation in the place where our Registered Office is situated. This advertisement, subject to the provisions of Section 66 of the Companies Act, contained the disclosure requirements as specified under Schedule XIII of the SEBI ICDR Regulations. The GCs, the BRLM and Syndicate Members accepted Bids from the Bidders during the Bidding/Issue period in accordance with the terms of the Syndicate Agreement.

2. The Bidding/Issue period shall be for a minimum of three Business Days and shall not exceed seven Business Days. In case the Price Band is revised, the revised Price Band and Bidding/Issue period shall be published in two national newspapers (one each in English and Hindi) and one Marathi regional newspaper, each with wide circulation and also by indicating the change on the website of the GCs and the BRLM and at the terminals of

the members of the Syndicate. The Bidding/Issue period shall be extended by an additional three Business Days, subject to the total Bidding/Issue period not exceeding 10 Business Days.

3. Each Bid cum Application Form will give the Bidder the choice to Bid for up to three optional prices within the Price Band and specify the demand (i.e., the number of Equity Shares Bid for) in each option. The price and demand options submitted by the Bidder in the Bid cum Application Form will be treated as optional demands from the Bidder and will not be cumulated. After determination of the Issue Price, the maximum number of Equity Shares Bid for by a Bidder at or above the Issue Price will be considered for allocation and any other Bid(s), irrespective of the Bid price, will become automatically invalid.

4. The Bidder cannot Bid on another Bid cum Application Form after Bid(s) on one Bid cum Application Form have been submitted to any member of the Syndicate or a SCSB, respectively. Submission of an additional Bid cum Application Form to either the same or to another member of the Syndicate or ASBA Form to any SCSB will be treated as multiple bidding and is liable to be rejected either before entering the Bid into the electronic bidding system, or at any point in time before the Allotment. However, the Bidder can revise the Bid through the Revision Form, the procedure for which is detailed section titled "Issue Procedure -Build up of the Book and Revision of Bids" beginning on page 321 of this Prospectus. 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.

5. 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 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.

6. During the Bidding/Issue period, Bidders may approach the members of the Syndicate to submit their Bids. Every member of the Syndicate shall accept Bids from all clients/investors who place orders through them and shall have the right to vet the Bids, subject to the terms of the Syndicate Agreement and the Red Herring Prospectus.

7. Along with the Bid cum Application Form, as applicable, all Bidders will make payment in the manner described under the section titled "Issue Procedure - Terms of Payment and Payment into the Escrow Accounts" on page 319 of this Prospectus.

Escrow Mechanism

Escrow Accounts shall be opened with one or more Escrow Collection Banks for collection of application money. The Bidders shall draw the cheque or demand draft in respect of his or her Bid and/or revision of the Bid in favour of the payee detailed under the section titled "Issue Procedure -Payment into Escrow Accounts" on page 328 of this Prospectus. Cheques or demand drafts received for the full Bid Amount from Bidders in a particular category would be deposited in the Escrow Accounts. The Escrow Collection Banks will act in terms of the Prospectus, the Prospectus and the Escrow Agreement. The monies in the Escrow Accounts shall be maintained by the Escrow Collection Banks for and on behalf of the Bidders. The Escrow Collection Banks shall not exercise any lien whatsoever over the monies deposited therein and shall hold the monies therein in trust for the Bidders. On the Designated Date, the Escrow Collection Banks shall transfer the monies from the Escrow Accounts to the Public Issue Account and the Refund Account as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus.

The Bidders should note that the escrow mechanism is not prescribed by SEBI and has been established facilitate collections from the Bidders and shall be governed by the terms of the Prospectus and the Escrow Agreement.

Terms of Payment and Payment into the Escrow Accounts

Each Bidder, shall pay the applicable Margin Amount with the submission of the Bid cum Application Form, draw a cheque or demand draft in favour of the Escrow Accounts of the Escrow Collection Bank(s) (see the section titled "Issue Procedure - Payment Instructions" on page 328 of this Prospectus) and submit such cheque or demand draft to the member of the Syndicate to whom the Bid is being submitted. 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 their QIB Margin Amount only to a GC or the BRLM. Bid cum Application Forms accompanied by cash/stockinvest/money order shall not be accepted. The Margin Amount based on the Bid Amount has to be paid at the time of submission of the Bid cum Application Form.

The members of the Syndicate shall deposit the cheque or demand draft with the Escrow Collection Banks, which will hold the monies for the benefit of the Bidders until the Designated Date. On the Designated Date, the Escrow Collection Bank(s) shall transfer the funds from the Escrow Accounts, as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus into the Public Issue Account. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account on the Designated Date.

Each category of Bidders, i.e., QIB Bidders, Non-Institutional Bidders and Retail Individual Bidders would be required to pay their applicable Margin Amount at the time of submission of the Bid cum Application Form. The Margin Amount payable by each category of Bidders is mentioned under the heading "Issue Structure" on page 309 of this Prospectus. 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 allocated at the Issue 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 Accounts within the time stipulated above, the Bid of the Bidder is liable to be rejected. 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 a lesser number of Equity Shares than he or she had Bid for, the excess amount paid on Bidding, if any, after adjustment for Allotment, will be refunded to such Bidder within 15 days from the Bid/Issue Closing Date, failing which our Company shall pay interest according to the provisions of the Companies Act for any delay beyond the periods as mentioned above.

Electronic Registration of Bids

1. The members of the Syndicate will register the Bids using the on-line facilities of the Stock Exchanges. There will be at least one on-line connectivity facility in each city where a stock exchange is located in India and where Bids are being accepted.

2. The NSE and the BSE will offer a screen-based facility for registering Bids for the Issue. This facility will be available on the terminals of the members of the Syndicate and their authorised agents during the Bidding/Issue period. The members of the Syndicate can also set up facilities for off-line electronic registration of Bids subject to the condition that they will subsequently upload the off-line data file into the on-line facilities for book building on a regular basis. On the Bid/Issue Closing Date, the members of the Syndicate and SCSBs shall upload the Bids until such time as may be permitted by the Stock Exchanges.

3. The aggregate demand and price for Bids registered on electronic facilities of the NSE and the BSE will be uploaded on a regular basis, consolidated and displayed on-line at all bidding centres as well as on the NSE's website at www.nseindia.com and on the BSE's website at www.bseindia.com. A graphical representation of consolidated demand and price will be made available at the bidding centres during the Bidding/Issue period.

4. At the time of registering each Bid, the members of the Syndicate shall enter the following details of the investor in the on-line system:
    - Name of the Bidder(s). Bidders should ensure that the name given in the Bid cum Application Form is exactly the same as the name in which the 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 the names are in the same sequence in which they appear in the Bid cum Application Form;
    - Investor category—Individual, Corporate, QIBs, Eligible NRI, FVCI, FII or Mutual Fund, etc.;
    - Numbers of Equity Shares Bid for;
    - Bid price;
    - Bid cum Application Form number;
    - Margin Amount paid-upon submission of Bid cum Application Form; and
    - Depository Participant identification number and client identification number of the demat account of the Bidder.

5. A system-generated TRS will be given to the Bidder as proof of the registration of each of the bidding options. It is the Bidder's responsibility to obtain the TRS from the members of the Syndicate or SCSBs as applicable.

The registration of the Bid by the member of the Syndicate or SCSB does not guarantee that the Equity Shares shall be allocated either by the members of the Syndicate, SCSBs or our Company.

6. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

7. In the case of QIB Bidders, members of the Syndicate also have the right to accept the Bid or reject the Bid. However, such rejection should be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, Bids would not be rejected except on the technical grounds listed in this Prospectus.

8. The permission given by the NSE and the BSE 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 GCs or the BRLM are cleared or approved by the NSE and the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements nor does it take any responsibility for the financial or other soundness of our Company, the Promoters, the management or any scheme or project of our Company.

9. It is also to be distinctly understood that the approval given by the NSE and the BSE should not in any way be deemed or construed that the Draft Red Herring Prospectus, the Red Herring Prospectus or the Prospectus has been cleared or approved by the NSE or the BSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of the Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the NSE and the BSE.

Build up of the Book and Revision of Bids

1. Bids registered by various Bidders through the members of the Syndicate or SCSBs shall be electronically transmitted to the NSE or BSE mainframe on a regular basis.

2. The book gets built up at various price levels. This information will be available from the GCs and the BRLM on a regular basis.

3. During the Bidding/Issue period, any Bidder who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the printed Revision Form, which is a part of the Bid cum Application Form.

4. Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form. The Bidder must complete the details of all the options in the Bid cum Application Form or earlier Revision Form. For example, if a Bidder has Bid for three options in the Bid cum Application Form and he is changing only one of the options in the Revision Form, he must still complete all the details of the other two options that are not being changed in the Revision Form. Incomplete or inaccurate Revision Forms will not be accepted by the members of the Syndicate.

5. The Bidder can make this revision any number of times during the Bidding/Issue period. However, for any revision(s) in the Bid, the Bidders will have to use the services of the same member of the Syndicate through whom the original Bid was placed.

6. Bidders are advised to retain copies of the blank Revision Form and the revised Bid must be made only on such Revision Form or copies thereof.

7. 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 Prospectus. In the case of QIB Bidders, the members of the Syndicate shall collect the payment in the form of cheque or demand draft or electronic transfer of funds through RTGS for the incremental amount in the QIB Margin, 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.

8. When a Bidder revises a Bid, the Bidder 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 and obtain the revised TRS, which will act as proof of revision of the original Bid.

9. Only Bids that are uploaded on the online IPO system of the NSE and the BSE shall be considered for allocation/Allotment. In the event of a discrepancy of data between the Bids registered on the online IPO system and the physical Bid cum Application Form, the decision of the GCs, the BRLM and the Designated Stock Exchange, based on the physical records of Bid cum Application Forms shall be final and binding on all concerned.

Revision of Bids in case of Revision of Price Band

1. The Bidder can Bid at any price within the Price Band in multiples of Re. 1 (Rupee One). The Bidder has to Bid for the desired number of Equity Shares at a specific price.

   Retail Individual Bidders applying for a maximum Bid in any of the bidding options not exceeding up to Rs.100,000 may Bid at the Cut-off Price. However, bidding at the Cut-off Price is prohibited for QIB Bidders or Non-Institutional Bidders where the Bid Amount is in excess of Rs.100,000 and such Bids from QIB Bidders and Non-Institutional Bidders shall be rejected.

2. Retail Individual Bidders who Bid at the Cut-off Price agree that they shall purchase the Equity Shares at any price within the Price Band. Retail Individual Bidders bidding at the Cut-off Price shall deposit the Bid Amount based on the Cap Price in the Escrow Accounts. In the event that the Bid Amount is higher than the subscription amount payable by the Retail Individual Bidders who Bid at Cut-Off Price, such Bidder shall receive the refund of the excess amounts from the Escrow Accounts in the manner described under the section titled "Issue Procedure -Payment of Refund" on page 333 of this Prospectus.

3. In case of an upward revision in the Price Band announced as above, Retail Individual Bidders, who had Bid at the Cut-off Price could either (i) revise their Bid or (ii) make additional payment based on the higher cap of the revised Price Band (such that the total amount i.e., the original Bid Amount plus additional payment does not exceed Rs.100,000 if the Bidder wants to continue to Bid at the Cut-off Price), with the members of the Syndicate to whom the original Bid was submitted. In case the total amount (i.e., original Bid Amount plus additional payment) exceeds Rs.100,000, the Bid will be considered for allocation under the Non-Institutional Portion in terms of the Prospectus. In case of Retail Individual Bidders who do not revise the Bid or make additional payment, where the Issue Price is higher than the cap of the Price Band before revision, the number of Equity Shares Bid for shall be adjusted downwards for the purpose of Allotment, such that no additional payment would be required from such Bidder and the Bidder is deemed to have approved such revised Bid at the Cut-off Price.

4. In case of a downward revision in the Price Band, announced as above, Retail Individual Bidders who have Bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of bidding would be refunded from the Escrow Accounts. In case of downward revision in the Price Band, the number of Equity Shares Bid for shall be adjusted upwards to the higher Bid lot for the purpose of Allotment.

5. In the event of any revision in the Price Band, whether upwards or downwards, the minimum application size and the Bid lot shall remain 25 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.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the GCs and the BRLM shall analyze the demand generated at various price levels and discuss the pricing strategy with our Company.

2. Our Company in consultation with the GCs and the BRLM, shall finalise the Issue Price.

3. The Allotment to QIBs will be at least 60% of the Issue, on a proportionate basis and the availability for allocation to Non-Institutional and Retail Individual Bidders will be not less than 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI ICDR Regulations, the Red Herring Prospectus and this Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids

being received at or above the Issue Price. If at least 60% of the Issue cannot be allotted to QIBs then the entire application money will be refunded.

4. In case of over-subscription in all categories, at least 60% of the Issue shall be available for allocation on a proportionate basis to QIBs, out of which 5% shall be reserved for Mutual Funds. Mutual Funds participating in the 5% share in the QIB Portion will also be eligible for allocation in the remaining QIB Portion. However, if the aggregate demand by Mutual Funds is less than 5% of the QIB Portion, the balance Equity Shares from the portion specifically available for allocation to Mutual Funds in the QIB Portion will be added to the QIB Portion and be allocated proportionately to the QIBs in proportion to their Bids.

5. Under-subscription, if any, in the Retail and Non-Institutional categories, would be allowed to be met with spill-over from any other category or combination of categories at the sole discretion of our Company, in consultation with the GCs and the BRLM. However, if the aggregate demand by Mutual Funds is less than 832,500 Equity Shares, the balance Equity Shares available for allocation in the Mutual Fund Portion will be added to the QIB Portion and be allotted proportionately to the QIB Bidders.

6. Allotment to Eligible NRIs, FIIs, Sub-Accounts, or Mutual Funds or FVCIs will be subject to applicable laws, rules, regulations, guidelines and approvals.

7. Our Company in consultation with the GCs and the BRLM, reserve the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment.

8. In terms of the SEBI ICDR Regulations, QIBs shall not be allowed to withdraw their Bid after the Bid/Issue Closing Date.

9. The GCs and the BRLM, in consultation with the Company, shall notify the members of the Syndicate of the Issue Price and allocations to their respective Bidders, where the full Bid Amount has not been collected from the Bidders.

10. Our Company, in consultation with the GCs and the BRLM, reserves the right to reject any Bid procured from QIB Bidders, by any or all members of the Syndicate. Rejection of Bids made by QIBs, 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.

Signing of Underwriting Agreement and RoC Filing

Our Company, the GCs, the BRLM and the Syndicate Members have entered into the Underwriting Agreement upon finalisation of the Issue Price.

Filing of the Red Herring Prospectus and the Prospectus with the RoC

We filed a copy of the Red Herring Prospectus and 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

Following the filing of the Red Herring Prospectus with the RoC, the Company published an advertisement, in the form prescribed by the SEBI ICDR Regulations, in two circulated national newspapers (one each in English and Hindi) and a Marathi regional newspaper, each with wide publication.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company 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 along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of the Red Herring Prospectus and the Prospectus shall be included in such statutory advertisement.

Issuance of CAN

(a) Upon approval of the basis of Allotment by the Designated Stock Exchange, the GCs, the BRLM or the Registrar to the Issue shall send to the members of the Syndicate a list of their Bidders who have been allocated Equity Shares in the Issue. The approval of the basis of allocation by the Designated Stock Exchange for QIB Bidders may be done simultaneously with or before the approval of the basis of allocation for the Retail Individual Bidders and Non-Institutional Bidders. However, the investor should note that our Company shall ensure that demat credit of Equity Shares to all investors in this Issue is completed within two Business Days from the date of Allotment.

(b) The GCs, the BRLM, the members of the Syndicate or the Registrar to the Issue, as the case may be, will then send a CAN to Bidders who have been allocated Equity Shares in the Issue.

(c) Bidders who have been allocated Equity Shares and who have already paid into the Escrow Accounts at the time of bidding shall directly receive the CAN from the Registrar to the Issue subject, however, to realisation of their cheque or demand draft paid into the Escrow Accounts.

(d) In case of QIB Bidders, the dispatch of a CAN shall be deemed a valid, binding and irrevocable contract for the Bidder to pay the entire Issue Price for all the Equity Shares allocated to such Bidder. Those Bidders (including Anchor Investors), who have not paid the Bid Amount in full into the Escrow Accounts at the time of bidding shall pay in full the amount payable into the Escrow Accounts by the Pay-in Date specified in the CAN. The issuance of a CAN is subject to "Notice to QIBs: Allotment Reconciliation and Revised CANs" as set forth below.

Notice to QIBs: Allotment Reconciliation and Revised CANs

After the Bid/Issue Closing Date, an electronic book will be prepared by the Registrar on the basis of Bids uploaded on the BSE/NSE system. Based on the electronic book, QIBs will be sent a CAN, indicating the number of Equity Shares that may be allocated to them. This CAN is subject *inter alia* to the approval of the basis of Allotment by the Designated Stock Exchange. Subject to the SEBI ICDR Regulations, certain Bid applications may be rejected due to technical reasons, non-receipt/availability 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, one or more revised CAN(s) may be sent to QIBs and the allocation of Equity Shares in such revised CAN(s) may be different from that specified in the earlier CAN(s). QIBs should note that they may be required to pay additional amounts, if any, by the Pay-in Date specified in the revised CAN(s), for any increased allocation of Equity Shares. The CAN will constitute the valid, binding and irrevocable contract (subject only to the issue of a revised CAN) for the QIB to pay the entire Issue Price for all the Equity Shares allocated to such QIB. Any revised CAN, if issued, will supersede in its entirety the earlier CAN.

Designated Date and Allotment

(a) Our Company will ensure that the Allotment is done within 15 days of the Bid/Issue Closing Date. After the funds are transferred from the Escrow Accounts to the Public Issue Account and the Refund Account, our Company will ensure the credit to the successful Bidder(s) depository account. Allotment of the Equity Shares to the successful Bidders shall be within 15 days from the Bid/Issue Closing Date.

(b) As per Section 68B of the Companies Act, Allotment of the Equity Shares will be only in dematerialised form to the allottees.

(c) Successful Bidders will have the option to re-materialise the Equity Shares so Allotted 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 to them pursuant to this Issue.

GENERAL INSTRUCTIONS

DOs:

(a) Check if you are eligible to apply having regard to applicable laws, rules, regulations, guidelines and approvals and the terms of the Red Herring Prospectus and the Prospectus;

(b) Ensure that you Bid within the Price Band;

(c) Read all the instructions carefully and complete the Bid cum Application Form;

(d) Ensure that the details about your Depository Participant and beneficiary account are correct and the beneficiary account is activated as Equity Shares will be Allotted in dematerialised form only;

(e) Ensure that you have collected a TRS for all your Bid options;

(f) Submit Revised Bids to the same member of the Syndicate through whom the original Bid was placed and obtain a revised TRS;

(g) Each of the Bidders, should mention their PAN allotted under the IT Act;

(h) Ensure that the name(s) given in the Bid cum Application Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. Where the Bid cum Application Form is submitted in joint names, ensure that the beneficiary account is also held in same joint names and such names are in the same sequence in which they appear in the Bid cum Application Form; and

(i) Ensure that the demographic details (as defined in the section titled "Issue Procedure – Bidder's Depository Account and Bank Account Details" on page 326 of this Prospectus) are updated, true and correct in all respects.

DON'Ts:

(a) Do not Bid for lower than the minimum Bid size;

(b) Do not Bid or revise Bid to a price that is less than the Floor Price or higher than the Cap Price;

(c) Do not Bid on another Bid cum Application Form after you have submitted a Bid to the members of the Syndicate;

(d) Do not pay the Bid amount in cash, 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;

(f) Do not Bid at the Cut-off Price (for QIB Bidders and Non-Institutional Bidders for whom the Bid Amount exceeds Rs.100,000);

(g) Do not Bid such that such that the number of Equity Shares Bid for exceeds the Issue size and/or the investment limit or the maximum number of Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus and the Prospectus;

(h) Do not Bid at Bid Amount exceeding Rs.100,000 for in case of a Bid by a Retail Individual Bidder;

(i) Do not submit the Bid without the QIB Margin Amount, in the case of a Bid by a QIB; 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.

Bids and Revisions of Bids for all Bidders

Bids and revisions of Bids must be:

1. Made only on the prescribed Bid cum Application Form or Revision Form, as applicable (white, or blue).

2. Made in a single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Completed in full, in BLOCK LETTERS in English and in accordance with the instructions contained herein, on the Bid cum Application Form or in the Revision Form. Incomplete Bid cum Application Forms or Revision Forms are liable to be rejected.

4. Bids from the Retail Individual Bidders must be for a minimum of 25 Equity Shares and in multiples of 25 Equity Shares thereafter subject to a maximum Bid Amount of Rs.100,000.

5. For Non-Institutional Bidders and QIB Bidders, Bids must be for a minimum of such number of Equity Shares such that the Bid Amount exceeds Rs.100,000 and in multiples of 25 Equity Shares thereafter. Bids cannot be made for more than the Issue size. Bidders are advised to ensure that a single Bid from them does not exceed the investment limits or maximum number of shares that can be held by them under the applicable laws and regulations.

6. Thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India must be attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Bidder's Depository Account and Bank Account Details

Bidders should note that on the basis of the name of the Bidders, Depository Participant's name, Depository Participant identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository, demographic details of the Bidders such as their address, PAN, occupation and bank account details (hereinafter referred to as "Demographic Details") for printing on refund orders or giving credit through ECS, RTGS or Direct Credit. Hence, Bidders are advised to immediately update their bank account details as appearing on the records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders at the Bidders' sole risk and neither the GCs, nor the BRLM nor its Company its Directors and officers, shall have any responsibility or undertake any liability for the same. Hence, Bidders should carefully fill in their Depository Account details on the Bid cum Application Form.

IT IS MANDATORY FOR ALL THE BIDDERS TO RECEIVE THEIR EQUITY SHARES IN 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 ON THE BID CUM APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IF THE BID CUM APPLICATION FORM IS SUBMITTED IN JOINT NAMES, IT SHOULD BE ENSURED THAT THE DEPOSITORY ACCOUNT IS ALSO HELD IN THE SAME JOINT NAMES AND SUCH JOINT NAMES ARE IN THE SAME SEQUENCE IN WHICH THEY APPEAR ON THE BID CUM APPLICATION FORM.

These Demographic Details will be used for all correspondence with the Bidders including mailing of the refund orders/ECS credit for refunds/direct credit of refund/CANs/allocation advice/NEFT or RTGS for refunds and printing of Company particulars on the refund order. The Demographic Details given by Bidders in the Bid cum Application Form will not be used for any other purposes by the Registrar to the Issue.

By signing the Bid cum Application Form, the Bidder will be deemed to have authorised the Depositories to provide, upon request, to the Registrar to the Issue, the required Demographic Details as available on its records.

Refund orders/allocation advice/CAN would be mailed to the address of the Bidder as per the Demographic Details received from the Depositories. Bidders may note that delivery of refund orders/allocation advice/CANs may get

delayed if 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 re-dispatch of refund orders. Please note that any such delay shall be at the Bidder's sole risk and neither our Company, its Directors and officers, Escrow Collection Banks, the GCs nor the BRLM nor the Registrar to the Issue shall be liable to compensate the Bidder for any losses caused to the Bidder due to any such delay or pay any interest for such delay. **In case of refunds through electronic modes as detailed in the Red Herring Prospectus and the Prospectus, Bidders may note that refunds may get delayed if bank particulars or the MICR code obtained from the Depository Participant are incorrect or incomplete.**

Where no corresponding record is available with the Depositories that matches three parameters, namely, names of the Bidder's (including the order of names of joint holders), the Depository Participant's identity and the beneficiary's identity, then such Bids are liable to be rejected.

Bids by Non-Residents, including Eligible NRIs, FIIs and FVCIs on repatriation basis

Bids and revision to the 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 and in the same order as their Depository Participant details).

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 for a Bid Amount of more than Rs.100,000 would be considered under Non-Institutional Portion for the purposes of allocation. Other Non-Resident Bidders must Bid for a minimum of such number of Equity Shares and in multiples of 25 that the Bid Amount exceeds Rs.100,000. For further details, see the section titled "Issue Procedure - Maximum and Minimum Bid Size" on page 317 of this Prospectus.

4. In the names of individuals, or in the names of FIIs, FVCIs, etc but not in the names of minors, OCBs, firms or partnerships, foreign nationals (excluding Eligible NRIs) or their nominees.

Refunds, dividends and other distributions, if any, will be payable in Indian Rupees only, at the rate of exchange prevailing at the time of remittance, net of bank charges and/or commission. In case of Bidders who remit money through Indian Rupee drafts purchased abroad, such payments in Indian Rupees will be converted into U.S. Dollars or any other freely convertible currency as may be permitted by the RBI at the rate of exchange prevailing at the time of remittance and will be dispatched by registered post or if the Bidders so desire, will be credited to their NRE Accounts, details of which are received from the Depositories as part of the demographic details of the First Bidder/ sole Bidder. Our Company, its Directors and officers will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

It is to be distinctly understood that there is no reservation for Non-Residents, including Eligible NRIs, FIIs and FVCIs and all Non-Residents will be treated on the same basis with other categories for the purpose of allocation.

As per the existing policy of the GoI, OCBs cannot participate in this Issue. Further, NRIs, who are not Eligible NRIs and sub-accounts of FIIs which are foreign corporates or foreign individuals, are not permitted to participate in this Issue.

As per the current regulations, the following restrictions are applicable for investments by FIIs:

No single FII can hold more than 10% of the post-Issue paid-up capital of our Company. 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.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 15(A)(1) of the Securities Exchange Board of India (Foreign Institutional Investors) Regulations 1995, as amended, an FII or its Sub-Account may issue, deal or hold, offshore derivative instruments such as participatory notes, equity-linked notes or any other similar instruments against underlying securities listed or

proposed to be listed in any stock exchange in India only in favour of those entities which are regulated by any relevant regulatory authorities in the countries of their incorporation or establishment subject to compliance of "know your client" requirements. An FII or Sub-Account shall also ensure that no further downstream issue or transfer of any instrument referred to hereinabove is made to any person other than a regulated entity.

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 and articles of association and/or bye laws must be lodged along with the Bid cum Application Form as applicable. Failing this, our Company reserves the right to reject such Bids in whole or in part without assigning reasons thereof.

In case of the Bids made pursuant to a power of attorney by FIIs, FVCIs, VCFs and 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 reject such Bid in whole or in part without assigning reasons 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 GCs / BRLM may deem fit without assigning reasons thereof.

Bids made by Insurance Companies

In case of the Bids made by insurance companies registered with the Insurance Regulatory and Development Authority, a certified copy of certificate of registration issued by the Insurance Regulatory and Development Authority must be lodged along with the Bid cum Application Form. Failing this, our Company reserves the right to reject such Bids in whole or in part without assigning reasons thereof.

Bids made by Provident Funds

In case of the Bids made by provident funds, subject to applicable law, with minimum corpus of Rs.250 million 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.

PAYMENT INSTRUCTIONS

Escrow Accounts shall be opened with the Escrow Collection Banks for the collection of the Bid Amount payable upon submission of the Bid cum Application Form and for amounts payable pursuant to allocation in the Issue. Each Bidder shall draw a cheque or demand draft for the amount payable on the Bid and/or on allocation as per the following terms:

Payment into Escrow Accounts

1. The Bidders for whom the applicable margin 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 Accounts and submit the same to the members of the Syndicate.

2. Where the above Margin Amount paid by the Bidders during the Bidding/Issue period is less than the Issue Price multiplied by the Equity Shares allocated to the Bidder, the balance amount shall be paid by the Bidders into the Escrow Accounts within the period specified in the CAN.

3. The Bidders shall, with the submission of the Bid cum Application Form, draw a payment instrument for applicable margin amount for the Bid Amount in favour of the Escrow Accounts and submit the same to the members of the Syndicate. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

   (a) In the case of Resident QIB Bidders: "Escrow Account— Hathway—Public Issue—QIB-R".

(b) In the case of Non-Resident QIB Bidders: "Escrow Account— Hathway—Public Issue—QIB—NR".

(c) In the case of Resident Retail and Non-Institutional Bidders: "Escrow Account— Hathway—Public Issue—R".

(d) In the case of Non-Resident Retail and Non-Institutional Bidders: "Escrow Account— Hathway —Public Issue—NR".

4. In the case of Bids by Eligible NRIs applying on a repatriation basis, the payments must be made through Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance. Payment will not be accepted out of NRO Account of the Non-Resident Bidder bidding on a repatriation basis. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a NRE Account or a FCNR Account.

5. In the case of Bids by Eligible NRIs applying on a non-repatriation basis, the payments must be made by Indian Rupee drafts purchased abroad or cheques or bank drafts, for the amount payable on application, remitted through normal banking channels or out of funds held in NRE Accounts or FCNR Accounts, maintained with banks authorised to deal in foreign exchange in India, along with documentary evidence in support of the remittance or out of an NRO Account of a Non-Resident Bidder bidding on a non-repatriation basis. Payment by drafts should be accompanied by a bank certificate confirming that the draft has been issued by debiting an NRE or a FCNR or an NRO Account.

6. In case of Bids by FIIs and FVCIs the payment should be made out of funds held in a special rupee account along with documentary evidence in support of the remittance. Payment by draft should be accompanied by a bank certificate confirming that the draft has been issued by debiting a special rupee account.

7. Where a Bidder has been allocated a lesser number of Equity Shares than the Bidder has Bid for, the excess amount, if any, paid on Bidding, after adjustment towards the balance amount payable on the Equity Shares allocated, will be refunded to the Bidder from the Refund Account.

8. The monies deposited in the Escrow Accounts will be held for the benefit of the Bidders until the Designated Date.

9. On the Designated Date, the Escrow Collection Banks shall transfer the funds from the Escrow Accounts as per the terms of the Escrow Agreement, the Red Herring Prospectus and the Prospectus into the Public Issue Account.

10. No later than 15 days from the Bid/Issue Closing Date, the Escrow Collection Banks shall refund all amounts payable to unsuccessful Bidders and the excess amount paid on Bidding, if any, after adjusting for allocation to the Bidders.

11. **Payments should be made by cheque, or demand draft drawn on any bank (including a co-operative bank), which is situated at, and is a member of or sub-member of the bankers' clearing house located at the centre where the Bid cum Application Form is submitted. Outstation cheques/bank drafts drawn on banks not participating in the clearing process will not be accepted and applications accompanied by such cheques or bank drafts are liable to be rejected. Cash/stockinvest/money orders/postal orders will not be accepted.**

12. 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.

13. 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 by Stockinvest

Under the terms of the RBI Circular No. DBOD No. FSC BC 42/24.47.00/2003-04 dated November 5, 2003, the option to use the stockinvest instrument in lieu of cheques or bank drafts for payment of Bid money has been withdrawn. Accordingly, payment through Stockinvest will not be accepted in this Issue.

Submission of Bid cum Application Form

All Bid cum Application Forms or Revision Forms duly completed and accompanied by account payee cheques or drafts shall be submitted to the members of the Syndicate at the time of submission of the Bid.

Separate receipts shall not be issued for the money payable on the submission of Bid cum Application Forms or Revision Forms. However, the collection centre of the members of the Syndicate will acknowledge the receipt of the Bid cum Application Forms or Revision Forms by stamping and returning to the Bidder the acknowledgement slip. This acknowledgement slip will serve as the duplicate of the Bid cum Application Form for the records of the Bidder.

OTHER INSTRUCTIONS

Joint Bids in case of Individuals

Bids may be made in single or joint names (not more than three). In the case of joint Bids, all refund payments will be made 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 this regard, the procedures which would be followed by the Registrar to the Issue to detect multiple applications are given below:

1. All applications are electronically strung on first name, address (1st line) and applicant's status. Further, these applications are electronically matched for common first name and address and if matched, these are checked manually for age, signature and father/ husband's name to determine if they are multiple applications.

2. Applications which do not qualify as multiple applications as per above procedure are further checked for common DP ID/ beneficiary ID. In case of applications with common DP ID/ beneficiary ID are manually checked to eliminate possibility of data entry error to determine if they are multiple applications.

3. Applications which do not qualify as multiple applications as per above procedure are further checked for common PAN. All such matched applications with common PAN are manually checked to eliminate possibility of data capture error to determine if they are multiple applications.

In case of a mutual fund, a separate Bid can be made in respect of each scheme of the mutual fund registered with SEBI and such Bids in respect of more than one scheme of the mutual fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

Permanent Account Number

The Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. **Applications without this information will be considered incomplete and are liable to be rejected.** It is to be specifically noted that Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

Right to reject Bids by our Company

In case of QIB Bidders, our Company, in consultation with the GCs and the BRLM, may reject Bids provided that the reason for rejecting the Bid shall be provided to such Bidders in writing. In case of Non-Institutional Bidders and Retail Individual Bidders, our Company will have a right to reject Bids based on technical grounds only. Consequent refunds shall be made as described in the Red Herring Prospectus and the 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 on, *inter alia*, the following technical grounds:

1. Amount paid is less than the amount payable for the highest value of Equity Shares Bid for;
2. 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;
3. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;
4. PAN not stated, or GIR number furnished instead of PAN;
5. Bids for lower number of Equity Shares than specified for that category of investors;
6. Bids at a price less than the lower end of the Price Band;
7. Bids at a price more than the higher end of the Price Band;
8. Bids at Cut-off Price by Non-Institutional Bidders and QIB Bidders;
9. Bids for a number of Equity Shares, which are not in multiples of 25;
10. Category not ticked;
11. Multiple Bids;
12. In the case of a Bid under power of attorney or by limited companies, corporates, trusts etc., relevant documents are not submitted;
13. Bids accompanied by money order/postal order/cash;
14. Signature of sole and/or joint Bidders missing;
15. Bid cum Application Form does not have the stamp of the GCs or the BRLM or the Syndicate Members;
16. Bid cum Application Form does not have the Bidder's depository account details;
17. Bid is not registered within the time prescribed and as per the instructions in the Bid cum Application Form;
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 Depository Participant's identity (DP ID) and the beneficiary account number;
19. Bids for amounts greater than the maximum permissible amounts prescribed by the regulations;
20. Bids by QIBs not submitted through members of the Syndicate;
21. Bids by OCBs;
22. Bids by U.S. residents excluding "Qualified Institutional Buyers" as defined in Rule 144A under the Securities Act or other than in reliance on Regulation S under the Securities Act;
23. Bids by persons who are not eligible to acquire Equity Shares under any applicable law, rule, regulation, guideline or approval, inside India or outside India;
24. Bids where clear funds are not available in Escrow Accounts as per final certificate from the Escrow Collection Banks;

25. Bids by any person outside India if not in compliance with applicable foreign and Indian Law;

26. Bids by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;

27. Bids not uploaded in the Book;

28. Bids or revision thereof by QIB Bidders and Non Institutional Bidders where the Bid amount is in excess of Rs.100,000, uploaded after 3.00 p.m or any such time as prescribed by Stock Exchange on the Bid/Issue closing Date; and

29. Bids which do not comply with securities laws at their specific jurisdictions.

Equity Shares in Dematerialised form with NSDL or CDSL

As per the provisions of Section 68B of the Companies Act, the Equity Shares in this Issue shall be allotted only in a dematerialised form (i.e., not in the form of physical certificates but fungible statements issued in electronic mode).

In this context, two tripartite agreements have been signed among our Company, the respective Depositories and the Registrar to the Issue:

(a) an agreement dated June 12, 2008, among NSDL, our Company and the Registrar to the Issue; and

(b) an agreement dated December 14, 2009 among CDSL, our Company and the Registrar to the Issue.

Bidders will be allotted Equity Shares only in dematerialised mode. Bids from any Bidder without relevant details of his or her depository account are liable to be rejected.

1. A Bidder applying for Equity Shares must have at least one beneficiary account with the Depository Participants of either NSDL or CDSL prior to making the Bid.

2. The Bidder must necessarily fill in the details (including the beneficiary account number and Depository Participant's identification number) appearing on the Bid cum Application Form and Revision Form.

3. Allotment to a successful Bidder will be credited in electronic form directly to the beneficiary account (with the Depository Participant) of the Bidder.

4. Names in the Bid cum Application Form, Bid Revision Form should be identical to those appearing in the account details with the Depository. In case of joint holders, the names should necessarily be in the same sequence as they appear in the account details with the Depository.

5. If incomplete or incorrect details are given under the heading "Bidders Depository Account Details' in the Bid cum Application Form or Bid Revision Form, it is liable to be rejected.

6. The Bidder is responsible for the correctness of his or her Demographic Details given in the Bid cum Application Form or vis-à-vis those recorded with his or her Depository Participant.

7. Equity Shares in electronic form can be traded only on the Stock Exchanges having electronic connectivity with NSDL and CDSL. All the Stock Exchanges where the Equity Shares are proposed to be listed have electronic connectivity with CDSL and NSDL.

8. The trading of the Equity Shares would be in dematerialised form only for all investors in the demat segment of the respective Stock Exchanges.

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 or ASAB number, details of Depository Participant, number of Equity Shares applied for, date of Bid cum Application Form, name and

address of the member of the Syndicate or SCSB where the Bid was submitted and cheque or draft number and issuing bank thereof.

Anchor Investor Portion

Our Company has allocated 4,995,000 Equity Shares to the Anchor Investors, on a discretionary basis, in accordance with the applicable SEBI ICDR Regulations. The Anchor Investor Bid/Issue period was one day prior to the Bid/Issue Opening Date. The QIB Portion shall be reduced to the extent of allocation under the Anchor Investor Portion. In accordance with the SEBI ICDR Regulations, the key terms for participation in the Anchor Investor Portion are as follows:

(a) Anchor Investors shall be QIBs as defined in the SEBI ICDR Regulations.

(b) The Anchor Investor Bid must be for a minimum of such number of Equity Shares so that the Anchor Investor Bid Amount exceeds Rs.100 million and in multiples of 25 Equity Shares thereafter. An Anchor Investor Bid cannot be submitted for more than the Anchor Investor Portion. For the purposes of this clause, Bids by individual schemes of the same Mutual Fund will be clubbed together to calculate the minimum application of Rs.100 million.

(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 working day before the Bid/Issue Opening Date and shall be completed on the same day.

(e) The Company, in consultation with the GCs, the BRLM, shall finalise allocation to the Anchor Investors on a discretionary basis, subject to a minimum of 2 Anchor Investors for allocations up to Rs.2,500 million and 5 Anchor Investors for allocation of more than Rs.2500 million.

(f) The number of Equity Shares allocated to the Anchor Investors and the price at which the allocation is made, shall be made available in public domain by the GCs and the BRLM before the Bid/Issue Opening Date.

(g) Anchor Investors shall pay Anchor Investor Margin Amount representing 25% on the Bid Amount at the time of submission of the Anchor Investor Bid. Any difference between the amount payable by an Anchor Investor for Equity Shares allocated and the Anchor Investor Margin Amount paid at the time of Anchor Investor Bidding, shall be payable by the Anchor Investor within two working days of the Bid/Issue Closing Date.

(h) In case the Issue Price is greater than the Anchor Investor Price, the additional amount being the difference between the Issue Price and Anchor Investor Price shall be paid by the Anchor Investors. In the event the Issue Price is lower than the Anchor Investor Price, the allotment to Anchor Investors shall be at Anchor Investor 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.

(j) The GCs and the BRLM or any person related to the GCs / BRLM / Promoters / Group Companies shall not participate in the Anchor Investor Portion.

(k) Bids made by QIBs under both the Anchor Investor Portion and the 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: "Hathway – Escrow Account – Anchor Investor"
- In case of Non-Resident Anchor Investor: "Hathway– Escrow Account – Anchor Investor - NR"

PAYMENT OF REFUND

Bidders should note that on the basis of the name of the Bidders, Depository Participant's name, Depository Participant identification number and beneficiary account number provided by them in the Bid cum Application Form, the Registrar to the Issue will obtain from the Depository the Bidder's bank account details including a nine digit MICR code. Hence, Bidders are advised to immediately update their bank account details as appearing on the

records of the Depository Participant. Please note that failure to do so could result in delays in credit of refunds to Bidders, as the case may be, at the Bidder's sole risk and neither our Company, its Directors and officers, the Syndicate Members, the Escrow Collection Banks, the GCs, the BRLM nor the Registrar to the Issue shall have any responsibility and undertake any liability for the same.

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 centres: Ahmedabad, Bangalore, Bhubaneshwar, Kolkata, Chandigarh, Chennai, Guwahati, Hyderabad, Jaipur, Kanpur, Mumbai, Nagpur, New Delhi, Patna, Thiruvananthapuram (managed by RBI); Baroda, Dehradun, Nashik, Panaji, Surat, Trichy, Trichur, Jodhpur, Gwalior, Jabalpur, Raipur, Calicut, Siliguri (Non-MICR), Pondicherry, Hubli, Shimla (Non-MICR), Tirupur, Burdwan (Non-MICR), Durgapur (Non-MICR), Sholapur, Ranchi, Tirupati (Non-MICR), Dhanbad (Non-MICR), Nellore (Non-MICR) and Kakinada (Non-MICR) (managed by State Bank of India); Agra, Allahabad, Jalandhar, Lucknow, Ludhiana, Varanasi, Kolhapur, Aurangabad, Mysore, Erode, Udaipur, Gorakpur and Jammu (managed by Punjab National Bank); Indore (managed by State Bank of Indore); Pune, Salem and Jamshedpur (managed by Union Bank of India); Visakhapatnam (managed by Andhra Bank); Mangalore (managed by Corporation Bank); Coimbatore and Rajkot (managed by Bank of Baroda); Kochi/Ernakulum (managed by State Bank of Travancore); Bhopal (managed by Central Bank of India); Madurai (managed by Canara Bank); Amritsar (managed by Oriental Bank of Commerce); Haldia (Non-MICR) (managed by United Bank of India); Vijaywada (managed by State Bank of Hyderabad); and Bhilwara (managed by State Bank of Bikaner and Jaipur). 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 centres.

2. NEFT - Payment of refund may be undertaken through NEFT wherever the applicants' bank has been assigned the Indian Financial System Code, which can be linked to a MICR code, if any, available to that particular bank branch. IFSC will be obtained from the website of RBI as at a date immediately prior to the date of payment of refund, duly mapped with MICR code of the Bidder's bank. Wherever the applicants have registered the nine digit MICR code of the branch of the bank where they are having their account and their bank account number while opening and operating the demat account, the same will be duly mapped with the IFSC of that particular bank branch and the payment of refund will be made to the applicants through this method.

3. Direct Credit—Applicants having their bank account with the Refund Banker shall be eligible to receive refunds, if any, through direct credit. Charges, if any, levied by the Refund Bank(s) for the same will be borne by our Company.

4. RTGS—Where the refund amount exceeds Rs.1.0 million, the same shall be remitted through RTGS provided the Bidder has given details of the IFSC, type of account and account number of the branch where the account is maintained, in the Bid cum Application Form in the space provided for the same. Charges, if any, levied by the applicant's bank receiving the credit will be borne by the applicant.

5. For all the other applicants, including applicants who have not updated their bank particulars along with the nine-digit MICR Code, the refund orders will be dispatched "Under Certificate of Posting" for refund orders of value up to Rs.1,500 and through Speed Post/Registered Post for refund orders of Rs.1,500 and above. Refunds will be made by cheques, pay orders or demand drafts drawn on the Refund Banker(s) which shall be payable at par at places where Bids are received. Bank charges, if any, for cashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

Interest on refund of excess Bid Amount

Our Company shall pay interest at the rate of 15% p.a. on the excess Bid Amount received if refund orders are not dispatched or if instructions to SCSBs are not issued for unblocking ASBA Accounts within 15 days of the Bid/Issue Closing Date for any delay beyond such 15 day time period.

DISPOSAL OF APPLICATIONS AND APPLICATIONS MONEY AND INTEREST IN CASE OF DELAY

Our Company shall ensure dispatch of Allotment advice, transfer advice or refund orders and give benefit to the beneficiary account with Depository Participants and submit the documents pertaining to the Allotment to the Stock Exchanges within 15 days of the Bid/Issue Closing Date. Our Company shall dispatch refunds above Rs.1,500, if any, by registered post or speed post at the sole or first Bidder's sole risk, except for refunds through the ECS facility or RTGS or Direct Credit.

Our Company shall use its best efforts to ensure that all steps for completion of the necessary formalities for Allotment and trading at the Stock Exchanges where the Equity Shares are proposed to be listed are taken within seven Business Days of the finalisation of the basis of Allotment.

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations, the Company further undertakes that:

- Allotment and credit of Equity Shares and transfer only in dematerialised form shall be made within 15 days of the Bid/Issue Closing Date;
- Dispatch refund orders, except for Bidders who are eligible to receive refunds through the ECS facility, shall be made within 15 days of the Bid/Issue Closing Date;
- Instructions to SCSBs for unblocking ASBA Accounts shall be issued within 15 days of the Bid/Issue Closing Date; and
- They shall pay interest at 15% p.a. for any delay beyond the 15 day time period as mentioned above, if Allotment is not made or, in a case where the refund or portion thereof is made in electronic manner, the refund instructions have not been given to the Refund Banker(s) in the disclosed manner, and/or demat credits are not made to investors within the 15 day time period prescribed above or if instructions to SCSBs for unblocking ASBA Accounts are not issued within 15 days of the Bid/Issue Closing Date.

Our Company will provide adequate funds required for dispatch of refund orders or Allotment advice to the Registrar to the Issue.

Save and except for refunds effected through the electronic mode, i.e., ECS, NEFT, direct credit or RTGS, refunds will be made by cheques, pay orders or demand drafts drawn on a bank appointed by us, as a Refund Banker which shall be payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

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".

ALLOTMENT

Basis of Allotment

A. For Retail Individual Bidders

- Bids received from Retail Individual Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Retail Individual Bidders will be made at the Issue Price.
- The Issue size less Allotment to Non-Institutional Bidders and QIB Bidders shall be available for Allotment to Retail Individual Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this portion are less than or equal to 8,325,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Retail Individual Bidders to the extent of their valid Bids.

- If the valid Bids in this portion are greater than 8,325,000 Equity Shares at or above the Issue Price, the allocation shall be made on a proportionate basis of not less than 25 Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

B. For Non-Institutional Bidders

- Bids received from Non-Institutional Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The Allotment to all successful Non-Institutional Bidders will be made at the Issue Price.

- The Issue size less allocation to QIB Bidders and Retail Individual Bidders shall be available for allocation to Non-Institutional Bidders who have Bid in the Issue at a price that is equal to or greater than the Issue Price.

- If the valid Bids in this portion are less than or equal to 2,775,000 Equity Shares at or above the Issue Price, full Allotment shall be made to Non-Institutional Bidders to the extent of their valid Bids.

- If the valid Bids in this portion are greater than 2,775,000 Equity Shares at or above the Issue Price, allocation shall be made on a proportionate basis of not less than 25 Equity Shares and in multiples of one Equity Share thereafter. For the method of proportionate basis of allocation, refer below.

C. For QIB Bidders

- Bids received from QIB Bidders at or above the Issue Price shall be grouped together to determine the total demand under this portion. The allocation to QIB Bidders will be made at the Issue Price.

- The QIB Portion shall be available for allocation 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) Allotment to Anchor Investors shall be made in accordance with the SEBI ICDR Regulations.

(b) In the first instance allocation to Mutual Funds for up to 5% of the QIB Portion shall be determined as follows:

(i) After allotment to Anchor Investors, if Bids from Mutual Funds exceed 5% of the QIB Portion, allocation to Mutual Funds shall be made on a proportionate basis of not less than 832,500 Equity Shares and in multiples of one Equity Share thereafter up to 5% of the QIB Portion.

(ii) If the aggregate demand from Mutual Funds is less than 5% of the QIB Portion, then all Mutual Funds shall get full Allotment to the extent of valid Bids received above the Issue Price.

(iii) Equity Shares remaining unsubscribed, if any, not allocated to Mutual Funds shall be available to QIB Bidders as set out in (c) below.

(c) In the second instance allocation to all Bidders shall be determined as follows:

(i) In the event of an oversubscription in the QIB Portion, all QIB Bidders who have submitted Bids above the Issue Price shall be Allotted Equity Shares on a proportionate basis of not less than 25 Equity Shares and in multiples of one Equity Share thereafter for up to 95% of the QIB Portion.

(ii) Mutual Funds who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis of not less than 25 Equity Shares and in multiples of one Equity Share thereafter along with other QIB Bidders.

(iii) Under-subscription below 5% of the Mutual Fund Portion, if any, from Mutual Funds, would be included for allocation to the remaining QIB Bidders on a proportionate basis.

The GCs, the BRLM, the Registrar to the Issue and the Designated Stock Exchange shall ensure that the basis of Allotment is finalised in a fair and proper manner in accordance with the SEBI ICDR Regulations. The drawing of lots (where required) to finalise the basis of Allotment shall be done in the presence of a public representative on the Governing Board of the Designated Stock Exchange.

In the event of under-subscription in the Issue, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer of Sale.

Procedure and Time of Schedule for Allotment and demat Credit of Equity Shares

The Issue will be conducted through a "100% Book Building Process" pursuant to which the members of the Syndicate will accept Bids for the Equity Shares during the Bidding/Issue Period. The Bidding/Issue Period opened on February 9, 2010 and closed on February 11, 2010. Following the expiration of the Bidding/Issue Period, our Company in consultation with the GCs and the BRLM, determined the Issue Price. Our Company in consultation with the GCs and the BRLM will determine the basis of allocation and entitlement to Allotment based on the Bids received and subject to confirmation by the Designated Stock Exchange. Successful bidders will be provided with a confirmation of their allocation (subject to a revised confirmation of allocation) and will be required to pay any unpaid amount for the Equity Shares within a prescribed time. The SEBI ICDR Regulations require our Company to complete the Allotment to successful bidders and credit of Equity Shares Alloted to the Investors' demat acocunts maintained with the relevant depository participants within 15 days of the expiration of the Bidding/Issue Period. The Equity Shares will then be credited and Allotted to the investors' demat accounts maintained with the relevant Depository Participant. Upon approval by the Stock Exchanges, the Equity Shares will be listed and trading will commence.

Method of proportionate Basis of Allotment

In the event the Issue is oversubscribed, the Allotment shall be as per the basis of allocation approved by the Designated Stock Exchange. The executive director or managing director of the Designated Stock Exchange along with the GCs and the BRLM and the Registrar to the Issue shall be responsible for ensuring that the basis of Allotment is finalised in a fair and proper manner. Allotment to Bidders shall be made in marketable lots on a proportionate basis as explained below:

(a) Bidders will be categorised according to the number of Equity Shares applied for by them.

(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 oversubscription ratio.

(c) The number of Equity Shares to be allotted to the successful Bidders will be arrived at on a proportionate basis, which is the total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the oversubscription ratio.

(d) If the proportionate Allotment to a Bidder is a number that is more than 25 but is not a multiple of one (which is the market lot), the decimal will be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5, it will be rounded off to the lower whole number. Allotment to all Bidders in such categories shall be arrived at after such rounding off.

(e) In all Bids where the proportionate Allotment is less than 25 Equity Shares per Bidder, the Allotment shall be made as follows:

- Each successful Bidder shall be Allotted a minimum of 25 Equity Shares; and
- The successful Bidders out of the total Bidders for a portion shall be determined by the drawing 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 (c) above.

(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 portion, the remaining Equity Shares available for Allotment shall be first adjusted against any other category, where the Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance of Equity Shares, if any, remaining after such adjustment will be added to the category comprising Bidders applying for the minimum number of Equity Shares.

Illustration of Allotment to QIBs (other than Anchor Investors) and Mutual Funds ("MF")

Issue details

Particulars	Issue details
Issue size	200 million Equity Shares
Allocation to QIB (at least 60% of the Issue)	120 million Equity Shares
Of which:	
a. Reservation For Mutual Funds, (5%)	6 million Equity Shares
b. Balance for all QIBs including Mutual Funds	114 million Equity Shares
Number of QIB applicants	10
Number of Equity Shares applied for	500 million Equity Shares

Details of QIB Bids

S. No.	Type of QIBs	No. of shares bid for (in million)
1.	A1	50
2.	A2	20
3.	A3	130
4.	A4	50
5.	A5	50
6.	MF1	40
7.	MF2	40
8.	MF3	80
9.	MF4	20
10.	MF5	20
	Total	**500**

** A1-A5: (QIBs other than Mutual Funds), MF1-MF5 (QIBs which are Mutual Funds) Details of Allotment to QIBs Applicants*

Type of QIB	Shares bid for	Allocation of 5% Equity Shares	Allocation of 95% Equity Shares	Aggregate allocation to Mutual Funds
(I)	(II)	(III)	(IV)	(V)
	(Number of equity shares in million)			
A1	50	0	11.52	0
A2	20	0	4.60	0
A3	130	0	29.94	0
A4	50	0	11.52	0
A5	50	0	11.52	0
MF1	40	1.2	8.97	9.68
MF2	40	1.2	8.97	9.68
MF3	80	2.4	17.96	20.36
MF4	20	0.6	4.49	5.09
MF5	20	0.6	4.49	5.09
	500	**6**	**114**	**49.99**

Notes:

1. The illustration presumes compliance with the requirements specified in this Prospectus in the section titled "Issue Structure" beginning on page 309 of this Prospectus.

2. Out of 120 million Equity Shares allocated to QIBs, 6 million (i.e., 5%) will be Allotted on a proportionate basis among five Mutual Fund applicants who applied for 200 million Equity Shares in the QIB Portion.

3. The balance 114 million Equity Shares i.e., 120 - 6 (available for Mutual Funds only) will be Allotted on a proportionate basis among 10 QIB Bidders who applied for 500 million Equity Shares (including 5 Mutual Fund applicants who applied for 200 million Equity Shares).

4. The figures in the fourth column entitled "Allocation of balance 114 million Equity Shares to QIBs proportionately" in the above illustration are arrived at as explained below:

   For QIBs other than Mutual Funds (A1 to A5) = Number of Equity Shares Bid for × 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) × 114/494

   The numerator and denominator for arriving at the allocation of 114 million Equity 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.

Undertakings by the Selling Shareholders:

The Selling Shareholders undertake the following (the "**Selling Shareholders' Declaration**"):

- that the Equity Shares being sold pursuant to the Offer for Sale, have been held by them for a period of at least one year (either as Equity Shares or as convertible instruments) from the date of this Prospectus and that the Equity Shares being sold pursuant to the Offer for Sale are free and clear of any liens and encumbrances, and shall be transferred to the successful Bidders within the specified time; and

- that the Selling Shareholders shall not have recourse to the proceeds of the Offer for Sale until the approval for the trading of the Equity Shares from the Stock Exchanges has been received.

Undertakings by our Company

Our Company undertakes as follows:

- that complaints received in respect of this Issue shall be dealt with expeditiously and satisfactorily;

- that it shall be ensured that dispatch of share certificates/refund orders and demat credit is completed and the allotment and listing documents shall be submitted to the Stock Exchanges within two Business Days of the date of Allotment;

- that all steps will be taken for the completion of the necessary formalities for listing and commencement of trading at the Stock Exchanges where the Equity Shares are proposed to be listed within seven Business Days of finalisation of the basis of Allotment;

- that our Company shall apply in advance for the listing of Equity Shares;

- that the funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Issue by our Company;

- that where refunds are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days of the Bid/Issue Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;

- that the refund orders or Allotment advice to the Non-Resident Bidders shall be dispatched within the specified time;
- no further issue of Equity Shares shall be made until the Equity Shares offered through the Red Herring Prospectus and the Prospectus are listed or until the Bid monies are refunded on account of non-listing, under-subscription etc.; and
- that adequate arrangements shall be made to collect all ASBA Forms and all ASBA shall be considered similar to other applications while finalizing the basis of Allotment.

The Board of Directors certifies that:

- all monies received out of the Issue shall be credited/transferred to a separate bank account other than the bank account referred to in section 73(3) of the Companies Act;
- details of all monies utilised out of the Fresh Issue shall be disclosed under an appropriate heading 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 Fresh Issue, if any, shall be disclosed under the appropriate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested; and
- our Company shall not have recourse to the proceeds of the Fresh Issue until the final listing and trading approvals from the Stock Exchanges have been obtained.

ISSUE PROCEDURE FOR ASBA BIDDERS

SEBI by its circular dated July 30, 2008, introduced a new mode of payment in public issues i.e., application supported by blocked amount wherein the application money remains in the ASBA Account until allotment in the public issue. Mode of payment through ASBA became effective on September 1, 2008. On December 30, 2009, SEBI further amended the procedure for payment through ASBA, which is applicable to all public issues opening after January 1, 2010. Since this is a new mode of payment, set forth below is the procedure for bidding under the ASBA procedure, for the benefit of the Bidders.

This section is only to facilitate better understanding of aspects of the procedure for bidding which is specific to ASBA Bidders. ASBA Bidders should nonetheless read this document in its entirety

Our Company, its Directors and officers, the GCs and the BRLM are not liable for any amendments, modifications, or changes in applicable laws or regulations, which may occur after the date of this Prospectus. ASBA Bidders are advised to make their independent investigations and to ensure that the ASBA Form is correctly filled up, as described in this section.

The list of banks who have been notified by SEBI to act as SCSBs for the ASBA are provided at http://www.sebi.gov.in. For details on designated branches of SCSB collecting the ASBA Form, please refer the above mentioned SEBI link.

ASBA Process

A Bidder (excluding a QIB Bidder) can submit his bid through an ASBA 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 is maintained. The SCSB shall block an amount equal to the Bid Amount in the ASBA Account specified in the ASBA Form, physical or electronic, on the basis of an authorisation to this effect given by the account holder at the time of submitting the ASBA Bid. The ASBA Bid data shall thereafter be uploaded by the SCSB in the electronic IPO system of the Stock Exchanges. The Bid Amount shall remain blocked in the ASBA Account until finalisation of the basis of Allotment and consequent transfer of the Bid Amount against the allocated Equity 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. Once the basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branch for unblocking the relevant ASBA 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 Registrar to the Issue.

Who can Bid?

In order to be eligible to apply under the ASBA, an ASBA Bidder has to satisfy the following conditions:

a. The ASBA Bidder should not be QIB;

b. The ASBA bid should be made through the blocking of funds in a bank account with the SCSBs;

ASBA Form

An ASBA Bidder shall use the ASBA Form obtained from the Designated Branches for the purpose of making an ASBA Bid in terms of the Red Herring Prospectus. ASBA Bidders are required to submit their bids under the Issue, either in physical or electronic mode. In case of application in physical mode, the ASBA Bidder shall submit the ASBA Form at the Designated Branch. In case of application in electronic form, the ASBA Bidder shall submit the ASBA 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. For further information on how to complete ASBA Forms, see the section titled "Issue Procedure- Instructions for Completing the ASBA Form" beginning on page 346.

- An ASBA Bidders can submit only ASBA After determination of the Issue Price, the number of Equity Shares Bid for by the ASBA Bidders, except QIB Bidders, will be considered for allocation along with the other Bidders who have Bid for Equity Shares.

- In the ASBA Form, the ASBA Bidder shall, *inter alia,* give the following confirmations/declarations:

  a. That he/she is an ASBA Bidder as per the SEBI ICDR Regulations;

  b. That he/she has authorized the SCSBs to do all acts as are necessary to make an application in the Issue, upload his/her Bid, block or unblock the funds in the ASBA Account and transfer the funds from the ASBA Account to the Public Issue Account after finalization of the basis of Allotment entitling the ASBA Bidder to receive Equity Shares in the Issue etc.; and

  c. That he/she has authorized the Registrar to the Issue to issue instructions to the SCSBs to unblock the funds in the ASBA Account upon finalization of the basis of Allotment and to transfer the requisite money to the Public Issue Account.

- An ASBA Bidder cannot bid under the Issue, either in physical or electronic mode, on another ASBA Form or Bid cum Application Form after bidding on one ASBA Form either in physical or electronic mode. Submission of a second ASBA Form to either the same or another Designated Branch or a Bid cum Application to the Members of Syndicate will be treated as multiple Bid 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 Allotment of Equity Shares in the Issue.

- Upon completing and submitting the ASBA Form to the Designated Branch, the ASBA Bidder is deemed to have authorized our Company to make the necessary changes in the 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.

Maximum and Minimum Bid Size for ASBA Bidders

The ASBA Bid, in case of a Retail Individual Bidder cannot exceed 375 Equity Shares in order to ensure that the total ASBA Bid Amount blocked in respect of such ASBA Bidder does not exceed Rs.100,000. The ASBA Bid, in case of Non Institutional Bidders must be for a minimum of 400 Equity Shares and cannot exceed 22,755,000 Equity Shares.

Information for the ASBA Bidders:

1. Our Company filed the Red Herring Prospectus with the RoC on January 27, 2010 which was more than three days before the Bid/Issue Opening Date.

2. Our Company, the GCs and the BRLM declared the Bid/Issue Opening Date and Bid/Issue Closing Date at the time of filing the Red Herring Prospectus with the RoC and also published the same in two national newspapers (one each in English and Hindi) and one Marathi newspaper with wide circulation. The Price Band and the Minimum Bid Size has been decided by the Company in consultation with the GCs and the BRLM and advertised by the Company at least two (2) working days prior to the Bid / Issue Opening Date.

3. ASBA Bidders who would like to obtain the Red Herring Prospectus and/or the ASBA Form can obtain the same from the Designated Branches. ASBA Bidders can also obtain a copy of the Red Herring Prospectus and/or the ASBA Form in electronic form on the websites of the SCSBs.

4. The ASBA Bids should be submitted to the SCSBs on the prescribed ASBA 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 ASBA Account. For further information on how to complete ASBA Forms, see the section titled "Issue Procedure - Instructions for Completing the ASBA Form" beginning on page 346 of this Prospectus.

5. The Price Band has been fixed at Rs.240 to Rs.265 per Equity Share. In accordance with the SEBI ICDR Regulations, our Company in consultation with the GCs and the BRLM, reserves the right to revise the Price Band during the bidding/Issue period. In case of revision, the cap on the Price Band will not be more than 120% 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.

6. Our Company in consultation with the GCs and the BRLM, shall finalise the Issue Price within the Price Band, without the prior approval of, or intimation to, the ASBA Bidders.

7. Our Company, the GCs and the BRLM declared the Bid/Issue Opening Date and the Bid/Issue Closing Date in the Red Herring Prospectus filed with the RoC and also published the same in two circulated national newspapers (one each in English and Hindi) and one Marathi regional newspaper, each with wide circulation in the place where our Registered Office is situated. The Price Band and the Minimum Bid Size has beendecided by the Company in consultation with the GC's and the BRLM and advertised by the Company at least two (2) working days prior to the Bid / Issue Opening Date. This advertisement, subject to the provisions of Section 66 of the Companies Act, contained the disclosure requirements as specified under Schedule XIII of the SEBI ICDR Regulations. The SCSBs shall accept ASBA Bids from the ASBA Bidders during the Bidding/Issue Period.

8. The bidding/Issue period shall be for a minimum of three Business Days and shall not exceed ten Business Days. In case the Price Band is revised, the revised Price Band and bidding/Issue period will be published in two national newspapers (one each in English and Hindi) and one Marathi regional newspaper, each with wide circulation and also by indicating the change on the website of the GCs and the BRLM and at the terminals of the members of the Syndicate. The Bidding/Issue period shall be extended by an additional three Business Days, subject to the total Bidding/Issue period not exceeding 10 Business Days.

Mode of Payment

Upon submission of an ASBA 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 to block the Bid Amount in the ASBA Account.

ASBA Form should not be accompanied by cash, draft, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account.

SCSBs shall block the Bid Amount in the ASBA Account. The Bid Amount shall remain blocked in the ASBA Account until finalization of the basis of Allotment or withdrawal/failure of the Issue or withdrawal/failure of the ASBA Bid, as the case may be. In the event the ASBA Account does not have a sufficient credit balance for the Bid Amount, the ASBA Bid shall be rejected by the SCSB and no funds shall be blocked in the that ASBA Account.

On the Designated Date, the SCSBs shall unblock and transfer the Bid Amount from the ASBA Account for successful Bids into the Public Issue Account and the balance amount, if any, shall be unblocked.

Electronic Registration of Bids

Upon receipt of the ASBA Form, the Designated Branch shall register and upload the Bid. **The GCs, the BRLM, our Company and the Registrar to the Issue shall not take any responsibility for acts, mistakes, errors, omissions and commissions etc. in relation to Bids accepted by SCSBs, Bids uploaded by SCSBs, Bids accepted but not uploaded by SCSBs or Bids accepted and uploaded without blocking funds in the ASBA Accounts. It shall be presumed that for Bids uploaded by SCSBs, the Bid Amount has been blocked in the relevant ASBA Account.**

At the time of registering each Bid, the Designated Branches 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 number of the Bidder's beneficiary account.

In case of electronic ASBA Form, 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 Exchanges.

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.** The registration of the Bid by the Designated Branch does not guarantee that the Equity Shares Bid for shall be Allocated to the ASBA Bidders. Such TRS will be non-negotiable and by itself will not create any obligation of any kind.

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 Bidding/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 shall upload the Bids untill such time as may be permitted by the Stock Exchanges.

Unblocking of ASBA Account

Once the basis of Allotment is finalized, the Registrar to the Issue shall send an appropriate request to the Controlling Branches for unblocking the ASBA Accounts and for the transfer of requisite amount to the Public Issue 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 regarding finalisation of the basis of Allotment in the Issue, in the event of withdrawal/failure of the Issue or withdrawal or rejection of the ASBA Bid, as the case may be.

Price Discovery and Allocation

1. After the Bid/Issue Closing Date, the Registrar to the Issue shall aggregate the demand generated under the ASBA along with the demand generated by other Bidders (other than QIB Bidders) to determine the demand generated.

2. Our Company in consultation with the GCs and the BRLM, has finalised the Issue Price.

3. The Allotment to QIBs will be at least 60% of the Issue, on a proportionate basis and the availability for allocation to Non Institutional and Retail Individual Bidders (including ASBA Bidders) will be not less than 10% and 30% of the Issue, respectively, on a proportionate basis, in a manner specified in the SEBI ICDR Regulations and the Red Herring Prospectus and this Prospectus, in consultation with the Designated Stock Exchange, subject to valid Bids being received at or above the Issue Price.

4. Our Company in consultation with the GCs and the BRLM, reserve the right not to proceed with the Issue at any time after the Bid/Issue Opening Date but before the Allotment.

Interest in Case of Delay in Dispatch of Allotment Letters/ Refund Orders or Instructions to SCSBs

In accordance with the Companies Act, the requirements of the Stock Exchanges and the SEBI ICDR Regulations, our Company undertakes that:

- Allotment in dematerialised form and credit of Equity Shares to the demat accounts shall be made within 15 days from the Bid/Issue Closing Date;

- Dispatch of refund orders, except for Bidders who can receive refunds through Direct Credit, NEFT, RTGS or ECS, shall be done within 15 days from the Bid/Issue Closing Date;

- Instructions to the SCSBs to unblock funds in the relevant ASBA Account for withdrawn, rejected or unsuccessful Bids shall be made within 15 days of the Bid/Issue Closing Date.

- They shall pay interest at 15% p.a. 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 through Direct Credit, NEFT, RTGS or ECS, the refund instructions have not been given to the clearing system in the disclosed manner within 15 days from the Bid/Issue Closing Date or if instructions to SCSBs to unblock funds in the ASBA Accounts are not given within 15 days of the Bid/Issue Closing Date.

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 by cheques, pay orders or demand drafts drawn on any one or more of the Escrow Collection Banks/Refund Bankers and payable at par at places where Bids are received. Bank charges, if any, for encashing such cheques, pay orders or demand drafts at other centres will be payable by the Bidders.

In case of ASBA Bidders, the SCSBs will unblock funds in the ASBA Accounts to the extent of the refund to be made based on instructions received from the Registrar to the Issue.

Our Company shall not have recourse to the proceeds of the Fresh Issue until the approvals for trading of the Equity Shares has been received from the Stock Exchanges.

Filing of the Red Herring Prospectus and the Prospectus with the RoC

We filed a copy of the Red Herring Prospectus with the RoC on January 27, 2010 and 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

Following the filing of the Red Herring Prospectus with the RoC, the Company published an advertisement, in the form prescribed by the SEBI ICDR Regulations, in two national newspapers (one each in English and Hindi) and one Marathi newspaper, each with wide circulation.

Advertisement regarding Issue Price and Prospectus

A statutory advertisement will be issued by our Company 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 along with a table showing the number of Equity Shares and the amount payable by an investor. Any material updates between the date of the Red Herring Prospectus and the Prospectus shall 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 the Controlling Branches, a list of the ASBA Bidders who have been allocated Equity Shares in the Issue, along with:
   - The number of Equity Shares to be allotted against each successful ASBA;
   - The amount to be transferred from the ASBA Account to the Public Issue Account, for each successful ASBA;

- The date by which the funds referred to in sub-para (ii) above, shall be transferred to the Public Issue Account; and
- The details of rejected ASBAs, if any, along with reasons for rejection and details of withdrawn/ unsuccessful ASBAs, if any, to enable SCSBs to unblock the respective ASBA Accounts.

Investors should note that our Company shall ensure that the instructions by our Company for demat credit of the Equity Shares to all investors in this Issue shall be given on the same date; and

(b) The ASBA Bidders shall directly receive the CANs from the Registrar. The dispatch of a CAN to an ASBA Bidder shall be deemed a valid, binding and irrevocable contract with the ASBA Bidder.

Allotment of Equity Shares

- 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 ASBA Accounts 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 15 days of the Bid / Issue Closing Date.

- As per the SEBI 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:

1. Check if you are eligible to Bid under ASBA.

2. Ensure that you use the ASBA Form specified for the purposes of ASBA.

3. Read all the instructions carefully and complete the ASBA Form.

4. Ensure that you submit only one ASBA Form, and ensure that you do not also submit a Bid cum Application Form

5. 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.

6. Ensure that your ASBA Form is / are submitted at a Designated Branch, 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 the Company or the Registrar to the Issue or the GCs or the BRLM.

7. Ensure that the ASBA Form is signed by the account holder in case the applicant is not the account holder.

8. Ensure that you have mentioned the correct ASBA Account number in the ASBA Form.

9. Ensure that you have funds equal to the number of Equity Shares Bid for at the Cap Price available in your ASBA Account before submitting the ASBA Form to the respective Designated Branch.

10. Ensure that you have correctly checked the authorisation box in the ASBA 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 Form in your ASBA Account maintained with a branch of the concerned SCSB.

11. Ensure that you receive an acknowledgement from the Designated Branch for the submission of your ASBA Form.

12. Ensure that you have mentioned your PAN.

13. Ensure that the name(s) given in the ASBA Form is exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case the ASBA 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 ASBA Form.

14. Ensure that the Demographic Details are updated, true and correct, in all respects.

DON'Ts:

1. Do not submit an ASBA Bid if you are a QIB.

2. Do not bid for lower than the minimum Bid size.

3. Do not Bid on another ASBA Form or on a Bid cum Application Form after you have submitted a Bid to a Designated Branch.

4. Payment of Bid Amounts in any mode other than blocked amounts in the ASBA Account, shall not be accepted under the ASBA.

5. Do not send your physical ASBA Form by post; instead submit the same to a Designated Branch.

6. In case of a Residential Individual Investor do not fill the ASBA Form such that the Bid Amount against the number of Equity Shares Bid for exceeds Rs.100,000.

7. Do not submit the GIR number instead of the PAN Number.

INSTRUCTIONS FOR COMPLETING THE ASBA FORM

1. Bids through ASBA must be made only in the prescribed ASBA Form (if submitted in physical mode) or electronic mode.

2. The ASBA Bid may be made in either a single name or in joint names (not more than three, and in the same order as their Depository Participant details).

3. Completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein and in the ASBA Form.

4. The ASBA Bid, in case of Retail Individual Bidders, cannot exceed 375 Equity Shares in order to ensure that such that the total ASBA Bid Amount blocked with respect to such ASBA Bidder does not exceed Rs.100,000. The ASBA bid in case of Non Institutional Bidders, must be for a minimum of 400 Equity Shares.

5. 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.

6. ASBA Bidders should correctly mention the ASBA Account number in the ASBA Form and ensure that funds equal to the Bid Amount are available in the ASBA Account before submitting the ASBA Form to the respective Designated Branch.

7. If the ASBA Account holder is different from the ASBA Bidder, the ASBA Form should be signed by the account holder as provided in the ASBA Form.

8. ASBA Bidders should correctly mention their DP ID and Client ID in the ASBA 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 Form.

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 AND BENEFICIARY ACCOUNT NUMBER IN THE ASBA FORM. ASBA BIDDERS MUST ENSURE THAT THE NAME GIVEN IN THE ASBA FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THE DEPOSITORY ACCOUNT IS HELD. IN CASE THE ASBA 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 FORM.

ASBA Bidders should note that on the basis of name of the ASBA Bidders, Depository Participant's name and identification number and beneficiary account number provided by them in the ASBA Form, the Registrar to the Issue will obtain from the Depository, demographic details of the ASBA Bidders including address. Hence, ASBA Bidders should carefully fill in their Depository Account details in the ASBA 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 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 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 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, the members of the Syndicate, the Company or the Registrar to the Issue 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.

ASBA Bids under Power of Attorney

In case of an ASBA Bid pursuant to a power of attorney, a certified copy of the power of attorney must be lodged along with the ASBA Form. Failing this, our Company, in consultation with the GCs and the BRLM, reserves the right to reject such 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 Form, subject to such terms and conditions that we, in consultation with the GCs and the BRLM may deem fit.

OTHER INSTRUCTIONS

Withdrawal of ASBA Bids

The ASBA Bidders can withdraw their Bids during the Bidding/Issue period by submitting a request for the same to the SCSBs who shall do the requisite, including deletion of details of the withdrawn ASBA Form from the electronic bidding system of the Stock Exchanges and unblocking of the funds in the ASBA Account.

In case the ASBA Bidder wishes to withdraw the Bid after the Bid/Issue Closing Date, the same can be done by submitting a withdrawal request by the ASBA Bidder to the Registrar to the Issue. The Registrar to the Issue shall delete the withdrawn Bid from the Bid file and give instruction to the SCSB for unblocking the ASBA Account after 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 per ASBA Account

More than one ASBA Bidder may Bid for Equity Shares using the same ASBA Account, provided that the SCSBs shall not accept a total of more than five ASBA Forms from such ASBA Bidders with respect to any single ASBA Account.

Mechanism for revision of ASBA Bids

During the Bidding Period, an ASBA Bidder which / who desires to revise an ASBA Bid, may submit a request with respect to the revised ASBA Bid to the SCSB, which shall do the necessary, including uploading all the revised details in the electronic bidding system of the Stock Exchange.

Permanent Account Number

The ASBA Bidder or in the case of a Bid in joint names, each of the Bidders, should mention his/her PAN allotted under the I.T. Act. **Applications without this information will be considered incomplete and are liable to be rejected by the SCSBs**. It is to be specifically noted that ASBA Bidders should not submit the GIR number instead of the PAN, as the Bid is liable to be rejected on this ground.

RIGHT TO REJECT ASBA BIDS

The Designated Branches shall have the right to reject ASBA Bids if at the time of blocking the Bid Amount in the ASBA Account, the respective Designated Branch ascertains that sufficient funds are not available in the ASBA Account and shall not accept more than five ASBA Forms from ASBA Bidders with respect to any single ASBA Account..

Further, in case any DP ID, Client ID or PAN mentioned in the ASBA 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

ASBA Bidders are advised to note that Bids under the ASBA Process are liable to be rejected on, *inter alia*, the following technical grounds:

1. Application on plain paper;

2. 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;

3. Bids by persons not competent to contract under the Indian Contract Act, 1872 including minors and insane persons;

4. Amount mentioned in the ASBA Form does not tally with the amount payable for the value of Equity Shares Bid for;

5. Bids for a value of more than Rs.100,000 by ASBA Bidders, which are Retail Individual Bidders;

6. Bids made by QIB Bidders;

7. PAN not stated, or GIR number furnished instead of PAN;

8. Bids for number of Equity Shares, which are not in multiples of 25;

9. Authorisation for blocking funds in the ASBA Account not ticked or provided;

10. Multiple Bids as described in this Prospectus;

11. In case of Bid under power of attorney, relevant documents are not submitted;

12. Signature of sole and/or joint Bidders missing in case of ASBA Forms submitted in physical mode;

13. The ASBA Form does not have the Bidder's depository account details;

14. The ASBA 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 Form and the Prospectus;

15. Inadequate funds in the ASBA Account to block the Bid Amount specified in the ASBA Form at the time of blocking such Bid Amount in the ASBA Account; and

16. 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.

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 Form number, details of Depository Participant, number of Equity Shares applied for, date of ASBA Form, name and address of the Designated Branch where the ASBA Bid was submitted and bank account number of the ASBA Account, with a copy to the relevant SCSB. 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.

ASBA Bidders can contact the Compliance Officer, the Designated Branch where the ASBA 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 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 of the ASBA 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 section titled "Issue Procedure- Impersonation" on page 335 of this Prospectus.

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 SEBI ICDR Regulations, we undertake that:

- Allotment and credit of Equity Shares in dematerialised form and transfer shall be made within 15 days from the Bid/Issue Closing Date;

- Instructions for unblocking of the ASBA Bidder's Bank Account shall be made; and

- Our Company shall pay interest at 15% p.a. for any delay beyond the 15 day period mentioned above, if Allotment is not made and/or demat credits are not made to investors within the time period prescribed above or if instructions to SCSBs to unblock ASBA Accounts are not issued within 15 days of the Bid/Issue Closing Date.

Basis of Allocation and Method of Proportionate Basis of Allocation in the Issue

Bids received from ASBA Bidders will be considered at par with Bids received from other Bidders (other than QIB Bidders). No preference shall be given vis-à-vis ASBA and other Bidders (other than QIB Bidders). The basis of allocation to such valid ASBA and other Bidders (other than QIB Bidders) will be that applicable to Bidders (other than QIB Bidders). For details, see section "Issue Procedure- Basis of Allotment" on page 335 of this Prospectus.

Undertaking by our Company

With respect to the ASBA Bidders, our Company undertakes that adequate arrangements shall be made to collect all ASBA Forms and ASBA Bidders shall be considered similar to other Bidders while finalizing the basis of Allotment.

SECTION XI: MAIN PROVISIONS OF OUR ARTICLES OF ASSOCIATION

Pursuant to Schedule II of the Companies Act and the SEBI ICDR Regulations, the main provisions of the Articles of Association of the Company relating to voting rights, dividend, lien, forfeiture, restrictions on transfer and transmission of Equity Shares/debentures and/or on their consolidation/splitting are detailed below:

The regulations contained in Table 'A' of Schedule I to the Companies Act (Act 1 of 1956) shall not apply only in so far as the same are not provided for or are not inconsistent with these Articles and the regulations for the management of the Company and for observance of the members thereof and their representatives shall, subject to any exercise of the statutory powers of the Company with reference to repeal or alteration or of addition to, its regulations by special resolution, as prescribed by the Companies Act, 1956, be such as are contained in these Articles.

Definitions:

"**Act**" means the Companies Act, 1956 and any re-enactment, amendments and modifications thereof as in effect from time to time;

"**Adjusted ChrysCapital Securities**" means the number of Equity Shares of the Company as of any time that would have been held by ChrysCapital at such time (i) taking into account all Adjustment Events occurring prior to such time, and (ii) assuming no disposition by ChrysCapital of any CC Subscription Shares acquired as per the CC Subscription Agreement except as a result of an Adjustment Event and no acquisition by ChrysCapital of any other Equity Shares except as a result of an Adjustment Event;

"**Adjustment Event**" means any share split, bonus issue, stock dividend, rights issues recapitalisation or recombination affecting the Equity Shares and any other transaction having the effect of any of the foregoing;

"**Adjusted Star Securities**" as of any time means the number of Equity Shares that would have been held by Star at such time (i) taking into account all Adjustment Events occurring prior to such time and (ii) assuming no disposition by Star of any Star Securities except as a result of an Adjustment Event and no acquisition by Star of any other Equity Shares except as a result of an Adjustment Event. For the avoidance of any doubt, it is expressly clarified that the proviso to the definition of the term "Star Securities" as provided in these Articles will not be applicable for the computation of "Adjusted Star Securities";

"**Adjusted Subscription Securities**" means the CC Subscription Shares held by ChrysCapital at the relevant time duly adjusted for any Adjustment Event;

"**Affiliate**" of any Person means any other Person controlling, controlled by or under common control with such Person and, in the case of a natural Person, any Relative of such Person. For purposes of these Articles, "control" means possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by contract or otherwise;

"**Akshay Raheja**" means Akshay Raheja, a citizen of India, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include his heirs, executors, successors and permitted assigns;

"**Annual General Meeting**" means the annual general meeting of the Company.

"**Articles**" means these Articles of Association of the Company and any modifications or amendments thereof;

"**Australian GAAP**" means Generally Accepted Accounting Principles prescribed by the Australia Accounting Standard Board and the Public Sector Accounting Standard Board of Australia;

"**Board**" means the Board of Directors of the Company;

"**Business**" means the business to be carried out in India of (i) transmitting one or more of audio, video or data signals which are received, acquired or created by the Company or its subsidiaries to customers through networks, including but not limited to fixed-line (such as cable) or wireless networks, (ii) the provision of other

services using such networks, including but not limited to the provision of internet access and internet-related services (including communications, applications and other services permitted by law), (iii) providing infrastructure or a carriage backbone to other service providers including basic and other telecommunications service providers, and (iv) acquiring content for any of the above purposes, but "Business" expressly does not include telephony (other than telephony via voice over internet protocol);

"**CC Shareholders Agreement**" means the shareholders agreement dated April 28, 2007 between the Company, the Existing Shareholders, Rajan Raheja Star and ChrysCapital;

"**CC Subscription Agreement**" means the subscription agreement dated April 28, 2007 entered into between the Company, the Existing Shareholders, Rajan Raheja and ChrysCapital;

"**CC Subscription Shares**" means the 54,31,937 Equity Shares allotted to ChrysCapital pursuant to the CC Subscription Agreement;

"**ChrysCapital**" means Monet Limited, a company registered under the laws of Mauritius and having its principal office at IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and assigns;

"**ChrysCapital Group**" means ChrysCapital II, LLC, ChrysCapital III, LLC, ChrysCapital IV, LLC, ChrysCapital V, LLC (the "Existing Funds"), ChrysCapital Management Company II LLC, ChrysCapital Management Company III LLC, ChrysCapital Management Company IV LLC and ChrysCapital Management Company V LLC (the "Management Companies"), any new fund(s) or entity / entities that is / are managed by management company(ies) where a majority of the shareholders of such new management company(ies) are or were shareholders in the Management Companies, as long as the majority shareholders of these new fund(s) or entities are not Company Competitors, (the "New Fund(s)"), the management companies of the New Funds where a majority of the shareholders of such management company(ies) are or were shareholders in the Management Companies (the "New Management Companies") and the wholly owned subsidiaries of the Existing Funds and the New Funds;

"**ChrysCapital Initiated Initial Public Offering**" means an IPO subsequent to March 31, 2012 initiated by ChrysCapital;

"**Company**" means Hathway Cable & Datacom Limited;

"**Company Competitor**" means (a) a Person engaged in the Competing Business in India and/or its Affiliates ("Relevant Person"); or (b) a Person that together with its Affiliates directly or indirectly owns 25% or more of the equity interest of such Relevant Person; provided that: (i) in respect of (a), if the revenues of the Relevant Person from the Competing Business do not exceed 35% of the aggregate revenues of the Company over the last four calendar quarters immediately preceding the relevant date of calculation; (ii) in respect of (b) : (1) if such person is a mutual fund, foreign institutional investor, venture capital fund, foreign venture capital investor duly registered with the Securities Exchange Board of India; or (2) is an International Fund, such Relevant Person in the case of (a), or Person in the case of (b), shall not be considered to be Company Competitor;

"**Company Initiated Initial Public Offering**" means an IPO by March 31, 2010, and in any event until January 31, 2012, such that the product of the Discovered Price and the total outstanding Equity Shares immediately prior to the commencement of the public offering is at least Rs.18,089.2 million or any IPO other than a ChrysCapital Initiated Initial Public Offering;

"**Competing Business**" means (i) the business of building, owning or operating cable networks, including reception, distribution or transmission of signals either directly or through cable operators, or building, owning or operating any head ends or control rooms in connection with cable networks and (ii) the business of providing broadband internet services through cables, telephone lines (through DSL or such technology), or other wired or fixed line networks. For the avoidance of doubt, "**Competing Business**" does not include the business of (a) building, owning or operating any telephone line or other wired or fixed line networks providing narrowband services, or (b) distributing content through any cable, telephone lines or other wired or fixed line networks (broadband or otherwise) in India where, in the case of networks carrying broadband services, the distributor does not own a direct or indirect interest in, manage or control such networks, or (c) building, owning or operating any direct-to-home satellite platform, or (d) any business carried on outside of India;

"**Director**" means a director of the Company;

"**Discovered Price**" shall mean the maximum price at which the Shares get allotted or transferred to the public in the IPO;

"**Encumbrance**" means (i) any mortgage, charge (whether fixed or floating), pledge, lien, hypothecation, assignment, deed of trust, title retention, security interest or other encumbrance of any kind securing, or conferring any priority of payment in respect of, any obligation of any Person, including without limitation any right granted by a transaction which, in legal terms, is not the granting of security but which has an economic or financial effect similar to the granting of security under applicable law, and (ii) any proxy, power of attorney, voting trust agreement, interest, option, right of first offer, negotiation or refusal or transfer restriction in favour of any Person;

"**Equity Securities**" means Equity Shares or any instruments convertible into Equity Shares;

"**Equity Share Capital**" means the fully paid-up equity share capital of the Company;

"**Equity Shares**" means the equity shares, currently having a par value of Rs.10 in the Share Capital of the Company (including without limitation any such equity shares represented by depositary receipts in connection with a Public Issue outside of India);

"**Existing Shareholders**" means, collectively, Hathway Investments Limited, Akshay Raheja, Viren Raheja and Spur Cable & Datacom Private Limited and **Existing Shareholder** shall mean each of them individually;

"**Extraordinary General Meeting**" means a meeting other than an Annual General Meeting

"**Financial Year**" means the twelve months ending on 31 March of each year;

"**GAAP**" means US GAAP or Generally Accepted Accounting Principles prescribed by the Financial Accounting Standards Board (FASB) of the United States of America;

"**Hathway Investments**" means Hathway Investments Private Limited, a company incorporated under the laws of India, having its registered office at 4th floor, Rahejas, Corner of Main Avenue & V. P. Road, Santacruz (West), Mumbai – 400 054, India and which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns;

"**IPO**" means an initial public offering (including by way of an offer for sale) of the Equity Shares of the Company, and the consequent listing of the Equity Shares on the Bombay Stock Exchange, and/or the National Stock Exchange of India Limited, and/or the NASDAQ, and/or the NYSE, and/or the Main Board of the London Stock Exchange, and/or the Main Board of the Singapore Stock Exchange, and/or the Main Board of the Hong Kong Stock Exchange; and including but not limited to a Company Initiated Initial Public Offering, or an Investor Initiated Initial Public Offering;

"**International Fund**" means an international fund having at least 20 investors managed by an asset manager having assets under management of at least U.S. Dollar 100 million and a wholly owned subsidiary of such international fund;

"**Investor**" shall mean and refer to Investor 1 and Investor 2 individually, and "**Investors**" shall mean and refer to Investor 1 and Investor 2 collectively.

"**Investor 1**" means Infrastructure India Holdings Fund LLC., a company incorporated under the laws of Mauritius and having its registered office at c/o International Financial Services Limited, IFS Court, Twentyeight, Cybercity, Ebene, Mauritius that has subscribed to 11,850 FCCDs;

"**Investor 2**" means MSPI Mauritius 1 Limited, a company incorporated under the laws of Mauritius and having its registered office at C/o Citco (Mauritius) Limited, 9th Floor, Medine Mews, La Chaussée Street, Port Louis, Mauritius that has subscribed to 9,875 FCCDs;

"**Investor Initiated Initial Public Offering**" shall mean the initial public offer by the Company through an

issue of Equity Shares and/ or offer of Equity Shares by the existing shareholders of the Company, initiated by an Investor and / or ChrysCapital, and consequent listing and trading of the Equity Shares on either the Bombay Stock Exchange, and/or the National Stock Exchange of India Limited, and/or the NASDAQ, and/or the NYSE, and/or the Main Board of the London Stock Exchange, and/or the Main Board of the Singapore Stock Exchange, and/or the Main Board of the Hong Kong Stock Exchange;

"**Key Parameter**" means revenues (other than revenues generated from the Company's share of revenues relating to the co-branded web site bearing the uniform resource locator (URL)), cable subscribers, internet subscribers, EBITDA (which is earnings before interest, tax, depreciation and amortisation) and capital expenditure;

"**Law**" means and includes all applicable statutes, enactments, acts of legislature or Parliament, laws, ordinances, rules, bye-laws, regulations, notifications, guidelines, policies, directions, directives and orders of any Government, statutory authority, tribunal, board, court or recognised stock exchange, as may be applicable;

"**Media Properties Business**" means (i) the business of acquiring, producing or owning any television content for distribution *via* any electronic (whether broadcasting, streaming, wired or wireless) medium for Indian audiences, or (ii) the business of distributing any television content via cable networks in India;

"**Memorandum**" means the Memorandum of Association of the Company and any modifications and amendments thereof;

"**Person**" means any individual, firm, company, governmental authority, joint venture, association, partnership or other entity (whether or not having separate legal personality);

"**Prohibited Transferee**" means (i) Zee Entertainment Ltd. or Zee News Limited, Wire and Wireless India Limited or Mr. Subhash Chandra Goel, (ii) Indusind Media and Communications Ltd., HTMT, Hinduja Finance Ltd. or Mr. S. P. Hinduja, (iii) Reliance Industries Ltd., Reliance Communications Limited, Mr. Mukesh Ambani or Mr. Anil Ambani, or (iv) Sumangali Publications Ltd., Sun TV Ltd or Mr. Kalanidhi Maran, or (v) Videsh Sanchar Nigam Limited, or any Person which is the successor or Affiliate of any of these Persons. Provided if an Affiliate of any of these Persons is a mutual fund shall not be a Prohibited Transferee;

"**Promoters**" means Akshay Raheja and Viren Raheja and **Promoter** shall mean each of the individually;

"**Public Issue**" means an issue of new Equity Securities to the public;

"**Rajan Raheja**" means Rajan Raheja, a citizen of India resident at 87/1, G. B. Jukar Marg, Juhu, Mumbai – 400 049, India, and which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include his heirs, executors, successors and permitted assigns

"**Relative**" of a Person means anyone who is related to such Person in any of the ways set forth in Section 6 of the Act;

"**Relevant Market**" means the National Stock Exchange of India Limited, the Bombay Stock Exchange Limited and / or such other stock exchange(s), in India or overseas, as determined by the Board as offering liquidity in respect of the Equity Shares;

"**Senior Officer**" means any of the Chief Executive Officer, the Chief Financial Officer, the Head of Cable Business, the Head of Internet Business, Head of Commercial and the Chief Technology Officer (in each case by whatever name called) of the Company;

"**Share Capital**" means the Equity Share capital of the Company;

"**Spur Cable**" means Spur Cable & Datacom Private Limited, a company incorporated under the laws of India having its registered office at 4th floor, Rahejas, Corner of Main Avenue & V. P. Road, Santacruz (West), Mumbai – 400 054, India and which expression shall, unless repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns;

"**Star**" means Asian Cable Systems Private Limited, a private limited company incorporated in Mauritius with its registered office at 10 Frere Felix de Valois Street, Port Louis, Mauritius and which expression shall, unless

repugnant to the context or meaning thereof, be deemed to include its successors and permitted assigns;

"**Star Competitor**" means an entity, which earns 50% or more of its revenues, over a period of the last four calendar quarters immediately preceding the relevant date of calculation, from a Media Properties Business primarily based in India, but shall exclude any Person which is:

(1) a mutual fund, foreign institutional investor, venture capital fund, foreign venture capital investor duly registered with the Securities Exchange Board of India; or

(2) is an International Fund, provided no investor who is a Star Competitor holds more than 33% beneficial interest of such International Fund or has any executive or management control over such International Fund;

(each, a "**Financial Investor**"), provided also that the Financial Investor does not own more than 50% beneficial interest in any Person engaged in the Media Properties Business;

"**Star Director**" shall mean a Director nominated by Star in accordance with Article 27;

"**Star Prohibited Party**" means any of the following entities or their Affiliates: (i) Zee Telefilms Ltd. or Mr. Subhash Chandra Goel, (ii) Indusind Media and Communications Ltd., Hinduja Finance Ltd. or Mr. S. P. Hinduja, (iii) Reliance Industries Ltd. or Mr. Dhirubhai Ambani or (iv) Sumangali Publications Ltd., Sun TV Ltd or Mr. Kalanidhi Maran, or any entity which is the successor to any of these businesses;

"**Star Securities**" means the 8,238,500 Equity Shares issued to Star. However, such Equity Shares shall cease to be "Star Securities" if and when the same are sold or otherwise transferred by Star to a Person other than an Affiliate of Star;

"Star Shareholders Agreement" shall mean the amended and restated shareholders agreement dated April 28, 2007 entered into between the Company, the Existing Shareholders, Rajan Raheja and Star as subsisting on the date hereof (and as amended from time to time);

"**Transfer**" shall mean the sale, gift, pledge, assignment, transfer, transfer in trust, mortgage, alienation, hypothecation, encumbering or disposition of Equity Shares by any shareholder in any manner whatsoever, voluntarily or involuntarily, including, without limitation, any attachment, assignment for the benefit of creditors filed or initiated against the Company or appointment of a custodian, liquidator or receiver of any of its properties, business or undertaking, but shall not include transfer by way of testamentary or intestate succession;

"**Viren Raheja**" means Viren Raheja, a citizen of India, which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include his heirs, executors, successors and permitted assigns.

Share Capital

Article 3.1 provides that "The Authorised Share Capital of the Company is as stated in the Memorandum of Association of the Company."

Article 3.2 provides that "All equity shares and preference shares, as the case may be, shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including those with respect to dividends, voting power and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding-up of the Company."

Increase of Share Capital by the Company

Article 11.1 provides that "Subject to the provisions of the Act and these Articles, the Company in a general meeting may, from time to time, by a resolution in accordance with the provisions of the Act, increase, decrease, sub- divide, consolidate the Share Capital as classified in the Memorandum on such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe."

Article 11.2 provides that "Subject to the provisions of the Act and the provisions of these Articles, any Equity Share of the original or increased Share Capital shall be issued upon such terms and conditions and with such

rights and privileges annexed thereto, as the shareholders meeting resolving upon the creation thereof, shall direct, and if no direction be given, as the Board shall determine, and in particular, such Equity Shares may be issued with a preferential or qualified right to dividends, and in the distribution of assets of the Company, and with, and if the Act allows without, a right of voting at a shareholders' meeting in conformity with Section 87 of the Act. Whenever the Share Capital of the Company has been increased under the provisions of these Articles, the Board shall comply with the provisions of Section 97 of the Act and these Articles."

New capital same as existing capital

Article 4.1 provides that "Except so far as otherwise provided by the conditions of issue, any capital raised by the creation of new shares shall be considered as part of the existing Share Capital and shall be subject to the same provisions with reference to the payment of calls, lien, transfer, transmission, forfeiture and otherwise as the original Share Capital."

Article 4.2 provides that "The Board shall observe the restriction as to allotment of Equity Shares to the public contained in Section 69 and 70 of the Act and shall cause to be made the return as to allotment provided for in Section 75 of the Act."

Acceptance of Equity Share

Article 13.1 provides that "Any application signed by or on behalf of any applicant for Equity Shares, followed by an allotment of any Equity Shares herein shall be an acceptance of Equity Shares within the meaning of these Articles; and every Person who accepts any Equity Shares and whose name is on the Register of Members shall for the purpose of these Articles be a shareholder."

Deposit and call on Equity Shares

Article 7.1 provides that "The money (if any) which the Board shall, on the allotment of any Equity Shares being made by them, require or direct to be paid by way of deposit, call or otherwise in respect of any Equity Shares allotted by them, shall immediately on the inscription of the name of the allottee in the register of Members, the name of the holder of such Equity Shares become a debt due to and recoverable by the Company from the allottee thereof and shall be paid by the holder accordingly."

Article 7.2 provides that "Every shareholder or his heirs, executors or administrators shall pay to the Company the portion of the capital represented by his share or shares which may for the time being, remain unpaid thereon, in such amounts, at such time or times and in such manner, as the Board shall, from time to time, in accordance with the Company's regulations, require or fix for the payment thereof."

Article 7.3 provides that "The Board of Directors may from time to time, but subject to the conditions hereinafter mentioned, 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 thereof made payable at fixed times and each member shall pay the amount of every call so made on him to the Company or where payable to a person other than the Company to the person and at the time or times appointed by the Board. A call may be made payable by instalments."

Article 7.4 provides that "Where after the commencement of the Act, any calls for future share capital are made on shares, such calls shall be made on a uniform basis on all shares falling under the same class. For the purposes of this Article , shares of the same nominal value on which different amounts have been paid-up shall not be deemed to fall under the same class."

Article 7.5 provides that "Notice of every call otherwise than on allotment shall be given specifying the time of payment and if payable to any person other than the Company the name of the person to whom the call shall be paid; provided that before the time for payment of such call the Board may by notice in writing to the members revoke the same."

Article 7.6 provides that "A call shall be deemed to have been made at the time when the resolution of the Board of Directors authorising such call was passed and may be made payable by the members whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board."

Article 7.7 provides that "The Board may from time to time, at their discretion, extend the time fixed for the payment of any call; and may extend such time as to all or any of the members for any cause or reason that the Board may deem entitled to such extension, but no member shall be entitled to such extension save as a matter of grace and favour."

Article 7.8 provides that "If by the terms of issue of any share or otherwise any amount is made payable at any fixed time or by installments at fixed times (whether on account of the amount of share or by way of premium) every such amount or installment shall be payable as if it were a call duly made by the Board of Directors and of which due notice has been given and all the provisions herein contained in respect of calls shall relate to such amount or installment accordingly."

Article 7.9 provides that "If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the share in respect of which a call shall have been made or the installment shall be due shall pay interest on the same at such rate of interest as may be determined by the Board from time to time from the day appointed for the payment thereof to the time of actual payment but the Board may waive payment of such interest wholly or in part."

Article 7.10 provides that "Neither a judgement nor a decree in favour of the Company for calls or other moneys due in respect of any shares nor any part payment or satisfaction thereunder nor the receipt by the Company of a portion of any money which shall from time to time be due from any member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any money shall preclude the forfeiture of such shares as herein provided."

Article 7.11 provides that "Subject to the provisions of the Act and these Articles, on the trial or hearing of any action or suit brought by the Company against any member or his legal representative for the recovery of any money claimed to be due to the Company in respect of any shares it shall be sufficient to prove that the name of the member in respect of whose shares the money is sought to be recovered, appears entered on the Register of Members as the holder of the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minutes book and that notice of such calls was duly given in pursuance of these presents; and it shall not be necessary to prove the appointment of the Directors who made such call nor any other matter whatsoever but the proof of the matters aforesaid shall be conclusive evidence of the debt."

Payment in anticipation of call may carry interest

Article 8.1 provides that "Subject to the provisions of Section 92 of the Act, the Board may, if they think fit, agree to and accept from any member willing to advance the same, the whole or any part of the amount remaining unpaid on any shares held by him although no part of that amount has been called up, and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the shares in respect of which such advance has been made, the Company may pay interest at such rate, as the member paying such sum in advance and the Board agrees upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced. The members shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would but for such payment, become presently payable."

Article 8.2 provides that "The provisions of these Articles shall *mutatis mutandis* apply to the calls on debentures of the Company."

Shares at the disposal of the directors

Article 14.1 provides that "Subject to the provisions 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 Board who may issue, allot or otherwise dispose of the same to such Persons on such terms and conditions at such times either at par or at premium, and for such consideration as the Board may think fit and with the 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 Board thinks 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."

Certificates

Article 5.1 provides that "The certificates of title to Equity Securities and duplicates thereof when necessary shall be issued under the Seal of the Company."

Article 5.2 provides that "Every person holding Equity Securities of the Company shall be entitled to, without payment, one or more certificates in marketable lots, for all the Equity Securities registered in his name, or if the Board so approves, to several certificates each for one or more of such Equity Securities, but in respect of each additional certificate, there shall be paid to the Company a fee of Rs.2, or such less sum as the Board may determine. Every certificate shall specify the number and denoting numbers of the Equity Securities in respect of which it is issued and the amount paid up thereon. The Board may in any case or generally waive the charging of such fees. 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 for registration of transfer, transmission, sub-division, consolidation or renewal of any of its Equity Securities as the case may be. Every certificate of Equity Securities shall be under the seal of the Company and shall specify the number and distinctive numbers of Equity Securities in respect of which it is issued and amount paid-up thereon and shall be in such form as the Board may prescribe or approve, provided that in respect of Equity Securities held jointly by several persons, the Company shall not be borne to issue more than one certificate and delivery of a certificate of Equity Securities to one of several joint holders shall be sufficient delivery to all such joint holder."

Article 5.3 provides that "If any certificate is worn out, defaced, mutilated or torn or if there is no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed, then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company may deem adequate, being given, an a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate issued under this Article shall be issued without payment of fees, if the Board so decides, or on payment of such fees (not exceeding Rs.2 for each certificate) as the Board 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."

Article 5.4 provides that "Provided that notwithstanding what is stated above, the Board shall comply with such Rules or Regulation or requirements of any Stock Exchange or the Rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956 or any other Act, or rules applicable in this behalf."

Article 5.5 provides that "The provisions of this Article shall *mutatis mutandis* apply to debentures of the Company."

Shareholders and joint holders

Article 6.1 provides that "Except as required by law or ordered by a court of competent jurisdiction, no Person shall be recognised by the Company as having any share upon trust, and the Company shall not be bound by or required to recognise any equitable, contingent, future or partial interest in any share or (except only as by these Articles otherwise expressly provided) any right whatsoever in respect of any share other than an absolute right to the entirety thereof of the registered holder."

Article 6.2 provides that "Where two or more persons are registered as the holders of any share they shall be deemed to hold the same as joint-holders with benefits of survivorship subject to the following and other provisions contained in these Articles:-

a. the Company shall be entitled to decline to register more than four persons as the joint-holders of any share;

b. the joint-holders of any share shall be liable severally as well as jointly for and in respect of all calls and other payments which ought to be made in respect of such share;

c. on the death of any such joint-holder the survivor or survivors shall be the only person or persons recognised by the Company as having any title to the share but the Board may require such evidence of death as they may deem fit and 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;

d. any one of such joint-holders may give effectual receipts of any dividends or other moneys payable in respect of such share;

e. only the person whose name stands first in the Register of Members as one of the joint-holders of any share shall be entitled to delivery of the certificate relating to such share or to receive documents from the Company and any documents served on or sent to such person shall be deemed to be served on all the joint-holders; and

f. any one of two or more joint-holders may vote at any meeting either personally or by attorney duly authorised under a power of attorney or by proxy in respect of such share as if he were solely entitled thereto and if more than one of such joint-holders be present at any meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such share shall alone be entitled to vote in respect thereof but the other or others of the joint-holders shall be entitled to be present at the meeting; Provided always that a joint-holder present at any meeting personally shall be entitled to vote in preference to a joint-holder present by an attorney duly authorised under power of attorney or by proxy although the name of such joint-holder present by an attorney or proxy stands first or higher in the register in respect of such shares. Several executors or administrators of a deceased member in whose (deceased member's) sole name any share stands shall for the purposes of this clause be deemed joint-holders.

Forfeiture and lien

Article 9.1 provides that "If any member fails to pay the whole or any part of any call or instalment or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same the Board may at any time thereafter during such time as the call or instalment or any part thereof or other moneys remain unpaid or a judgement or decree in respect thereof remains unsatisfied in whole or in part serve a notice on such member or on the person (if any) entitled to the share by transmission requiring him to pay such call or instalment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment."

Article 9.2 provides that "The notice shall name a day (not being less than 15
days from the date of the notice) on or before which such call instalment or such part or other moneys as aforesaid and such interest and expenses as aforesaid are to be paid and if payable to any person other than the Company the person to whom such payment is to be made. The notice shall also state that in the event of non-payment at or before the time and (if payable to any person other than the Company) to the person appointed the shares in respect of which the call was made or instalment is payable will be liable to be forfeited."

Article 9.3 provides that "If the requirement of any such notice as aforesaid shall not be complied with, any of the shares in respect of which such notice has been given, may at any time thereafter before payment of all calls or instalments, interest and expenses or other moneys or dues in respect thereof, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared in respect of the forfeited shares and not actually paid before the forfeiture."

Article 9.4 provides that "When any share shall have been so forfeited, an entry of the forfeiture, with the date thereof shall be made in the Register of Members."

Article 9.5 provides that "Any share so forfeited shall be deemed to be the property of the Company and may be sold, re-allotted or otherwise disposed of either to the original holder thereof, or to any other person, upon such terms and in such manner as the Board shall think fit."

Article 9.6 provides that "The Board may at any time before any share so forfeited shall have been sold, re-allotted or otherwise disposed of annul the forfeiture thereof upon such conditions as they think fit."

Article 9.7 provides that "Any member whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company all calls, instalments, interest expenses and other moneys owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate of interest as may be determined by the Board from time to time and the Board may enforce the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so."

Directors may refuse to register transfer

Article 15.1 provides that "Subject to the provisions of Section 111A of the Act, these Articles and other applicable provisions of the Act or any 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 of interest of a member in shares or debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the limitation of such transmission, as the case may be, was delivered to the Company, send notice of the refusal to the transferee and the transferor or to the person giving limitation 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. Transfer of shares / debentures in whatever lot shall not be refused."

Other transfer conditions

Article 16.1 provides that "The instrument of transfer of any shares in the Company shall be in writing and shall be duly stamped and executed both by the transferor and the transferee and the provisions of Section 108 of the Act, including any statutory modifications thereof shall be duly complied with respect of all transfer of shares and registrations thereof."

Article 16.2 provides that "The Company shall not register a transfer of shares or debentures of the Company, unless proper instrument of transfer duly stamped and executed by or on behalf of the transferor and transferee and specifying the name, address and occupation, if any, of the transferee has been delivered to the Company along with the certificate relating to the shares or debentures or if no such certificate is in existence along with the letter of allotment of shares or debentures provided that where on an application made in writing to the Company by the transferee and bearing the stamp required for an instrument of transit; it is proved to the satisfaction of the Board that instrument of transfer signed by or on behalf of the transferor and transferee has been lost, the Company may register the transfer on such terms as to indemnity or otherwise as the Board may think fit."

Article 16.3 provides that "The Board shall have power on giving not less than seven days' previous notice by advertisement in a newspaper circulating in the district in which the registered office of the Company is situated to close the transfer books, the register of Members or register of debenture holders at such time or times and for such period or periods, not exceeding thirty days at a time and exceeding not in the aggregate forty-five days in each year, as it may seem expedient."

Article 16.4 provides that "The executors or administrators or holders of a succession certificate or the legal representatives of a deceased (not being one or two or more joint holders) shall be the only persons recognised by the Company as having any title to the shares registered in the name of such shareholder and the Company shall not be bound to recognise such executors or administrator or holders of succession certificate or the legal representatives unless they shall have first obtained probate or letters of administration or succession certificate or other legal representation as the case may be, from a duly constituted court in India; provided that in any case where the Board in its absolute discretion thinks fit, the Board may dispense with production of probate or letters of administration or succession certificate upon such terms as to indemnity or otherwise as the Board, in its absolute discretion may think necessary and under the next Article register the name of any person who claims to be absolutely entitled to the shares standing in the name of a deceased shareholder as a shareholder."

Article 16.5 provides that "Subject to the provisions of the Act and these Articles, any person becoming entitled to shares in consequence of the death, lunacy, bankruptcy or insolvency of any shareholder or by any lawful means other than by transfer in accordance with these Articles may with the consent of the Board (which it shall not be under any obligation to give) upon producing such evidence that he sustains the character in respect of which he purports to act under those Articles or of his title as the Board thinks sufficient either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board registered as such holder, provided nevertheless that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so he shall not be freed from any liability in respect of the shares."

Article 16.6 provides that "Every instrument of transfer which is registered shall remain in the custody of the Company until destroyed by order of the Board."

Article 16.7 provides that “No fee shall be payable to the Company in respect of the transfer, transmission, probate, succession certificate and Letters of administration, certificate of death and or marriage, power of attorney or other similar documents.”

Article 16.8 provides that “The Company shall incur no liability or responsibility whatever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof (as shown or appearing in the Register of Members) to the prejudice of Persons having or claiming any equitable right, title or interest to or in the said shares notwithstanding that the Company may have had notice of such equitable right, title or interest to notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or interest, or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto if the Board shall so think fit.”

Article 16.9 provides that “For so long as Star holds not less than 75% of the Adjusted Star Securities the Company shall not, without the prior written consent of Star, issue securities to, or enter into any joint venture or partnership with, any of the Hathway Prohibited Parties.”

Article 16.10 provides that “Notwithstanding anything else in these Articles, for so long as Star holds 75% of the Adjusted Star Securities, neither Star nor its Affiliates shall Transfer any Equity Securities of the Company to any Star Prohibited Party.”

Article 16.11 provides that “If Star proposes to Transfer any Equity Shares, the Existing Shareholders shall have a right of first refusal (the "First Refusal Right") with respect to such Transfer as provided in Articles 16.11 to 16.17.”

Article 16,12 provides that “If Star (the "Transferring Shareholder") receives a bona fide offer to acquire Equity Shares and the Transferring Shareholder proposes to accept such offer, the Transferring Shareholder shall send written notice (the "Transfer Notice") to the Existing Shareholders (the "Offerees"), which notice shall state (i) the name of the Transferring Shareholder, (ii) the name, address and beneficial owner(s) of the proposed transferee (the "Transferee"), (iii) the number of Equity Shares to be Transferred (the "Offered Shares"), (iv) the amount and form of the proposed consideration for the Transfer and (v) the other terms and conditions of the proposed Transfer. In the event that the proposed consideration for the Transfer includes consideration other than cash, the Transfer Notice shall include a calculation of the fair market value of such consideration and an explanation of the basis for such calculation. The total value of the consideration for the proposed Transfer is referred to herein as the "Offer Price".”

Article 16.13 provides that “For a period of 25 days after delivery of a Transfer Notice (the "Offer Period"), the Offerees shall have the right, exercisable by each Offeree through the delivery of an Acceptance Notice as provided in Article 16.14, to purchase in aggregate all, but not less than all, of the Offered Shares at a purchase price equal to the Offer Price per Equity Share and upon the other terms and conditions set forth in the Transfer Notice. Each Offeree shall have the right to purchase a number of Offered Shares (such Offeree's "First Refusal Allocation") equal to the total number of Offered Shares multiplied by a fraction, the numerator of which is the number of Equity Shares held by such Offeree and the denominator of which is the total number of Equity Shares held by all Offerees, in each case on a non-diluted basis. In addition, in the event that one or more Offerees ("Non-Electing Offerees") declines or is deemed pursuant to Article 16.14 to have waived its First Refusal Right, each Offeree electing to exercise its First Refusal Right (an "Electing Offeree") shall have the right as provided in Article 16.14 to purchase all or a portion of the Offered Shares constituting the aggregate First Refusal Allocations of the Non-Electing Offerees ("Excess Offered Shares"). An Offeree may assign to an Affiliate of such Offeree its right to acquire Offered Shares pursuant to these Articles 16.11 to 16.17, provided that such Affiliate complies with the provisions of the Articles as if it were a Transferee.”

Article 16.14 provides that “The First Refusal Right of each Offeree under Article 16.13 shall be exercisable by delivering written notice of exercise (an "Acceptance Notice") within the Offer Period to the Transferring Shareholder, with a copy to each of the other Offerees. Each Acceptance Notice shall include (i) a statement of the number of Equity Shares held by such Offeree on a non-diluted basis and (ii) a statement that such Offeree is willing to acquire its First Refusal Allocation plus the number of Excess Offered Shares such Offeree would be willing to purchase in the event there are Excess Offered Shares. An Acceptance Notice shall be irrevocable

and shall constitute a binding agreement by such Offeree to purchase the relevant number of Offered Shares determined in accordance with Articles 16.13 and 16.15. The failure of an Offeree to give an Acceptance Notice within the Offer Period shall be deemed to be a waiver of such Offeree's First Refusal Right."

Article 16.15 provides that "Where there are any Excess Offered Shares, each Electing Offeree shall have the right to purchase the number of Excess Offered Shares specified in such Electing Offeree's Acceptance Notice. However, if the number of Excess Offered Shares is less than the aggregate number of Excess Offered Shares that the Electing Offerees have indicated a willingness to purchase in their Acceptance Notices, the Excess Offered Shares shall be allocated as necessary such that each Electing Offeree shall have the right to purchase (i) not less than such number of Excess Offered Shares as is equal to the total number of Excess Offered Shares multiplied by a fraction, the numerator of which is the number of Equity Shares held by such Electing Offeree and the denominator of which is the total number of Equity Shares held by all Electing Offerees, in each case on a non-diluted basis and (ii) not more than the maximum number of Excess Offered Shares specified in such Electing Offeree's Acceptance Notice."

Article 16.16 provides that "Unless the Offerees elect in the aggregate to purchase all of the Offered Shares under Article 16.13, the Transferring Shareholder may Transfer all of the Offered Shares to the Transferee identified in the Transfer Notice on the terms and conditions set forth in the Transfer Notice. However, (i) such sale must be bona fide, (ii) the price for the sale to the Transferee must be a price not less than the Offer Price and the sale must be otherwise on terms and conditions no less favourable to the Transferring Shareholder than those set forth in the Transfer Notice and (iii) the Transfer must be made within three months after the giving of the Transfer Notice. If such a Transfer does not occur within such three-month period for any reason, the restrictions provided for herein shall again become effective, and no Transfer of shares may be made by the Transferring Shareholder thereafter without again making an offer to the other shareholders in accordance with these Articles 16.11 to 16.17."

Article 16.17 provides that "The closing of any purchase of Offered Shares by the Offerees shall be held at the principal office of the Company at 11:00 a.m. local time on the 45th day after the giving of the Transfer Notice or at such other time and place as the parties to the transaction may agree. The said 45 days period shall be extended for an additional period of up to 45 days if necessary to obtain any Regulatory Approvals required for such purchase and payment. At such closing, the Transferring Shareholder shall deliver certificates representing the Offered Shares, accompanied by duly executed instruments of transfer and the Transferring Shareholder's portion of the requisite transfer taxes, if any. Such Offered Shares shall be free and clear of any Encumbrance (other than Encumbrances arising hereunder or attributable to actions by the Offerees), and the Transferring Shareholder shall so represent and warrant and shall further represent and warrant that it is the beneficial and record owner of such Offered Shares. Each Offeree purchasing Offered Shares shall deliver at such closing (or on such later date or dates as may be provided in the Transfer Notice with respect to payment of consideration by the proposed Transferee) payment in full of the Offer Price. If any of the Offerees purchasing the Offered Shares do not make payment in full of the Offer Price as above, the entire Offered Shares shall be transferred in accordance with the provisions of Article 16.16. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to effect the sale of the Offered Shares to the Offerees. Any stamp duty or transfer taxes or fees payable on the transfer of any Offered Shares shall be borne and paid equally by the Transferring Shareholder and the relevant Offeree."

Article 16.18 provides that "If it becomes unlawful for Star to continue to hold all or some portion of the Equity Securities held by it, or any restriction is imposed on Star by any Law which makes it burdensome to continue to hold all or some portion of the Equity Securities held by it, then, notwithstanding anything contrary in these Articles, (i) upon the request of Star, the Company shall use its best efforts to assist Star to restructure its investment in the Company or (ii) Star shall be permitted, at its election, to sell all or such portion of its Equity Securities in accordance with the provisions set forth below in this Article. In the event that Star elects to sell all or a portion of its Equity Securities, it shall give notice of such election in writing to the Company, which notice shall state a minimum price, form of consideration and other terms that Star is willing to accept for such Equity Securities. The Company may at any time during the Permitted Time Period identify one or more purchasers that is willing and able to acquire from Star all (but not less than all) of the Equity Securities to be sold by Star on terms (including as to price) not less favourable than those indicated by Star. If the Company does not identify such a purchaser or purchasers, or such purchaser or purchasers fails to complete the purchase on terms acceptable to Star within the Permitted Time Period, or if Star with the consent of the Company (such consent not to be unreasonably withheld) identifies a purchaser or purchasers acceptable to the Company during the Permitted Time Period, Star shall be permitted, subject to the First Refusal Right set forth in Articles 16.11 to 16.17 and the execution of a Deed of Adherence by the transferee substantially in the form attached to the

Star Shareholders Agreement, to Transfer such Equity Securities of the Company to any Person on terms no more favourable than those set out in its notice to the Company referred to above, provided that neither Star nor its Affiliates shall Transfer any such Equity Securities of the Company to any Star Prohibited Party."

As used in Article 16.18, "Permitted Time Period" shall mean a period of time commencing on the date of Star's notice referred to above equal to half of the time period within which Star is required by Law to cease holding the relevant portion of the Equity Securities.

Article 16.19 provides that "Post completion of a Company Initiated Initial Public Offering or the ChrysCapital Initiated Initial Public Offering, and so long as ChrysCapital Group holds Adjusted Subscription Securities that exceed 3% of the Equity Share Capital, ChrysCapital shall not, and shall procure that its Affiliates, and any Person in the ChrysCapital Group who holds Adjusted Subscription Securities shall not at any time Transfer any Adjusted Subscription Securities held by such Person in the ChrysCapital Group to a Company Competitor, Prohibited Transferee or Star Competitor except pursuant to the Company Initiated Initial Public Offering or the ChrysCapital Initiated Initial Public Offering, or an IPO."

Article 16.20 provides that "The transfer restriction in Article 16.19 above shall not apply to any Transfer of the Equity Shares on the normal screen based trading mechanism of the Relevant Market. The exemption in the foregoing sentence shall not apply to a trade executed on the 'block deal' segment of the Relevant Market or a trade, which is 'synchronized' or 'negotiated'. For the avoidance of doubt, ChrysCapital is permitted to Transfer Equity Shares to a Person not being a Company Competitor, Star Competitor or Prohibited Transferee through a trade on the Relevant Market which is a 'block deal' on the relevant segment of the Relevant Market, 'synchronized', 'negotiated' or otherwise."

Article 16.21 provides that "In the event any Equity Securities are Transferred by ChrysCapital, ChrysCapital shall not be liable under the Articles for any further Transfer by such Transferee."

Article 16.22 provides that "Save as provided in Article 16.19, there shall be no other restrictions on the Transfer of the Equity Securities held by ChrysCapital and/or its Affiliates to any Person."

Article 16.23 provides that "Further, the following Transfers of Equity Securities may be made by ChrysCapital at any time without compliance with the provisions of Article 16.19, provided that (i) the transferee has executed a Deed of Adherence (except if such Transfer is pursuant to the Company Initiated Initial Public Offering or the ChrysCapital Initiated Initial Public Offering or an IPO), (ii) the Transfer complies in all respects with the other applicable provisions of these Articles, and (iii) the Transfer complies in all respects with applicable Laws.

(a) any Transfer by ChrysCapital or any member of the ChrysCapital Group, or their Affiliates to an Affiliate, subject to such Affiliates executing a Deed of Adherence; and

(b) any Transfer of Equity Securities by ChrysCapital or any member of the ChrysCapital Group or their Affiliates pursuant to the Company Initiated Initial Public Offering or the ChrysCapital Initiated Initial Public Offering or an IPO.

For the avoidance of doubt, the rights of ChrysCapital and its Affiliates under these Articles, shall be exercised through only one of either ChrysCapital or any one Affiliate of ChrysCapital.

An Affiliate who is a transferee of the Equity Securities from ChrysCapital as described above is hereinafter referred to as a "**Permitted Transferee**" of ChrysCapital. ChrysCapital undertakes that it shall, prior to a Permitted Transferee ceasing to be an Affiliate, acquire by itself or through any of its Affiliates (provided that such Affiliate executes a Deed of Adherence) all but not less than all of the Equity Securities held by such Affiliate, notwithstanding that such Permitted Transferee has executed a Deed of Adherence."

Dematerialisation of securities

Article 21.1 provides that "Notwithstanding anything contained in these Articles and subject to applicable Law, the Company shall be entitled to dematerialise/re-materialise its Securities and to offer Securities in the dematerialised form pursuant to the Depositories Act."

Article 21.2 provides that "All Securities held by a Depository shall be dematerialised and shall be in fungible

form. No certificate shall be issued for the securities held by the Depository. Nothing contained in Sections 153, 187C and 372A of the Act, shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners."

Article 21.3 provides that "Nothing contained in the Act or these Articles, regarding the necessity of having distinctive numbers /certificate numbers shall apply to Securities held in a Depository. Notwithstanding anything contained in the Act or these Articles where the 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 and/or by delivery of floppies or disks."

Article 21.4 provides that "Where the Securities are dealt with in a Depository, the Company shall intimate the details of allotment or relevant Securities to the Depository on allotment of such Securities."

Article 21.5 provides that "The register of members and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register of members and other Security holders."

Article 21.6 provides that "As a Registered Owner, the Depository shall not have any voting rights or any other rights in respect of the Securities held by it. Every Person whose name is entered as the Beneficial Owner of shares in the records of the Depository shall be deemed to be a shareholder. Every Beneficial Owner of Securities shall be entitled to all the rights and benefits including voting rights and be subject to all the liabilities in respect of the securities which are held by the Depository."

Nomination of securities

Article 19.1 provides that "In accordance with and subject to the provisions of Section 109A of the Act, every holder of Securities or holder of debentures of the Company may, at any time nominate, in the prescribed manner, a Person to whom his Securities or debentures of the Company shall vest in the event of his death."

Article 19.2 provides that "Where the Securities or debentures of the Company are held by more than one Person jointly, the joint holders may together nominate, in the prescribed manner, a Person to whom all the rights in the Securities or debentures of the Company shall vest in the event of death of all the joint holders."

Article 19.3 provides that "Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such Securities or debentures of the Company, where a nomination made in the prescribed manner purports to confer on any Person the right to vest the Securities or debentures of the Company or as the case may be, on the death of the joint holders become entitled to all the rights in the Securities or debentures of the Company or as the case may be, all the joint holders, in relation to such Securities in or debentures of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner."

Transmission in case of nomination

Article 20.1 provides that "Any Person who becomes a nominee by virtue of the provisions of Article 19, upon the production of such evidence as may be required by the Board and subject as hereinafter provided, elect, either:

(a) to be registered himself as holder of the Securities and/or debenture-holder concerned or deceased joint-holder as the case may be; or

(b) to make such Transfer of the Securities and/or debenture(s) as the case may be as the deceased shareholder and/or debenture-holder concerned or deceased joint-holder as the case may be, could have made."

Article 20.2 provides that "If the Person being a nominee, so becoming entitled elects himself to be registered as holder of the Securities and/or debenture(s), as the case may be, he shall deliver or send to the Company a notice in writing duly signed by him stating that the nominee concerned so elects and such notice shall be accompanied with the death certificate(s) of the deceased shareholder/debenture holder/joint holders, as the case may be."

Article 20.3 provides that "All the limitations, restrictions and provisions of the Articles relating to the right to Transfer and the registration of Transfers of Securities and/or debenture(s) shall be applicable to any such notice or Transfer as aforesaid as if the death of the shareholder/debenture-holder had not occurred and the notice or

Transfer were signed by that shareholder and/or debenture-holder or joint-holder as the case may be."

Article 20.4 provides that "A Person being a nominee, becoming entitled to the Securities and/or debenture(s) by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Securities and/or debenture(s) except that he shall not before being registered a shareholder in respect of his Securities be entitled in respect of it to exercise any right conferred by membership in relation to meeting of the Company. Provided that the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to Transfer the Securities and/or debentures. If the notice is not complied with within ninety days, the Board may thereafter withhold payments of all dividends, bonuses or other moneys payable or rights accruing in respect of the Securities and/or debenture(s) until the requirements of the notice have been complied with."

Death of one or more joint holders of securities

Article 17.1 provides that "Every holder of Securities and/or debenture(s) of the Company may at any time nominate in the manner prescribed under the Act a person to whom his Securities and/or debenture(s) of the Company shall vest in the event of his death."

Article 17.2 provides that "Where the Securities and /or debenture of the Company, are held by more than one Person jointly, all the joint holders may together nominate in the manner prescribed under the Act a Person to whom all the rights in the Securities and/or debenture(s) of the Company, as the case may be shall vest in the event of death of all the joint holders."

Article 17.3 provides that "Notwithstanding anything contained in any other law for the time being in force or in these Articles or in any disposition, whether testamentary or otherwise, in respect of such Securities , and/or debenture(s) of the Company, where a nomination made in the manner prescribed under the Act purports to confer on any person the right to vest the Securities in and/or debenture(s) of the Company the nominee shall on the death of the shareholder and/or debenture holder concerned or on the death of all the joint holder, as the case may be, became entitled to all the rights in relation to such share(s) and/or debenture(s) to the exclusion of all other persons unless the nomination is varied cancelled in the manner prescribed under the Act."

Article 17.4 provides that "Where the nominee is a minor the holder of the Securities and/or debenture(s) of the Company can make a nomination in the manner prescribed under the Act to appoint any person to become entitled to the Securities and/or debentures(s) of the Company in the event of his death during the minority."

Persons entitled may receive dividend

Article 66 provides that "A Person entitled to any Securities by transmission shall, subject to the right of the Board to retain such dividends or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the Securities."

Borrowing powers

Article 22.1 provides that "Subject to the provisions of Sections 292 and 293 of the Act and of these Articles, the Board may from time to time at its discretion, by a resolution passed at a meeting of the Board, accept deposits from the shareholders, either in advance of calls or otherwise and generally raise or borrow or secure the payment of any sum or sums of money for the Company. Provided however that, where the moneys to be borrowed together with the moneys already borrowed (apart from temporary loan obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the paid up capital of the Company and its free reserves (not being reserves set apart for any specific purpose) the Board shall not borrow such moneys without the consent of the shareholders in the shareholders meeting."

Article 22.2 provides that "Subject to these Articles, the payment or repayment of moneys borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the Board may think fit and in particular by a resolution passed at a meeting of the Board (and not by circular resolution) by the issue of debentures or debenture-stock of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being and debentures, debenture-stock and other Securities may be made assignable free from any equities between the Company and the person to whom the same may be issued."

Article 22.3 provides that "Subject to the provisions of these Articles, any debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise and subject to the provisions of the Act may be issued on condition that they shall be convertible into shares of any denomination and with any privileges or conditions as to redemption, surrender, drawing, allotment of shares and attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the right to conversion into or allotment of Equity Shares shall be issued only with the consent of the shareholders at a general meeting."

Article 22.4 provides that "The Company shall, if at any time it issues debentures, keep a register and index of debenture-holders in accordance with Section 152 of the Act. The Company shall have the power to keep in any State or country outside India a branch Register of debenture-holders resident in that State or Country."

Article 22.5 provides that "Subject to the provisions of these Articles, if any uncalled Share Capital is included in or charged by any mortgage or other securities/the Board may subject to the provisions of the Act and these presents make calls on the shareholders in respect of such uncalled capital in trust to the Person in whose favour such mortgage or security is executed."

Article 22.6 provides that "The Company shall comply with all the provisions of the Act and these Articles in respect of the mortgages or charges created by the Company and the registration thereof and the Transfer of the debentures of the Company and the register required to be kept in respect of such mortgages, charges and debentures."

General meetings

Article 23.1 provides that "The Company shall, in each year, hold in addition to any other meetings, an annual general meeting and shall specify the meeting as such in notices calling it and not more than fifteen (15) months shall elapse between the dates of one annual general meeting and that of the next."

Article 23.2 provides that "All general meetings other than Annual General Meetings shall be called Extraordinary General Meetings."

Article 23.3 provides that "The Board of Directors may call an Extraordinary General Meeting whenever they think fit."

Article 23.4 provides that "Calling of an Extraordinary General Meeting on requisition

(a) The Board of Directors shall, on the requisition of such number of members of the Company as hold in regard to any matter at the date of deposit of the requisition, not less than one-tenth of such of the paid up capital of the Company as at that date carries the right of voting in regard to that matter, forthwith proceed duly to call an Extraordinary General Meeting of the Company and the provisions of Section 169 of the Act (including the provisions below) shall be applicable.

(b) The requisition shall set out the matters for the consideration of which the meeting is to be called, shall be signed by the requisitionists, and shall be deposited at the registered office of the Company.

(c) The requisition may consist of several documents in like form, each signed by one or more requisitionists

(d) Where two or more distinct matters are specified in the requisition, the provisions of clause (a) above shall apply separately in regard to each such matter; and the requisition shall accordingly be valid only in respect of those matters in regard to which the condition specified in that clause is fulfilled.

(e) If the Board of Directors does not, within twenty-one days from the date of the deposit of a valid requisition in regard to any matters, proceed duly to call a meeting for the consideration of those matters on a day not later than forty-five days from the date of deposit of the requisition, the meeting may be called by the requisitionists themselves or by such of the requisitionists as represent either a majority in value of the paid up share capital held by all of them or not less than one-tenth of such of the paid up capital of the Company as is referred to in clause (a) above whichever is less.

(f) A meeting called under clause (a) above by the requisitionists or any of them shall be called in the same manner, as nearly as possible, as that in which meetings are to be called by the Board, but shall not be held after expiration of three months from the date of the deposit of the requisition.

(g) Any reasonable expense incurred by the requisitionists by reason of the failure of the Board duly to call a meeting shall be repaid to the requisitionists by the Company; and any sum repaid shall be retained by the Company out of any sums due or to become due from the Company by way of fees or other remuneration for their services to such of the Directors as were in default."

Article 23.5 provides that "A general meeting of the Company may be called by giving twenty-one days' notice in writing. However, a general meeting may be called after giving shorter notice than 21 days, if the consent is accorded thereto

(a) in the case of an Annual General Meeting, by all the members entitled to vote thereat; and

(b) in the case of any other meeting, by members of the Company holding not less than 95% of such part of the paid up share capital of the Company as gives a right to vote at that meeting.

PROVIDED that where any members of the Company are entitled to vote only on some Resolution or Resolutions to be moved at the meeting and not on the others, those members shall be taken into account for the purpose of this Article in respect of the former Resolution or Resolutions but not in respect of the latter."

Article 23.6 provides that "Contents of notice

(a) Every notice of a meeting of the Company shall specify the place, the date and hour of the meeting, and shall contain a statement of the business to be transacted thereat.

(b) In every notice there shall appear with reasonable prominence a statement that a member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of himself, and that a proxy need not be a member of the Company."

Article 23.7 provides that "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 the power of authority, shall be deposited at the registered office of the Company at any time before the commencement of the meeting."

Article 23.8 provides that "The provisions of Section 173(2) of the Act shall apply to the Company and accordingly where any special business is to be transacted at a general meeting there shall be annexed to the notice of the meeting an explanatory statement."

Article 23.9 provides that "Special business

(a) In the case of the Annual General Meeting all business to be transacted at the meeting shall be deemed special with the exception of business relating to :-

- the consideration of the Accounts, Balance Sheet and Profit and Loss Account and the Report of the Board of Directors and of the Auditors;
- the declaration of dividend;
- the appointment of Directors in the place of those retiring;
- the appointment of and the fixing of the remuneration of the Auditors.

(b) In the case of any other meeting all business shall be deemed special.

(c) Where any item of business to be transacted at the meeting is deemed to be special as aforesaid, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each such item of business including in particular, the nature of the concern or interest, therein of every Director.

(d) Where any item of business to be transacted at the meeting of the Company consists of according the approval of the meeting to any document, the time and place where the document can be inspected shall be specified in the explanatory statement."

Article 23.10 provides that "Notice of every meeting shall be given to every member of the Company in any manner authorised by sub-sections (1) to (4) of Section 53 of the Act and by these Articles. It shall be given to the persons entitled to a share in consequence of the death or insolvency of a member, by sending it through the post in a pre-paid letter addressed to them by name, or by the title of the representatives of the deceased, or

assignees of the insolvent, or by any like description, at the address, if any, in India supplied for the purpose by the persons claiming to be so entitled, or until such an address has been so supplied, by giving the notice in any manner in which it might have been given if the death or insolvency had not occurred; Provided that where the notice of a meeting is given by advertising the same in a newspaper circulating in the neighbourhood of the registered office of the Company under sub-section (3) of Section 53 of the Act, the explanatory statement need not be annexed to the notice as required by Section 173 of the said Act, but it shall be mentioned in the advertisement that the statement has been forwarded to the members of the Company."

Article 23.11 provides that "Notice of every meeting of the Company shall be given to the Auditor or Auditors for the time being of the Company, in any manner authorised by Section 53 in the case of any member or members of the Company."

Article 23.12 provides that "The accidental omission to give notice of any meeting to or the non-receipt of any notice by, any member or other person to whom it should be given shall not invalidate the proceedings at the meeting."

Article 23.13 provides that "Resolutions requiring special resolution

(a) Where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move the resolution shall be given to the Company not less than fourteen days before the meeting at which it is to be moved, exclusive of the day on which the notice is served or deemed to be served and the day of the meeting.

(b) The Company shall, immediately after the notice of the intention to move any such resolution has been received by it, give its members notice of the resolution in the same manner as it gives notice of the meeting, or if that is not practicable, shall give them notice thereof either by advertisement in a newspaper having an appropriate circulation or in any other mode allowed by the Articles not less than seven days before the meeting."

Article 23.14 provides that "Notwithstanding anything contained in these Articles, the Company shall comply with provisions of Section 192A of the Companies Act, 1956 and the Companies (Passing of the Resolution by Postal Ballot), Rules, 2001 as amended from time to time for the purpose of seeking approval of members in respect of the subjects prescribed under the said Postal Ballot Rules."

Proceedings at general meetings

Article 24.1 provides that "Five members entitled to vote and present in person shall be a quorum for a general meeting and no business shall be transacted at any General Meeting unless the quorum requisite be present at the commencement of the business."

Article 24.2 provides that "If within half an hour after the time appointed for the holding of a General Meeting a quorum be not present the meeting if convened on the requisition of shareholders shall be dissolved and in every other case shall stand adjourned to the same day in the next week at the same time and place or such other day, time and place as the Board may by notice to the shareholders appoint. If at such adjourned meeting a quorum be not present those members present shall be a quorum and may transact the business for which the meeting was called."

Article 24.3 provides that "No business shall be transacted at any adjourned meeting other than business which might have been transacted at the meeting from which the adjournment took place."

Article 24.4 provides that "The Chairman of the Board of Directors shall if willing, preside as Chairman at every General Meeting, whether Annual or Extraordinary, but if there be no such Chairman, or in case of his absence or refusal, the Deputy Chairman or Vice-Chairman of the Board of Directors shall, if willing, preside as Chairman at such meeting and if there be no such Deputy Chairman or Vice Chairman, or in case of his absence or refusal, one of the Directors present shall be chosen to be the Chairman of the meeting."

Article 24.5 provides that "If at any meeting a quorum of members shall be present, and the chair cannot be taken by the Chairman of the Board or by the Deputy Chairman or the Vice-Chairman or by a Director at the expiration of half an hour from the time appointed for holding the meeting or if before the expiration of that time all the Directors shall decline to take the chair, the members present shall choose one of their own number to be Chairman of the meeting."

Article 24.6 provides that "No business shall be discussed at any General Meeting whilst the chair is vacant except the election of a Chairman. If a poll is demanded on the election of the Chairman, it shall be taken forthwith in accordance with the provisions of the Act and these Articles. The Chairman so elected on show of hands shall be entitled to exercise all the powers of the Chairman at such meeting under the Act and these Articles. If some other person is elected as a Chairman as a result of the poll he shall be Chairman for the rest of the meeting."

Article 24.7 provides that "The Chairman with the consent of any meeting at which a quorum is present, may adjourn any meeting from time to time and from place to place."

Article 24.8 provides that "When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting."

Article 24.9 provides that "At any General Meeting, a resolution put to the vote of the meeting shall unless a poll is demanded, be decided on a show of hands. A declaration by the Chairman that on a show of hands a resolution has or has not been carried, either unanimously or by a particular majority, and an entry to that effect in the books containing the minutes of the proceedings of the Company, shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of or against such resolution."

Article 24.10 provides that "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 of his own motion or 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 holding shares in the Company which confer a power to vote on the resolution not being less than one-tenth of the total voting power in respect of the resolution, or on which an aggregate sum of not less than fifty thousand rupees has been paid up. The demand for a poll may be withdrawn at anytime by the person or persons who make the demand."

Article 24.11 provides that "A poll demanded on any question (other than the election of the Chairman or on a question of adjournment which shall be taken forthwith) shall be taken at such place and at such time not being later than forty-eight hours from the time when the demand was made, as the Chairman may direct, subject to provisions of the Act. The Chairman of the meeting shall have power to regulate the manner in which a poll shall be taken and the result of the poll shall be deemed to be the decision of the meeting on the resolution on which the poll was taken."

Article 24.12 provides that "Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutineers to scrutinise the votes given on the poll and to report thereon to him. The Chairman shall have power, at any time before the result of the poll is declared, to remove a scrutineer from office and to fill vacancies in the office of scrutineers arising from such removal or from any other cause. Of the two scrutineers appointed under this Article, one shall always be a member (not being an officer or employee of the Company) present at the meeting, provided such a member is available and willing to be appointed."

Article 24.13 provides that "The demand for a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded."

Article 24.14 provides that "In the case of an equality of votes, whether on a show of hands or on a poll, the Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a casting vote in addition to his own vote or votes to which he may be entitled as a member."

Article 24.15 provides that "At every Annual General Meeting of the Company there shall be laid on the table the Directors' Report and audited Statement of Accounts, Auditors' Report (if not already incorporated in the audited Statement of Accounts), the Proxy Register with proxies and the Register of Directors' holdings maintained under Section 307 of the Act. The Auditors' Report shall be read before the Company in General Meeting and shall be open to inspection by any member of the Company."

Article 24.16 provides that "When a meeting is adjourned for 30 days or more, notice of the adjourned meeting shall be given as in the case of an original meeting. Save as aforesaid it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting."

Article 24.17 provides that "The Company shall cause minutes of the proceedings of every General Meeting to

be kept in accordance with the provisions of Section 193 of the Act, by making within thirty days of the conclusion of each such meeting entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialled or signed and the last page of the record of proceedings of each meeting in such books shall be dated and signed by the Chairman of the same meeting within the aforesaid period of thirty days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose. In no case the minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein."

Article 24.18 provides that "The book containing the aforesaid minutes shall be kept at the registered office and be open during business hours to the inspection of any member without charge subject to such reasonable restriction as the Company may by these Articles or in General Meeting impose in accordance with Section 196 of the Act. Any member shall be entitled to be furnished within seven days after he has made a request in that behalf to the Company with a copy of the minutes on payment of such amount for such number of words required to be copied as may be prescribed by the Government from time to time."

Votes of members

Article 25.1 provides that "Subject to the provisions of the Act and these Articles upon show of hands every member entitled to vote and present in person (including a body corporate present by a representative duly authorised in accordance with the provisions of Section 187 of the Act and the Article 25.3 or by attorney or in the case of a body corporate by proxy shall have one vote."

Article 25.2 provides that "Subject to the provisions of the Act and these Articles upon a poll every member entitled to vote and present in person (including a body corporate present as aforesaid) or by attorney or by proxy shall be entitled to vote and in respect of every Share (whether fully paid or partly paid) his voting right shall be in the same proportion as the capital paid up on such Share bears to the total paid-up capital of the Company."

Article 25.3 provides that "No member not personally present shall be entitled to vote on a show of hands unless such member is present by attorney or unless such member is a body corporate present by a representative duly authorised under Section 187 of the Act or by proxy in which case such attorney or representative or proxy may vote on a show of hands as if he were a member of the Company."

Article 25.4 provides that "Any person entitled under Article 16.5 to transfer any shares may vote at any general meeting in respect thereof as if he was the registered holder of such shares provided that at least forty-eight hours before the time of holding the meeting or adjourned meeting as the case may be at which he proposes to vote he shall satisfy the Board of his right to transfer such shares unless the Board shall have previously admitted his right to vote at such meeting in respect thereof."

Article 25.5 provides that "Subject to the provisions of the Act no member shall be entitled to be present or to vote at any General Meeting either personally or by proxy or attorney or as a proxy or attorney for any other member or be reckoned in quorum whilst any call or other sum shall be due and payable to the Company in respect of any of the shares of such member."

Article 25.6 provides that "On a poll taken at a meeting of the Company, a member entitled to more than one vote, or his proxy, or other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses."

Article 25.7 provides that "Any member entitled to attend and vote at a meeting of the Company shall be entitled to appoint another person (whether a member or not) as his proxy to attend and vote instead of himself; but a proxy so appointed shall not have any right to speak at the meeting."

Article 25.8 provides that "Every proxy shall be appointed by an instrument in writing signed by the appointor or his attorney duly authorised in writing, or, if the appointor is a body corporate, be under its seal or be signed by an officer or an attorney duly authorised by it."

Article 25.9 provides that "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 thereof shall be deposited at the office of the Company not less than forty-eight hours before the time of 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. No instrument appointing a proxy shall be valid after the expiration of twelve months from the date of its execution except in the case of adjournment of any meeting first held previously to the expiration of such time. An attorney shall not be entitled to vote unless the power of attorney or other instrument appointing him or notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote or is deposited at the office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other instrument appointing him or notarially certified copy thereof or other authority has been registered in the records of the Company, the Company may by notice in writing addressed to the member or the attorney given at least fourteen days before the meeting require him to produce the original power of attorney or authority and unless the same is thereon deposited with the Company not less than forty-eight hours before the time fixed for the meeting the attorney shall not be entitled to vote at such meeting unless the Board in its absolute discretion excuses such non-production and deposit."

Article 25.10 provides that "Every member entitled to vote at a meeting of the Company according to the provisions of these Articles on any resolution to be moved thereat shall be entitled during the period beginning twenty-four hours before the time fixed for the commencement of the meeting and ending with the conclusion of the meeting, to inspect the proxies lodged, at any time during the business hours of the Company provided not less than three days' notice in writing of the intention so as to inspect is given to the Company."

Article 25.11 provides that "An instrument appointing a proxy shall be in the form as prescribed by the Act or a form as near thereto as circumstances admit."

Article 25.12 provides that "If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Board may determine in the custody of the Company; if embracing other objects, a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company."

Article 25.13 provides that "A vote given in accordance with the terms of an instrument of proxy or a power of attorney shall be valid notwithstanding the previous death of the principal or revocation of the proxy or the power of attorney as the case may be or of the power of attorney under which such proxy was signed or the transfer of the share in respect of which the vote is given, provided that no intimation in writing of the death revocation or transfer shall have been received at the office of the Company before the meeting."

Article 25.14 provides that "Subject to the provisions of the Act and these Articles, no objection shall be made to the validity of any vote except at the meeting or poll at which such vote shall be tendered and every vote whether given personally or by proxy or by any means hereby authorised and not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever."

Article 25.15 provides that "Subject to the provisions of the Act and these Articles, the Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting, and subject as aforesaid the Chairman present at the time of a poll shall be the sole judge of the validity of every vote tendered at such poll."

Board of directors and management

Article 26.1 provides that "Subject to the provisions of Section 252 of the Act and unless and until otherwise determined by the Company in a general meeting, the number of Directors shall not be less than three or more than twelve for the time being in office of which upto five of the Directors shall be nominees of the Promoters."

Article 26.2 provides that "Subject only to the provisions of these Articles and the Act, the Board shall have ultimate responsibility for management and control of the Company."

Article 26.3 provides that "It shall not be necessary for a Director to hold any qualification shares in the Company."

Star directors

Article 27.1 provides that "Until the earlier of (i) the date on which Star's shareholding is reduced to less than 38.5% of the Adjusted Star Securities, or (ii) the date on which Star makes an investment in greater than 5% of

the Equity Securities of any entity engaged in any Competing Business in any area listed in Category A or Category B of the Star Shareholders Agreement (other than as permitted in the Star Shareholders Agreement), Star shall have the right to nominate one Director on the Board of the Company."

Article 27.2 provides that "In addition, for so long as Star continues to own at least 75% of the Adjusted Star Securities and provided Star has not made an investment in greater than 5% of the Equity Securities of any entity engaged in any Competing Business in any area listed in Category A or Category B of the Star Shareholders Agreement (other than as permitted in the Star Shareholders Agreement), Star shall have the right to nominate another Director on the Board of the Company."

Article 27.3 provides that "Unless prohibited by applicable Law, the Company shall indemnify the Star Directors against:

(a) any act, omission or conduct (including, without limitation, contravention of any Law) of or by the Company, the Existing Shareholders or their officials, employees, managers, representatives or agents as a result of which, in whole or in part, the Star Directors are made a party to, or otherwise incur any costs, charges, expenses, damages or loss, (collectively "Loss") including loss pursuant to or in connection with any action, suit, claim or proceeding arising out of or relating to any such act, omission or conduct; and

(b) any action or omission to act by the Star Directors at the request of or with the consent of the Company, the Existing Shareholders, officials, employees or agents.

Provided that this shall not apply in case of gross negligence or wilful default of the Star Directors."

Article 27.4 provides that "The Star Directors shall have rights no less favourable than the rights granted specifically under the CC Shareholders Agreement to the Director nominated or appointed by ChrysCapital pursuant to the CC Shareholders Agreement."

Article 27.5 provides that "The Company shall procure suitable Director and Officers Liability insurance for an amount of Rs.1,00,00,000 (Rupees One Crore Only) in favour of the Star Directors from a reputable insurance company in respect of claims or liabilities resulting from the actions or omissions of the Star Directors."

Article 27.6 provides that "In the event that Star continues to have the right to nominate a Director and Star has elected not to do so, Star shall have the right to appoint an observer to the Board (the "**Star Observer**"), who shall have the right to attend meetings of the Board and to obtain information and notices from the Company to the same extent as a Director and shall otherwise have all rights and duties of a Director other than the right to vote at Board meetings. Star shall appoint the Star Observer by written notice to the Company and may at any time, by written notice to the Company, remove and replace the Star Observer."

Chryscapital director

Article 28.1 provides that "As long as ChrysCapital holds at least 75% of the Adjusted ChrysCapital Securities of the Company or 8% of the Equity Share Capital, whichever is higher, ChrysCapital and/or any member of the ChrysCapital Group shall have the right to nominate 1 (one) non executive director on the Board (the "**ChrysCapital Director**") as a non-retiring Director. Provided that such nominee should be a director or an employee of the ChrysCapital Group or its Affiliates."

Article 28.2 provides that "Unless prohibited by Law, the appointment of the ChrysCapital Director shall be by direct nomination by ChrysCapital and any appointment or removal under this Article 28.2 shall, unless the contrary intention appears, take effect from the date it is notified to the Company in writing. If the Law does not permit the person nominated by ChrysCapital to be appointed as a director of the Company merely by nomination by ChrysCapital, the Company and the Existing Shareholders shall ensure that the Board appoints the person nominated by ChrysCapital as a director of the Company within 7 days of such nomination or at the next Board meeting, whichever is earlier, and further that, unless ChrysCapital changes or withdraws such nomination, such person is also elected as a director of the Company at the next general meeting of the shareholders of the Company. The ChrysCapital Director shall not be removed other than by ChrysCapital."

Article 28.3 provides that "If ChrysCapital desires that the ChrysCapital Director appointed and/ or nominated by them should cease to be a Director, the Existing Shareholders shall exercise all their rights, including their rights as shareholders or in respect of Directors nominated by them, in such manner so as to ensure such

removal as soon as may be practicable. ChrysCapital shall have a right to recommend any other person to be appointed as Director in place of the original ChrysCapital Director. The Company and the Existing Shareholders shall ensure that only such person is appointed in place of the ChrysCapital Director as is recommended by ChrysCapital. All nominations for the replacement ChrysCapital Director made by ChrysCapital shall be in writing and shall be given effect to in the manner mentioned in Article 28.2 above."

Article 28.4 provides that "ChrysCapital shall be entitled to nominate a person to be appointed as the alternate director to the ChrysCapital Director and the Company and the Existing Shareholders shall ensure that such person is appointed as the ChrysCapital Director's alternate Director."

Article 28.5 provides that "The reasonable local costs of attendance of the ChrysCapital Director at Board meetings shall be borne by the Company."

Article 28.6 provides that "The ChrysCapital Director shall be a non-executive director and shall have no responsibility for the day-to-day management of the Company and shall not be liable for any failure by the Company to comply with applicable Law. The Company shall nominate directors or persons other than the ChrysCapital Director as "persons in charge" as contemplated under applicable Law and shall ensure that the ChrysCapital Director is not included within the scope of "Officer who is in default" under applicable Law."

Article 28.7 provides that "Immediately on the completion date (as defined in the CC Subscription Agreement), the Company shall procure suitable Director and Officers Liability insurance for an amount of Rs.1,00,00,000 (Rupees One Crore Only) in favour of the ChrysCapital Director from a reputable insurance company in respect of claims or liabilities resulting from the actions or omissions of the ChrysCapital Director."

Article 28.8 provides that "Unless prohibited by applicable Law, the Company shall indemnify the ChrysCapital Director against: -

(a) any act, omission or conduct (including, without limitation, contravention of any Law) of or by the Company, the Existing Shareholders or its officials, employees, managers, representatives or agents as a result of which, in whole or in part, the ChrysCapital Director is made a party to, or otherwise incurs any costs, charges, expenses, damages or loss, (collectively "Loss") including loss pursuant to or in connection with any action, suit, claim or proceeding arising out of or relating to any such act, omission or conduct; and

(b) any action or omission to act by the ChrysCapital Director at the request of or with the consent of the Company, the Existing Shareholders, officials, employees or agents.

Provided that this Article 28.8 shall not apply in case of gross negligence or wilful default of the ChrysCapital Director.

Article 28.9 provides that "The Existing Shareholders agree to use all their rights, including their rights as and in respect of Directors and their voting rights in relation to Equity Shares, to effectuate the appointment and election of the ChrysCapital Director as contemplated herein."

Article 28.10 provides that "The ChrysCapital Director shall not be required to hold any qualification shares."

Financial institutions' directors

Article 29.1 provides that "Should the Company be obliged to appoint nominees of any lending financial institutions as members of the Board under the terms of any Company borrowing arrangement, the Existing Shareholders and Star shall cause the Company to appoint such nominees as Directors."

Removal and replacement of directors

Article 39.1 provides that "The Company may (subject to the provisions of Section 284 and other applicable provisions of the Act and these Articles) remove any director before the expiry of his period of office."

Article 39.2 provides that "Special notice as provided by Article 23.13 or Section 190 of the Act shall be given of any resolution to remove a Director under this Article or to appoint some other person in place of a Director so removed at the meeting at which he is removed."

Article 39.3 provides that "On receipt of notice of a resolution to remove a Director under this Article, the Company shall forthwith send a copy thereof to the Director concerned and the Director (whether or not he is a member of the Company) shall be entitled to be heard on the resolution at the meeting."

Article 39.4 provides that "Where notice is given of a resolution to remove a Director under this Article and the Director concerned makes with respect thereto representations in writing to the Company (not exceeding a reasonable length) and requests their notification to members of the Company, the Company shall, unless the representations are received by it too late for it to do so (a) in the notice of the resolution given to members of the Company state the fact of the representations having been made, and be send a copy of the representations to every member of the Company, and if a copy of the representations is not sent as aforesaid because they were received too late or because of the Company's default, the Director may (without prejudice to his right to be heard orally) require that the representations shall be read out at the meeting provided that copies of the representations need not be sent or read out at the meeting, on the application either of the Company or of any other person who claims to be aggrieved, the Court is satisfied that the rights conferred by this clause are being abused to secure needless publicity for defamatory matter."

Article 39.5 provides that "A vacancy created by the removal of a Director under this Article may, if he had been appointed by the Company in general meeting or by the Board in pursuance of Article 31 or Section 262 of the Act be filled by the appointment of another Director in his stead by the meeting at which he is removed; Provided special notice of the intended appointment has been given under Article 39.2 hereof. A Director so appointed shall hold office until the date upto which his predecessor would have held office if he had not been removed as aforesaid."

Article 39.6 provides that "If the vacancy is not filled under Article 39.5 hereof, it may be filled as a casual vacancy in accordance with the provisions, in so far as they are applicable, of Article 31 or Section 262 of the Act, and all the provisions of that Section shall apply accordingly."

Article 39.7 provides that "A Director who was removed from office under this Article shall not be re-appointed as a Director by the Board of Directors."

Article 39.8 provides that "The nominee directors of Promoters, Star and ChrysCapital shall be removed from the Board, with or without cause, upon, and only upon, the affirmative vote of the Promoters, Star and ChrysCapital in accordance with this Article and the provisions of the Act. Each of the Promoters, Star and ChrysCapital shall vote its Equity Shares for the removal of a Director upon the request of the Promoters, Star or ChrysCapital, whoever nominated such Director. Otherwise, no shareholder shall vote for the removal of a Director. In the event any Director resigns or is removed in accordance with this Article, the Promoters, Star or ChrysCapital, whoever nominated such Director, will have the right to elect such Director's successor or replacement and such successor or replacement Director shall be nominated and elected on or as soon as possible after the date of such resignation or removal. However, if any Director nominated by the Promoters, Star or ChrysCapital resigns or is removed, the Promoters, Star and ChrysCapital shall, before the transaction of any other business by the Promoters, Star and ChrysCapital or the Board, elect the successor or replacement nominated by the concerned party among the Promoters, Star and ChrysCapital."

Chairman of the board

Article 48 provides that "The Chairman of the Board shall be selected by a majority vote of the Board. The Chairman shall not have a casting vote. The Chairman shall conduct the proceedings of Board Meetings."

Alternate director

Article 30.1 provides that "The Board of Directors of the Company 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 meetings are generally held and such appointment shall have effect and such appointee, whilst he holds office as an Alternate Director shall be entitled to notice of meetings of the Directors and to attend and vote thereat accordingly. An Alternate Director appointed under this Article shall not hold office as such for a period longer than that permissible to the original Director in whose place he has been appointed and shall vacate office if and when the original Director returns to the said state. If the term of office of the original Director is determined before he so returns to the said state, any provision in the Act or in these Articles for the automatic re-appointment of retiring Directors in default of another appointment shall apply to the original Director and not to the Alternate Director."

Remuneration of Directors

Article 33.1 provides that "The maximum remuneration of a Director for his services shall be such sum as may be prescribed by the Act or the Central Government from time to time for each meeting of the Board of Directors attended by him. Subject to the limitation provided by the Act, such remuneration and/or additional remuneration as may be fixed by the Board, may be paid to any one or more of the Directors for services rendered by him or them; and the Directors shall be paid further remuneration (if any) as the Company in General Meeting shall from time to time determine, and such further remuneration shall be divided among the Directors in such proportion and manner as the Board may from time to time determine and in default of such determination within the year equally. Such remuneration and/or additional remuneration may be by way of salary or commission on dividends, profits or turnover or by participation in profits or by any or all of those modes"

Article 33.2 provides that "Provided that any commission on dividends, profits or turnover or any participation in profits of the Company shall not exceed in the aggregate the equivalent of 3 per cent of the net profits of the Company as defined in Section 349 of the Act. Nothing in this Article shall restrict the right of the Board as regards the distribution of general bonus to all members of the staff."

Article 33.3 provides that "The Board may subject as aforesaid allow and pay to any Director who is not a *bona fide* resident of the place where a meeting is to be held who shall come to such place for the purpose of attending a meeting such sum as the Directors may consider fair compensation for travelling expenses, in addition to his fee for attending such meeting as above specified, and the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a committee appointed by the Board in terms of these Articles, and may pay the same."

Article 33.4 provides that "If any Director, being willing, shall be called upon to perform extra services, or to make any special exertions in going or residing out or otherwise for any of the purposes of the Company, the Company shall subject as aforesaid remunerate such Director either by a fixed sum or by a percentage of profits not exceeding 3 per cent of the net profits of the Company as defined in Section 349 of the Act or otherwise as may be determined by the Board and such remuneration may be either in addition to or in substitution for his remuneration above provided."

Director may contract with the Company

Article 42.1 provides that "Subject to the provisions of Articles 42.2, 42.3, 42.4 and 42.5 of this Article and the restrictions imposed by Article 47 and the other Articles hereof and the Act and the observance and fulfillment thereof, no Director shall be disqualified by his office from contracting with the Company either as vendor, purchaser, agent, broker or otherwise, nor shall any such contract, or any contract or arrangement entered into by or on behalf of the Company in which any Director shall be in any way interested, be avoided nor shall any Director so contracting or being so interested be liable to account to the Company for any profit realised by any such contract or arrangement by reason only of such Director holding that office, or of the fiduciary relation thereby established, but it is declared that the nature of his interest must be disclosed by him as provided by Articles 42.2, 42.3 and 42.4 hereof."

Article 42.2 provides that "Every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company shall disclose the nature of his concern or interest at a meeting of the Board of Directors or as provided by Article 42.4 hereof."

Article 42.3 provides that "In the case of a proposed contract or arrangement, the disclosure required to be made by Director under Article 42.2 above, shall be made at the meeting of the Board at which the question of entering into the contract or arrangement is first taken into consideration, or if the Director was not at the date of the meeting concerned or interested in the proposed contract or arrangement, at the first meeting of the Board held after he becomes so concerned or interested."

Article 42.4 provides that "In the case of any other contract or arrangement, the required disclosure shall be made at the first meeting of the Board held after the Director becomes concerned or interested in the contract or arrangement."

Article 42.5 provides that "For the purpose of this Article, a general notice given to the Board of Directors by a Director to the effect that he is a Director or member of a specified body corporate or is a member of a specified firm and is to be concerned or interested in any contract or arrangement which may after the date of the notice

be entered into with that body corporate or firm shall be deemed to be sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the financial year in which it is given but may be renewed for further periods of one financial year at a time by a fresh Notice given in the last month of the Financial year in which it would have otherwise expired. The general notice aforesaid and any renewal thereof shall be given at a meeting of the Board of Directors or the Director concerned shall take reasonable steps to secure that it is brought up and read at the first meeting, of the Board after it is given."

Article 42.6 provides that "Nothing in Articles 42.2, 42.3 and 42.4 hereof shall apply to any contract or arrangement entered into or to be entered into between the Company and any other Company where any one of the Directors of the Company or two or more of them together holds or hold not more than 2 per cent of the paid-up share capital in the other company."

Retirement by rotation of directors

Article 34.1 provides that "Not less than two-thirds of the total number of Directors of the Company shall be persons whose periods of office is liable to determination by retirement of Directors by rotation and save and otherwise expressly provided in the Act and these Articles, be appointed by the Company in General Meeting."

Article 34.2 provides that "The remaining directors shall be appointed in accordance with the provisions of these Articles and the Act."

Article 34.3 provides that "At the Annual General Meeting in each year one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or multiple of three, then the number nearest to one-third shall retire from office."

Article 34.4 provides that "Subject to the provisions of the Act and these Articles, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have been longest in office since their last appointment, but as between persons who became Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot. Subject to the provisions of the Act, a retiring Director shall retain office until the conclusion of the meeting at which his re-appointment is decided or his successor is appointed."

Article 34.5 provides that "Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment."

Register of directors etc. and notification of change to registrar

Article 44 provides that "A Director shall within twenty days of his appointment or relinquishment of his office as Director, Managing Director, Manager or Secretary, in any other body corporate disclose to the Company the particulars relating to his office in the other body corporate which are required to be specified under Section 303(1) of the Act. The Company shall enter the aforesaid particulars in a Register kept for that purpose in conformity with Section 303 of the Act."

Disclosure of holdings

Article 45 provides that "A Director shall give notice in writing to the Company of his holding of shares and debentures of the Company or its subsidiary, together with such particulars as may be necessary to enable the Company to comply with the provisions of Section 307 of the Act. If such notice be not given at a meeting of the Board of Directors, the Director shall take all reasonable steps to secure that it be brought up and read at the meeting of the Board next after it is given. The Company shall enter particulars of a Director's holding of shares as debentures as aforesaid in a Register kept for that purpose in conformity with Section 307 of the Act."

Managing or whole-time director(s)

Article 50.1 provides that "Subject to the provisions of the Act, the Board may from time to time appoint one or more of their body to be a Managing Director or Managing Directors (in which expression shall be included a Joint Managing Director) or Whole-time Director or Whole-time Directors of the Company for such term not exceeding five years at a time as they may think fit, to manage the affairs and business of the Company and may from time to time (subject to the provisions of any contract between him or them and the Company) remove or dismiss him or them from office and appoint another or others in his or their place or places."

Article 50.2 provides that "Subject to the provisions of the Act and of these Articles, a Managing Director or a Whole-time Director shall not, while he continues to hold that office, be subject to retirement by rotation under Article 34, if the Board so resolves at it's independent discretion, but he shall, subject to the provisions of any contract between him and the Company, be subject to the same provisions as to resignation and removal as the other Directors of the Company and he shall *ipso facto* and immediately cease to be a Managing Director or Whole-time Director if he ceases to hold the office of Director for any cause, provided that if at any time the number of Directors (including the Managing Director or Whole-time Director) as are not subject to retirement by rotation shall exceed one-third of the total number of the Directors for the time being, then such Managing Director or Whole-time Director, as the Directors shall from time to time select, shall be liable to retirement by rotation in accordance with Article 34 to the intent that the Directors not liable to retirement by rotation shall not exceed one-third of the total number of Directors for the time being."

Article 50.3 provides that "The remuneration of a Managing Director or Whole-time Director (subject to Section 309 and other applicable provisions of the Act and of these Articles and of any contract between him or them and the Company) shall from time to time be fixed by the Board and may be by way of fixed salary, or commission on profits of the Company or by participation in any such profits or by any or all of those modes. A Managing Director or Whole-time Director shall not receive or be paid any commission on sales or purchases made by or on behalf of the Company."

Article 50.4 provides that "Subject to the superintendence, control and direction of the Board of Directors, the day to day management of the Company shall be in the hands of the Director or Directors appointed under Article 50, with power to the Directors to distribute such day to day management functions among such Directors, if more than one, in any manner as directed by the Board or to delegate such power of distribution to any one of them. The Board may from time to time entrust to and confer upon a Managing Director or Whole-time Director for the time being save as prohibited in the Act, such of the powers exercisable under these presents by the Board as they 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 they think expedient and they may subject to the provisions of the Act and these Articles confer such powers either collaterally with or to the exclusion of or in substitution for all or 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."

Board meetings

Article 52.1 provides that "Meetings of the Board shall take place at least once in every three-month period. Meetings shall be held in Mumbai, or in any other location approved by the Board."

Article 52.2 provides that "A meeting may be called by the Chairman of the Board or any two other Directors giving notice in writing to the Company Secretary specifying the date, time and agenda for such meeting. The Company Secretary shall upon receipt of such notice give a copy of such notice to all Directors of such meeting, accompanied by a written agenda specifying the business of such meeting. The copies of all papers relevant for such meeting shall be given to all Directors at least 14 days prior to the date of the Board meeting. Not less than 14 days notice shall be given to all Directors. However, such notice period may be reduced with the written consent of all of the Directors."

Article 52.3 provides that "Subject to the provisions of the Act, all meetings of the Board shall require a quorum of at least two Directors or one-third the total number of Directors (any fraction to be rounded off to the next whole number) whichever is greater. If such a quorum is not present within one hour from the time appointed for the meeting, the meeting shall adjourn to the same place and time seven days later."

Article 52.4 provides that "At any Board meeting, each Director may exercise one vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted meeting of the Board."

Article 52.5 provides that "If permitted by the Act, the Directors may participate in Board Meetings by telephone or video conferencing or any other means of contemporaneous communication, provided each person taking part in the meeting is able to hear each other person taking part and provided further that each Director must acknowledge his presence for the purpose of the meeting and any Director not doing so shall not be entitled to speak or vote at the meeting. The Parties acknowledge, however, that as of the date hereof, the Act does not presently deem such participation to constitute presence "in person" for purposes of quorum."

Article 52.6 provides that "The reasonable local costs of attendance of Directors at Board meetings shall be borne by the Company."

Article 52.7 provides that "Subject to any additional requirements imposed by the Act, the day to day policy and management matters of the Company shall be managed by the Chief Executive Officer under the supervision of the Board. Board meetings shall be held in English. Minutes of the Board meetings shall be kept in the English language."

Article 52.8 provides that "A resolution shall be deemed to have been duly passed by the Board by circulation if the resolution has been circulated together with necessary papers, if any, to all the Directors or their alternates at their respective addresses provided for such purpose and has been approved by a majority of the Board members in accordance with the provisions of the Act."

Article 52.9 provides that "The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such member or members of its body as it thinks fit."

Article 52.10 provides that "Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board."

Article 52.11 provides that "A committee may elect a Chairman of its meeting."

Acts of board or committees valid notwithstanding defect in appointment

Article 55 provides that "Subject to the provisions of the Act and these Articles, all acts done by any meeting of the Board or by a Committee of Directors or by any person acting as a Director shall, notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Directors or person acting as aforesaid, or that they or any of them were or was disqualified, be as valid as if every such person had been duly appointed and was qualified to be a Director."

Powers of directors

Article 57.1 provides that "Subject to the provisions of the Act and these Articles, the Board of Directors of the Company shall be entitled to exercise all such powers, and to do all such acts and things, as the Company is authorised to exercise and do; Provided that the Board shall not exercise any power to do any act or things which is directed or required, whether by the Act or any other Act or by the Memorandum or these Articles or otherwise, to be exercised or done by the Company in General Meeting; Provided further that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions contained in that behalf in the Act or in the Memorandum or in these Articles or in any regulations not inconsistent therewith and duly made thereunder including regulations made by the Company in General Meeting."

Article 57.2 provides that "No regulations made by the Company in General Meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made."

Consent of company necessary for the exercise of certain powers

Article 58.1 provides that "The Board of Directors shall not except with the consent of the Company in general meeting:-

(a) sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking of the whole, or substantially the whole, of any such undertaking;

(b) remit, or give time for the repayment of, any debt due by a Director;

(c) invest otherwise than in trust securities, the amount of compensation received by the Company in respect of the compulsory acquisition of any such undertaking as is referred to in clause (a) above, or of any premises or properties used for any such undertaking and without which it cannot be carried on or can be carried on only with difficulty or only after a considerable time;

(d) borrow moneys in excess of the limits provided in Article 22.

(e) contribute to charitable and other funds not directly relating to the business of the Company or the welfare of its employees, any amounts the aggregate of which will, in any financial year, exceed fifty thousand rupees or five per cent of its average net profits as determined in accordance with the Act during the three financial years immediately preceding whichever is greater."

Budget committee

Article 60.1 provides that "Subject to applicable law, for so long as Star holds not less than 75% of the Adjusted Star Securities, the Company shall prepare annual operating and capital budgets and business plans ("Annual Budget") for the Company which shall contain any and all market feasibility studies; financial and investment projections and schedules; pro forma balance sheets and financial statements; projected flow of funds; a capital budget and an expense budget; schedules of amounts and form of additional funding; projections of anticipated operating revenue and operating expenses for such succeeding Financial Year in detail, including without limitation, projected personnel positions, compensation, bonus calculations, financing arrangements, and all other expenditures material to the operation of the Company; line items in respect of each Key Parameter; and any borrowing requirements. The Annual Budget shall be prepared in accordance with the following procedure:

(a) The Annual Budget shall be prepared by a committee (the "Budget Committee") consisting of three members, all of whom shall be Senior Officers. The Budget Committee shall invite one nominee of the Promoters and one nominee of Star to be special invitees to each meeting of the Budget Committee;

(b) The Budget Committee shall meet 90 days prior to the commencement of each Financial Year to prepare the Annual Budget for the next Financial Year and shall circulate the same to the Board Members no less than 60 days prior to the commencement of the Financial Year. Any such Annual Budget shall be prepared in accordance with inputs and guiding principles provided by the Board in relation to indicative subscriber growth, revenue growth targets and projected means of finance and any agreed funds utilisation plans;

(c) The Board shall meet no less than 45 days prior to the commencement of the financial year to consider the Annual Budget. The Board may make recommendations or propose changes to the Budget Committee, which shall redraft the Annual Budget in accordance with these comments within 30 days and re-present the same to the Board;

(d) The Board shall adopt such Annual Budgets for the Company before the commencement of the relevant Financial Year. In the event that such Annual Budget is not approved by the Board prior to the commencement of any Financial Year, then the Board shall have been deemed to have approved a provisional budget ("Provisional Budget") that shall present in the aggregate an expense level that is 95% of the level of the prior year's Annual Budget (or, if an Annual Budget has not been approved in the prior year, the last Annual Budget so approved by the Board). However, such Provisional Budget shall remain effective until the Board has approved an Annual Budget for the applicable Financial Year; and

(e) In the event of an adverse deviation in excess of 15% from targets designated as Key Parameters in the Annual Budget for any quarter, any shareholder may call for an interim budget review by the Board."

Dividends and reserves

Article 65.1 provides that "Subject to the provisions of these Articles, and subject to the rights of the shareholders entitled to shares (if any) with preferential or social rights attached thereto the profits of the Company which it shall from time to time be determined to divide in respect of any year or other period shall be applied in the payment of a dividend on the Equity Shares of the Company but so that a partly paid-up share shall only entitle the holder with respect thereto to such proportion of the distribution upon a fully paid-up share as the amount paid thereon bears to the nominal amount of such share and so that where capital is paid-up in advance of calls upon the footing that the same shall carry interest, such capital shall not. whilst carrying interest, confer a right to participate in profits."

Article 65.2 provides that "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 fix the time for payment."

Article 65.3 provides that "No larger dividend shall be declared than is recommended by the Board but the Company in a General Meeting may declare a smaller dividend."

Article 65.4 provides that "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."

Article 65.5 provides that "The declaration of the Board as to the amount of the net profits of the Company shall be conclusive."

Article 65.6 provides that "The Board may, from time to time, pay to the shareholders such interim dividends as may appear to it to be justified by the profits of the Company."

Article 65.7 provides that "The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks proper as a reserve or 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, including provision for meeting contingencies or for equalising dividends and pending such application, may at the like discretion, either be employed in the Business or be invested in such investment (other than shares) as the Board may, from time to time, think fit."

Article 65.8 provides that "The Board may also carry forward any profits, which it may think prudent not to divide, without setting them aside as a reserve."

Article 65.9 provides that "Any dividend, interest or other moneys payable in cash in respect of shares may be paid by cheque (including other means permissible under law for the time being in force) or by bank transfer or such other method as agreed between the shareholders or warrant sent through the post directed to the registered address of the shareholder or to such Person and to such address as the shareholder may in writing direct. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission or for any dividend lost to the member or person entitled thereto by the forged endorsement of any cheque or warrant or the forged signature of any pay slip or receipt or the fraudulent recovery of the dividend by any other means. If several persons are registered as joint-holders of any shares, any one of them can give effectual receipts for any dividends or other moneys payable in respect thereof. No unclaimed dividend shall be forfeited before the claim thereto becomes barred by law. The Board may annul such forfeiture and pay any such dividend."

Article 65.10 provides that "Notice of any dividend that may have been declared shall be given to the Persons entitled to share therein in the manner mentioned in the Act."

Article 65.11 provides that "No dividend shall bear interest against the Company."

Article 65.12 provides that "Where the Company has declared a dividend but which has not been paid or claimed within 30 days from the date of declaration, transfer the total amount of dividend which remains unpaid or unclaimed within the said period of 30 days, to a special account to be opened by the company in that behalf in any scheduled bank, to be called " Unpaid Dividend Account" Any money transferred to the unpaid dividend account of a company which remains unpaid or unclaimed fora period of seven 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. No unclaimed or unpaid dividend shall be forfeited by the Board."

Persons entitled may receive dividend

Article 66 provides that "A Person entitled to any Securities by transmission shall, subject to the right of the Board to retain such dividends or money as hereinafter provided, be entitled to receive and may be given a discharge for, any dividends or other moneys payable in respect of the Securities."

Capitalisation of profits

Article 69.1 provides that "Any general meeting may, upon the recommendation of the Board, resolve that any amounts standing to the credit of the securities premium account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and, where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other

Fund of the Company or in the hands of the Company and available for dividend be capitalised:-

(a) by the issue and distribution as fully paid up, of shares and if and to the extent permitted by the Act, of debentures, debenture stock, bonds or other obligations of the Company, or

(b) by crediting shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the securities premium account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.

Provided further that notwithstanding anything contained hereinabove, any amounts standing to the credit of the Securities Premium Account may also be utilised (other than for Capitalisation), in accordance with the provisions of law."

Capitalisation

Article 69.1 provides that "Any general meeting may, upon the recommendation of the Board, resolve that any amounts standing to the credit of the securities premium account or the Capital Redemption Reserve Account or any moneys, investments or other assets forming part of the undivided profits (including profits or surplus moneys arising from the realisation and, where permitted by law, from the appreciation in value of any capital assets of the Company) standing to the credit of the General Reserve, Reserve or any Reserve Fund or any other Fund of the Company or in the hands of the Company and available for dividend be capitalised :-

(a) by the issue and distribution as fully paid up, of shares and if and to the extent permitted by the Act, of debentures, debenture stock, bonds or other obligations of the Company, or

(b) by crediting shares of the Company which may have been issued and are not fully paid up, with the whole or any part of the sum remaining unpaid thereon.

Provided that any amounts standing to the credit of the securities premium account or the Capital Redemption Reserve Account shall be applied only in crediting the payment of capital on shares of the Company to be issued to members (as herein provided) as fully paid bonus shares.

Provided further that notwithstanding anything contained hereinabove, any amounts standing to the credit of the Securities Premium Account may also be utilised (other than for Capitalisation), in accordance with the provisions of law."

Article 69.2 provides that "Such issue and distribution under (1)(a) above and such payment to credit to unpaid share capital under (1)(b) above shall be made to, among and in favour of the members or any class of them or any of them entitled thereto and in accordance with their respective rights and interests and in proportion to the amount of capital paid up on the shares held by them respectively in respect of which such distribution under (1)(a) or payment under (1)(b) above shall be made on the footing that such members become entitled thereto as capital."

Article 69.3 provides that "The Board shall give effect to any such resolution and apply such portion of the profits, General Reserve, Reserve or Reserve Fund or any other Fund or account as aforesaid as may be required for the purpose of making payment in full for the shares, debentures or debenture-stocks, bonds or other obligations of the Company so distributed under (1)(a) above or (as the case may be) for the purpose of paying, in whole or in part, the amount remaining unpaid on the shares which may have been issued and are not fully paid up under (1)(b) above provided that no such distribution or payment shall be made unless recommended by the Board and if so recommended such distribution and payment shall be accepted by such members as aforesaid in full satisfaction of their interest in the said capitalised sum."

Article 69.4 provides that "For the purpose of giving effect to any such resolution the Board may settle any difficulty which may arise in regard to the distribution or payment as aforesaid as they think expedient and in particular they may issue fractional certificates and may fix the value for distribution of any specific assets and may determine that cash payments be made to any members on the footing of the value so fixed and may vest any such cash, shares, debentures, debenture-stock, bonds or other obligations in trustees upon such trusts for

the persons entitled thereto as may seem expedient to the Board and generally may make such arrangement, for the acceptance, allotment and sale of such shares, debentures, debenture-stock, bonds or other obligations and fractional certificates or otherwise as they may think fit."

Article 69.5 provides that "When deemed requisite a proper contract shall be filed in accordance with the Act and the Board may appoint any person to sign such contract on behalf of the members entitled as aforesaid and such appointment shall be effective"

Article 69.6 provides that "Subject to the provisions of the Act and these Articles in cases where some of the shares of the Company are fully paid and others are partly paid, only such capitalisation may be effected by the distribution of further shares in respect of the fully paid shares, and by crediting the partly paid shares with the whole or part of the unpaid liability thereon but so that as between the holders of the fully paid shares, and the partly paid shares the sums so applied in the payment of such further shares and in the extinguishment or diminution of the liability on the partly paid shares shall be so applied pro rata in proportion to the amount then already paid or credited as paid on the existing fully paid and partly paid shares respectively."

Indemnity

Article 67.1 provides that "Subject to the provisions of the Act, every Director, Manager, Secretary, Auditor and other Officer or Servant of the Company shall be indemnified by the Company against all costs, losses, travelling and other expenses which such Officer or Servant may incur or become liable to by reason of any contract entered into or act done by him as such Officer or Servant or in any way in the discharge of his duties and the amount for which such indemnity is provided shall be a charge on the property and assets of the Company and have priority over all other claims unless such loss or expenses shall be incurred through his willful negligence."

Article 67.2 provides that "Subject to the provisions of the Act, and so far as such provisions permit, no Director, auditor or other officer of the Company shall be liable for acts, receipts, neglects or defaults of any other Director, Officer or for joining in any receipt to other act for conformity, or for any loss or expenses happening to the Company through the insufficiency or deficiency of the title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss occasioned by any error of judgement, omission, default or oversight in his part, or for any loss, damages, misfortune, omission, default or oversight on his part, or for any loss, damages, misfortune whatever which shall happen in the execution of the duties or in relation thereto unless the same happens through his own wilful neglect or default respectively."

Accounts and Audit

Article 68.1 provides that "An annual audit of the books of accounts, records and affairs of the Company shall be made each year immediately following the close of the Financial Year."

Article 68.2 provides that "The Company shall keep at its registered office proper books of accounts with respect to :

(a) all sums of money received and expended by the Company and the matters in respect of which the receipt and expenditure take place;

(b) all sales and purchases of goods by the Company; and

(c) the assets and liabilities of the Company;

Provided that all or any of the books of account aforesaid may be kept at such other place in India as the Board of Directors may decide and when the Board of Directors so decides, the Company shall, within seven days of the decision, file with the Registrar a notice in writing giving the full address of that other place."

Article 68.3 provides that "If the Company shall have a branch office, whether in or outside India, proper books of account relating to the transactions effected at that office shall be kept at that office, and proper summarised returns, made upto date at intervals of not more than three months, shall be sent by the branch office to the Company at its registered office or other place in India, as the Board thinks fit, where the main books of the Company are kept."

Article 68.4 provides that “All the aforesaid books shall give a fair and true view of the affairs of the Company or of its branch office, as the case may be, with respect to the matters aforesaid, and explain its transactions.”

Article 68.5 provides that “The Books of Account and other books and papers shall be open to inspection by any Director during business hours.”

Article 68.6 provides that “The Books of Account, together with the vouchers relevant to any entry in such Books of Account of the Company relating to a period of not less than eight years or such lesser period as may be permitted by the Act immediately preceding the current year shall be preserved in good order.”

Article 68.7 provides that “The Company shall and shall cause the Subsidiaries to keep proper, complete and accurate books and accounts in Indian rupees in accordance with generally accepted accounting and auditing principles prevailing in India. The Company shall have its and its Subsidiaries' accounts audited annually in accordance with such standards by a firm of reputable national accountants.”

Article 68.8 provides that “The Board 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 and books of the Company or any of them shall be open to the inspection of members not being Directors and no member (not being a Director) shall have any right of inspecting any account or book or document of the Company except as conferred by law or authorised by the Directors or by the Company in general meeting.”

Article 68.9 provides that “For so long as Star holds not less than 75% of the Adjusted Star Securities the Company shall appoint a reputable firm of international accountants nominated by Star, to prepare on a quarterly basis a reconciliation of the Company's books and accounts to each of GAAP and Australian GAAP and to issue an opinion with respect thereto. The Company shall bear all costs in relation to such reconciliations and shall instruct the then current auditors of the Company to provide all necessary assistance to such international accountants for preparation of such reconciliation. Additionally, Star shall have the right to appoint any reputable firm of international accountants, at its cost, as internal auditor for the Company and one or more of its Subsidiaries (other than Hathway Bhawani Cabletel & Datacom Limited).”

Article 68.10 provides that “The Company shall provide to Star or its nominees, in relation to itself and its Subsidiaries, all information and reports as agreed relevant by the Company and Star and / or reasonably requested by Star or the Star Director in compliance with the practice followed in this regard, after complying with the requirements of applicable law. Each Director shall be entitled to examine the books and accounts of the Company. The Company shall provide information relating to the business affairs and financial position of the Company as such Director may require. Any Director may provide such information to the shareholder that nominated it.”

SECTION XII: 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 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 Prospectus, delivered to the Registrar of Companies for registration and also the documents for inspection referred to hereunder, may be inspected at the Company's registered office at "Rahejas", 4th Floor, Corner of Main Avenue & V. P. Road, Santacruz (West), Mumbai - 400 054, Maharashtra, India from 11.00 a.m. to 5.00 p.m. on working days from the date of this Prospectus until the date of Allotment.

Material contracts

1. Issue Agreement dated September 28, 2009 among our Company, the GCs, the BRLM and the Selling Shareholders.

2. Memorandum of understanding dated September 24, 2009 between our Company and the Registrar to the Issue.

3. Escrow agreement dated February 4, 2010 among our Company, the Selling Shareholders, the GCs, the BRLM, the Syndicate Members, the Escrow Collection Banks, and the Registrar to the Issue.

4. Syndicate agreement dated February 4, 2010 among our Company, the Selling Shareholders the GCs, the BRLM and the Syndicate Members.

5. Underwriting agreement dated February 13, 2010 between our Company, the Selling Shareholders, the GCs, the BRLM and the Syndicate Members.

Material documents

1. Our Company's Memorandum and Articles of Association, as amended.

2. Shareholders' resolution dated September 23, 2009 in relation to the Fresh Issue and other related matters.

3. Resolution of the Board dated September 21, 2009 authorising the Fresh Issue.

4. Resolutions of the Board dated April 26, 2007 for the appointment of Mr. K. Jayaraman as the managing director and CEO of our Company and dated February 12, 2010 extending the term of Mr K. Jayaraman's appointment.

5. Resolution of the shareholders of the Company dated February 13, 2010 authorising the extension of the term of Mr. K. Jayaraman's appointment as managing director and CEO.

6. Resolution of the IPO Committee dated February 13, 2010 approving the Issue Price.

7. Resolution of the board of directors of MSPI dated September 24, 2009, authorising the Offer for Sale.

8. Resolution of the board of directors of Monet dated September 16, 2009, authorising the Offer for Sale.

9. Restated And Amended Shareholders' Agreement dated April 28, 2007 among the Company, Asian Cable Systems Private Limited**,** Hathway Investments Private Limited, Akshay Raheja, Viren Raheja, and Spur Cable & Datacom Private Limited.

10. Shareholders' agreement dated April 28, 2007 among the Company, Monet, Asian Cable Systems Private Limited, Hathway Investments Private Limited, Akshay Raheja, Viren Raheja, Spur Cable & Datacom Private Limited and Rajan Raheja.

11. Shareholders' agreement dated May 21, 2008 among the Company, Monet, Asian Cable Systems Private Limited, Kaup Capital, MSPI, Hathway Investments Private Limited, Akshay Raheja, Viren Raheja, Spur

Cable & Datacom Private Limited and Rajan Raheja.

12. Shareholders' agreement dated October 10, 2008 among our Company, Monet, Asian Cable Systems Private Limited, Kaup Capital, MSPI, Arcadia, Hathway Investments Private Limited, Akshay Raheja, Viren Raheja, Spur Cable & Datacom Private Limited and Rajan Raheja.

13. Master Lease Lease Agreement dated August 26, 2005 between Cisco Systems Capital (India) Private Limited and the Company.

14. Brand usage agreement dated September 21, 2009 among our Company and Hathway Investments Private Limited.

15. Channel Mapping Agreement dated September 7, 2000 between the Company and News Television (India) Limited.

16. Supply Agreement dated August 21, 2009 between our Company and Shenzhen Skyworth Digital Technology Company Limited.

17. Auditors' Report as required by Part II of Schedule II of the Companies Act, 1956 and mentioned in this Prospectus dated January 16, 2010.

18. Copies of annual reports of our Company and our subsidiaries for the years ended March 31, 2009, 2008, 2007, 2006 and 2005.

19. Consent of G.M. Kapadia & Co., for inclusion of their report in the form and context in which they appear in this Prospectus.

20. Consents of Auditors, Bankers to the Company, GCs, BRLM, Syndicate Members, Registrar to the Issue, Escrow Bankers, Domestic Legal Advisor to the Company, Domestic Legal Advisor and International Legal Advisor to the GCs and the BRLM, monitoring agency, Directors of our Company, Company Secretary and Compliance Officer, as referred to, in their respective capacities.

21. Applications dated October 1, 2009 for in-principle listing approval to the NSE and BSE.

22. In-principle listing approval dated October 28, 2009 and October 30, 2009 from NSE and BSE, respectively.

23. Agreement among NSDL, our Company and the Registrar to the Issue dated June 12, 2008.

24. Agreement among CDSL, our Company and the Registrar to the Issue dated December 14, 2009.

25. Due diligence certificate dated September 29, 2009 to SEBI from the GCs and the BRLM.

26. SEBI observation letter January 13, 2010 and our in-seriatim reply to the same dated January 19, 2010.

27. Statement of possible tax benefits dated January 14, 2010.

28. Letter from CRISIL Limited on IPO grading dated December 23, 2009.

29. FIPB approval dated November 24, 2009.

30. RBI approval dated December 9, 2009.

31. Employment Agreement between Mr. K. Jayaraman and our Company dated April 26, 2007 and letter agreement dated February 15, 2010 extending the term of Mr. K. Jayaraman's appointment.

32. Sanction letter dated August 24, 2009 and letter of modification dated December 10, 2009 from Vijaya Bank.

33. Sanction letter dated January 14, 2010 from HDFC Limited.

34. The report titled "Indian Cable Television Industry, Market Overview", a standard industry report, published by Media Partners Asia Limited in the year 2009.

Any of the contracts or documents mentioned in this 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.

ANNEXURE

IPO GRADING REPORT

DECLARATION

All relevant provisions of the Companies Act, 1956 and regulations or guidelines issued by the Government of India or the Securities and Exchange Board of India, established under Section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act, 1956, the Securities and Exchange Board of India Act, 1992 or rules, regulations or guidelines, made or issued thereunder, as the case may be. We further certify that all statements in this Prospectus are true and correct.

SIGNED BY ALL DIRECTORS:

- Mr. Rajan Raheja :
- Mr. Akshay Raheja :
- Mr. Viren Raheja :
- Mr. K. Jayaraman :
- Mr. Vinayak Agarwal :
- Mr. Jagdish Kumar G. :
- Mr. Brahmal Vasudevan :
- Mr. Uday Shankar :
- Mr. Bharat Shah :
- Mr. Sasha Mirchadani :
- Mr. Sridhar Gorthi :
- Mr. Devendra Shrotri :

SIGNED BY
THE PRESIDENT FINANCE &
COMPANY SECRETARY

Mr. Milind Karnik **:** _____

SIGNED BY THE VICE PRESIDENT –
FINANCE & ACCOUNTS:

Mr. D. Mahadevan **:** _____

SIGNED BY THE MANAGING DIRECTOR
& CEO:

Mr. K. Jayaraman **:** _____

Date : February 17, 2010

Place : Mumbai

DECLARATION OF THE SELLING SHAREHOLDERS

Each of the Selling Shareholders certify that all statements in this Prospectus about or relating to such Selling Shareholder are true and correct and each of the Selling Shareholders assumes responsibility only for the statements about or relating to such Selling Shareholder.

SIGNED ON BEHALF OF THE SELLING SHAREHOLDERS

For **MONET LIMITED**

Director/Authorised Signatory
Date: February 17, 2010

For **MSPI MAURITIUS I LIMITED**

Director/Authorised Signatory
Date: February 17, 2010